

August 17, 2007

For Immediate Release

New City Residence Investment Corporation
1-10-6 Roppongi, Minato-ku, Tokyo
Jun Arai, 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 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 Ichibancho, New City Residence Omachi (tentative name), New City Residence Minowa (tentative name), New City Residence Jiyugaoka West (tentative name), New City Residence Uemachidai (tentative name), New City Residence Nakano (tentative name) (“the subject properties”). Please refer to the press release “Notice Concerning the Proposed Acquisition of Investment Asset” dated April 24, 2007, June 28, 2007, July 13, 2007 and July 27, 2007 for details.
As for New City Residence Ichibancho, NCRI already acquired on July 31, 2007 utilizing cash on hand. Please refer to the press release “Notice Concerning Investment Asset Acquisition Settlement” dated July 31, 2007 for details.

2. Details of debt financing

<Debt Financing 1 >

[Acquisition cost of New City Residence Ichibancho and New City Residence Uemachidai (tentative name)]

- | | | |
|-------------------------|---|--|
| 1 Lender | : | The Shinsei Bank
The Chuo Mitsui Trust and Banking Co. Ltd.
Sumitomo Mitsui Banking Co. |
| 2 Amount | : | ¥4.4 billion |
| 3 Interest rate | : | 1.17190% (Interest rate applicable to debt financing) |
| 4 Borrowing period | : | 225 days |
| 5 Drawdown date | : | August 20, 2007 |
| 6 Debt financing method | : | In regards to Basic Collateral Free Loan Agreement dated April 26, 2006 (hereafter “this Basic Agreement”) |

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including changes thereafter and adding the lender),
NCRI will conclude monetary loan agreement on
August 17, 2007 with the lenders in the above 1.

- 7 Repayment date : March 31, 2008
- 8 Repayment method : Principal repayment in full on maturity
- 9 Collateral : No collateral or guarantee (Note)

<Debt Financing 2>

[Acquisition cost of New City Residence Minowa (tentative name)]

- 1 Lender : Aozora Bank, Ltd.
Sumitomo Mitsui Banking Co.
- 2 Amount : ¥1.8 billion
- 3 Interest rate : 1.16997% (Interest rate applicable to debt financing)
- 4 Borrowing period : 224 days
- 5 Drawdown date : August 21, 2007
- 6 Debt financing method : In regards to this Basic Agreement, NCRI will conclude monetary loan agreement on August 17, 2007 with the lenders in the above 1.
- 7 Repayment date : March 31, 2008
- 8 Repayment method : Principal repayment in full on maturity
- 9 Collateral : No collateral or guarantee (Note)

<Debt Financing 3>

[Acquisition cost of New City Residence Omachi (tentative name) and New City Residence Nakano (tentative name)]

- 1 Lender : Sumitomo Mitsui Banking Co.
- 2 Amount : ¥2.25 billion
- 3 Interest rate : Interest rate applicable to debt financing will be announced as soon as it's made.
- 4 Borrowing period : 217 days
- 5 Drawdown date : August 28, 2007
- 6 Debt financing method : In regards to this Basic Agreement, NCRI will conclude monetary loan agreement on August 24, 2007 with the lenders in the above 1.
- 7 Repayment date : March 31, 2008
- 8 Repayment method : Principal repayment in full on maturity
- 9 Collateral : No collateral or guarantee (Note)

<Debt Financing 4>

[Acquisition cost of New City Residence Jiyugaoka West (tentative name)]

- 1 Lender : Resona Bank, Ltd.
- 2 Amount : ¥750 million
- 3 Interest rate : Interest rate applicable to debt financing will be announced as soon as it's made.

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- 4 Borrowing period : 217 days
5 Drawdown date : August 28, 2007
6 Debt financing method : In regards to this Basic Agreement, NCRI will conclude monetary loan agreement on August 24, 2007 with the lenders in the above 1.
7 Repayment date : March 31, 2008
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 properties).

- 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.
- 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	Debt Financing Balance After Additional Debt Financing	Change
Short-Term Debt	Basic Collateral Free Loan	8,300	17,500	9,200
Long-Term Debt	Term Loan (B)	12,200	12,200	-
	Term Loan (C)	19,550	19,550	-
	Basic Collateral Free Loan	24,100	24,100	-
Total Debt Financing Balance		64,150	73,350	9,200
Corporate bonds		31,000	31,000	-
Total Interest-bearing Liabilities		95,150	104,350	9,200
Unitholders' Capital (Note 1)		85,791	85,791	-
Interest-Bearing Liabilities Ratio (%) (Note 2 &3)		52.6%	54.9%	2.3%

Notes:

1. Figures less than million yen are rounded for the total unitholders' capital.
2. Interest-bearing liabilities ratio(%) = Interest-bearing liabilities÷(Interest-bearing liabilities+Unitholders' capital)x100
3. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.

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