

May 10, 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
President and Chairman of the Board

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

Notification on Transfer and Completion of Transfer of Assets

Nippon Residential Investment Corporation (NRIC) announces the decision made today to transfer assets as detailed under I. below (hereafter, the “Transfer”). NRIC additionally announces the completion today of the transfer of the assets under II. below that was decided on April 19, 2007 and announced in the “Notification on Transfer of Assets” issued on the same date.

I. Transfer of Assets

1. Overview of Transfer

(A) Setagaya Sun Heights

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	Setagaya Sun Heights
(3)	Acquisition Date of Asset	March 3, 2004
(4)	Transfer Value	1,117,040,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	1,003,726,572 yen (as of November 30, 2006)
(6)	Difference between Transfer Value and Book Value	113,313,428 yen (difference between (4) and (5) above)
(7)	Contract Date	May 10, 2007
(8)	Scheduled Delivery Date	June 1, 2007 or a date separately agreed to by NRIC and the transferee (see (9) below).

		However, the date shall be no later than June 30, 2007.
(9)	Transferee	Mitsubishi Estate Co., Ltd. (see 4. below)
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the transferee indicated in (9) above

(B) Petit Cour Kinuta

(1)	Asset	Beneficiary interests in trust (real estate)
(2)	Name of Asset	Petit Cour Kinuta
(3)	Acquisition Date of Asset	March 2, 2004
(4)	Transfer Value	737,983,500 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	687,342,125 yen (as of November 30, 2006)
(6)	Difference between Transfer Value and Book Value	50,641,375 yen (difference between (4) and (5) above)
(7)	Contract Date	May 10, 2007
(8)	Scheduled Delivery Date	June 1, 2007 or a date separately agreed to by NRIC and the transferee (see (9) below). However, the date shall be no later than June 30, 2007.
(9)	Transferee	Mitsubishi Estate Co., Ltd. (see 4. below)
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the transferee indicated in (9) above

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 transferee as well as terms and conditions were best suited to NRIC.

3. Description of Assets to be Transferred

(A) Setagaya Sun Heights

Name of Asset	Setagaya Sun Heights	
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	5-19-9 Kamiyama, Setagaya-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Class 1 exclusive residential zone for low-rise buildings
	Lot size	1,552.86m ²
	FAR/Building coverage ratio	150%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment
	Floor area	2,063.39m ²
	Construction completed	July 1992
	Structure	Reinforced concrete structure with flat roof; 4 floors above ground
	Leasable units	38 units in total (1K: 12 units; 1LDK: 2 units; 2LDK: 8 units; 3LDK: 16 units)
Estimated Price at End of Period	1,050 million yen	(Time of reference for the survey: November 30, 2006)
Appraiser	Japan Real Estate Institute	

(B) Petit Cour Kinuta

Name of Asset	Petit Cour Kinuta	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	Mizuho Trust & Banking Co., Ltd.	
Trust Maturity Date	April 25, 2012	
Location	4-37-1 Kinuta, Setagaya-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Class 1 exclusive residential zone for medium- and high-rise buildings
	Lot size	819.30m ²
	FAR/Building coverage ratio	200%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment
	Floor area	1,816.00m ²
	Construction completed	March 1990
	Structure	Reinforced concrete structure with flat roof; 5 floors above ground and 1 below
	Leasable units	11 units in total (2LDK: 5 units; 3LDK: 5 units; 8LDK: 1 unit)
Estimated Price at End of Period	669 million yen	(Time of reference for the survey: November 30, 2006)
Appraiser	Japan Real Estate Institute	

4. Transferee Profile

(1)	Company Name	Mitsubishi Estate Co., Ltd.
(2)	Head Office Address	1-6-1 Otemachi, Chiyoda-ku, Tokyo
(3)	Representative	Keiji Kimura, Representative Director
(4)	Paid-in Capital	136,534,164,832 yen
(5)	Major Shareholders	(as of September 30, 2006) 1. The Master Trust Bank of Japan, Ltd. 5.09% (Trust Account) 2. Meiji Yasuda Life Insurance Company 4.15% (Standing proxy: Trust & Custody Services Bank, Ltd.) 3. State Street Bank and Trust Company 4.11% (Standing proxy: Mizuho Corporate Bank, Ltd.)
(6)	Line of Business	1. Owning, managing and leasing real estate 2. Accepting orders for managing and leasing real estate 3. Selling, buying, brokering and appraising real estate 4. Constructing and selling homes 5. Owning, managing, operating and leasing tourist and leisure facilities ...etc.
(7)	Relationship with NRIC and Investment Trust Management Company	None

5. Broker Profile

Company Name	Pacific Management Corporation
Head Office Address	2-11-1 Nagata-cho, Chiyoda-ku, Tokyo
Representative	Masaru Takatsuka, Representative Director
Commission	18,550,235 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.

6. Outlook

The management performance outlook for NRIC for the fiscal period ending in November 2007 (June 1, 2007 – November 30, 2007), which is the period when the Transfer will be executed (delivered), will be announced on a separate occasion once the degree of impact of the Transfer on management performance is studied and ascertained.

II. Completion of Transfer of Assets

1. Overview of Transfer

(A) Grand Forme Ichigaya Haraikatamachi

(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)	Delivery Date	May 10, 2007
(9)	Transferee	UR Five LLC
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

(B) Meguro Hillside Court

(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)	Delivery Date	May 10, 2007
(9)	Transferee	UR Five LLC
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

(C) Bellwood

(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)	Delivery Date	May 10, 2007
(9)	Transferee	Pacific Growth Realty Y.K.
(10)	Transfer Method	Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee

Please refer to “Notification on Transfer of Assets” dated April 19, 2007 for details on the abovementioned transferred assets.

- 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 May 10, 2007 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.