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For Immediate Release



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

Asset Management Company:  
Pacific Residential Corporation  
2-11-1 Nagata-cho, Chiyoda-ku, Tokyo  
Takeshi Takano  
President and Chairman of the Board

Inquiries:  
Shigeki Hirayama  
Director  
Phone: +81-(0)3-5251-8528

### Notification of Proposal on Provision of Collateral

Nippon Residential Investment Corporation (NRIC) announces, with respect to the loans it has borrowed, that it has made the following proposal to the lenders of such loans (hereafter, the “Lenders”) and has commenced discussions regarding the proposal.

#### 1. Details of the Proposal

The proposal states collateral will be provided to the Lenders.

#### 2. Significance of the Provision of Collateral

While the occupancy rate of NRIC’s entire portfolio maintains favorable levels and the profitability of portfolio assets is stable, the external environment surrounding NRIC is undergoing drastic changes with particularly the global credit crunch spreading to Japan’s capital markets and especially the real estate investment trust securities market falling into turmoil. In light of these factors, although none of these factors have given rise to a situation that obliges NRIC to provide collateral in relation to the agreements signed between NRIC and the Lenders, NRIC has nevertheless raised the

maintaining and strengthening of its financial management base as its task of top priority for the immediate future. Under such circumstances, NRIC deemed that providing collateral to the Lenders will contribute to the development of a framework that facilitates ongoing and stable financing, and has thus made the abovementioned proposal to and commenced discussing the provision of collateral with the Lenders.

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

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