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For Immediate Release



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#### Notification of Loans

Nippon Residential Investment Corporation (NRIC) announces the decision made today to borrow funds as detailed below.

##### 1. Purpose and Background of Loans

NRIC is newly borrowing funds from its existing financial institutions with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as the arranger under the objective of allocating the funds to the redemption of the investment corporation bonds NRIC has issued that are due for redemption on September 11, 2009 and October 23, 2009 (total amount: 18,000,000,000 yen).

The concerned undertakings to borrow funds for the redemption of investment corporation bonds are premised on the series of undertakings, including the proceedings for the merger of investment corporations and the proceedings for the merger of asset management companies, that were announced in the “Notice Concerning Series of Undertakings Toward Merger of Investment Corporations” dated August 6, 2009 (hereafter, the “Series of Undertakings”), progressing smoothly.

Concerning future proceedings, if an event in relation to the Series of Undertakings or

its progress that fails to obtain the understanding of NRIC's existing financial institutions occurs, such may possibly impact the concerned borrowing of funds for the redemption of investment corporation bonds and other future fund procurement, etc. to a certain degree, such as making said fund procurement, etc. unfeasible.

No new decisions or changes have been made at this stage concerning the schedule for the abovementioned Series of Undertakings announced in the "Notice Concerning Series of Undertakings Toward Merger of Investment Corporations" dated August 6, 2009. Prompt disclosure will be made if any decisions, changes, etc. are made in regard to the Series of Undertakings.

## 2. Details of Loans

### <Short-Term Loan>

- (i) Lenders: The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
The Sumitomo Trust & Banking Co., Ltd.
- (ii) Loan amount: 6,000,000,000 yen
- (iii) Interest rate: TBD
- (iv) Drawdown date: September 10, 2009
- (v) Loan method: NRIC concluded a loan agreement on August 27, 2009 with the lenders described in (i) above.
- (vi) Interest payment dates: The first payment shall be made on the last day of October 2009, and the ensuing payments on the last day of each month thereafter until the final principal repayment date, as well as the final principal repayment date (the next banking day when the concerned date is not a banking day, unless said next banking day falls in the next month, in which case the banking day immediately preceding the concerned date shall be the interest payment date).
- (vii) Final principal repayment date: March 31, 2010  
(the next banking day when the concerned date is not a banking day, unless said next

banking day falls in the next month, in which case the banking day immediately preceding the concerned date shall be the final principal repayment date)

(viii) Principal repayment method: Lump-sum repayment on the final principal repayment date described in (vii) above.

However, early repayment is accepted.

(ix) Collateral: Secured and non-guaranteed

<Long-Term Loan>

(i) Lenders: The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
The Sumitomo Trust & Banking Co., Ltd.  
Sumitomo Mitsui Banking Corporation

(ii) Loan amount: 6,000,000,000 yen

(iii) Interest rate: TBD

(iv) Drawdown date: October 22, 2009

(v) Loan method: NRIC concluded a loan agreement on August 27, 2009 with the lenders described in (i) above.

(vi) Interest payment dates: The first payment shall be made on the last day of November 2009, and the ensuing payments on the last day of each month thereafter until the final principal repayment date, as well as the final principal repayment date (the next banking day when the concerned date is not a banking day, unless said next banking day falls in the next month, in which case the banking day immediately preceding the concerned date shall be the interest payment date).

(vii) Final principal repayment date: April 27, 2012  
(the next banking day when the concerned date is not a banking day, unless said next banking day falls in the next month, in which case the banking day immediately preceding the concerned date shall be the

- final principal repayment date)
- (viii) Principal repayment method: Lump-sum repayment on the final principal repayment date described in (vii) above. However, early repayment is accepted.
- (ix) Collateral: Secured and non-guaranteed
- <Long-Term Loan>
- (i) Lenders: (a) The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
(b) Development Bank of Japan Inc.
- (ii) Loan amount: (a) 1,000,000,000 yen  
(b) 5,000,000,000 yen
- (iii) Interest rate: TBD
- (iv) Drawdown date: October 22, 2009
- (v) Loan method: NRIC concluded a loan agreement on August 27, 2009 with the lenders described in (i) above.
- (vi) Interest payment dates: (a) The first payment shall be made on the last day of November 2009, and the ensuing payments on the last day of each month thereafter until the final principal repayment date, as well as the final principal repayment date (the next banking day when the concerned date is not a banking day, unless said next banking day falls in the next month, in which case the banking day immediately preceding the concerned date shall be the interest payment date).  
(b) The first payment shall be made on the last day of February 2010, and the ensuing payments on the last day of each of February, May, August and November of every year thereafter until the final principal repayment date, as well as the final principal repayment date (the next banking day when the concerned date is

not a banking day, unless said next banking day falls in the next month, in which case the banking day immediately preceding the concerned date shall be the interest payment date).

(vii) Final principal repayment date: September 30, 2014

(the next banking day when the concerned date is not a banking day, unless said next banking day falls in the next month, in which case the banking day immediately preceding the concerned date shall be the final principal repayment date)

(viii) Principal repayment method:

(a) Lump-sum repayment on the final principal repayment date described in (vii) above.

However, early repayment is accepted.

(b) Repayments of 62,500,000 yen of the principal shall be made with the first repayment to be made on the last day of February 2010, and the ensuing repayments on the last day of each of February, May, August and November of every year thereafter until a lump-sum repayment of the remaining principal of 3,812,500,000 yen is made on September 30, 2014 (the next banking day when the concerned date is not a banking day, unless said next banking day falls in the next month, in which case the banking day immediately preceding the concerned date shall be the principal repayment date).

However, early repayment is accepted.

(ix) Collateral:

Secured and non-guaranteed

Furthermore, the interest rates shall be announced at a later date, as soon as they are finalized.

3. Interest-Bearing Debt of NRIC After Drawdown of Loans and Redemption of Investment Corporation Bonds (as at October 23, 2009)

	Before Drawdown	After Drawdown	Increase (Decrease)
(Unit: million yen)			
Short-term loans	1,021	7,021	6,000
Long-term loans	78,378	90,378	12,000
Investment corporation bonds	89,500	71,500	(18,000)
Total interest-bearing debt	168,900	168,900	—
(Unit: %)			
Interest-bearing debt ratio	53.2	53.2	—

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 148,417 million yen for unitholders' capital, which is the unitholders' capital as of August 27, 2009.

- This document was distributed to the press clubs within the Tokyo Stock Exchange, Ministry of Land, Infrastructure, Transport and Tourism and the 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 August 27, 2009 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.*