

March 11, 2009

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

Nippon Residential Investment Corporation
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Notification of Management and Administration of Portfolio Assets
(To Tenants and Other Stakeholders Involved in Asset Management)

Nippon Residential Investment Corporation (NRIC) hereby informs the tenants and other stakeholders involved in the management of NRIC's portfolio assets of the following with respect to the future management and administration of NRIC's portfolio assets. This notification follows a petition filed with the Tokyo District Court on March 10, 2009 by Pacific Holdings, Inc. (PHI), a major shareholder of Pacific Residential Corporation (the asset management company to which NRIC entrusts the management of its assets; hereafter, the "Asset Management Company").

1. Administration and Management of Portfolio Assets

Pursuant to laws and regulations, NRIC entrusts the business relating to the custody of its assets to its asset custodian Mitsubishi UFJ Trust and Banking Corporation. NRIC's assets are under custody separate from the assets of PHI and the Asset Management Company. In addition, NRIC has no lending to PHI or the Asset Management Company. In light of these facts, PHI's corporate reorganization proceedings do not impact NRIC.

On a further note, the Asset Management Company has lent ¥300 million in cash to PHI. There is a possibility that such funds lent will become delinquent. Please note, however, that the Asset Management Company had implemented such lending within the scope of its surplus funds and thus no problems will arise in the Asset Management Company's cash management even in the event of delinquency of such funds lent. In addition to these, the Asset Management Company's most recent financial conditions also show that there have been no events that would pose as problems in the asset management structure and nor has it taken out borrowings. Additionally, the Asset Management Company is not included in the scope of PHI's corporate reorganization proceedings. For these reasons, there will be no impact on the continuation of the asset management business or the decision-making function required in the asset management business at NRIC. For details, please refer to the "Notification of Sponsor Company's Petition to Commence Corporate Reorganization Proceedings" dated March 10, 2009.

2. Status of Administration of Deposits, Guarantees, etc. Received

At NRIC, the deposits, guarantees, etc. received from tenants are placed in deposit accounts, which are separated for each property, with checking of the balance. None of such funds are diverted to working capital, etc. for NRIC's day-to-day administration or management of portfolio assets whatsoever.

3. Structure of Day-to-Day Administration and Management of Portfolio Assets

NRIC assures that the structure of day-to-day administration and management of NRIC's portfolio assets will be appropriately maintained as before without being impacted by PHI's corporate reorganization proceedings.

- 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 11, 2009 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.