

June 29, 2006

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

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Notice Concerning Debt Financing and Other Matters

New City Residence Investment Corporation (“NCRI” or “the Investment Corporation”) announced its agreement on June 29, 2006 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 real estate trust beneficiary interests* in certain properties and payment of associated costs.

Note: The aforementioned trust beneficiary interests relate to trust beneficiary interests in New City Residence Shinagawa Seaside Tower announced in “Notice Concerning the Proposed Acquisition of Investment Asset” dated March 14, 2006 and New City Residence Nipponbashi Kouzu announced in “Notice Concerning the Proposed Acquisition of Investment Asset” dated May 31, 2006.

2. Details of Debt Financing

- | | | | |
|---|-----------------------|---|--|
| 1 | Lender | : | The Chuo Mitsui Trust and Banking Company, Limited, Shinsei Bank, Limited, Resona Bank, Limited, The Bank of Fukuoka, Ltd., Hyakugo Bank, Ltd., North Pacific Bank, LTD., The Musashino Bank, Ltd., and The Chiba Bank Ltd. |
| 2 | Amount | : | ¥1.3 billion |
| 3 | Interest Rate | : | 0.79758% |
| 4 | Borrowing Period | : | One year |
| 5 | Drawdown Date | : | June 30, 2006 |
| 6 | Debt Financing Method | : | Pursuant to the basic collateral free loan agreement dated April 26, 2004, (and amendments thereto), the Investment Corporation concludes a promissory note with the financial institutions identified in 1. above on June 29, 2006. |
| 7 | Repayment Date | : | June 29, 2007 |
| 8 | Repayment Method | : | Principal repayment in full on maturity |
| 9 | 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.

3. Use of Debt Financing

Debt financing will be used to acquire trust beneficiary interests in specified assets.

4. Revision

In “Notice Concerning Basic Collateral Free Loan Agreement and Borrowing of Funds” dated April 26, 2006, “The funds are being borrowed to purchase real estate and for the incidental costs to such” was indicated under “3. Fund Borrowings (1) Reasons for Borrowings.” NCRI amends this to “The funds are being borrowed to purchase real estate and real estate trust beneficiary rights and for the incidental costs to such.”

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)	5,800	5,800	—
	Basic Collateral Free Loan	14,700	27,700	13,000
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		67,600	80,600	13,000
Corporate bonds		14,000	14,000	—
Total Interest-bearing liabilities		81,600	94,600	13,000
Total unitholders' equity(*1)		65,106	65,106	—
Interest-bearing liabilities ratio (%) (*2,*3)		55.6%	59.2%	3.6%

Notes:

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

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