

January 6, 2006

For Immediate Release



**NIPPON  
RESIDENTIAL  
INVESTMENT  
CORPORATION**

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#### Notification on Issuance of New Investment Units Via Third-Party Allotment

Nippon Residential Investment Corporation (NRIC) announces that the following third party has informed NRIC that it will exercise its option (greenshoe option) to purchase all the investment units NRIC will issue through a third-party allotment. NRIC granted the greenshoe option to the third party for the issuance of new investment units through a third-party allotment that NRIC resolved at its Board of Directors' Meetings held on November 17, 2005 and December 2, 2005 in conjunction with the decision to issue new investment units through a public offering (primary offering) and secondary offering of the investment units (over-allotment).

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|---|---|
| (1) Total number of units to be issued: | 1,482 units (planned number: 1,482 units) |
| (2) Issue price:                        | 533,312 yen per unit                      |
| (3) Total issue amount:                 | 790,368,384 yen                           |
| (4) Application date:                   | January 11 (Wednesday), 2006              |
| (5) Payment date:                       | January 11 (Wednesday), 2006              |
| (6) Allottee:                           | Daiwa Securities SMBC Co. Ltd.            |

#### <Reference>

1. Please refer to "Notification of Board of Directors' Decision on Issuance of New Investment Units Through Public Offering and Secondary Offering" dated November 17, 2005 for details on the abovementioned issuance of new investment

units through a third-party allotment.

2. Changes in Total Number of Investment Units Outstanding After Concerned Third-Party Allotment

Total number of investment units presently outstanding: 185,327 units

Increase in investment units: 1,482 units

Number of investment units outstanding after third-party allotment: 186,809 units

3. Use of Funds Procured Through Third-Party Allotment

The estimated proceeds of 790,368,384 yen resulting from the abovementioned third-party allotment shall be allocated to repay short-term loans and as funds for NRIC to acquire specified assets (same meaning as defined in Article 2-1 of the Law Concerning Investment Trusts and Investment Corporations).

Further, the management performance outlook for NRIC for the fiscal period ending in May 2006 (December 1, 2005 – May 31, 2006) announced in “Notification of Management Performance Forecasts for Fiscal Period Ending in May 2006” dated November 17, 2005 does not change as a result of the abovementioned exercising of the greenshoe option.

- 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>

Note: This document is a press release to publicly announce information on Nippon Residential Investment Corporation’s issuance of new investment units through a third-party allotment, and has not been prepared as an inducement or invitation for investment or the like, whatsoever.

*This English language notice is a translation of the Japanese language notice dated January 6, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.*