

February 27, 2009

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

Nippon Residential Investment Corporation
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Masaru Nishimura
Chief Executive Officer
(Securities Code: 8962)

Asset Management Company:
Pacific Residential Corporation
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Notification of Sponsor Company's
Assignment to Securities Under Supervision and Corresponding Measures

Nippon Residential Investment Corporation's (NRIC's) sponsor company and major shareholder of Pacific Residential Corporation (the asset management company to which NRIC entrusts the management of its assets; hereafter, the "Asset Management Company"), Pacific Holdings, Inc. (PHI), today made an announcement regarding the independent auditors' report (based on the provisions of Article 193-2, Paragraph (1) of the Financial Instruments and Exchange Law) that will accompany PHI's annual securities report (yukashoken hokokusho) for the fiscal year ended November 30, 2008 when the annual securities report is submitted. The announcement states that PHI received an audit report from Deloitte Touche Tohmatsu stating that it will not express an audit opinion. (For details, please refer to the "Notice on Disclaimer of Opinion from Auditor Regarding Annual Securities Report" dated February 27, 2009 released by PHI.)

In conjunction with this, PHI's securities were assigned to securities under supervision in accordance with the pertinent provisions of the Securities Listing Regulations of the Tokyo Stock Exchange and the Rules for the Enforcement of the Securities Listing Regulations of the Tokyo Stock Exchange.

At this time, there are no matters in relation to this event that pose any immediate problems to NRIC's operations and NRIC's investment units will remain listed on the Tokyo Stock Exchange. Nonetheless, the Asset Management Company is poised to take prompt and appropriate measures as the need arises.

- 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 February 27, 2009 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.