

August 25, 2006

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

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Notification of Loan

Nippon Residential Investment Corporation (NRIC) announces the decision made today concerning the borrowing of funds as detailed below.

1. Purpose of Loan

The funds will be allocated to the purchase of real estate (Pacific Residence Higashishinagawa) and payment of the associated costs.

2. Details of Loan

(1) Short-Term Loan

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|------------------------------|--|
| (i) Lender: | Aozora Bank, Ltd. |
| (ii) Loan amount: | 1,500 million yen |
| (iii) Interest rate: | TBD |
| (iv) Drawdown date: | August 29, 2006 |
| (v) Loan method: | NRIC concluded a loan agreement on August 25, 2006 with the lender described in (i) above. |
| (vi) Interest payment dates: | Payments shall be made on the last day of November 2006, on the last day of February 2007, on the last day of May 2007, and on the principal repayment date (the banking day immediately preceding the concerned date when the concerned date is not a banking day). |

- (vii) Principal repayment date: August 29, 2007 (the banking day immediately preceding the concerned date when the concerned date is not a banking day)
- (viii) Principal repayment method: Lump-sum repayment on the principal repayment date described in (vii) above. However, early repayment is accepted.
- (ix) Collateral: Unsecured and non-guaranteed

(2) Long-Term Loan

- (i) Lender: The Dai-ichi Mutual Life Insurance Company
- (ii) Loan amount: 1,000 million yen
- (iii) Interest rate: TBD
- (iv) Drawdown date: August 29, 2006
- (v) Loan method: NRIC concluded a loan agreement on August 25, 2006 with the lender described in (i) above.
- (vi) Interest payment dates: The first payment shall be made on the last day of November 2006, and the ensuing payments on the last day of every third month thereafter (the banking day immediately preceding the concerned date when the concerned date is not a banking day).
However, the final interest payment date shall be the principal repayment date.
- (vii) Principal repayment date: August 31, 2011 (the banking day immediately preceding the concerned date when the concerned date is not a banking day)
- (viii) Principal repayment method: Lump-sum repayment on the principal repayment date described in (vii) above. However, early repayment is accepted.
- (ix) Collateral: Unsecured and non-guaranteed

Furthermore, the interest rate shall be announced at a later date, as soon as it is finalized.

- 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>

[Reference]

Interest-Bearing Debt of NRIC After Drawdown of Loans

	Before Drawdown	After Drawdown	Increase (Decrease)
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(Unit: million yen)

Short-term loans	13,250	14,750	1,500
Long-term loans	32,300	33,300	1,000
Investment corporation bonds	45,000	45,000	—
Total interest-bearing debt	90,550	93,050	2,500

(Unit: %)

Interest-bearing debt ratio	46.2	46.8	0.6
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Note 1) Interest-bearing debt ratio = Total interest-bearing debt ÷ (Total interest-bearing debt + unitholders' capital) × 100%

The interest-bearing debt ratio is rounded to one decimal place.

Note 2) Short-term loans are loans where the period from the borrowing date until the repayment date (loan period) is one year or less. Long-term loans are loans with loan periods that exceed one year.

Note 3) Calculations use 105,593 million yen for unitholders' capital, which is the unitholders' capital as of August 25, 2006.

This English language notice is a translation of the Japanese language notice dated August 25, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.