

February 24, 2005

For Immediate Release

New City Residence Investment Corporation
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(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, of which brief details are as follows.

1. Rationale

NCRI has agreed to undertake debt financing to support the acquisition of trust beneficiary interests* in seven properties and payment of associated costs.

Note: The aforementioned acquisition of trust beneficiary interests relate to properties identified in the press release “Notice Concerning the Acquisition of Investment Assets,” dated January 27, 2005. The Investment Corporation intends to acquire trust beneficiary interests in the Aprire Tarumi Building, the New City Residence Otsuka Building, the New City Residence Nihonbashi Ningyocho I Building, the New City Residence Nihonbashi Ningyocho II Building, the New City Residence Shin Ochanomizu Building, the New City Residence Morishita Building, and the New City Residence Uehonmachi Building.

2. Details of Debt Financing

- | | | | |
|---|-----------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Lenders | : | The Chuo Mitsui Trust and Banking Company, Limited, The Sumitomo Trust & Banking Co., Ltd., The Norinchukin Bank |
| 2 | Amount | : | ¥8,800 million |
| 3 | Interest Rate | : | 0.94% |
| 4 | Drawdown Date | : | February 25, 2005 |
| 5 | Debt Financing Method | : | Pursuant to the Commitment Line of Credit (A) Agreement dated December 15, 2004, the Investment Corporation executed a Line of Credit (A) Individual Agreement with the financial institutions identified in (1) above on February 24, 2005. |

- 6 Repayment Method : Principal repayment in full on maturity
 7 Repayment Date : February 24, 2006
 8 Collateral : In addition to a first right of pledge over trust beneficiary interests in the Aprire Tarumi Building, the New City Residence Otsuka Building, the New City Residence Nihonbashi Ningyocho I Building, the New City Residence Nihonbashi Ningyocho II Building, the New City Residence Shin Ochanomizu Building, the New City Residence Morishita Building, and the New City Residence Uehonmachi Building, the Investment Corporation has agreed to provide a second right of pledge over certain trust beneficiary interests*.

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

1	New City Residence Nishi Azabu
2	New City Residence Shinjyuku Nibankan
3	New City Residence Honjo Azumabashi
4	New City Residence Monzennakacho
5	New City Residence Yokohama East
6	Goshikiyama Heights
7	New City Residence Nishi Azabu Twin Tower
8	New City Residence Ochanomizu
9	New City Residence Harajuku
10	New City Residence Meguro
11	New City Residence Kamiikedai
12	New City Residence Funabashi Honcho
13	New City Residence Ichikawa Myoden
14	New City Residence Urayasu
15	Lions Mansion Fuchinobe Honcho
16	Lions Mansion Higashi Ome Daisan
17	Lions Mansion Maebashi Nishikatakai

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- URL: <http://www.ncrinv.co.jp>

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)	—	8,800	8,800
Long-Term Debt	Term Loan (A)	10,200	10,200	—
	Term Loan (B)	15,300	15,300	—
Total Debt Financing Balance		25,500	34,300	8,800
Interest-Bearing Liabilities Ratio (%) (Notes 1 & 2)		39.3	46.6	7.3

Notes:

- Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' equity) x 100
(Unitholders' equity as of February 24, 2005 is ¥39,357,168,000)
- Interest-bearing liabilities ratio is rounded to the nearest first decimal point.