

June 25, 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
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Notification on Transactions with Interested Parties

Nippon Residential Investment Corporation (NRIC) announces that it has executed transactions with an interested party (as defined in the Law concerning Investment Trusts and Investment Corporations (ITL)) of NRIC's asset management company, Pacific Investment Advisors Corporation (Asset Management Company), and related party (as stipulated in the Asset Management Company's internal rules) of the Asset Management Company as outlined below.

1. Details of Transactions with Interested Party/Related Party

NRIC signed into master lease as well as leasing and building management entrustment agreements for Pacific Livew Kyoto-ekimae, which was acquired today, as follows.

(1) Target Property

Pacific Livew Kyoto-ekimae

(2) Transaction Counterparty

Nakagawa Komuten K.K. (interested party and related party)

The agreements were entered into between NRIC, The Sumitomo Trust & Banking Co., Ltd. (trustee of the beneficiary interests), Nakagawa Komuten K.K. and the Asset Management Company on June 25, 2007.

(3) Agreement Content

(i) Agreement Period

June 25, 2007 to end of June 2008

(with clause for automatic renewal that extends the agreement for another year under the same terms and conditions)

(ii) Agreement Content

Master lease agreement, and leasing and building management entrustment agreement

(iii) Consignment Expenses

Monthly remuneration for leasing:

The basis for monthly remuneration shall be 3.0% of tenant rent

Fixed management consignment fee for building management:

371,649 yen per month (tax exclusive)

2. Profile of Interested Party/Related Party

| | |
|--|---|
| Company Name | Nakagawa Komuten K.K. |
| Head Office Address | 35 Kamikatsura-sannomiya-cho, Nishikyo-ku, Kyoto-shi, Kyoto |
| Representative | Masakatsu Nakagawa, Representative Director |
| Paid-in Capital | 90 million yen |
| Major Shareholders | (as of May 31, 2007) Pacific Management Corporation 66.7% |
| Line of Business | 1. Comprehensive building construction 2. Condominium management 3. Real estate brokerage |
| Relationship with NRIC and Investment Trust Management Company | Pacific Management Corporation, which is a shareholder of the Asset Management Company, owns 66.7% of the voting rights and thus is deemed the Asset Management Company's interested party as defined in the ITL and related party as stipulated in the Asset Management Company's internal rules. Furthermore, Pacific Management Corporation has a 78.2% stake in the Asset Management Company. |

3. Procedures concerning Transactions with Interested Party/Related Party

The Asset Management Company decided to execute transactions with the interested party/related party pursuant to laws, ordinances and regulations, and following confirmation by the Compliance Officer by June 15, 2007 and at the meeting of the Investment Committee held on June 18, 2007 that the transactions will not disadvantage NRIC compared to a similar transaction conducted under ordinary circumstances.

Please refer to the “Notification on Acquisition of Assets” released on May 31, 2007 for details, etc. on the acquired asset.

- 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>