

May 29, 2006

For Immediate Release



**NIPPON  
RESIDENTIAL  
INVESTMENT  
CORPORATION**

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#### Notification on Transfer of Nishi-Ogikubo Urbane Homes and Loan Repayment

Nippon Residential Investment Corporation (NRIC) announces the decision made today to transfer the following asset (hereafter, the “Transfer”). NRIC additionally notifies of the repayment of part of a loan and the cancellation of part of an interest rate swap agreement on June 1, 2006 as detailed below.

#### I. Transfer of Asset

##### 1. Overview of Transfer

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	Nishi-Ogikubo Urbane Homes
(3)	Acquisition Date of Asset	March 2, 2004
(4)	Transfer Value	1,360,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	1,108,844,128 yen (as of November 30, 2005)
(6)	Difference between Transfer Value and Book Value	251,155,872 yen (difference between (4) and (5) above)
(7)	Scheduled Contract Date	May 29, 2006
(8)	Scheduled Delivery Date	May 29, 2006
(9)	Transferee	Doga Y.K. (see 4. below)
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

##### 2. Purpose of Transfer

NRIC deemed that the transfer timing, transfer price, etc. were appropriate based on

the asset management objectives and policy as designated in NRIC's Articles of Incorporation and as a result of a comprehensive review. The review took into account revenue projections, variations in and projections for asset values, trends in the real-estate market and other factors. The review also considered NRIC's portfolio composition and policy for constructing the portfolio. Thus, NRIC decided to execute the Transfer in an aim to enhance the portfolio and promote management efficiency of the portfolio over the medium- and long-term.

### 3. Description of Asset to be Transferred

Name of Asset	Nishi-Ogikubo Urbane Homes	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	
Location	2-159-1 Nishiogi-Kita, Suginami-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Class 1 exclusive residential zone for medium- and high-rise buildings
	Lot size	1,874.48m <sup>2</sup>
	FAR/Building coverage ratio	200%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment and parking lot
	Floor space	4,247.32m <sup>2</sup>
	Construction completed	May 1989
	Structure	Reinforced concrete structure with flat roof; 5 floors above ground and 1 below
	Leasable units	28 units in total (2LDK: 12 units; 3LDK: 16 units)
Acquisition Date	March 2, 2004	
Acquisition Price	1,050 million yen	
Appraised Value at Time of Acquisition	1,070 million yen	(Appraised date: November 1, 2003)
Appraised Value at End of Interim Settlement Period	1,190 million yen	(Time of reference for the investigation: November 30, 2005)

### 4. Transferee Profile

(1)	Company Name	Doga Y.K.
(2)	Head Office Address	1-6-1 Roppongi, Minato-ku, Tokyo
(3)	Representative	Shigehisa Miyake, Director
(4)	Paid-in Capital	3 million yen
(5)	Line of Business	<ol style="list-style-type: none"> <li>1. Selling, purchasing, owning and managing beneficiary interests in trust for real estate</li> <li>2. Selling, purchasing, leasing, brokering, owning and managing real estate</li> <li>3. Selling, purchasing, owning and managing investment securities</li> </ol>

		4. Money lending business 5. All work incidental to the above
(6)	Relationship with NRIC	None
(7)	Special Notation	Doga Y.K. is a wholly-owned subsidiary of a limited liability chukan hojin in which SBI Holdings, Inc. contributed the funds

## 5. Outlook

The management performance outlook for NRIC for the fiscal period ending in May 2006 (December 1, 2005 – May 31, 2006), the period when the Transfer will be executed (delivered), was reviewed based on the management performance since the previous announcement (November 17, 2005), and no revisions will be made.

## II. Repayment of Loan

### 1. Details of Loan to be Repaid

○ Term Loan (long-term loan contracted on February 27, 2004)

- |                                     |   |
|-------------------------------------|---|
| (1) Lenders:                        | The Bank of Tokyo-Mitsubishi UFJ, Ltd.<br>The Chuo Mitsui Trust and Banking Co., Ltd.<br>The Sumitomo Trust & Banking Co., Ltd.<br>Mitsubishi UFJ Trust and Banking Corporation<br>Resona Bank, Ltd.<br>Aozora Bank, Ltd. |
| (2) Scheduled early repayment date: | June 1, 2006  |
| (3) Loan balance before repayment:  | 10,000 million yen  |
| (4) Early repayment amount:         | 700 million yen   |
| (5) Interest rate:                  | 0.85000% per annum  |
| (6) Drawdown date:                  | March 3, 2004   |
| (7) Principal repayment date:       | February 28, 2009   |
| (8) Collateral:                     | Yes   |

### 2. Details of Interest Rate Swap to be Cancelled

○ Interest Rate Swap

- |   |  |
|---|--|
| (1) Counterparty:                           | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (2) Scheduled date of partial cancellation: | June 1, 2006                           |
| (3) Notional principal before cancellation: | 10,000 million yen                     |
| (4) Amount of partial cancellation:         | 700 million yen                        |
| (5) Interest rate:                          | Fixed payment 1.42400% per annum       |

- Variable receipt 6-month LIBOR+0.70000%
- (6) Calculation commencement date: March 8, 2004
- (7) Calculation termination date: February 27, 2009

- 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>

[Reference]

Outstanding Loans of NRIC After Repayment

	Before Repayment	After Repayment	Increase (Decrease)
(Unit: million yen)			
Short-term loans	13,250	13,250	—
Long-term loans	33,000	32,300	(700)
Investment corporation bonds	45,000	45,000	—
Total interest-bearing debt	91,250	90,550	(700)
(Unit: %)			
Interest-bearing debt ratio	46.4	46.2	(0.2)

Note 1) Interest-bearing debt ratio = Total interest-bearing debt ÷ (Total interest-bearing debt + unitholders' capital) × 100%  
The interest-bearing debt ratio is rounded to one decimal place.

Note 2) Short-term loans are loans where the period from the borrowing date until the repayment date (loan period) is one year or less. Long-term loans are loans with loan periods that exceed one year.

Note 3) Calculations use 105,593 million yen for unitholders' capital, which is the unitholders' capital as of May 29, 2006.

*This English language notice is a translation of the Japanese language notice dated May 29, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.*