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For Immediate Release

New City Residence Investment Corporation
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Notice Concerning Basic Collateral Free Loan Agreement and Borrowing of Funds

New City Residence Investment Corporation (NCRI) announces the following decision reached at the board of directors' meeting today about concluding a basic collateral free loan agreement (hereafter, "this Agreement") and the borrowing of funds related to this Agreement (hereafter, "these borrowings").

1. Reason for Concluding This Agreement

NCRI decided to arrange for a collateral free loan using this Agreement as an alternative fund procurement means to existing traditional collateral-based loans. The objective of these new borrowings is to use the funds for the purchasing of real estate and real estate trust beneficiary rights to be newly acquired hereafter, to pay debts and various expenses that will be borne by NCRI related to these, and to apply them to funds to refinance existing borrowings. Furthermore, a new commitment line has been arranged with the objective of securing dynamic means to procure funds.

2. Description of This Agreement

(1) Short-term Borrowings and Long-term Borrowings

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|---|--------------------------------------|---|--|
| 1 | Participating financial institutions | : | The Chuo Mitsui Trust and Banking Company, Limited, The Sumitomo Trust & Banking, Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation, Aozora Bank, Ltd., Shinsei Bank, Limited, Resona Bank, Limited, The Bank of Tokyo Mitsubishi-UFJ Ltd., Mitsui Sumitomo Insurance Co., Ltd., Hyakugo Bank, Ltd., The Hiroshima Bank Ltd., The Bank of Fukuoka, Ltd., North Pacific Bank, LTD., The Yamaguchi Bank Ltd., The Chiba Bank Ltd., Shizuoka Bank Limited, The Hachijuni Bank, Ltd. |
| 2 | Borrowings | : | Negotiate each instance |
| 3 | Contracting date | : | April 26, 2006 |
| 4 | Borrowing periods | : | 1 year or less for short-term and more than 1 year for long-term |
| 5 | Borrowing method | : | A Loan Agreement will be concluded based on this Agreement upon execution of the borrowing |

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|---|------------------|---|---|
| 6 | Repayment method | : | Lump sum repayment on maturity |
| 7 | Usage | : | Property acquisition funds (including acquisition fees) and refinancing funds |
| 8 | Collateral | : | No collateral or guarantee (Note 1) |

(Note 1) A mortgage will be placed when one of the certain reasons designated in this Agreement occur after the loan is executed.

(2) Commitment Line

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|---|--------------------------------------|---|---|
| 1 | Participating financial institutions | : | The Chuo Mitsui Trust and Banking Company, Limited, The Sumitomo Trust & Banking, Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation |
| 2 | Credit limit | : | 2 billion yen |
| 3 | Contracting date (scheduled) | : | April 28, 2006 |
| 4 | Commitment period | : | 364 days from the contracting date |
| 5 | Contracting form | : | Syndication type commitment line agreement |
| 6 | Usage | : | Property acquisition funds (including the payment of deposits and other miscellaneous acquisition costs) and refinancing funds |
| 7 | Collateral | : | No collateral or guarantee (Note 1) |

3. Fund Borrowings

(1) Reasons for Borrowings

The funds are being borrowed to purchase real estate (Note 2) and for the incidental costs to such.

(Note 2) The above real estate refers to New City Residence Ginza and New City Residence Nihonbashi Suitengu announced in the "Notice Concerning the Proposed Acquisition of Investment Asset" dated December 22, 2005, New City Residence Abeno and New City Residence Otedori announced in the "Notice Concerning the Proposed Acquisition of Investment Asset" dated February 24, 2006, and New City Residence Shizuoka Takajo announced in the "Notice Concerning the Proposed Acquisition of Investment Asset" dated March 28, 2006. As was announced in "Notice Concerning Investment Asset Acquisition Settlement" dated March 30, 2006, acquisition of New City Residence Shizuoka Takajo was completed on the same date prior to obtaining the borrowings, but the closing was conducted by temporarily using deposits on hand.

(2) Short-term borrowing

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|---|-----------------------|---|--|
| 1 | Lender | : | The Chuo Mitsui Trust and Banking Company, Limited, The Sumitomo Trust & Banking, Co., Ltd., Shinsei Bank, Limited, The Hiroshima Bank Ltd., Mitsui Sumitomo Insurance Co., Ltd., The Bank of Fukuoka, Ltd., Hyakugo Bank, Ltd., North Pacific Bank, LTD., The Yamaguchi Bank Ltd., The Chiba Bank Ltd., Shizuoka Bank Limited |
| 2 | Amount | : | ¥14.7 billion |
| 3 | Interest Rate | : | 0.57642% |
| 4 | Term | : | One year |
| 5 | Drawdown Date | : | April 27, 2006 |
| 6 | Debt Financing Method | : | Lump sum repayment on maturity |
| 7 | Repayment Date | : | April 27, 2007 |
| 8 | Repayment Method | : | Lump sum repayment on maturity |
| 9 | Collateral | : | No collateral or guarantee (Note 1) |

(3) Use of Debt Financing

Debt financing will be used to acquire specified assets.

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- URL: <http://www.ncrinv.co.jp>

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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	5,800	5,800	—
	Commitment Line of Credit	—	14,700	14,700
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		52,900	67,600	14,700
Corporate bonds		14,000	14,000	—
Total Interest-bearing liabilities		66,900	81,600	14,700
Total unitholders' equity(*1)		65,106	65,106	—
Interest-bearing liabilities ratio (%) (*2,*3)		50.7%	55.6%	4.9%

Notes:

1. Figures less than million yen are rounded for the total unitholders' equity.
2. Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' equity) x 100
(Unitholders' equity as of today is ¥65,106,293)
3. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.