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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 the Repayment of Debt Financing

New City Residence Investment Corporation (“the Investment Corporation”) today announced its decision to repay debt financing as follows:

1. Reason for repayment of debt financing

In accordance with the financial policy of the Investment Corporation to achieve financial flexibility and improved balance in interest-bearing payments, a portion of debt finance will be repaid early using sale proceeds from the transfer of assets scheduled for October 31, 2006^(Note).

(Note) For details of sale of investment assets, please refer to the press release issued on September 26, 2006, “Notice Concerning the Proposed Sale of Investment Assets.”

2. Details of Debt Financing Repaid

(1) Debt financing executed on December 17, 2004 pursuant to “Term Loan Agreement (Tranche B)” dated December 15, 2004 (and amendments thereto.)

1	Lender	:	The Chuo Mitsui Trust and Banking Company, Limited, Mizuho Trust & Banking, Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust & Banking Co., Ltd..
2	Amount	:	¥15.3billion
3	Repayment Amount	:	¥3.1billion
4	Repayment Due	:	December 17, 2007
5	Repayment Date	:	October 31, 2006

(2) Debt financing executed on September 21, 2005 and December 1, 2005 pursuant to “Term Loan Agreement (Tranche C)” dated September 16, 2005 (and amendments thereto.)

1 Lender : The Chuo Mitsui Trust and Banking Company, Limited, Aozora Bank, Ltd., The Sumitomo Trust & Banking Co., Ltd., Resona Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, Hyakugo Bank, Ltd..
2 Amount : ¥21.6billion
3 Repayment Amount : ¥0.5billion
4 Repayment Due : September 21, 2008
5 Repayment Date : October 31, 2006

(3) Debt financing executed on December 26, 2005, January 11, 2006 and February 1, 2006 under “Line of Credit (B) Individual Agreement” dated December 22, 2005, “Line of Credit (B) Individual Agreement” dated January 10, 2006 and “Line of Credit (B) Individual Agreement” dated January 31, 2006 pursuant to “Line of Credit (B) Basic Agreement” dated December 15, 2004 (and amendments thereto).

1 Lender : Aozora Bank, Ltd., The Chuo Mitsui Trust and Banking Company, Limited.
2 Amount : ¥5.8billion
3 Repayment Amount : ¥5.8billion
4 Repayment Due : December 26, 2006, January 11, 2007, February 1, 2007
5 Repayment Date : October 31, 2006

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

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 (B)	5,800	—	(5,800)
	Commitment Line of Credit (B) Unsecured/Unguaranteed	27,700	27,700	—
Long-Term Debt	Term Loan (A)	10,200	10,200	—
	Term Loan (B)	15,300	12,200	(3,100)
	Term Loan (B)	21,600	21,100	(500)
Total Debt Financing Balance		80,600	71,200	(9,400)
Investment Corporation Bonds		14,000	14,000	—
Total Unitholders' Equity (Note 1)		94,600	85,200	(9,400)
Investment Corporation Bonds		65,106	65,106	—
Interest-Bearing Liabilities Ratio (%) (Notes 2 &3)		59.2	56.7	(2.5)

Notes:

1. Figures under million yen are rounded.
2. Interest-bearing liabilities ratio (%) = $\text{Interest-bearing liabilities} \div (\text{Interest-bearing liabilities} + \text{Unitholders' equity}) \times 100$
3. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.