

March 25, 2009

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 Sky Heights Hirabari

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 for real estate (see (10) below for transfer method)
(2)	Name of Asset	Sky Heights Hirabari
(3)	Acquisition Date of Asset	March 3, 2004
(4)	Transfer Value	339,708,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	543,191,460 yen (as of November 30, 2008)
(6)	Difference between Transfer Value and Book Value	-203,483,460 yen (difference between (4) and (5) above)
(7)	Contract Date	March 25, 2009
(8)	Scheduled Delivery Date	March 31, 2009 (hereafter, the “Transfer Execution Date”). However, the Transfer Execution Date shall be able to be changed to a date separately agreed to in writing that is no later than April 30, 2009.
(9)	Transferee	Please see “4. Transferee Profile” below.
(10)	Transfer Method	Transfer of the beneficiary interests in trust for real estate to the transferee indicated in (9) above at the same time that all sales proceeds are paid on the Transfer Execution Date

2. Purpose of Transfer and Incurrence of Loss on Sale

NRIC decided on the Transfer 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, as well as the policy of reducing the total amount of interest-bearing debt for the purpose of maintaining and strengthening the financial management base, among other factors.

NRIC expects to incur a loss on sale of about 200 million yen from the Transfer. In spite of this, NRIC deemed executing the Transfer at this point in time to be the right choice after comprehensively considering the location, building age and expectation of a fall in the revenue-generating capacity in the future with respect to the concerned asset, as well as the possibility of further drops in real estate prices, among other factors.

For the status of interest-bearing debt after execution of the Transfer, please refer to the "Notification on Loan Repayment" dated today.

3. Description of Asset to be Transferred

Name of Asset	Sky Heights Hirabari	
Type of Specified Asset	Beneficiary interests in trust for real estate	
Location	3-801-1 Hirabari, Tenpaku-ku, Nagoya-shi, Aichi	
Land	Ownership	Proprietary ownership
	Zoning	Neighborhood commercial zone and quasi residential zone
	Lot Size	1,327.61m ²
	FAR/Building Coverage Ratio	300%/80% and 200%/60%
Building	Ownership	Proprietary ownership
	Type	Apartment, store and storage
	Floor Area	2,442.52m ²
	Construction Completion	February 1995
	Structure	Reinforced concrete structure with flat roof; 9 floors above ground and 1 floor below ground
	Leasable Units	36 units in total (2LDK+S: 15 units; 3LDK: 17 units; Store: 4 units)
Appraisal Value at End of Period	493 million yen	(Time of reference for the survey: November 30, 2008)

Appraiser	Japan Real Estate Institute	
Tenant Details	No. of Tenants (Note 1)	1
	Monthly Rent (Note 2)	3,233 thousand yen
	Deposit, etc. (Note 3)	12,611 thousand yen
	Total Leasable Area (Note 4)	2,268.92m ²
	Total Leased Area (Note 4)	2,016.49m ²
Occupancy Rate (based on area) (Note 4)	88.9% (Note 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 sublease 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 February 28, 2009. 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 February 28, 2009. 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 February 28, 2009.

(Note 5) The occupancy rate has been rounded to one decimal place.

4. Transferee Profile

The transferee of the concerned asset is a general business in Japan, but details are not disclosed as the sale and purchase agreement sets forth a confidentiality obligation. The transferee is not a party having particular vested interest in NRIC or the Asset Management Company.

5. Broker Profile

Company Name	Itsuhiro Trust Co., Ltd.
Head Office Address	1-29-19 Sakae, Naka-ku, Nagoya-shi, Aichi
Representative	Masao Yamaguchi, Representative Director
Commission	Not disclosed pursuant to the confidentiality obligation set forth in the broker agreement.
Relationship with NRIC and Asset Management Company	None

6. Outlook

As mentioned in 2. above, NRIC expects to incur a loss on sale of about 200 million yen. Another announcement will be made concerning the management performance outlook for NRIC for the fiscal period ending in May 2009 (Eleventh Fiscal Period: December 1, 2008 – May 31, 2009), which was announced in the Kessan Tanshin (financial report) dated January 20, 2009, after considering such factors as the future management performance of the entire portfolio.

- This document was distributed to the press clubs within the Tokyo Stock Exchange, Ministry of Land, Infrastructure, Transport and Tourism and construction trade newspaper of the Ministry of Land, Infrastructure, Transport and Tourism.
- 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 March 25, 2009 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.