

May 31, 2007

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

Nippon Residential Investment Corporation
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(Securities Code: 8962)

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Notification on Transfer of Root Azabu Jyuban

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	Root Azabu Jyuban
(3)	Acquisition Date of Asset	November 4, 2005
(4)	Transfer Value	2,570,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	2,291,599,009 yen (as of November 30, 2006)
(6)	Difference between Transfer Value and Book Value	278,400,991 yen (difference between (4) and (5) above)
(7)	Contract Date	May 31, 2007
(8)	Scheduled Delivery Date	A date no earlier than September 3, 2007 separately agreed to in writing by NRIC and the transferee (see (9) below). However, the date shall be no later than November 29, 2007.
(9)	Transferee	Pacific Growth Realty Y.K. (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 Asset to be Transferred

Name of Asset	Root Azabu Jyuban	
Type of Specified Asset	Beneficiary interests in trust (real estate)	
Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	
Trust Maturity Date	September 24, 2014	
Location	1-4-1 Azabu-jyuban, Minato-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Neighborhood commercial zone and class 2 exclusive residential zone for medium- and high-rise buildings
	Lot size	719.30m ²
	FAR/Building coverage ratio	400%/80% and 300%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment and store
	Floor area	2,362.15m ²
	Construction completed	January 1999
	Structure	Steel-framed reinforced concrete structure with flat, steel roof; 14 floors above ground
	Leasable units	26 units in total (1LDK: 19 units; 2LDK: 6 units; Store: 1 unit)
Estimated Price at End of Period	2,200 million yen	(Time of reference for the survey: November 30, 2006)

Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Tenant Details	No. of Tenants (Note 1)	1
	Monthly Rent (Note 2)	9,303 thousand yen
	Deposit, etc. (Note 3)	27,419 thousand yen
	Total Leasable Area (Note 4)	2,156.93m ²
	Total Leased Area (Note 4)	1,927.94m ²
	Occupancy Rate (based on area) (Note 4)	89.4%

(Note 1) The total number of tenants is entered as one tenant when a single tenant leases multiple rental units. As for sub-leased properties where a single sublessor subleases the property to multiple subtenants, the number of tenants is treated as one tenant.

(Note 2) The monthly rent indicated is the total sum of the monthly rent (includes common expenses but excludes monthly parking space usage fees) of each of the tenants with whom lease agreements have been concluded as of November 30, 2006. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.

(Note 3) The deposit, etc. indicates the total sum of the deposits, etc. (excludes the parking space portion) of each of the tenants with whom lease agreements have been concluded as of November 30, 2006. The amount has been rounded down to the nearest thousand yen.

(Note 4) The total leasable area, total leased area and occupancy rate lists figures as of April 30, 2007.

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)	Investor	Pacific Management Corporation 100%
(6)	Line of Business	<ol style="list-style-type: none"> 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	<p>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.</p>

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 transferee indicated in 4 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 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.

- 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 31, 2007 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.