

January 26, 2010

For Immediate Release



**NIPPON  
RESIDENTIAL  
INVESTMENT  
CORPORATION**

Nippon Residential Investment Corporation  
1-14-1 Kanda Jimbo-cho, Chiyoda-ku, Tokyo  
Masaru Nishimura  
Chief Executive Officer  
(Securities Code: 8962)

Asset Management Company:  
Pacific Residential Corporation  
1-14-1 Kanda Jimbo-cho, Chiyoda-ku, Tokyo  
Takeshi Takano  
President and Chairman of the Board

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#### Notification on Strengthening of Property Management Structure

Today, ITOCHU Corporation's subsidiary ITOCHU Urban Community Ltd. (IUC) announced it accepted the transfer of all shares in Touchstone Residential Management Corporation (TRM), which is the master lease company and the property management company for 53 properties of the 137 properties held by Nippon Residential Investment Corporation (NRIC).

In correlation, TRM will hereafter constitute an interested party, etc., as defined in the Law concerning Investment Trusts and Investment Corporations, of NRIC's asset management company Pacific Residential Corporation (hereafter, the "Asset Management Company").

IUC is the master lease company for all 51 properties held by the investment corporation with which NRIC is scheduled to merge, Advance Residence Investment Corporation. Of these properties, IUC has been entrusted with also the property management services for 25 properties. Combined with TRM, property management services entrusted to ITOCHU Corporation Group companies IUC and TRM will total 78 properties of the 188 properties held by the new investment corporation resulting from the merging of the two investment corporations.

The above is believed to enable property management leveraging economies of scale at the new investment corporation after the merger, leading to improvement of management efficiency and further strengthening of the management base.

1. Profile of IUC

Company Name	ITOCHU Urban Community Ltd.	
Head Office Address	2-7-1 Nihonbashi Hon-cho, Chuo-ku, Tokyo	
Representative	Shigeo Inokuma, President and Representative Director	
Paid-in Capital	310 million yen	
Major Shareholders (as of January 26, 2010)	ITOCHU Corporation	(shareholding: 61.0%)
	ITOCHU Property Development, Ltd.	(shareholding: 39.0%)
Line of Business	Building maintenance, condominium maintenance, property management, engineering, and life support	

2. Profile of TRM

Company Name	Touchstone Residential Management Co., Ltd.	
Head Office Address	2-17-22 Akasaka, Minato-ku, Tokyo	
Representative	Shigeo Inokuma, President and Representative Director	
Paid-in Capital	50 million yen	
Major Shareholder (as of January 26, 2010)	ITOCHU Urban Community Ltd.	(shareholding: 100.0%)
Line of Business	Property management of rental condominiums, etc.	

3. For details on the transfer of shares, please refer to the news release announced by IUC below.

[http://www.itc-uc.co.jp/profile/news/archive\\_detail.html?num=127](http://www.itc-uc.co.jp/profile/news/archive_detail.html?num=127)

4. Other

In compliance with the Financial Instruments and Exchange Law and other applicable laws, ordinances and regulations, the required filing and other procedures will be performed in relation to this matter.

- 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>

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