

November 30, 2006

For Immediate Release

New City Residence Investment Corporation
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Tetsuya Fujita, Executive Officer
(Securities Code: 8965)

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Notice Concerning Debt Financing and Other Matters

New City Residence Investment Corporation (hereafter referred to as “NCRI” or the “Investment Corporation”) has reached a decision to conclude an agreement on November 30, 2006 to add one lender to the basic collateral free loan agreement of April 26, 2006 (hereafter, “this Basic Agreement” including changes thereafter). This Investment Corporation has also reached the following agreement with said financial institution regarding the borrowing of funds.

1. Concluding Agreement on Adding Lender

- (1) Newly participating financial institution : Sumitomo Mitsui Banking Corporation
- (2) Agreement conclusion date : November 30, 2006

2. Borrowing of Funds

(1) Rationale

NCRI has decided to undertake debt financing to support the acquisition of real estate trust beneficiary interests (Note) in certain properties and payment of associated costs.

Note: The aforementioned trust beneficiary interests relate to trust beneficiary interests in New City Residence Higashi Nihonbashi and New City Residence Yakumo announced in “Notice Concerning the Proposed Acquisition of Investment Asset” dated May 31, 2006 and “Notice Concerning Scheduled Acquisition Date” dated September 19, 2006.

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.

(2) Details of Debt Financing

1	Lender	:	Sumitomo Mitsui Banking Corporation
2	Amount	:	¥6.4 billion
3	Interest Rate	:	0.83512%
4	Borrowing Period	:	One year
5	Drawdown Date	:	December 1, 2006
6	Debt Financing Method	:	In regards to this Basic Agreement, NCRI will conclude an agreement on adding the lender and monetary loan agreement on November 30, 2006 with the lender in the above 1.
7	Repayment Date	:	November 30, 2007
8	Repayment Method	:	Principal repayment in full on maturity
9	Collateral	:	No collateral or guarantee (Note 1)

Note1: 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

NCRI amends for “Notice Concerning Debt Financing and Other Matters” dated June 29, 2006 as follows. (Revision was underscored.)

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., <u>(NCRI has concluded an agreement to add this lender to this Basic Agreement (defined below) concluded with the concerned financial institution on June 29, 2006.)</u> and The Chiba Bank Ltd.
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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	Basic Collateral Free Loan	7,700	14,100	6,400
Long-Term Debt	Term Loan (A)	10,200	10,200	—
	Term Loan (B)	12,200	12,200	—
	Term Loan (C)	21,100	21,100	—
Total Debt Financing Balance		51,200	57,600	6,400
Corporate bonds		14,000	14,000	—
Total Interest-bearing liabilities		65,200	71,600	6,400
Total Unitholders' Equity (Note 1)		85,064	85,064	—
Interest-Bearing Liabilities Ratio (%) (Notes 2 &3)		43.4%	45.7%	2.3%

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
3. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.

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