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For Immediate Release

New City Residence Investment Corporation
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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 trust beneficiary interests relate to trust beneficiary interests in NCR Jinbocho, NCR Nihonbashi Ningyocho III, and NCR Gakugei Daigaku (“the subject trust beneficiary interests”). Please refer to the press release “Notice Concerning the Acquisition of Investment Assets,” dated January 27, 2005, for details of NCR Jinbocho and NCR Nihonbashi Ningyocho III, and the press release “Notice Concerning the Proposed Acquisition of Investment Asset,” dated May 26, 2005, for details of NCR Gakugei Daigaku. In advance of the aforementioned debt financing, NCRI completed settlement of NCR Gakugei Daigaku from cash on hand. Please refer to the press release “Notice Concerning Investment Asset Acquisition Settlement,” dated May 31, 2005, for details.

2. Details of Debt Financing

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|---|-----------------------|---|--|
| 1 | Lender | : | The Chuo Mitsui Trust and Banking Company Limited and the Bank of Fukuoka, Ltd. |
| 2 | Amount | : | ¥5,300 million |
| 3 | Interest Rate | : | 0.96533% |
| 4 | Drawdown Date | : | June 10, 2005 |
| 5 | Debt Financing Method | : | Pursuant to the <u>Commitment Line of Credit (A) Agreement</u> dated December 15, 2004, (and amendments thereto), the Investment Corporation executed a <u>Line of Credit (A) Agreement</u> with the financial institutions identified in (1) above on June 9, 2005. |

- 6 Repayment Method : Principal repayment in full on maturity
 7 Repayment Date : June 9, 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 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	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

3. Use of Debt Financing

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

- This document is released to media organizations through the “Kabuto Club” (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Press Club for the Ministry of Land, Infrastructure and Transport Construction Paper.
- 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	<u>Commitment Line of Credit (A)</u>	10,700	16,000	5,300
Long-Term Debt	Term Loan (A)	10,200	10,200	—
	Term Loan (B)	15,300	15,300	—
Total Debt Financing Balance		36,200	41,500	5,300
Interest-Bearing Liabilities Ratio (%) (Notes 1 & 2)		47.9	51.3	3.4

Notes:

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