

January 16, 2008

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 SOHO Kita Aoyama and Umeda Excelheights

Nippon Residential Investment Corporation (NRIC) announces the decision made today to transfer assets as detailed below (hereafter, the “Transfer”).

1. Overview of Transfer

(A) SOHO Kita Aoyama

(1)	Asset	Real estate (see (10) below for transfer method)
(2)	Name of Asset	SOHO Kita Aoyama
(3)	Acquisition Date of Asset	September 29, 2005
(4)	Transfer Value	1,500,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	1,212,911,910 yen (as of November 30, 2007)
(6)	Difference between Transfer Value and Book Value	287,088,090 yen (difference between (4) and (5) above)
(7)	Scheduled Contract Date	January 16, 2008
(8)	Scheduled Delivery Date	January 25, 2008 or a date no later than January 31, 2008 separately agreed to by NRIC and the transferee (see (9) below).
(9)	Transferee	MS Japan Strategic Core Acquisition K.K. (see 4. below)

(10)	Transfer Method	Transfer of trust for the real estate by signing a property management and disposal trust agreement with Mitsubishi UFJ Trust and Banking Corporation on the date the transfer is to be executed, and transfer of the beneficiary interests in trust for the real estate to the transferee indicated in (9) above on the same date
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(B) Umeda Excelheights

(1)	Asset	Real estate (see (10) below for transfer method)
(2)	Name of Asset	Umeda Excelheights
(3)	Acquisition Date of Asset	January 31, 2005
(4)	Transfer Value	6,200,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	5,503,613,497 yen (as of November 30, 2007)
(6)	Difference between Transfer Value and Book Value	696,386,503 yen (difference between (4) and (5) above)
(7)	Scheduled Contract Date	January 16, 2008
(8)	Scheduled Delivery Date	January 25, 2008 or a date no later than January 31, 2008 separately agreed to by NRIC and the transferee (see (9) below).
(9)	Transferee	MS Japan Strategic Core Acquisition K.K. (see 4. below)
(10)	Transfer Method	Transfer of trust for the real estate by signing a property management and disposal trust agreement with Mitsubishi UFJ Trust and Banking Corporation on the date the transfer is to be executed, and transfer of the beneficiary interests in trust for the real estate to the transferee indicated in (9) above on the same date

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) SOHO Kita Aoyama

Name of Asset	SOHO Kita Aoyama	
Type of Specified Asset	Real estate	
Location	2-10-17 Kita-Aoyama, Minato-ku, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Class 1 exclusive residential zone for medium- and high-rise buildings
	Lot size	397.78m ²
	FAR/Building coverage ratio	300%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment
	Floor area	849.39m ²
	Construction completed	March 2004
	Structure	Reinforced concrete structure with flat roof; 3 floors above ground and 1 floor below ground
Leasable units	10 units in total (1LDK: 8 units; 2LDK: 2 units)	
Estimated Price at End of Period	1,230 million yen	(Time of reference for the survey: May 31, 2007)
Appraiser	Morii Appraisal & Investment Consulting, Inc.	
Tenant Details	No. of Tenants (Note 1)	1
	Monthly Rent (Note 2)	5,644 thousand yen
	Deposit, etc. (Note 3)	20,817 thousand yen
	Total Leasable Area (Note 4)	862.98m ²
	Total Leased Area (Note 4)	746.08m ²
	Occupancy Rate (based on area) (Note 4)	86.5%

(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 May 31, 2007. 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 May 31, 2007. 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 December 31, 2007.

(B) Umeda Excelheights

Name of Asset	Umeda Excelheights	
Type of Specified Asset	Real estate	
Location	3-1-12 Nakazaki-Nishi, Kita-ku, Osaka-shi, Osaka	
Land	Ownership	Proprietary ownership
	Zoning	Commercial zone
	Lot size	3,276.37m ²
	FAR/Building coverage ratio	400%/80%
Building	Ownership	Proprietary ownership
	Type	Apartment and office
	Floor area	11,408.03m ²
	Construction completed	February 2002
	Structure	Steel-framed reinforced concrete structure with flat roof; 15 floors above ground and 1 floor below ground
Leasable units	414 units in total (Office: 2 units; 1R: 411 units; 3LDK: 1 unit)	
Accessory Building 1	Ownership	Proprietary ownership
	Type	Garage
	Floor area	87.05m ²
	Structure	Reinforced structure with galvanized steel plated roof; 1 floor above ground
Accessory Building 2	Ownership	Proprietary ownership
	Type	Waste disposal area
	Floor area	9.43m ²
	Structure	Reinforced concrete structure with galvanized steel plated roof; 1 floor above ground
Estimated Price at End of Period	5,380 million yen	(Time of reference for the survey: May 31, 2007)
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Tenant Details	No. of Tenants (Note 1)	1
	Monthly Rent (Note 2)	25,445 thousand yen
	Deposit, etc. (Note 3)	151,291 thousand yen
	Total Leasable Area (Note 4)	10,238.24m ²
	Total Leased Area (Note 4)	10,238.24m ²
	Occupancy Rate (based on area) (Note 4)	100.0%

(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 May 31, 2007. 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 May 31, 2007. 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 December 31, 2007.

4. Transferee Profile

(1)	Company Name	MS Japan Strategic Core Acquisition K.K.
(2)	Head Office Address	6-56-15 Kameido, Koto-ku, Tokyo
(3)	Representative	Junichi Naganawa, Representative Director
(4)	Paid-in Capital	10 million yen
(5)	Investor	Not disclosed due to the absence of the transferee's consent for disclosure.
(6)	Line of Business	1. Selling, buying, leasing, renting and brokering real estate 2. Owning, selling and buying securities as set forth in the Securities and Exchange Law 3. All work incidental or related to the above items
(7)	Relationship with NRIC and Asset 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	231,000,000 yen (excluding consumption tax and local consumption tax)
Relationship with NRIC and Asset 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 93.8% stake in the asset management company.

6. Outlook

The management performance outlook for the fiscal period ending in May 2008 (December 1, 2007 – May 31, 2008) will be announced when NRIC announces the financial results for the fiscal period ending in November 2007 (June 1, 2007 – November 30, 2007).

- 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 January 16, 2008 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.