

May 21, 2009

For Immediate Release



**NIPPON  
RESIDENTIAL  
INVESTMENT  
CORPORATION**

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#### Notification on Transfer of Dormitory Haramachida

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	Dormitory Haramachida
(3)	Acquisition Date of Asset	March 2, 2004
(4)	Transfer Value	369,660,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax)
(5)	Book Value	483,802,923 yen (as of November 30, 2008)
(6)	Difference between Transfer Value and Book Value	-114,142,923 yen (difference between (4) and (5) above)
(7)	Contract Date	May 21, 2009
(8)	Scheduled Delivery Date	May 25, 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 May 31, 2009.
(9)	Transferee	Please see "4. Transferee Profile" below.
(10)	Transfer Method	After 18,000,000 yen is paid as a down payment upon conclusion of the agreement, the beneficiary interests in trust for real estate shall be transferred to the transferee indicated in (9) above at the same time that the remainder is paid on the Transfer Execution Date

## 2. Purpose of Transfer

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 will incur a loss on sale of approximately 114 million yen from the Transfer. On the other hand, considering that repair costs and other expenses for the Property are projected to rise in the future as the Property is about 17 years old and considering that the Property is situated a 15-minute walk from the nearest station, the Property's competitiveness in the rental market is expected to fall. Moreover, as the rental income for the store on the 1F and offices on the 2F account for a high proportion of the Property's gross rental income, the impact on earnings and vacancy risks will be high should the tenants exit from the concerned store and offices. In light of these and other factors, NRIC deemed executing the Transfer at this point in time when the occupancy rate and revenue are maintaining consistent levels will contribute to long-term investor return.

For the status of interest-bearing debt after execution of the Transfer, please refer to the "Notification on Loan Repayment (Partial Early Performance of Obligations) and Partial Cancellation of Interest Rate Swap Agreement" dated May 21, 2009.

## 3. Description of Asset to be Transferred

Name of Asset	Dormitory Haramachida	
Type of Specified Asset	Beneficiary interests in trust for real estate	
Location	2-6-14 Haramachida, Machida-shi, Tokyo	
Land	Ownership	Proprietary ownership
	Zoning	Commercial zone
	Lot Size	510.95m <sup>2</sup>
	FAR/Building Coverage Ratio	600%/80% and 500%/80%
Building	Ownership	Proprietary ownership
	Type	Apartment, office and garage
	Floor Area	2,239.50m <sup>2</sup>
	Construction Completion	July 1992

	Structure	Steel-framed reinforced concrete structure with flat, steel roof; 12 floors above ground and 1 floor below ground
	Leasable Units	73 units in total (1K: 70 units; Store: 1 unit; Office: 2 units)
Estimated Price at End of Period	653 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)	4,832 thousand yen
	Deposit, etc. (Note 3)	18,122 thousand yen
	Total Leasable Area (Note 4)	1,830.96m <sup>2</sup>
	Total Leased Area (Note 4)	1,712.28m <sup>2</sup>
	Occupancy Rate (based on area) (Note 4)	93.5% (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 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 April 30, 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 April 30, 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 April 30, 2009.

(Note 5) The occupancy rate has been rounded down 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	Mizuho Trust Realty Co., Ltd.
Head Office Address	1-1-8 Yaesu, Chuo-ku, Tokyo
Representative	Mitsuyoshi Tooyama, 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

The approximately 114 million yen in loss on sale from the Transfer and the approximately 137 million yen in gain on retirement by purchase announced in the “Notification of Partial Retirement by Purchase of Investment Corporation Bonds” dated May 21, 2009 do not result in any change to the distribution per unit forecast in the management performance outlook for the fiscal period ending in May 2009 (Eleventh Fiscal Period: December 1, 2008 – May 31, 2009) from that announced in the “Notification of Revision to Management Performance Forecasts for Fiscal Period Ending in May 2009 (Eleventh Fiscal Period)” dated April 10, 2009.

- 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 May 21, 2009 and was prepared solely for the convenience of and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.*