

March 22, 2007

For Immediate Release

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

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

1. Rationale

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

Note: The aforementioned real estate property relate to real estate property in New City Residence Shinsaibashi East Tower and trust beneficiary interests relate to trust beneficiary interests in New City Residence Sannomiya (“the subject property to be acquired”). Please refer to the press release “Notice Concerning the Proposed Acquisition of Investment Asset,” dated February 23, 2007 and March 22, 2007 for details.

2. Details of debt financing

- | | | | |
|---|-----------------------|---|--|
| 1 | Lender | : | The Chuo Mitsui Trust and Banking Co. Ltd.
Sumitomo Trust & Banking Ltd.
The Shinsei Bank
Aozora Bank, Ltd.
Resona Bank, Ltd.
Sumitomo Mitsui Banking Co. |
| 2 | Amount | : | ¥6.4 billion |
| 3 | Interest rate | : | Interest rate applicable to debt financing will be announced as soon as it’s made. |
| 4 | Borrowing period | : | Five years |
| 5 | Drawdown date | : | March 27, 2007 |
| 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 March |

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- 23, 2007 with the lenders in the above 1.
- 7 Repayment date : March 26, 2012
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.

3. Use of debt financing

Debt financing will be used to acquire specified assets (the subject property to be acquired).

- This document is released to media organizations through the “Kabuto Club” (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Press Club for the Ministry of Land, Infrastructure and Transport Construction Paper.
- URL: <http://www.ncrinv.co.jp>

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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	25,300	25,300	-
Long-Term Debt	Term Loan (B)	12,200	12,200	-
	Term Loan (C)	21,100	21,100	-
	Basic Collateral Free Loan	17,700	24,100	6,400
Total Debt Financing Balance		76,300	82,700	6,400
Corporate bonds		14,000	14,000	-
Total Interest-bearing Liabilities		90,300	96,700	6,400
Unitholders' Capital (Note 1)		85,791	85,791	-
Interest-Bearing Liabilities Ratio (%) (Note 2 & 3)		51.3%	53.0%	1.7%

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' capital)×100
3. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.

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