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For Immediate Release



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#### Notification on Transfer of City Forum Kami-Hongo and Wakohre Higashi-Nippori II

Nippon Residential Investment Corporation (NRI) announces the decision to transfer the following assets as detailed below (hereafter, the "Transfer").

#### 1. Overview of Transfer (Scheduled)

##### (A) City Forum Kami-Hongo

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|---|--|
| (1) Asset:  | Beneficiary interests in trust (real estate)   |
| (2) Name of Asset:                                    | City Forum Kami-Hongo  |
| (3) Acquisition Date of Asset:                        | March 3, 2004  |
| (4) Transfer Value:                                   | 1,430,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax) |
| (5) Book Value:                                       | 1,187,858,746 yen (as of May 31, 2005)   |
| (6) Difference between Transfer Value and Book Value: | 242,141,254 yen (difference between (4) above and (5) above)   |
| (7) Contract Date:                                    | September 1, 2005  |
| (8) Scheduled Delivery Date:                          | By November 25, 2005 on a date agreed by NRI and the transferee (refer to 4. below)  |
| (9) Transferee:                                       | Priva Y.K. (refer to 4. below)   |
| (10) Transfer Method:                                 | Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee  |

(B) Wakohre Higashi-Nippori II

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|---|--|
| (1) Asset:  | Beneficiary interests in trust (real estate)   |
| (2) Name of Asset:                                    | Wakohre Higashi-Nippori II   |
| (3) Acquisition Date of Asset:                        | March 2, 2004  |
| (4) Transfer Value:                                   | 1,170,000,000 yen (excluding adjusted amount of real property tax and city planning tax, as well as consumption tax and local consumption tax) |
| (5) Book Value:                                       | 995,090,995 yen (as of May 31, 2005)   |
| (6) Difference between Transfer Value and Book Value: | 174,909,005 yen (difference between (4) above and (5) above)   |
| (7) Contract Date:                                    | September 1, 2005  |
| (8) Scheduled Delivery Date:                          | By November 25, 2005 on a date agreed by NRI and the transferee (refer to 4. below)  |
| (9) Transferee:                                       | Priva Y.K. (refer to 4. below)   |
| (10) Transfer Method:                                 | Transfer of beneficiary interests in trust (real estate) to the abovementioned transferee  |

2. Purpose of the Transfer

- (1) To maintain and enhance the revenue-generating potential of the portfolio

Based on NRI's investment policy, NRI aims to construct a portfolio that has a well-balanced revenue stream and is diversified while keeping "residential" properties "focused on the metropolitan area" as the basis of the portfolio and having a strong core of competitive and superior properties that are highly attractive to the rental market. The objective of this strategy is to secure stable revenue over the medium- and long-term through steady growth of managed assets. In order to achieve this, NRI will maintain and enhance the revenue-generating potential of the portfolio by examining the possibility of investment into assets for which future demand growth can be anticipated along with flexibly rearranging assets to respond to changes in the management environment and future revenue-earning capacity of the property.

- (2) Transfer decision

NRI deemed that the transfer timing, transfer amount, etc. were appropriate based on the asset management property targets and policy as designated in NRI's articles of incorporation and as a result of a comprehensive review. The review took into account revenue projections, variations in asset values and their forecast values, trends in the

real-estate market and other factors, and also considered NRI's portfolio composition and policy for constructing the portfolio. Thus, NRI decided to execute the Transfer in an aim to enhance the portfolio and promote efficiency in asset management over the medium- and long-term.

### 3. Description of Asset to be Transferred

#### (A) City Forum Kami-Hongo

Name of Asset	City Forum Kami-Hongo			
Type of Specified Asset	Beneficiary interests in trust (real estate)	Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	
Location	2113-1 Azakitadai, Kami-Hongo, Matsudo-shi, Chiba			
Land	Ownership	Proprietary ownership	Zoning	Class 1 residential
	Lot size	3,124.84m <sup>2</sup>	FAR/Building coverage ratio	200%/60%
Building	Ownership	Proprietary ownership	Type	Apartment
	Floor space	7,337.07m <sup>2</sup>	Construction completed	March 1991
	Structure	Reinforced concrete structure with flat roof; 1 floor below ground and 7 floors above ground		
	Leasable units	182 units in total (1K: 175 units; 1LDK: 6 units; Office: 1 unit)		
Acquisition Date	March 3, 2004			
Acquisition Value	1,140 million yen			
Appraised Value at Time of Acquisition	1,140 million yen (Appraised date: November 1, 2003)			
Estimated Value at End of Period	966 million yen (Time of reference for the survey: May 31, 2005)			
Appraiser	Japan Real Estate Institute			

#### (B) Wakohre Higashi-Nippori II

Name of Asset	Wakohre Higashi-Nippori II
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Type of Specified Asset	Beneficiary interests in trust (real estate)	Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	
Location	3-9-4 Higashi-Nippori, Arakawa-ku, Tokyo			
Land	Ownership	Proprietary ownership	Zoning	Quasi industrial
	Lot size	954.76m <sup>2</sup>	FAR/Building coverage ratio	300%/60%
Building	Ownership	Proprietary ownership	Type	Apartment, parking lot and store
	Floor space	3,236.20m <sup>2</sup>	Construction completed	February 1991
	Structure	Reinforced concrete structure with roofing tiles; 1 floor below ground and 7 floors above ground		
	Leasable units	57 units in total (1LDK: 2 units; 2DK: 34 units; 2LDK: 17 units; 3DK: 2 units; Office: 2 units)		
Acquisition Date	March 2, 2004			
Acquisition Value	972 million yen			
Appraised Value at Time of Acquisition	972 million yen	(Appraised date: November 1, 2003)		
Estimated Value at End of Period	1,020 million yen	(Time of reference for the survey: May 31, 2005)		
Appraiser	Japan Real Estate Institute			

#### 4. Transferee Profile

- (1) Company Name: Priva Y.K.
- (2) Head Office Address: 8-11-9 Ginza, Chuo-ku, Tokyo
- (3) Representative: Noriaki Baba, Director
- (4) Paid-in Capital: 3 million yen
- (5) Line of Business: 1. Selling, purchasing, leasing, managing and owning real estate

2. All work incidental or related to the above

(6) Relationship with NRI: None

## 5. Outlook

Please refer to “Notification of Revisions to Management Performance Forecasts for Fiscal Period Ending November 2005” that was separately released today for the management performance outlook for NRI for the fiscal period ending in November 2005 (June 1, 2005 – November 30, 2005).

- This document was distributed to the press clubs within the Tokyo Stock Exchange, Ministry of Land, Infrastructure and Transport and construction trade newspaper of the Ministry of Land, Infrastructure and Transport.
- Nippon Residential Investment Corporation’s website is <http://www.nric.co.jp>

[Attachment 1] NRI's Real Estate Portfolio Following the Transfer

Asset Type (Note 1)	Property No. (Note 2)	Location	Property Name	Acquisition Date	Acquisition Price (million yen)	Portfolio Share (% (Note 3))
Core 1	S-8	23 wards of Tokyo	Pacific Residence Shin-Nakano	March 3, 2004	448	0.27
Core 1	S-19	23 wards of Tokyo	Pacific Residence Yushimasanchome	December 3, 2004	1,020	0.61
Core 1	S-20	5 central wards of Tokyo	Pacific Residence Shinjuku East	December 3, 2004	1,397	0.83
Core 1	S-22	5 central wards of Tokyo	Pacific Residence Kanda Iwamotocho	December 3, 2004	1,657	0.99
Core 1	S-24	23 wards of Tokyo	Pacific Residence Tsukiji (planned acquisition)	(Note 4)	1,320	0.79
Core 1	S-25	23 wards of Tokyo	Pacific Residence Sasaduka	March 25, 2005	1,950	1.16
Core 1	S-26	5 central wards of Tokyo	Pacific Residence Minamiazabu	March 25, 2005	1,060	0.63
Core 1	S-27	5 central wards of Tokyo	Pacific Residence Ebisuhighashi	March 25, 2005	660	0.39
Core 1	S-28	23 wards of Tokyo	Pacific Residence Meguronishi	March 25, 2005	800	0.48
Core 1	S-29	5 central wards of Tokyo	Pacific Residence Hiroo Sanchome	March 25, 2005	850	0.51
Core 1	S-30	5 central wards of Tokyo	Pacific Residence Akasaka II	March 15, 2005	1,567	0.93
Core 1	S-31	23 wards of Tokyo	Pacific Livew Kyobashi	March 31, 2005	1,401	0.83
Core 1	S-32	Ordinance designated city, etc.	Pacific Residence Sannomiya Higashi (planned acquisition)	(Note 5)	2,247	1.34
Core 1	S-33	23 wards of Tokyo	Pacific Livew Tamagawa	August 12, 2005	1,514	0.90
Core 1	S-35	23 wards of Tokyo	Pacific Livew Ginza Higashi	August 12, 2005	2,348	1.40
Core 1	C-1	23 wards of Tokyo	Pacific Residence Bunkyo Otowa	March 3, 2004	3,590	2.14
Core 1	C-2	23 wards of Tokyo	Pacific Residence Sengoku	March 3, 2004	760	0.45
Core 1	C-4	23 wards of Tokyo	Pacific Residence Yushima	March 3, 2004	1,110	0.66
Core 1	C-8	Tokyo metropolitan area	Pacific Livew Hachioji	March 3, 2004	700	0.42
Core 1	C-12	5 central wards of Tokyo	Pacific Residence Suidobashi	February 25, 2005	2,330	1.39
Core 1	C-13	5 central wards of Tokyo	Pacific Tower Nogizaka	September 30, 2004	3,900	2.32
Core 1	C-14	5 central wards of Tokyo	Pacific Residence Akasaka I	June 30, 2004	1,300	0.77
Core 1	C-18	23 wards of Tokyo	Pacific Residence Ningyocho	December 3, 2004	572	0.34
Core 1	C-19	5 central wards of Tokyo	Pacific Residence Daikanyama	December 3, 2004	2,180	1.30
Core 1	C-20	5 central wards of Tokyo	Pacific Residence Ichigaya	December 3, 2004	2,580	1.54
Core 1	C-22	23 wards of Tokyo	Pacific Residence Bunkyo Sengoku	May 18, 2005	1,557	0.93
Core 1	C-23	5 central wards of Tokyo	Pacific Residence Akasaka Hinokicho	March 25, 2005	4,710	2.80
Core 1	C-24	5 central wards of Tokyo	Pacific Residence Takanawa	March 30, 2005	1,550	0.92
Core 1	C-25	23 wards of Tokyo	Pacific Tower Meguro Yamate (planned acquisition)	(Note 6)	14,507	8.63
Core 1	C-27	5 central wards of Tokyo	Pacific Livew Chojamaru	August 12, 2005	3,338	1.99
Core 1	F-3	23 wards of Tokyo	Pacific Residence Shinkawa	March 3, 2004	1,420	0.85
Core 1	F-11	5 central wards of Tokyo	Pacific Residence Shibaura	December 3, 2004	4,900	2.92

Core 1	F-12	Ordinance designated city, etc.	Pacific Residence Shirakabehigashi	August 5, 2005	1,070	0.64
Core 1	L-8	5 central wards of Tokyo	Pacific Tower Roppongi (planned acquisition)	(Note 7)	8,442	5.02
Core 1	L-9	5 central wards of Tokyo	Pacific Residence Kamimeguro	June 20, 2005	1,000	0.60
Core 1	L-10	5 central wards of Tokyo	Pacific Residence Yoyogikoen	August 19, 2005	1,310	0.78
Core 1	L-13	23 wards of Tokyo	Pacific Residence Oi	September 1, 2005	1,120	0.67
Core 2	S-1	23 wards of Tokyo	Glenpark Shinkawa	March 2, 2004	2,050	1.22
Core 2	S-2	5 central wards of Tokyo	Maison de Ville Shiba Daimon II	March 30, 2004	1,900	1.13
Core 2	S-14	23 wards of Tokyo	Apartments Shirokanedai	December 2, 2004	1,250	0.74
Core 2	S-15	Ordinance designated city, etc.	Grand Blue Hakata	September 17, 2004	1,582	0.94
Core 2	S-17	23 wards of Tokyo	Park Habio Kyobashi	December 2, 2004	2,725	1.62
Core 2	S-18	Ordinance designated city, etc.	Cristate Tenjinbashi	December 3, 2004	970	0.58
Core 2	S-21	5 central wards of Tokyo	Shu Shinjuku	December 3, 2004	854	0.51
Core 2	S-23	Ordinance designated city, etc.	Umeda Excelheights	January 31, 2005	5,250	3.12
Core 2	C-3	5 central wards of Tokyo	Joanna Jiyugaoka	March 3, 2004	1,080	0.64
Core 2	C-10	Ordinance designated city, etc.	Veil Koyo	March 2, 2004	454	0.27
Core 2	C-11	5 central wards of Tokyo	J Park Nagatacho	June 24, 2004	1,000	0.60
Core 2	C-15	5 central wards of Tokyo	Apartments Nishi-Azabu	December 2, 2004	7,920	4.71
Core 2	C-16	Ordinance designated city, etc.	Sereno Tenjin Minami	December 3, 2004	1,200	0.71
Core 2	C-17	Ordinance designated city, etc.	Common House Hakataeki-Minami	December 3, 2004	420	0.25
Core 2	C-21	Tokyo metropolitan area	Espacio Kichijoji	January 31, 2005	1,445	0.86
Core 2	C-26	23 wards of Tokyo	Storia SANGEN-JAYA	April 26, 2005	3,311	1.97
Core 2	F-1	5 central wards of Tokyo	Glenpark Sakuragaoka	March 2, 2004	3,960	2.36
Core 2	F-2	5 central wards of Tokyo	Mejiro Otomeyama Duplex R's	March 3, 2004	1,100	0.65
Core 2	F-10	23 wards of Tokyo	Solcher Mejiro	August 30, 2004	7,350	4.37
Core 2	L-2	5 central wards of Tokyo	Bellwood	March 3, 2004	1,530	0.91
Core 2	L-3	5 central wards of Tokyo	Grand Forme Ichigaya Haraikatamachi	March 3, 2004	970	0.58
Core 2	L-6	23 wards of Tokyo	Nishi-Ogikubo Urbane Homes	March 2, 2004	1,050	0.62
Core 2	L-7	5 central wards of Tokyo	Motoazabu Place	March 25, 2005	10,270	6.11
Core 2	L-11	5 central wards of Tokyo	Windsor House Hiroo	September 1, 2005	2,000	1.19
<b>Total acquisition price of core properties</b>					<b>145,830</b>	<b>86.79</b>
Sub-Core	S-3	5 central wards of Tokyo	Glenpark Sangubashi	March 2, 2004	1,040	0.62
Sub-Core	S-4	5 central wards of Tokyo	Fresca Yoyogiuehara II	March 3, 2004	524	0.31
Sub-Core	S-5	5 central wards of Tokyo	Leopalace Udagawacho Mansion	March 3, 2004	569	0.34
Sub-Core	S-6	5 central wards of Tokyo	Veil Kikuicho	March 2, 2004	520	0.31
Sub-Core	S-7	23 wards of Tokyo	Escort Kami-Ikebukuro	March 2, 2004	644	0.38

Sub-Core	S-9	Tokyo metropolitan area	Dormitory Haramachida	March 2, 2004	490	0.29
Sub-Core	S-10	Tokyo metropolitan area	J Stage Minami-Urawa	March 2, 2004	700	0.42
Sub-Core	S-11	Tokyo metropolitan area	City Forum Kami-Hongo (planned sale) (Note 8)	March 3, 2004	1,140	0.68
Sub-Core	S-12	Ordinance designated city, etc.	Bonne Uji I and II	March 3, 2004	1,260	0.75
Sub-Core	S-13	Ordinance designated city, etc.	Yoshizuka AG Building 6 and 7	March 3, 2004	428	0.25
Sub-Core	S-16	23 wards of Tokyo	J Stage Honancho	December 2, 2004	952	0.57
Sub-Core	S-34	23 wards of Tokyo	Maison Korakuen	August 12, 2005	710	0.42
Sub-Core	S-36	23 wards of Tokyo	Relation Oji	August 12, 2005	1,027	0.61
Sub-Core	S-37	23 wards of Tokyo	No. 6 Zelvova Mansion	August 12, 2005	609	0.36
Sub-Core	C-6	23 wards of Tokyo	Zesty Ikegami A and B	March 3, 2004	381	0.23
Sub-Core	C-7	23 wards of Tokyo	Wakohre Higashi-Nippori II (planned sale) (Note 8)	March 2, 2004	972	0.58
Sub-Core	C-9	Ordinance designated city, etc.	Grand Heights Hibino	March 3, 2004	1,230	0.73
Sub-Core	C-28	5 central wards of Tokyo	L'air Minami Aoyama (planned acquisition)	(Note 9)	1,030	0.61
Sub-Core	F-4	23 wards of Tokyo	Setagaya Sun Heights	March 3, 2004	982	0.58
Sub-Core	F-5	23 wards of Tokyo	Ars Shin-Otsuka	March 2, 2004	1,117	0.66
Sub-Core	F-6	Tokyo metropolitan area	Crane Mansion Tsurumi	March 3, 2004	1,050	0.62
Sub-Core	F-8	Tokyo metropolitan area	Maison Kashiwa	March 2, 2004	840	0.50
Sub-Core	F-9	Ordinance designated city, etc.	Sky Heights Hirabari	March 3, 2004	554	0.33
Sub-Core	L-1	23 wards of Tokyo	Manoa Okamoto	March 2, 2004	590	0.35
Sub-Core	L-4	5 central wards of Tokyo	Meguro Hillside Court	March 3, 2004	1,000	0.60
Sub-Core	L-5	23 wards of Tokyo	Petit Cour Kinuta	March 2, 2004	684	0.41
Sub-Core	L-12	5 central wards of Tokyo	SOHO Kita Aoyama (planned acquisition)	(Note 10)	1,160	0.69
<b>Total acquisition price of sub-core assets</b>					<b>22,203</b>	<b>13.21</b>
<b>Total acquisition price of entire portfolio</b>					<b>168,034</b>	<b>100.00</b>

(Note 1) Asset Type (Core/Sub-Core)

Based on the asset management property targets and policy designated in the articles of incorporation of NRI, the respective properties are indicated as “Core (assets)” when they are appropriate for long-term ownership of more than ten years and “Sub-Core (assets)” in other cases.

In addition, “Core (assets)” are further broken down into “Core 1,” which are properties named “Pacific,” and other properties as “Core 2.”

(Note 2) The properties managed by NRI are categorized into four property types – S (single type), C (compact type), F (family type) and L (large type) – and then assigned a number, which serves as the “Property No.” Further, properties that are comprised of several types are indicated by the type that comprises



the greatest proportion of their area.

- (Note 3) The “Portfolio Share” is the ratio of the acquisition price for each managed asset versus the acquisition price of the entire portfolio (rounded to two decimal places).
- (Note 4) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.
- (Note 5) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.
- (Note 6) In principle, NRI plans to acquire this property by March 31, 2007 on a date separately agreed by NRI and the seller (planning to acquire around February 2007).
- (Note 7) In principle, NRI plans to acquire this property by March 31, 2005 on a date separately agreed by NRI and the seller.
- (Note 8) The beneficiary interests in trust for this property will be transferred by November 25, 2005 on a date agreed by NRI and the transferee.
- (Note 9) In principle, NRI plans to acquire this property by September 30, 2005 on a date separately agreed by NRI and the seller.
- (Note 10) In principle, NRI plans to acquire this property by September 30, 2005 on a date separately agreed by NRI and the seller.