

April 20, 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. Brief details are as follows.

**1. Rationale**

NCRI has decided to undertake debt financing to support the acquisition of trust beneficiary interests\* in certain 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 March 23, 2005. The Investment Corporation intends to acquire trust beneficiary interests in NCR Wakabayashi Koen (trust beneficiary interest in property 1) and NCR Asakusabashi (trust beneficiary interest in property 2).

**2. Details of Debt Financing**

**(1) Debt Financing to Fund Acquisition of Trust Beneficiary Interest in Property 1**

- |   |                       |   |  |
|---|-----------------------|---|--|
| 1 | Lender                | : | The Mitsubishi Trust and Banking Corporation   |
| 2 | Amount                | : | ¥1,000 million   |
| 3 | Interest Rate         | : | 0.952%   |
| 4 | Drawdown Date         | : | April 21, 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) Agreement with the financial institution identified in (1) above on April 20, 2005.  |
| 6 | Repayment Method      | : | Principal repayment in full on maturity  |
| 7 | Repayment Date        | : | April 20, 2006   |
| 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 trust beneficiary interest to be acquired in |

property 1.

**(2) Debt Financing to Fund Acquisition of Trust Beneficiary Interest in Property 2**

- 1 Lender : The Chuo Mitsui Trust and Banking Company, Limited
- 2 Amount : ¥900 million
- 3 Interest Rate : 0.952%
- 4 Drawdown Date : April 21, 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) Agreement with the financial institution identified in (1) above on April 20, 2005.
- 6 Repayment Method : Principal repayment in full on maturity
- 7 Repayment Date : April 20, 2006
- 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 trust beneficiary interest to be acquired in property 2.

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 Harajyuku              |
| 10 | New City Residence Meguro                 |
| 11 | New City Residence Kamiikedai             |
| 12 | New City Residence Funabashi Honcho       |
| 13 | New City Residence Ichikawamyoden         |
| 14 | New City Residence Urayasu                |
| 15 | Lions Mansion Fuchinobe Honcho            |
| 16 | Lions Mansion Higashi Oume 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<br>Balance Prior to<br>Additional Debt<br>Financing | Debt Financing<br>Balance After<br>Additional Debt<br>Financing | Change |
|---|----------------------------------|--|---|--------|
| Short-Term Debt   | Commitment Line<br>of Credit (A) | 8,800  | 10,700  | 1,900  |
| Long-Term Debt  | Term Loan (A)                    | 10,200   | 10,200  | —      |
|   | Term Loan (B)                    | 15,300   | 15,300  | —      |
| Total Debt Financing Balance                            |                                  | 34,300   | 36,200  | 1,900  |
| Interest-Bearing Liabilities Ratio (%)<br>(Notes 1 & 2) |                                  | 46.6   | 47.9  | 1.3    |

#### Notes:

1. Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' equity) x 100  
(Unitholders' equity as of April 20, 2005 is ¥39,357,168,000)
2. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.