

February 28, 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 the Repayment of Debt Financing

New City Residence Investment Corporation (“the Investment Corporation”) today announced that it has repaid debt financing as follows:

1. Reason for repayment of debt financing

In accordance with the financial policy of the Investment Corporation to plan for financial flexibility and improved interest rate returns, the Investment Corporation will prepay debt finance of ¥11.5 billion by the fund raised at the private placement of investment corporation bonds on February 28, 2006.

(Note) For details of the Investment Corporation bonds, please refer to the press release issued on February 17, 2006, “Notice Concerning the Issue of Investment Corporation Bonds.”

2. Details of Debt Financing Repaid

(1) Line of Credit (A) Agreement dated January 11, 2006, pursuant to the Commitment Line of Credit (A) Agreement dated December 15, 2004 (and amendments thereto.)

| | | | |
|---|----------------|---|---------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Lender | : | The Chuo Mitsui Trust and Banking Company, Limited, The Norinchukin Bank, The Sumitomo Trust & Banking Co., Ltd., The Bank of Fukuoka, LTD. |
| 2 | Amount | : | ¥11.5billion |
| 3 | Interest Rate | : | 0.96865% |
| 4 | Drawdown Date | : | January 11, 2006 |
| 5 | Repayment Due | : | January 11, 2007 |
| 6 | Collateral | : | Yes |
| 7 | Repayment Date | : | February 28, 2006 |

Attachment

Total Debt Financing Balance After Debt Financing

(Millions of yen)

| | | Debt Financing Balance Prior to Debt Financing | Debt Financing Balance After Debt Financing | Change |
|--------------------------------------------------------|----------------------------------|------------------------------------------------------|---------------------------------------------------|----------|
| Short-Term Debt | Commitment Line of Credit (A) | 11,500 | — | (11,500) |
| | Commitment Line of Credit (B) | 5,800 | 5,800 | — |
| Long-Term Debt | Term Loan (A) | 10,200 | 10,200 | — |
| | Term Loan (B) | 15,300 | 15,300 | — |
| | Term Loan (B) | 21,600 | 21,600 | — |
| Total Debt Financing Balance | | 64,400 | 52,900 | (11,500) |
| Investment Corporation Bonds | | 14,000 | 14,000 | — |
| Total Unitholders' Equity (Note 1) | | 78,400 | 66,900 | (11,500) |
| Investment Corporation Bonds | | 65,106 | 65,106 | — |
| Interest-Bearing Liabilities Ratio (%) (Notes 2 &3) | | 54.6 | 50.7 | (3.9) |

Notes:

1. Figures under million yen are rounded.
2. Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' equity) x 100
3. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.

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