

April 19, 2007

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  
Akira Yamanouchi  
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### 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)

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	Grand Forme Ichigaya Haraikatamachi
(3)	Acquisition Date of Asset	March 3, 2004
(4)	Transfer Value	1,268,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	1,036,403,092 yen (as of November 30, 2006)
(6)	Difference between Transfer Value and Book Value	231,596,908 yen (difference between (4) and (5) above)
(7)	Contract Date	April 19, 2007
(8)	Scheduled Delivery Date	May 10, 2007 or a date no later than May 1, 2007 separately agreed to by NRIC and the transferee (see (9) below).
(9)	Transferee	(see 4.(A) below)
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

## (B)

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	Meguro Hillside Court
(3)	Acquisition Date of Asset	March 3, 2004
(4)	Transfer Value	1,253,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	1,040,734,367 yen (as of November 30, 2006)
(6)	Difference between Transfer Value and Book Value	212,265,633 yen (difference between (4) and (5) above)
(7)	Contract Date	April 19, 2007
(8)	Scheduled Delivery Date	May 10, 2007 or a date no later than May 1, 2007 separately agreed to by NRIC and the transferee (see (9) below).
(9)	Transferee	(see 4.(A) below)
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

## (C)

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	Bellwood
(3)	Acquisition Date of Asset	March 3, 2004
(4)	Transfer Value	1,980,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	1,558,680,377 yen (as of November 30, 2006)
(6)	Difference between Transfer Value and Book Value	421,319,623 yen (difference between (4) and (5) above)
(7)	Contract Date	April 19, 2007
(8)	Scheduled Delivery Date	May 10, 2007 or a date no later than May 1, 2007 separately agreed to by NRIC and the transferee (see (9) below).
(9)	Transferee	Pacific Growth Realty Y.K. (see 4.(B) 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 owned by categorizing the assets based on their characteristics and objectives of owning them. 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.

(2) Transfer decision

NRIC deemed the Transfer to be appropriate based on the asset management objectives and policy as designated in NRIC's Articles of Incorporation and as a result of comprehensively taking into account revenue projections, variations in and projections for asset values, trends in the real-estate market, portfolio composition and policy for constructing the portfolio. Moreover, NRIC judged from the results of a review of several transferee candidates for the Transfer that the separately stated transferees as well as terms and conditions were best suited to NRIC.

3. Description of Assets to be Transferred

(A)

Name of Asset	Grand Forme Ichigaya Haraikatamachi	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	
Trust Maturity Date	April 30, 2011	
Location	4-1 Haraikatamachi, Shinjuku-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Class 1 exclusive residential zone for medium- and high-rise buildings
	Lot size	758.82m <sup>2</sup>
	FAR/Building coverage ratio	300%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment
	Floor space	1,734.94m <sup>2</sup>
	Construction completed	February 1990
	Structure	Reinforced concrete structure with flat roof; 3 floors above ground and 1 below
	Leasable units	6 units in total (2LDK: 1 unit; 3LDK: 5 units)
Estimated Value	1,040 million yen	(Time of reference for the survey: November 30, 2006)
Appraiser	Japan Real Estate Institute	

(B)

Name of Asset	Meguro Hillside Court	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	
Trust Maturity Date	August 28, 2010	
Location	5-10-24 Shimo-meguro, Meguro-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Class 1 exclusive residential zone for low-rise buildings
	Lot size	1,619.56m <sup>2</sup>
	FAR/Building coverage ratio	150%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment
	Floor space	2,249.39m <sup>2</sup>
	Construction completed	February 1991
	Structure	Reinforced concrete structure with flat roof; 3 floors above ground
	Leasable units	18 units in total (2LDK: 8 units; 3LDK: 6 units; 4LDK: 4 units)
Estimated Value	1,140 million yen	(Time of reference for the survey: November 30, 2006)
Appraiser	Japan Real Estate Institute	

(C)

Name of Asset	Bellwood	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	
Trust Maturity Date	November 27, 2011	
Location	4-1-20 Shibuya, Shibuya-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Class 2 exclusive residential zone for medium- and high-rise buildings
	Lot size	748.49m <sup>2</sup>
	FAR/Building coverage ratio	300%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment and parking lot
	Floor space	2,071.08m <sup>2</sup>
	Construction completed	September 1989
	Structure	Reinforced concrete structure with slate roof; 5 floors above ground and 1 below
	Leasable units	6 units in total (3LDK: 5 units; 4LDK: 1 unit)
Estimated Value	1,410 million yen	(Time of reference for the survey: November 30, 2006)
Appraiser	Japan Real Estate Institute	

4. Transferee Profile

(A) Grande Forme Ichigaya Haraikatamachi and Meguro Hillside Court

(1)	Company Name	UR Five LLC
(2)	Head Office Address	1-12-32 Akasaka, Minato-ku, Tokyo
(3)	Representative	Representative member: UPH Limited Liability Intermediate Corporation Executive officer: Mitsuru Izumibe
(4)	Paid-in Capital	1.5 million yen
(5)	Major Shareholder	Not disclosed due to the absence of the Transferee's consent.
(6)	Line of Business	1. Acquiring, owning and selling real estate 2. Leasing and managing real estate 3. Acquiring, owning and selling real estate trust beneficiary interests
(7)	Relationship with NRIC and Investment Trust Management Company	None

(B) Bellwood

(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)	Major Shareholder	Pacific Management Corporation 100%
(6)	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
(7)	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.

5. Broker Profile

(A) Grande Forme Ichigaya Haraikatamachi

(A-1)

Company Name	Pacific Management Corporation
Head Office Address	2-11-1 Nagata-cho, Chiyoda-ku, Tokyo
Representative	Masaru Takatsuka, Representative Director
Commission	19,020,000 yen (excluding consumption tax and local consumption tax)
Relationship with NRIC and Investment Trust Management Company	Pacific Management Corporation is a shareholder of NRIC's Asset Management Company and constitutes an interested party, etc. of the Asset Management Company as defined in the Law concerning Investment Trusts and Investment Corporations. Pacific Management Corporation has a 78.2% stake in the Asset Management Company.

(A-2)

Company Name	Japan Asset Trust Corporation
Head Office Address	3-5-2 Kojimachi, Chiyoda-ku, Tokyo
Representative	Tetsufumi Isayama, Representative Director
Commission	This is not being disclosed due to confidentiality obligations regulated by the Broker Agreement
Relationship with NRIC and Investment Trust Management Company	None

(B) Meguro Hillside Court

(B-1)

Company Name	Pacific Management Corporation
Head Office Address	2-11-1 Nagata-cho, Chiyoda-ku, Tokyo
Representative	Masaru Takatsuka, Representative Director
Commission	18,795,000 yen (excluding consumption tax and local consumption tax)
Relationship with NRIC and Investment Trust Management Company	Pacific Management Corporation is a shareholder of NRIC's Asset Management Company and constitutes an interested party, etc. of the Asset Management Company as defined in the Law concerning Investment Trusts and Investment Corporations. Pacific Management Corporation has a 78.2% stake in the Asset Management Company.

(B-2)

Company Name	Japan Asset Trust Corporation
Head Office Address	3-5-2 Kojimachi, Chiyoda-ku, Tokyo
Representative	Tetsufumi Isayama, Representative Director
Commission	This is not being disclosed due to confidentiality obligations regulated by the Broker Agreement
Relationship with NRIC and Investment Trust Management Company	None

(C) Bellwood

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 Assets to be Transferred

The transferee of 4.(B) above 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 May 2007 (December 1, 2006 – May 31, 2007) 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 April 19, 2007 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.*