

November 21, 2006

For Immediate Release



**NIPPON  
RESIDENTIAL  
INVESTMENT  
CORPORATION**

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

Investment Trust Management Company:  
Pacific Investment Advisors Corporation  
2-11-1 Nagata-cho, Chiyoda-ku, Tokyo  
Representative:  
Akira Yamanouchi  
President and Chairman of the Board

Inquiries:  
Takeshi Takano  
Director  
(Phone: +81-(0)3-5251-8528)

#### Notification on Transfer of Manoa Okamoto

Nippon Residential Investment Corporation (NRIC) announces the decision made today to transfer the following asset (hereafter, the “Transfer”).

##### 1. Overview of Transfer

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	Manoa Okamoto
(3)	Acquisition Date of Asset	March 2, 2004
(4)	Transfer Value	825,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	607,643,770 yen (as of May 31, 2006)
(6)	Difference between Transfer Value and Book Value	217,356,230 yen (difference between (4) and (5) above)
(7)	Scheduled Contract Date	November 22, 2006
(8)	Scheduled Delivery Date	November 28, 2006 or a date no later than November 30, 2006 separately agreed to by NRIC and the transferee (see (9) below).
(9)	Transferee	Pacific Growth Realty Y.K. (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 makes transfer decisions by comprehensively evaluating transfers based on the asset management objectives and policy as designated in NRIC's Articles of Incorporation. The evaluation also takes into account factors such as revenue projections, variations in and projections for asset values, and trends in the real-estate market. NRIC's portfolio composition and policy for constructing the portfolio are also considered in the evaluation.

Transaction prices as residential development sites have been on the rise in the area surrounding the property due to increasing demand for such sites, namely from real estate operators wishing to acquire residential development sites. Under such circumstances, NRIC judged that the value of the property assessed as a development site would exceed the value assessed based on the income approach and thus decided to study the Transfer.

At the same time, preparing occupied rental properties as development sites generally generate issues like requiring a certain period of time for the preparation along with diminishing rental income during that period of time.

In relation to this particular property, NRIC deemed from the results of a review of several transferee candidates and related circumstances that the separately stated transferee and terms and conditions were best suited to NRIC.

### 3. Description of Asset to be Transferred

Name of Asset	Manoa Okamoto	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	Mizuho Trust & Banking Co., Ltd.	
Trust Maturity Date	October 31, 2012	
Location	1-4-10 Okamoto, Setagaya-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Class 1 exclusive residential zone for low-rise buildings
	Lot size	1,986.76m <sup>2</sup>
	FAR/Building coverage ratio	100%/50%
Building	Ownership	Proprietary ownership
	Type	Apartment
	Floor space	2,121.09m <sup>2</sup>
	Construction completed	October 1989
	Structure	Reinforced concrete structure with flat roof; 3 floors above ground and 1 below
	Leasable units	12 units in total (3LDK: 12 units)
Acquisition Date	March 2, 2004	
Acquisition Price	590 million yen	
Appraised Value at Time of Acquisition	630 million yen	(Appraised date: November 1, 2003)
Estimated Value	650 million yen	(Time of reference for the survey: November 1, 2006)
Appraiser	Japan Real Estate Institute	

### 4. Transferee Profile

(1)	Company Name	Pacific Growth Realty Y.K.
(2)	Head Office Address	2-11-1 Nagata-cho, Chiyoda-ku, Tokyo
(3)	Representative	So Kanai, Director
(4)	Paid-in Capital	3 million yen
(5)	Line of Business	1. Owning, selling, purchasing and brokering real estate 2. Work related to leasing, maintaining and managing real estate 3. Investing into real estate, real estate securitization products, securities and other financial assets
(6)	Relationship with NRIC and Investment Trust Management Company	Pacific Growth Realty Y.K. is a wholly-owned consolidated subsidiary of Pacific Management Corporation. Pacific Management Corporation is a shareholder of Pacific Investment Advisors Corporation (hereafter, the "Asset Management Company"), the investment trust management company to which NRIC entrusts work related to the management of NRIC's assets. This makes Pacific Growth Realty an interested party, etc. of

		the Asset Management Company as defined in the Law concerning Investment Trusts and Investment Corporations (1951 Law No. 198, including amendments thereto). Furthermore, Pacific Management Corporation has a 78.2% stake in the Asset Management Company.
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#### 5. Broker Profile

Company Name	Asset Create Corporation
Head Office Address	1-10-10-303 Nihonbashi-muromachi, Chuo-ku, Tokyo
Representative	Mitsunori Uesugi, Representative Director
Commission	1,000,000 yen (excluding consumption tax and local consumption tax)
Relationship with NRIC and Investment Trust Management Company	None

#### 6. Asset Management Company's Interest in Relation to Asset to be Transferred

The abovementioned transferee constitutes an interested party as defined in the Asset Management Company's bylaws. Consequently, NRIC is scheduled to complete the required procedures in accordance with the bylaws in relation to concluding the agreement to transfer the beneficiary interests in trust.

#### 7. Outlook

The management performance outlook for NRIC for the fiscal period ending in November 2006 (June 1, 2006 – November 30, 2006) does not change as a result of the Transfer.

- 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 November 21, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.*