

January 10, 2006

For Immediate Release

New City Residence Investment Corporation
1-10-6 Roppongi, Minato-ku, Tokyo
Tetsuya Fujita, Executive Officer
(Securities Code: 8965)

Inquiries:
CBRE Residential Management K.K.
Yoetsu Takizawa,
General Manager Planning & Administration
TEL: +81-3-6229-3860

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 Takanawa (“the subject trust beneficiary interests (A)”) and NCR Kaname-cho (“the subject trust beneficiary interests (B)”.)

Please refer to the press releases “Notice Concerning the Proposed Acquisition of Investment Asset,” dated January 10, 2006 for NCR Takanwa and December 22, 2005 for NCR Kanamecho, for details.

2. Details of Debt Financing

(1) Line of Credit A

- | | | | |
|---|-----------------------|---|--|
| 1 | Lender | : | The Chuo Mitsui Trust and Banking Company, Limited,
The Norinchukin Bank, The Sumitomo Trust & Banking, Co., Ltd.,
and The Bank of Fukuoka, LTD. |
| 2 | Amount | : | ¥11.5 billion |
| 3 | Interest Rate | : | 0.96865% |
| 4 | Drawdown Date | : | January 11, 2006 |
| 5 | Debt Financing Method | : | Pursuant to the Commitment Line of Credit (A) Agreement dated
December 15, 2004, (and amendments thereto), the Investment |

Corporation executed a Line of Credit (A) Agreement with the financial institutions identified in (1) above on January 10, 2006.

- 6 Repayment Method : Principal repayment in full on maturity
 7 Repayment Date : January 11, 2007
 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 Nishikataikai

(2) Line of Credit B

- 1 Lender : The Chuo Mitsui Trust and Banking Company, Limited
 2 Amount : ¥1.4 billion
 3 Interest Rate : 0.96865%
 4 Drawdown Date : January 11, 2006
 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 January 10, 2006.
- 6 Repayment Method : Principal repayment in full on maturity
 7 Repayment Date : January 11, 2007
 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 English language notice is a translation of the Japanese language notice issued on the same day and was prepared solely for the convenience of, and reference by, overseas investors. NCRI makes no warranties as to its accuracy or completeness.

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)	—	11,500	11,500
	Commitment Line of Credit (B)	1,300	2,700	1,400
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	61,300	12,900
Interest-bearing liabilities ratio (%) (*1,*2)		42.6	48.5	5.9

Notes:

- Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' equity) x 100
(Unitholders' equity as of today is ¥65,106,293)
- The interest-bearing liabilities ratio is rounded to the nearest first decimal point.