

January 31, 2006

For Immediate Release

New City Residence Investment Corporation
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Tetsuya Fujita, Executive Officer
(Securities Code: 8965)

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Notice Concerning Debt Financing

New City Residence Investment Corporation (“NCRI” or “the Investment Corporation”) today announced its agreement with certain financial institutions to undertake debt financing. Brief details are as follows.

1. Rationale

NCRI has decided to undertake debt financing to support the acquisition of trust beneficiary interests* in a certain property and payment of associated costs.

Note: The aforementioned trust beneficiary interests relate to trust beneficiary interests in NCR Ueno Tower (“the subject trust beneficiary interests”).

Please refer to the press release “Notice Concerning the Proposed Acquisition of Investment Asset,” dated January 31, 2006 for details.

2. Details of Debt Financing

(1) Line of Credit B

- | | | | |
|---|-----------------------|---|--|
| 1 | Lender | : | Aozora Bank, Ltd. |
| 2 | Amount | : | ¥3.1 billion |
| 3 | Interest Rate | : | 0.96780% |
| 4 | Drawdown Date | : | February 1, 2006 |
| 5 | Debt Financing Method | : | Pursuant to the Commitment Line of Credit (B) Agreement dated December 15, 2004, (and amendments thereto), the Investment Corporation executed a Line of Credit (B) Agreement with the financial institutions identified in (1) above on January 31, 2006. |
| 6 | Repayment Method | : | Principal repayment in full on maturity |
| 7 | Repayment Date | : | February 1, 2007 |

- 8 Collateral : In addition to a second right of pledge over a portion* of trust beneficiary interests in properties acquired on December 15, 2004 and December 17, 2004, the Investment Corporation has agreed to provide a first right of pledge over the subject trust beneficiary interests to be acquired.

Note: NCRI has agreed to provide a second right of pledge over trust beneficiary interests in the following properties:

1	NCR Mita
2	NCR Shinjyuku Ichibankan
3	NCR Todoroki
4	NCR Nishi Funabashi
5	NCR Senzokukoen
6	NCR Kumegawa
7	NCR Yoyogi Uehara
8	NCR Sendagaya
9	NCR Shinjyuku 7 chome
10	NCR Ichigaya Sanaicho
11	NCR Denenchofu
12	NCR Nogeyama
13	NCR Shonan
14	NCR Negishi
15	NCR Minamirinkan
16	NCR Nihonhashi East
17	NCR Nihonbashi West
18	NCR Minami Aoyama
19	NCR Ohdori-koen
20	NCR Kakogawa
21	NCR Nishikoen
22	NCR Nishi Ohori
23	NCR Ginza Twin I
24	NCR Ginza Twin II
25	NCR Toyoda
26	NCR Sangubashi
27	NCR Kyodo
28	SH Motosumiyoshi
29	NCR Meguro Mita
30	NCR Kitazawa
31	NCR Maihama
32	NCR Minamigyotoku I
33	NCR Minamigyotoku II

3. Use of Debt Financing

Debt financing will be used to acquire trust beneficiary interests in specified assets.

This English language notice is a translation of the Japanese language notice issued on the same day and was prepared solely for the convenience of, and reference by, overseas investors. NCRI makes no warranties as to its accuracy or completeness.

Attachment

Total Debt Financing Balance After Additional Debt Financing

(Millions of yen)

		Debt Financing Balance Prior to Additional Debt Financing	Debt Financing Balance After Additional Debt Financing	Change
Short-Term Debt	Commitment Line of Credit (A)	11,500	11,500	—
	Commitment Line of Credit (B)	2,700	5,800	3,100
Long-Term Debt	Term Loan (A)	10,200	10,200	—
	Term Loan (B)	15,300	15,300	—
	Term Loan (C)	21,600	21,600	—
Total Debt Financing Balance		61,300	64,400	3,100
Interest-bearing liabilities ratio (%) (*1,*2)		48.5	49.7	1.2

Notes:

1. Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' equity) x 100
(Unitholders' equity as of today is ¥65,106,293)
2. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.