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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 a certain financial institution to undertake debt financing. Brief details are as follows.

1. Rationale

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

Note: The aforementioned trust beneficiary interest relates to trust beneficiary interest in NCR Minami Azabu East (“the subject trust beneficiary interest”). Please refer to the press release “Notice Concerning the Proposed Acquisition of Investment Asset,” dated today, December 22, 2005, for details.

2. Details of Debt Financing

- | | | | |
|---|-----------------------|---|--|
| 1 | Lender | : | Aozora Bank, Ltd. |
| 2 | Amount | : | ¥1.3 billion |
| 3 | Interest Rate | : | 0.97000% |
| 4 | Drawdown Date | : | December 26, 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 institution identified in (1) above on December 22, 2005. |
| 6 | Repayment Method | : | Principal repayment in full on maturity |
| 7 | Repayment Date | : | December 26, 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 interest 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.

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 (B)	—	1,300	1,300
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		47,100	48,400	1,300
Interest-Bearing Liabilities Ratio (%) (*1,*2)		42.0	42.6	0.6

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.