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For Immediate Release



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### Notification on Acquisition of Pacific Livew Wasedanishi

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 Wasedanishi (hereafter, the "Property")
(2) Asset Type	Real estate
(3) Acquisition Value	1,100,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
(4) Sales Agreement Date	September 7, 2005
(5) Scheduled Acquisition Date	September 7, 2005
(6) Seller	ORIX Real Estate Corporation (hereafter, "Seller")
(7) Financing	Cash on hand and debt financing

## 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 Tokyo metropolitan area (excluding the five central wards of Tokyo (Note)), this will enhance the portfolio by reducing the average age of our portfolio.
(2) Property Characteristics	<p>The Property is a 12-story rental condominium that has a total of 63 units and is situated within a 9-minute walk from Takadanobaba Station on the JR Yamanote Line, Tokyo Metro Tozai Line and Seibu Shinjuku Line. The Property has excellent access to major business districts and commercial centers like Ikebukuro and Shinjuku. In addition, there are many educational facilities, including universities and vocational schools, in the area.</p> <p>The Property exceeds the standard in terms of the interior and exterior design and facilities inside rental units, and we anticipate demand among singles that place importance on such conditions as proximity to downtown and singles commuting to universities, etc. in the area. 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. Details of Acquired Asset

### (1) Overview of Real Estate

Property Name	Pacific Livew Wasedanishi
Location (Note 1)	3-759-1 Takada, Toshima-ku, Tokyo (lot number) 3-33-6 Takada, Toshima-ku, Tokyo (residential)
Access	9-minute walk from Takadanobaba Station on the JR Yamanote Line, Tokyo Metro Tozai Line and Seibu Shinjuku Line

Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Quasi-industrial
	Lot size (Note 1)	613.25m <sup>2</sup>
	FAR/Building coverage ratio (Note 3)	400%/60%, 300%/60% (Note 4)
Structure	Ownership	Proprietary ownership
	Type (Note 1)	Apartment
	Floor space (Note 1)	1,807.82m <sup>2</sup>
	Construction completed (Note 1)	July 2005
	Structure (Note 1)	12-story steel-framed reinforced concrete with flat roof
	Leasable Units (Note 5)	63 units (1R: 10 units; 1K: 53 units)
	Total Leasable Area	1,450.16m <sup>2</sup>
Acquisition Price		1,100,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Special Notations		None
Appraisal Method	Appraisal method	Appraisal by Daiwa Real Estate Appraisal Co., Ltd.
	Appraised Value	1,100 million yen
	Appraised Date	July 20, 2005
Other Special Notations		None

(Note 1) Information that appears on the registry was used for the location (excluding residential), lot size, type, floor space, construction completed 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 standard building coverage ratio for the concerned building has been deregulated to 70% as the concerned building is a fire-resistant building in a fire zone. In addition, the designated FAR for this lot is 400% up to 30 meters from the boundary with the road to the west and 300% for parts of

the lot over 30 meters away. As a result, the standard FAR applicable to this lot based on a proportional weighting and the road frontage is 272.4%.

(Note 5) The following abbreviations have been used for leasable units.

1R: Studio room  
 1K: Studio room + Kitchen

Investigation of Building Conditions	Investigator	Tokyo Bldg-Tech Center Co., Ltd.
	Emergency Repairs	No (urgent repair costs)
	Near-term Repairs	No (repairs needed within a year)
	Repairs and Upkeep Thought to be Needed Over Next 12 Years	4,770,000 yen
	Replacement Price	450,000,000 yen
	Date of Building Condition Report	August 8, 2005
Earthquake Risk Analysis	PML Value	14.5%
		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 a perspective 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.

4. Seller Profile

Company Name	ORIX Real Estate Corporation
Head Office Address	2-4-1 Hamamatsu-cho, Minato-ku, Tokyo
Representative	Hiroaki Nishina, President
Paid-in Capital	200 million yen
Business Description	<ol style="list-style-type: none"> <li>1. Real estate leasing, sale, purchase, management and preparation of site for building lots</li> <li>2. Management of sports facilities such as golf courses and tennis courts, amusement facilities, and various other facilities like lodging, medical and educational training facilities; management of restaurants and travel business</li> <li>3. Monetary financing, sale and purchase of various credits, advances, guarantee and assumption of debt and other financial operations</li> <li>4. Contracting, design and supervision for construction and civil engineering work</li> <li>5. General insurance agency operations, insurance agency operations based on the Automobile Liability Security Law and work related to soliciting life insurance policies</li> <li>6. Leasing and renting of various property</li> <li>7. Personnel placement</li> <li>8. Possession, management, sale and purchase of mortgage securities</li> <li>9. Collection agency</li> <li>10. Possession, operation, management, sale and purchase of investment securities</li> <li>11. Information processing service operations, information provision service operations, telecommunications business as stipulated in the Telecommunications Business Law, broadcasting business, advertising and publishing work</li> <li>12. General passenger vehicle transport work</li> <li>13. Planning and operation of events, and planning and implementation of sporting events</li> </ol>

	14. Sale and purchase of secondhand items 15. Brokering, agency work, research and consulting for business related to the above 16. All business 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] Appraisal Summary for the Property's Value

(Unit: thousand yen)

	Description	Appraisal Reason
Appraised Value (specified price)	1,100,000	
Total Income	71,593	
Rental Income	65,591	Appraised after considering the medium to long-term competitiveness based on new rent standards and trends of similar buildings in the same supply/demand area.
Parking Lot Income	2,160	The appropriate rent was appraised taking into account the actual paid rent at present and the rent levels in the surrounding area.

Key Money Income	3,116	Appraised based on tenant turnover and vacancy rates.
Renewal Fee Income	519	After considering the fee at time of renewal, recorded 0.5 months worth of new rent. Further, appraised the average renewal rate for each year to be 20%.
Operating Profit from Deposits	208	Appraised based on a 2.0% return for the guarantees at full occupancy minus the amounts corresponding to the vacancies.
<b>Total Expenses</b>	<b>17,788</b>	
Building Maintenance Fees	3,148	Appraised as 600 yen a month per tsubo of leasable area.
Utilities Fees	1,049	Appraised as 200 yen a month per tsubo of leasable area.
Property Management Fee	1,924	Appraised as 3.0% of the rental income, etc.
Tenant Advertising	1,604	Recorded an amount equivalent to one month rent of tenants newly moving in.
Tenant Replacement Cost	498	Appraised with the replacement rate considered and an assumption of 4,000 yen per tsubo in maintenance costs when tenants leave their units.
Taxes, etc.	3,832	Land: Appraised based on the fiscal 2005 real property valuation amount. Building: Estimated.
Liability Insurance Premium	315	Appraised as 0.07% of the replacement cost of the building.
Losses from Vacancies, etc.	3,604	Appraised as 5% for rental units and 15% for the parking lot after considering the current vacancy rates and rent rates in the concerned area, the future supply/demand balance of the area and its unique qualities.
Capital Expenditures	1,813	Determined that it would be appropriate to use the average amount for fifteen

			years in the renewal fee reserves funding plan of the Building Condition Report.
Net Profit		53,805	
Cap Rate		4.8%	
Capitalized Value from the Direct Capitalization Method		1,120,000	
Price from the DCF Method		1,080,000	
	Discount Rate	4.7%	
	Terminal Cap Rate	5.0%	
Price from the Cost Approach		744,000	The appraisal firm decided on the concerned value after combining the totals for the land and building values and rounding down to the nearest million yen.
	Land Value	293,646	
	Building Value	450,000	

(Note 1) In the above investigation report, construction on the subject building had not yet begun, making confirmation of the subject real estate difficult. Therefore, the figures are no more than an appraisal of the price expressing an estimated investment value for the sake of investors under the assumption that the building subject to this investigation was completed according to design and specifications at the time of reference of the investigation. Thus, in the case the Property is actually constructed, the respective values may possibly differ from the above amounts.

(Note 2) The above values have had values below one thousand yen rounded.

[Attachment 2] 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	0.60
Core 1	S-20	5 central wards of Tokyo	Pacific Residence Shinjuku East	December 3, 2004	1,397	0.83
Core 1	S-22	5 central wards of Tokyo	Pacific Residence Kanda Iwamotocho	December 3, 2004	1,657	0.98
Core 1	S-24	23 wards of Tokyo	Pacific Residence Tsukiji (planned acquisition)	(Note 4)	1,320	0.78
Core 1	S-25	23 wards of Tokyo	Pacific Residence Sasaduka	March 25, 2005	1,950	1.15
Core 1	S-26	5 central wards of Tokyo	Pacific Residence Minamiazabu	March 25, 2005	1,060	0.63
Core 1	S-27	5 central wards of Tokyo	Pacific Residence Ebisuhighashi	March 25, 2005	660	0.39
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	0.50
Core 1	S-30	5 central wards of Tokyo	Pacific Residence Akasaka II	March 15, 2005	1,567	0.93
Core 1	S-31	23 wards of Tokyo	Pacific Livew Kyobashi	March 31, 2005	1,401	0.83
Core 1	S-32	Ordinance designated city, etc.	Pacific Residence Sannomiya Higashi (planned acquisition)	(Note 5)	2,247	1.33
Core 1	S-33	23 wards of Tokyo	Pacific Livew Tamagawa	August 12, 2005	1,514	0.90
Core 1	S-35	23 wards of Tokyo	Pacific Livew Ginza Higashi	August 12, 2005	2,348	1.39
Core 1	S-38	23 wards of Tokyo	Pacific Livew Wasedanishi	September 7, 2005	1,100	0.65
Core 1	C-1	23 wards of Tokyo	Pacific Residence Bunkyo Otowa	March 3, 2004	3,590	2.12
Core 1	C-2	23 wards of Tokyo	Pacific Residence Sengoku	March 3, 2004	760	0.45
Core 1	C-4	23 wards of Tokyo	Pacific Residence Yushima	March 3, 2004	1,110	0.66
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	1.38
Core 1	C-13	5 central wards of Tokyo	Pacific Tower Nogizaka	September 30, 2004	3,900	2.31
Core 1	C-14	5 central wards of Tokyo	Pacific Residence Akasaka I	June 30, 2004	1,300	0.77
Core 1	C-18	23 wards of Tokyo	Pacific Residence Ningyoucho	December 3, 2004	572	0.34
Core 1	C-19	5 central wards of Tokyo	Pacific Residence Daikanyama	December 3, 2004	2,180	1.29
Core 1	C-20	5 central wards of Tokyo	Pacific Residence Ichigaya	December 3, 2004	2,580	1.53
Core 1	C-22	23 wards of Tokyo	Pacific Residence Bunkyosengoku	May 18, 2005	1,557	0.92
Core 1	C-23	5 central wards of Tokyo	Pacific Residence Akasaka Hinokicho	March 25, 2005	4,710	2.78
Core 1	C-24	5 central wards of Tokyo	Pacific Residence Takanawa	March 30, 2005	1,550	0.92
Core 1	C-25	23 wards of Tokyo	Pacific Tower Meguroyamate (planned acquisition)	(Note 6)	14,507	8.58
Core 1	C-27	5 central wards of Tokyo	Pacific Livew Chojamaru	August 12, 2005	3,338	1.97

Core 1	F-3	23 wards of Tokyo	Pacific Residence Shinkawa	March 3, 2004	1,420	0.84
Core 1	F-11	5 central wards of Tokyo	Pacific Residence Shibaura	December 3, 2004	4,900	2.90
Core 1	F-12	Ordinance designated city, etc.	Pacific Residence Shirakabehigashi	August 5, 2005	1,070	0.63
Core 1	L-8	5 central wards of Tokyo	Pacific Tower Roppongi (planned acquisition)	(Note 7)	8,442	4.99
Core 1	L-9	5 central wards of Tokyo	Pacific Residence Kamimeguro	June 20, 2005	1,000	0.59
Core 1	L-10	5 central wards of Tokyo	Pacific Residence Yoyogikoen	August 19, 2005	1,310	0.77
Core 1	L-13	23 wards of Tokyo	Pacific Residence Oi	September 1, 2005	1,120	0.66
Core 2	S-1	23 wards of Tokyo	Glenpark Shinkawa	March 2, 2004	2,050	1.21
Core 2	S-2	5 central wards of Tokyo	Maison de Ville Shiba Daimon II	March 30, 2004	1,900	1.12
Core 2	S-14	23 wards of Tokyo	Apartments Shirokanedai	December 2, 2004	1,250	0.74
Core 2	S-15	Ordinance designated city, etc.	Grand Blue Hakata	September 17, 2004	1,582	0.94
Core 2	S-17	23 wards of Tokyo	Park Habio Kyobashi	December 2, 2004	2,725	1.61
Core 2	S-18	Ordinance designated city, etc.	Cristate Tenjinbashi	December 3, 2004	970	0.57
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	3.10
Core 2	C-3	5 central wards of Tokyo	Joanna Jiyugaoka	March 3, 2004	1,080	0.64
Core 2	C-10	Ordinance designated city, etc.	Veil Koyo	March 2, 2004	454	0.27
Core 2	C-11	5 central wards of Tokyo	J Park Nagatacho	June 24, 2004	1,000	0.59
Core 2	C-15	5 central wards of Tokyo	Apartments Nishi-Azabu	December 2, 2004	7,920	4.68
Core 2	C-16	Ordinance designated city, etc.	Sereno Tenjin Minami	December 3, 2004	1,200	0.71
Core 2	C-17	Ordinance designated city, etc.	Common House Hakataeki-Minami	December 3, 2004	420	0.25
Core 2	C-21	Tokyo metropolitan area	Espacio Kichijoji	January 31, 2005	1,445	0.85
Core 2	C-26	23 wards of Tokyo	Storia Sangen-Jaya	April 26, 2005	3,311	1.96
Core 2	F-1	5 central wards of Tokyo	Glenpark Sakuragaoka	March 2, 2004	3,960	2.34
Core 2	F-2	5 central wards of Tokyo	Mejiro Otomeyama Duplex R's	March 3, 2004	1,100	0.65
Core 2	F-10	23 wards of Tokyo	Solcher Mejiro	August 30, 2004	7,350	4.35
Core 2	L-2	5 central wards of Tokyo	Bellwood	March 3, 2004	1,530	0.90
Core 2	L-3	5 central wards of Tokyo	Grand Forme Ichigaya Haraikatamachi	March 3, 2004	970	0.57
Core 2	L-6	23 wards of Tokyo	Nishi-Ogikubo Urbane Homes	March 2, 2004	1,050	0.62
Core 2	L-7	5 central wards of Tokyo	Motoazabu Place	March 25, 2005	10,270	6.07
Core 2	L-11	5 central wards of Tokyo	Windsor House Hiroo	September 1, 2005	2,000	1.18
<b>Total acquisition price of core properties</b>					<b>146,930</b>	<b>86.87</b>
Sub-Core	S-3	5 central wards of Tokyo	Glenpark Sangubashi	March 2, 2004	1,040	0.61
Sub-Core	S-4	5 central wards of Tokyo	Fresca Yoyogiuehara II	March 3, 2004	524	0.31
Sub-Core	S-5	5 central wards of Tokyo	Leopalace Udagawacho Mansion	March 3, 2004	569	0.34

Sub-Core	S-6	5 central wards of Tokyo	Veil Kikuicho	March 2, 2004	520	0.31
Sub-Core	S-7	23 wards of Tokyo	Escort Kami-Ikebukuro	March 2, 2004	644	0.38
Sub-Core	S-9	Tokyo metropolitan area	Dormitory Haramachida	March 2, 2004	490	0.29
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 8)	March 3, 2004	1,140	0.67
Sub-Core	S-12	Ordinance designated city, etc.	Bonne Uji I and II	March 3, 2004	1,260	0.74
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	0.56
Sub-Core	S-34	23 wards of Tokyo	Maison Korakuen	August 12, 2005	710	0.42
Sub-Core	S-36	23 wards of Tokyo	Relation Oji	August 12, 2005	1,027	0.61
Sub-Core	S-37	23 wards of Tokyo	No. 6 Zelvova Mansion	August 12, 2005	609	0.36
Sub-Core	C-6	23 wards of Tokyo	Zesty Ikegami A and B	March 3, 2004	381	0.23
Sub-Core	C-7	23 wards of Tokyo	Wakohre Higashi-Nippori II (planned sale) (Note 8)	March 2, 2004	972	0.57
Sub-Core	C-9	Ordinance designated city, etc.	Grand Heights Hibino	March 3, 2004	1,230	0.73
Sub-Core	C-28	5 central wards of Tokyo	L'air Minami Aoyama (planned acquisition)	(Note 9)	1,030	0.61
Sub-Core	F-4	23 wards of Tokyo	Setagaya Sun Heights	March 3, 2004	982	0.58
Sub-Core	F-5	23 wards of Tokyo	Ars Shin-Otsuka	March 2, 2004	1,117	0.66
Sub-Core	F-6	Tokyo metropolitan area	Crane Mansion Tsurumi	March 3, 2004	1,050	0.62
Sub-Core	F-8	Tokyo metropolitan area	Maison Kashiwa	March 2, 2004	840	0.50
Sub-Core	F-9	Ordinance designated city, etc.	Sky Heights Hirabari	March 3, 2004	554	0.33
Sub-Core	L-1	23 wards of Tokyo	Manoa Okamoto	March 2, 2004	590	0.35
Sub-Core	L-4	5 central wards of Tokyo	Meguro Hillside Court	March 3, 2004	1,000	0.59
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 (planned acquisition)	(Note 10)	1,160	0.69
<b>Total acquisition price of sub-core assets</b>					<b>22,203</b>	<b>13.13</b>
<b>Total acquisition price of entire portfolio</b>					<b>169,134</b>	<b>100.00</b>

(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 ten years or more 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 is 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 by March 31, 2006 on a date separately agreed by NRI and the seller.
- (Note 8) 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.
- (Note 9) In principle, NRI plans to acquire this property by September 30, 2005 on a date separately agreed by NRI and the seller.
- (Note 10) In principle, NRI plans to acquire this property by September 30, 2005 on a date separately agreed by NRI and the seller.

[Attachment 3] Outside View of the Property

