

June 22, 2006

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

Nippon Residential Investment Corporation
2-11-1 Nagata-cho
Chiyoda-ku, Tokyo
Akira Yamanouchi
Chief Executive Officer
(Securities Code: 8962)

Inquiries:
Pacific Investment Advisors Corporation
Takeshi Takano
Director
Phone: +81-(0)3-5251-8528

Notification on Transfer of Assets

Nippon Residential Investment Corporation (NRIC) announces the decision made today to transfer assets as detailed below (hereafter, the “Transfer”).

1. Overview of Transfer

(A) J Stage Minami-Urawa

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	J Stage Minami-Urawa
(3)	Acquisition Date of Asset	March 2, 2004
(4)	Transfer Value	932,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	714,787,103 yen (as of November 30, 2005)
(6)	Difference between Transfer Value and Book Value	217,212,897 yen (difference between (4) and (5) above)
(7)	Contract Date	June 22, 2006
(8)	Scheduled Delivery Date	June 26, 2006
(9)	Transferee	GE Real Estate - Japan (see 4. below)
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

(B) Maison Kashiwa

(1)	Asset	Beneficiary interests in trust (real estate)
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(2)	Name of Asset	Maison Kashiwa
(3)	Acquisition Date of Asset	March 2, 2004
(4)	Transfer Value	1,167,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	886,586,845 yen (as of November 30, 2005)
(6)	Difference between Transfer Value and Book Value	280,413,155 yen (difference between (4) and (5) above)
(7)	Contract Date	June 22, 2006
(8)	Scheduled Delivery Date	June 26, 2006
(9)	Transferee	GE Real Estate - Japan (see 4. below)
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

(C) Fresca Yoyogiuehara II

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	Fresca Yoyogiuehara II
(3)	Acquisition Date of Asset	March 3, 2004
(4)	Transfer Value	651,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	542,728,540 yen (as of November 30, 2005)
(6)	Difference between Transfer Value and Book Value	108,271,460 yen (difference between (4) and (5) above)
(7)	Contract Date	June 22, 2006
(8)	Scheduled Delivery Date	June 26, 2006
(9)	Transferee	GE Real Estate - Japan (see 4. below)
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

(D) Ars Shin-Otsuka

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	Ars Shin-Otsuka
(3)	Acquisition Date of Asset	March 2, 2004
(4)	Transfer Value	1,323,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	1,135,442,555 yen (as of November 30, 2005)
(6)	Difference between Transfer Value and Book Value	187,557,445 yen (difference between (4) and (5) above)

(7)	Contract Date	June 22, 2006
(8)	Scheduled Delivery Date	June 26, 2006
(9)	Transferee	GE Real Estate - Japan (see 4. below)
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

2. Purpose of Transfer

(1) To maintain and enhance the revenue-generating potential of the portfolio

In order to enhance the balance of the revenue stream and revenue-generating potential of the portfolio, NRIC manages assets by categorizing the assets NRIC owns into core assets and sub-core assets based on the characteristics of the assets owned and objectives of owning them. Specifically, stability and growth are secured by establishing core assets as the central assets in the portfolio and utilizing the high competitiveness of these assets. NRIC also seeks to seize revenue-generating opportunities and optimization of the revenue stream balance of the portfolio by flexibly and expeditiously incorporating sub-core assets. In addition, NRIC will maintain and enhance the revenue-generating potential of the portfolio by expeditiously rearranging assets to respond to changes in the management environment and future revenue-earning capacity of properties centered on sub-core assets.

(2) Transfer decision

NRIC deemed that the transfer timing, transfer value, 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 Assets to be Transferred

(A) J Stage Minami-Urawa

Name of Asset	J Stage Minami-Urawa	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	JPMorgan Trust Bank Ltd.	
Location	2-42-12 Minami-Urawa, Minami-ku, Saitama-shi, Saitama	
Land	Ownership	Proprietary ownership
	Zoning	Commercial zone

	Lot size	607.00m ²
	FAR/Building coverage ratio	400%/80%
Building	Ownership	Proprietary ownership
	Type	Apartment, offices, store and parking lot
	Floor space	2,148.23m ²
	Construction completed	August 1992
	Structure	Steel-framed reinforced concrete structure with flat, galvanized steel plated roof; 9 floors above ground
	Leasable units	63 units in total (1K: 60 units; Store: 1 unit; Office: 2 units)
Acquisition Date	March 2, 2004	
Acquisition Price	700 million yen	
Appraised Value at Time of Acquisition	700 million yen	(Appraised date: December 1, 2003)
Estimated Price at End of Period	623 million yen	(Time of reference for the survey: November 30, 2005)

(B) Maison Kashiwa

Name of Asset	Maison Kashiwa	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	
Location	2-9-1 Akehara, Kashiwa-shi, Chiba	
Land	Ownership	Proprietary ownership
	Zoning	Class 1 residential zone
	Lot size	2,433.10m ²
	FAR/Building coverage ratio	200%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment
	Floor space	4,725.19m ²
	Construction completed	November 1989
	Structure	Reinforced concrete structure with flat roof; 8 floors above ground
	Leasable units	56 units in total (3LDK: 43 units; 4LDK: 8 units; 5LDK: 5 units)
Acquisition Date	March 2, 2004	
Acquisition Price	840 million yen	
Appraised Value at Time of Acquisition	843 million yen	(Appraised date: November 1, 2003)
Estimated Price at End of Period	919 million yen	(Time of reference for the survey: November 30, 2005)

(C) Fresca Yoyogiuehara II

Name of Asset	Fresca Yoyogiuehara II	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	

Location	3-4-1 Uehara, Shibuya-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Neighborhood commercial zone and class 1 exclusive residential zone for low-rise buildings
	Lot size	545.48m ²
	FAR/Building coverage ratio	200%/80% 150%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment and offices
	Floor space	787.66m ²
	Construction completed	November 1995
	Structure	Reinforced concrete structure with flat roof; 3 floors above ground
	Leasable units	17 units in total (1R: 7 units; 1K: 6 units; 2LDK: 1 unit; Office: 3 units)
Acquisition Date	March 3, 2004	
Acquisition Price	524 million yen	
Appraised Value at Time of Acquisition	524 million yen	(Appraised date: November 1, 2003)
Estimated Price at End of Period	556 million yen	(Time of reference for the survey: November 30, 2005)

(D) Ars Shin-Otsuka

Name of Asset	Ars Shin-Otsuka	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	
Location	3-43-5 Minami-Otsuka, Toshima-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Commercial zone
	Lot size	545.90m ²
	FAR/Building coverage ratio	500%/80%
Building	Ownership	Proprietary ownership
	Type	Residence, store, offices and parking lot
	Floor space	3,018.27m ²
	Construction completed	March 1989
	Structure	Steel-framed reinforced concrete structure with flat roof; 10 floors above ground and 1 below
	Leasable units	31 units in total (1LDK: 1 unit; 2LDK: 12 units; 3LDK: 14 units; Office: 4 units)
Acquisition Date	March 2, 2004	
Acquisition Price	1,117 million yen	
Appraised Value at Time of Acquisition	1,120 million yen	(Appraised date: November 1, 2003)
Estimated Price at End	1,210 million yen	(Time of reference for the survey:

of Period		November 30, 2005)
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4. Transferee Profile

(1)	Company Name	GE Real Estate – Japan
(2)	Head Office Address	1-12-32 Akasaka, Minato-ku, Tokyo
(3)	Representative	Tomoyuki Yoshida, Representative Director
(4)	Paid-in Capital	3,741 million yen
(5)	Line of Business	<ol style="list-style-type: none"> 1. Acquiring, owning, leasing, managing and utilizing real estate 2. Selling, purchasing, brokering and appraising real estate 3. Work based on the Real Estate Syndication Law 4. Consulting work concerning managing and operating assets 5. Research work concerning the economy, industry and real estate in Japan and abroad 6. Money lending business 7. Guaranteeing and accepting liabilities, and selling and purchasing various loans and obligations 8. Acquiring and owning securities 9. Investment advisory business 10. Selling trust beneficiary interests 11. All work incidental or related to the above
(6)	Relationship with NRIC	None

5. Outlook

NRIC will disclose the management performance outlook for the fiscal period ending in November 2006 (June 1, 2006 – November 30, 2006), which is the period when the Transfer will be executed (delivered), in a separate announcement.

- 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>

This English language notice is a translation of the Japanese language notice dated June 22, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.