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For Immediate Release

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(Securities Code: 8965)

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Notice Concerning Debt Financing and the Repayment

New City Residence Investment Corporation (hereafter referred to as “NCRI” or the “Investment Corporation”) today announced its decision to undertake debt financing and repayment of debt financing as follows:

1. Borrowing of Funds

(1) Rationale

NCRI has decided to undertake debt financing to support acquisition of investment asset (Note 1) and payment of associated costs and to repay loans (Note 2).

Note 1: The aforementioned investment asset relates to New City Residence Togoshiginza announced in “Notice Concerning the Proposed Acquisition of Investment Asset” dated December 12, 2006.

Note 2: For details of loans, please refer to 2 below.

(2) Details of debt financing

A. Debt financing for acquisition of investment asset

1	Lender	:	Aozora Bank, Ltd.
2	Amount	:	¥2.1 billion
3	Interest rate	:	0.83209%
4	Borrowing period	:	One year
5	Drawdown date	:	December 13, 2006
6	Debt financing method	:	In regards to Basic Collateral Free Loan Agreement dated April 26, 2006 (hereafter “this Basic Agreement” including changes thereafter and adding the lender), NCRI will conclude monetary loan agreement on December 12, 2006 with the lender in the above 1.
7	Repayment date	:	December 13, 2007
8	Repayment method	:	Principal repayment in full on maturity
9	Collateral	:	No collateral or guarantee (Note)

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

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B. Debt Financing for Repayment of Loans

▪ Debt Financing 1 (Borrowing Period : Two years)

1	Lender	:	Mizuho Bank, Ltd. (Note 1)
2	Amount	:	¥4.0 billion
3	Interest rate	:	Interest rate applicable to debt financing will be announced as soon as it's made.
4	Borrowing period	:	Two years
5	Drawdown date	:	December 18, 2006
6	Debt financing method	:	In regards to this Basic Agreement, NCRI will conclude monetary loan agreement on December 14, 2006 with the lender in the above 1.
7	Repayment date	:	December 18, 2008
8	Repayment method	:	Principal repayment in full on maturity
9	Collateral	:	No collateral or guarantee (Note 2)

▪ Debt Financing 2 (Borrowing Period : Three years)

1	Lender	:	The Chuo Mitsui Trust and Banking Co. Ltd, Mitsubishi UFJ Trust and Banking Corp, Tokyo Mitsubishi-UFJ Ltd, The Sumitomo Trust & Banking, Co. Ltd, Shinsei Bank, Ltd
2	Amount	:	¥5.7 billion
3	Interest rate	:	Interest rate applicable to debt financing will be announced as soon as it's made.
4	Borrowing period	:	Three years
5	Drawdown date	:	December 18, 2006
6	Debt financing method	:	In regards to this Basic Agreement, NCRI will conclude monetary loan agreement on December 14, 2006 with the lender in the above 1.
7	Repayment date	:	December 18, 2009
8	Repayment method	:	Principal repayment in full on maturity
9	Collateral	:	No collateral or guarantee (Note 2)

▪ Debt Financing 3 (Borrowing Period : Four years)

1	Lender	:	The Norinchukin Bank (Note1) , Aozora Bank, Ltd.
2	Amount	:	¥8.0 billion
3	Interest rate	:	Interest rate applicable to debt financing will be announced as soon as it's made.
4	Borrowing period	:	Four years
5	Drawdown date	:	December 18, 2006
6	Debt financing method	:	In regards to this Basic Agreement, NCRI will conclude monetary loan agreement on December 14, 2006 with the lender in the above 1.
7	Repayment date	:	December 17, 2010
8	Repayment Method	:	Principal repayment in full on maturity
9	Collateral	:	No collateral or guarantee (Note 2)

Note 1: In regards to this Basic Agreement, NCRI will conclude an agreement on adding the lender on December 14, 2006 with the aforementioned lenders and the Chuo Mitsui Trust and Banking Co.

Note 2: A mortgage will be placed when one of the certain reasons designated in this Basic Agreement occur after the loan is executed.

2. Details of Debt Financing Repaid

(1) Debt Financing executed on December 17, 2004 pursuant to “Term Loan Agreement (Tranche A)” dated December 15, 2004

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- 1 Lender : The Chuo Mitsui Trust and Banking Co. Ltd, The Sumitomo Trust & Banking, Co. Ltd, The Norinchukin Bank, Mizuho Bank, Ltd, Tokyo Mitsubishi-UFJ Ltd, Mitsubishi UFJ Trust and Banking Corp, Shinsei Bank, Ltd
- 2 Amount : ¥10.2 billion
- 3 Repayment Amount : ¥10.2 billion
- 4 Repayment Due : December 18, 2006
- 5 Repayment Date (scheduled) : December 18, 2006

(2) Debt Financing executed on June 30, 2006 pursuant to “This Basic Agreement”

- 1 Lender : The Chuo Mitsui Trust and Banking Co. Ltd, Shinsei Bank, Ltd, Resona Bank, The Bank of Fukuoka, Ltd, Hyakugo Bank, Ltd, North Pacific Bank, Ltd, The Musashino Bank, Ltd, The Chiba Bank Ltd
- 2 Amount : ¥7.7 billion (Note)
- 3 Repayment Amount : ¥7.7 billion
- 4 Repayment Due : June 29, 2007
- 5 Repayment Date (scheduled) : December 18, 2006

Note: Original debt financing was ¥13.0 billion. Of which ¥5.3 billion has been repaid early. (Please refer to “Notice Concerning the Repayment of Debt Financing” dated November 24, 2006).

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Attachment

Total Interest-bearing Liabilities

(Millions of yen)

		Debt Financing Balance Prior to Additional Debt Financing and Repayment	Debt Financing Balance After Additional Debt Financing and Repayment	Change
Short-Term Debt	Basic Collateral Free Loan	14,100	8,500	(5,600)
Long-Term Debt	Term Loan (A)	10,200	—	(10,200)
	Term Loan (B)	12,200	12,200	—
	Term Loan (C)	21,100	21,100	—
	Basic Collateral Free Loan	—	17,700	17,700
Total Debt Financing Balance		57,600	59,500	1,900
Corporate bonds		14,000	14,000	—
Total Interest-bearing Liabilities		71,600	73,500	1,900
Total Unitholders' Equity (Note 1)		85,064	85,064	—
Interest-Bearing Liabilities Ratio (%) (Note 2 & 3)		45.7%	46.4%	0.7%

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)x100
3. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.

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