

February 26, 2007

For Immediate Release



Nippon Residential Investment Corporation  
2-11-1 Nagata-cho, Chiyoda-ku, Tokyo  
Masaru Nishimura  
Chief Executive Officer  
(Securities Code: 8962)

Investment Trust Management Company:  
Pacific Investment Advisors Corporation  
2-11-1 Nagata-cho, Chiyoda-ku, Tokyo  
Akira Yamanouchi  
President and Chairman of the Board

Inquiries:  
Takeshi Takano  
Director  
Phone: +81-(0)3-5251-8528

#### Notification of Loan

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

##### 1. Purpose of Loan

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

##### 2. Details of Loan

- |                             |   |
|-----------------------------|---|
| (1) Lenders:                | The Bank of Tokyo-Mitsubishi UFJ, Ltd.,<br>The Sumitomo Trust & Banking Co., Ltd.,<br>The Bank of Fukuoka, Ltd. |
| (2) Loan amount:            | 2,600 million yen   |
| (3) Interest rate:          | TBD   |
| (4) Drawdown date:          | February 26, 2007   |
| (5) Loan method:            | NRIC concluded a loan agreement on February 26, 2007 with the lenders described in (1) above.                   |
| (6) Interest payment dates: | Payments shall be made on the last day of May 2007, on the last day of August 2007, on the last                 |

- day of November 2007, and on the principal repayment date (the banking day immediately preceding the concerned date when the concerned date is not a banking day)
- (7) Principal repayment date: February 28, 2008 (the banking day immediately preceding the concerned date when the concerned date is not a banking day)
- (8) Principal repayment method: Lump-sum repayment on the principal repayment date described in (7) above. However, early repayment is accepted.
- (9) 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 Loan

	Before Drawdown	After Drawdown	Increase (Decrease)
Short-term loans	12,220	14,820	2,600
Long-term loans	57,400	57,400	—
Investment corporation bonds	69,000	69,000	—
Total interest-bearing debt	138,620	141,220	2,600

(Unit: million yen)

Interest-bearing debt ratio	56.8	57.2	0.4
-----------------------------	------	------	-----

(Unit: %)

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 February 26, 2007.

*This English language notice is a translation of the Japanese language notice dated February 26, 2007 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.*