

September 30, 2005

For Immediate Release



Nippon Residential Investment
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Notification on Acquisition of Pacific Livew Kandahigashi

Nippon Residential Investment Corporation (NRI) announces the decision to acquire the following asset as detailed below.

1. Overview of Acquisition

(1) Property Name	Pacific Livew Kandahigashi (hereafter, the "Property") (Note)
(2) Asset Type	Real estate
(3) Acquisition Value	1,880,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
(4) Sales Agreement Date	September 30, 2005
(5) Scheduled Acquisition Date	In principle, NRI plans to acquire this property between October 7, 2005 and October 31, 2005 on a date separately agreed by NRI and the seller.
(6) Seller	The Japan General Estate Co., Ltd.

(7) Acquisition Funding	Cash on hand and debt financing
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(Note) The present name is “Grand City Axis Tower,” but the name will be changed without delay to the name given above after NRI acquires the Property.

2. Purpose of Acquisition

The Property will be acquired under the following objective based on NRI’s regulations and investment policy.

(1) Objective	In addition to heightening the portfolio share in the five central wards of Tokyo (Note), this will reduce the average age of our portfolio and enhance the portfolio.
(2) Property Characteristics	<p>The Property is a rental condominium that has a total of 64 units on 15 floors and is situated within a 4-minute walk from Shin-Nihombashi Station on the JR Sobu Line, 6-minute walk from Kanda Station on various JR lines and 5-minute walk from Kodanomacho Station on the Tokyo Metro Hibiya Line. The Property is positioned within walking distance from the Nihombashi and Akihabara areas where there is a concentration of retail properties and office buildings, and also has excellent access to other major business districts.</p> <p>In addition to the abovementioned location conditions, the Property exceeds the standard of similar rental condominiums in terms of overall design and quality of facilities. Therefore, we anticipate demand among small households desiring a favorable living environment in addition to businesspersons who place importance on location such as access convenience to major business districts. These factors make the property highly competitive.</p>

(Note) The five central wards of Tokyo are the Minato, Shibuya, Shinjuku, Meguro and Chiyoda Wards.

3. Description of Acquired Asset

(1) Overview of Real Estate

Property Name	Pacific Livew Kandahigashi
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Location (Note 1)		1-1 Iwamoto-cho, Chiyoda-ku, Tokyo (lot number) 1-2-1 Iwamoto-cho, Chiyoda-ku, Tokyo (residential)
Access		4-minute walk from Shin-Nihombashi Station on the JR Sobu Line 6-minute walk from Kanda Station on the JR Yamanote, Keihin-Tohoku and Chuo Lines 5-minute walk from Kodenmacho Station on the Tokyo Metro Hibiya Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot size (Note 1)	343.83m ²
	FAR/Building coverage ratio (Note 3)	800%/80%, 600%/80% (Note 8)
Structure	Ownership	Proprietary ownership
	Type (Note 1)	Apartment
	Floor space (Note 1)	3,031.78m ²
	Construction completed (Note 1)	October 2003
	Structure (Note 1)	15-story steel-framed reinforced concrete with flat roof
Acquisition Price		1,880,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Appraisal Method	Method	Appraisal by Daiwa Real Estate Appraisal Co., Ltd.
	Appraised Value	1,880,000,000 yen
	Appraised Date	August 10, 2005
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units (Note 9)	64 units (1R: 13 units; 1K: 4 units; 1DK: 6 units; 1LDK: 35 units; 2LDK: 6 units)
	Leased Units	64 units
	Total Leasable Area	2,544.25m ²

	Total Leased Area	2,544.25m ²
	Monthly Rent (Note 5)	8,550 thousand yen
	Deposit, etc. (Note 6)	–
	Occupancy (based on no. of units)	100.0% (Note 7)
	Occupancy (based on area)	100.0% (Note 7)
Other Special Notations		As of the day this sales agreement was concluded, a fixed mortgage is taken out and registered on this land and building with the owner as the debtor. Based on this sales agreement, the owner is obligated to terminate the arranged fixed mortgage setting and registration under its responsibility and burden by the time the ownership of the property is transferred.

(Note 1) Information that appears on the registry was used for the location (excluding residential), lot size, type, floor space, construction completion date and structure.

(Note 2) The entry for the zoning is from the zoning type indicated in Article 8-1-1 of the City Planning Law.

(Note 3) The FAR uses the ratio of the floor area of the building versus the lot area as designated in the Building Standards Law Article 52 and the building coverage ratio uses the building area versus the lot area as designated in Article 53 of the Building Standards Law.

(Note 4) The overview of the lease lists the figures as of conclusion of the concerned sales agreement.

(Note 5) The monthly rent indicated is the total sum of the monthly rent (includes common expenses but excludes monthly parking space usage fees) of each of the tenants with whom lease agreements have been concluded as of the conclusion of the concerned sales agreement. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc. In addition, concerning sub-leased properties where a single sublessor subleases the property to multiple subtenants, the number of tenants is treated as one tenant.

(Note 6) The deposit, etc. is zero according to the master lease agreement (excludes

the portion used by the owner, etc.) signed by the owner as of the conclusion of the concerned sales agreement.

(Note 7) The occupancy rate is rounded to one decimal place.

(Note 8) The standard building coverage ratio for the concerned building has been deregulated to 100% as the concerned building is located in a commercial district and is a fire-resistant building in a fire zone. In addition, the designated FAR for this land is 800% up to 20 meters from the boundary with the road to the southwest and 600% for parts of the land beyond this. As a result, the standard FAR applicable to this land based on a proportional weighting of this area is 797.22%.

(Note 9) The following abbreviations have been used for leasable units.

- 1R: Single room with kitchen in the same room
- 1K: Single room + Kitchen
- 1DK: 1 bedroom + Dining room and kitchen
- 1 (or 2) LDK: 1 (or 2) bedroom(s) + Living room, dining room and kitchen
- 2SLDK: 2 bedrooms + Service room (study) + Living room, dining room and kitchen

Investigation of Building Conditions	Investigator	Tokyo Bldg-Tech Center Co., Ltd.
	Emergency Repairs	No (urgent repairs)
	Near-term Repairs	No (repairs needed within a year)
	Repairs and Upgrading Thought to be Needed Over Next 12 Years	5,110,000 yen
	Replacement Price	736,000,000 yen
	Date of Building Condition Report	September 1, 2005
Earthquake	PML Value	13.1%

Risk Analysis		<p>This PML value was calculated based on the earthquake risk analysis report issued by InterRisk Research Institute & Consulting, Inc. However, this report is no more than the viewpoint of InterRisk and the content is not guaranteed. PML, or probable maximum loss, refers to the probability of the maximum loss from an earthquake and in this case the level of damage that may result from the assumed maximum earthquake size (large earthquake that occurs once every 475 years = large earthquake with 10% or greater probability of occurring within 50 years) assumed for the assumed scheduled use period expressed as a percentage (%) of the replacement cost of the expenses expected to be required to restore the damages.</p>
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4. Seller Profile

Company Name	The Japan General Estate Co., Ltd.
Head Office Address	2-21-46 Takanawa, Minato-ku, Tokyo
Representative	Makoto Nishimaru, President and Representative Director
Paid-in Capital	4,291 million yen
Line of Business	<ol style="list-style-type: none"> 1. Real estate sale, purchase, brokering, leasing management and appraisal 2. Preparation of housing lots 3. Planning, design, construction, supervision and contracting for construction and civil engineering work 4. Real estate surveying 5. Consultant work related to real estate 6. Monetary financing 7. Management of sports and leisure facilities, and the sale and purchase of facility use rights

	8. Travel business based on the Travel Agency Law 9. Hotel and restaurant management 10. Warehousing, cargo vehicle operation, cargo vehicle handling and vehicle servicing businesses 11. Accepting orders for installation and maintenance of various building fittings, equipment and machinery 12. Sale, brokering, manufacturing and processing of furniture, interior decorations and housing-related facilities and equipment 13. Insurance agency work, insurance agency work based on the Automobile Liability Security Law and work related to selling life insurance 14. All work related to the above
Relationship with NRI	None

5. Outlook

The management performance outlook for NRI for the fiscal period ending in November 2005 (June 1, 2005 – November 30, 2005) does not change as a result of acquisition of the Property.

- This document was distributed to the press clubs within the Tokyo Stock Exchange, Ministry of Land, Infrastructure and Transport and construction trade newspaper of the Ministry of Land, Infrastructure and Transport.
- Nippon Residential Investment Corporation's website is <http://www.nric.co.jp>

[Attachment 1] NRI's Real Estate Portfolio Following Acquisition of the Property

Asset Type (Note 1)	Property No. (Note 2)	Location	Property Name	(Planned) Acquisition Date	(Planned) Acquisition Price (million yen)	Portfolio Share (%) (Note 3)
Core 1	S-8	23 wards of Tokyo	Pacific Residence Shin-Nakano	March 3, 2004	448	0.26
Core 1	S-19	23 wards of Tokyo	Pacific Residence Yushimasanchome	December 3, 2004	1,020	0.59
Core 1	S-20	5 central wards of Tokyo	Pacific Residence Shinjuku East	December 3, 2004	1,397	0.81
Core 1	S-22	5 central wards of Tokyo	Pacific Residence Kanda Iwamotocho	December 3, 2004	1,657	0.96
Core 1	S-24	23 wards of Tokyo	Pacific Residence Tsukiji (planned acquisition)	(Note 4)	1,320	0.77
Core 1	S-25	23 wards of Tokyo	Pacific Residence Sasaduka	March 25, 2005	1,950	1.13
Core 1	S-26	5 central wards of Tokyo	Pacific Residence Minamiazabu	March 25, 2005	1,060	0.62
Core 1	S-27	5 central wards of Tokyo	Pacific Residence Ebisuhighashi	March 25, 2005	660	0.38
Core 1	S-28	23 wards of Tokyo	Pacific Residence Meguronishi	March 25, 2005	800	0.47
Core 1	S-29	5 central wards of Tokyo	Pacific Residence Hiroo Sanchome	March 25, 2005	850	0.49
Core 1	S-30	5 central wards of Tokyo	Pacific Residence Akasaka II	March 15, 2005	1,567	0.91
Core 1	S-31	23 wards of Tokyo	Pacific Livew Kyobashi	March 31, 2005	1,401	0.81
Core 1	S-32	Ordinance designated city, etc.	Pacific Residence Sannomiya Higashi (planned acquisition)	(Note 5)	2,247	1.31
Core 1	S-33	23 wards of Tokyo	Pacific Livew Tamagawa	August 12, 2005	1,514	0.88
Core 1	S-35	23 wards of Tokyo	Pacific Livew Ginza Higashi	August 12, 2005	2,348	1.37
Core 1	S-38	23 wards of Tokyo	Pacific Livew Wasedanishi	September 7, 2005	1,100	0.64
Core 1	C-1	23 wards of Tokyo	Pacific Residence Bunkyo Otowa	March 3, 2004	3,590	2.09
Core 1	C-2	23 wards of Tokyo	Pacific Residence Sengoku	March 3, 2004	760	0.44
Core 1	C-4	23 wards of Tokyo	Pacific Residence Yushima	March 3, 2004	1,110	0.65
Core 1	C-8	Tokyo metropolitan area	Pacific Livew Hachioji	March 3, 2004	700	0.41
Core 1	C-12	5 central wards of Tokyo	Pacific Residence Suidobashi	February 25, 2005	2,330	1.35
Core 1	C-13	5 central wards of Tokyo	Pacific Tower Nogizaka	September 30, 2004	3,900	2.27
Core 1	C-14	5 central wards of Tokyo	Pacific Residence Akasaka I	June 30, 2004	1,300	0.76
Core 1	C-18	23 wards of Tokyo	Pacific Residence Ningyoucho	December 3, 2004	572	0.33
Core 1	C-19	5 central wards of Tokyo	Pacific Residence Daikanyama	December 3, 2004	2,180	1.27
Core 1	C-20	5 central wards of Tokyo	Pacific Residence Ichigaya	December 3, 2004	2,580	1.50
Core 1	C-22	23 wards of Tokyo	Pacific Residence Bunkyo Sengoku	May 18, 2005	1,557	0.91
Core 1	C-23	5 central wards of Tokyo	Pacific Residence Akasaka Hinokicho	March 25, 2005	4,710	2.74
Core 1	C-24	5 central wards of Tokyo	Pacific Residence Takanawa	March 30, 2005	1,550	0.90
Core 1	C-25	23 wards of Tokyo	Pacific Tower Meguro Yamate (planned acquisition)	(Note 6)	14,507	8.44
Core 1	C-27	5 central wards of Tokyo	Pacific Livew Chojamaru	August 12, 2005	3,338	1.94
Core 1	C-30	5 central wards of Tokyo	Pacific Livew Kandahigashi	(Note 7)	1,880	1.09

			(planned acquisition)			
Core 1	F-3	23 wards of Tokyo	Pacific Residence Shinkawa	March 3, 2004	1,420	0.83
Core 1	F-11	5 central wards of Tokyo	Pacific Residence Shibaura	December 3, 2004	4,900	2.85
Core 1	F-12	Ordinance designated city, etc.	Pacific Residence Shirakabehigashi	August 5, 2005	1,070	0.62
Core 1	L-8	5 central wards of Tokyo	Pacific Tower Roppongi (planned acquisition)	(Note 8)	8,442	4.91
Core 1	L-9	5 central wards of Tokyo	Pacific Residence Kamimeguro	June 20, 2005	1,000	0.58
Core 1	L-10	5 central wards of Tokyo	Pacific Residence Yoyogikoen	August 19, 2005	1,310	0.76
Core 1	L-13	23 wards of Tokyo	Pacific Residence Oi	September 1, 2005	1,120	0.65
Core 2	S-1	23 wards of Tokyo	Glenpark Shinkawa	March 2, 2004	2,050	1.19
Core 2	S-2	5 central wards of Tokyo	Maison de Ville Shiba Daimon II	March 30, 2004	1,900	1.10
Core 2	S-14	23 wards of Tokyo	Apartments Shirokanedai	December 2, 2004	1,250	0.73
Core 2	S-15	Ordinance designated city, etc.	Grand Blue Hakata	September 17, 2004	1,582	0.92
Core 2	S-17	23 wards of Tokyo	Park Habio Kyobashi	December 2, 2004	2,725	1.58
Core 2	S-18	Ordinance designated city, etc.	Cristate Tenjinbashi	December 3, 2004	970	0.56
Core 2	S-21	5 central wards of Tokyo	Shu Shinjuku	December 3, 2004	854	0.50
Core 2	S-23	Ordinance designated city, etc.	Umeda Excelheights	January 31, 2005	5,250	3.05
Core 2	C-3	5 central wards of Tokyo	Joanna Jiyugaoka	March 3, 2004	1,080	0.63
Core 2	C-10	Ordinance designated city, etc.	Veil Koyo	March 2, 2004	454	0.26
Core 2	C-11	5 central wards of Tokyo	J Park Nagatacho	June 24, 2004	1,000	0.58
Core 2	C-15	5 central wards of Tokyo	Apartments Nishi-Azabu	December 2, 2004	7,920	4.61
Core 2	C-16	Ordinance designated city, etc.	Sereno Tenjin Minami	December 3, 2004	1,200	0.70
Core 2	C-17	Ordinance designated city, etc.	Common House Hakataeki-Minami	December 3, 2004	420	0.24
Core 2	C-21	Tokyo metropolitan area	Espacio Kichijoji	January 31, 2005	1,445	0.84
Core 2	C-26	23 wards of Tokyo	Storia Sangen-Jaya	April 26, 2005	3,311	1.93
Core 2	C-29	Ordinance designated city, etc.	Mare (planned acquisition)	(Note 9)	963	0.56
Core 2	F-1	5 central wards of Tokyo	Glenpark Sakuragaoka	March 2, 2004	3,960	2.30
Core 2	F-2	5 central wards of Tokyo	Mejiro Otomeyama Duplex R's	March 3, 2004	1,100	0.64
Core 2	F-10	23 wards of Tokyo	Solcher Mejiro	August 30, 2004	7,350	4.27
Core 2	L-2	5 central wards of Tokyo	Bellwood	March 3, 2004	1,530	0.89
Core 2	L-3	5 central wards of Tokyo	Grand Forme Ichigaya Haraikatamachi	March 3, 2004	970	0.56
Core 2	L-6	23 wards of Tokyo	Nishi-Ogikubo Urbane Homes	March 2, 2004	1,050	0.61
Core 2	L-7	5 central wards of Tokyo	Motoazabu Place	March 25, 2005	10,270	5.97
Core 2	L-11	5 central wards of Tokyo	Windsor House Hiroo	September 1, 2005	2,000	1.16
Total acquisition price of core properties					149,774	87.09
Sub-Core	S-3	5 central wards of Tokyo	Glenpark Sangubashi	March 2, 2004	1,040	0.60

Sub-Core	S-4	5 central wards of Tokyo	Fresca Yoyogiuehara II	March 3, 2004	524	0.30
Sub-Core	S-5	5 central wards of Tokyo	Leopalace Udagawacho Mansion	March 3, 2004	569	0.33
Sub-Core	S-6	5 central wards of Tokyo	Veil Kikuicho	March 2, 2004	520	0.30
Sub-Core	S-7	23 wards of Tokyo	Escort Kami-Ikebukuro	March 2, 2004	644	0.37
Sub-Core	S-9	Tokyo metropolitan area	Dormitory Haramachida	March 2, 2004	490	0.28
Sub-Core	S-10	Tokyo metropolitan area	J Stage Minami-Urawa	March 2, 2004	700	0.41
Sub-Core	S-11	Tokyo metropolitan area	City Forum Kami-Hongo (planned sale) (Note 10)	March 3, 2004	1,140	0.66
Sub-Core	S-12	Ordinance designated city, etc.	Bonne Uji I and II	March 3, 2004	1,260	0.73
Sub-Core	S-13	Ordinance designated city, etc.	Yoshizuka AG Building 6 and 7	March 3, 2004	428	0.25
Sub-Core	S-16	23 wards of Tokyo	J Stage Honancho	December 2, 2004	952	0.55
Sub-Core	S-34	23 wards of Tokyo	Maison Korakuen	August 12, 2005	710	0.41
Sub-Core	S-36	23 wards of Tokyo	Relation Oji	August 12, 2005	1,027	0.60
Sub-Core	S-37	23 wards of Tokyo	No. 6 Zerkova Mansion	August 12, 2005	609	0.35
Sub-Core	C-6	23 wards of Tokyo	Zesty Ikegami A and B	March 3, 2004	381	0.22
Sub-Core	C-7	23 wards of Tokyo	Wakohre Higashi-Nippori II (planned sale) (Note 10)	March 2, 2004	972	0.57
Sub-Core	C-9	Ordinance designated city, etc.	Grand Heights Hibino	March 3, 2004	1,230	0.72
Sub-Core	C-28	5 central wards of Tokyo	L'air Minami Aoyama	September 29, 2005	1,030	0.60
Sub-Core	F-4	23 wards of Tokyo	Setagaya Sun Heights	March 3, 2004	982	0.57
Sub-Core	F-5	23 wards of Tokyo	Ars Shin-Otsuka	March 2, 2004	1,117	0.65
Sub-Core	F-6	Tokyo metropolitan area	Crane Mansion Tsurumi	March 3, 2004	1,050	0.61
Sub-Core	F-8	Tokyo metropolitan area	Maison Kashiwa	March 2, 2004	840	0.49
Sub-Core	F-9	Ordinance designated city, etc.	Sky Heights Hirabari	March 3, 2004	554	0.32
Sub-Core	L-1	23 wards of Tokyo	Manoa Okamoto	March 2, 2004	590	0.34
Sub-Core	L-4	5 central wards of Tokyo	Meguro Hillside Court	March 3, 2004	1,000	0.58
Sub-Core	L-5	23 wards of Tokyo	Petit Cour Kinuta	March 2, 2004	684	0.40
Sub-Core	L-12	5 central wards of Tokyo	SOHO Kita Aoyama	September 29, 2005	1,160	0.67
Total acquisition price of sub-core assets					22,203	12.91
Total acquisition price of entire portfolio					171,977	100.00

(Note 1) Asset Type (Core/Sub-Core)

Based on the asset management property targets and policy designated in the bylaws of NRI, the respective properties are indicated as “Core (assets)” when they are appropriate for long-term ownership of more than ten years and “Sub-Core (assets)” in other cases.

In addition, “Core (assets)” are further broken down into “Core 1,” which are properties named “Pacific,” and other properties as “Core 2.”

- (Note 2) Each property managed by NRI are categorized into four property types S (single type), C (compact type), F (family type) and L (large type), and then assigned a number, which serves as the “Property No.” Further, properties that are comprised of several types are indicated by the type that comprises the greatest proportion of their area.
- (Note 3) The “Portfolio Share” is the ratio of the acquisition price for each managed asset versus the acquisition price of the entire portfolio (rounded to two decimal places).
- (Note 4) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.
- (Note 5) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.
- (Note 6) In principle, NRI plans to acquire this property by March 31, 2007 on a date separately agreed by NRI and the seller (planning to acquire by around February 2007).
- (Note 7) In principle, NRI plans to acquire this property between October 7, 2005 and October 31, 2005 on a date separately agreed by NRI.
- (Note 8) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.
- (Note 9) In principle, NRI plans to acquire this property between November 1, 2005 and November 11, 2005 on a date separately agreed by NRI and the seller.
- (Note 10) The beneficiary interests in trust for this property will be transferred on a date agreed to between the buyer and NRI by no later than November 25, 2005.

[Attachment 2] Outside View of the Property

