

July 27, 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 trust beneficiary interests relate to trust beneficiary interests in NCR Shinjyuku Gyoen I, NCR Sasazuka, NCR Takanawadai, NCR Nihonbashi Ningyocho IV, NCR Shinjyuku Gyoen II, NCR Ginza East IV, NCR Jiyugaoka, PT Ichikawa, PT Shioyaki, and PT Horie (“the subject trust beneficiary interests 1”) as well as NCR Mejiro East and NCR Iriya (“the subject trust beneficiary interests 2”).

Please refer to the press release “Notice Concerning the Proposed Acquisition of Investment Asset,” dated July 27, 2005, for details.

2. Details of Debt Financing

(1) Trust beneficiary interests 1

- | | | | |
|---|-----------------------|---|--|
| 1 | Lender | : | The Chuo Mitsui Trust and Banking Company, Limited,
Aozara Bank Ltd., The Hachijuni Bank, Ltd., The Hyakugo Bank, LTD. |
| 2 | Amount | : | ¥12.5 billion |
| 3 | Interest Rate | : | 0.94935% |
| 4 | Drawdown Date | : | July 28, 2005 |
| 5 | Debt Financing Method | : | Pursuant to the <u>Commitment Line of Credit (B) Agreement</u> dated December 15, 2004, (and amendments thereto), the Investment Corporation executed a <u>Line of Credit (B) Agreement</u> with the financial |

- institutions identified in (1) above on July 27, 2005.
- 6 Repayment Method : Principal repayment in full on maturity
 7 Repayment Date : July 28, 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.

(2) Trust beneficiary interests 2

- 1 Lender : The UFJ Trust Bank Ltd.
 2 Amount : ¥1.8 billion
 3 Interest Rate : 0.94903%
 4 Drawdown Date : July 29, 2005
 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 July 27, 2005.
- 6 Repayment Method : Principal repayment in full on maturity
 7 Repayment Date : July 28, 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	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 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>	16,000	16,000	—
	<u>Commitment Line of Credit (B)</u>	6,400	20,700	14,300
Long-Term Debt	Term Loan (A)	10,200	10,200	—
	Term Loan (B)	15,300	15,300	—
Total Debt Financing Balance		47,900	62,200	14,300
Interest-Bearing Liabilities Ratio (%) (Notes 1 & 2)		54.9	61.2	6.3

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.