

December 13, 2007

For Immediate Release

New City Residence Investment Corporation
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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 repay term loan and basic collateral free loan.

2. Details of debt financing

<Debt Financing 1 >

- | | | |
|-------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Lender | : | The Norinchukin Bank
The Chuo Mitsui Trust and Banking Co. Ltd.
Sumitomo Mitsui Banking Co.
Aozora Bank, Ltd.
The Sumitomo Trust & Banking, Co., Ltd. |
| 2 Amount | : | ¥11 billion |
| 3 Interest rate | : | 1.37680% |
| 4 Borrowing period | : | 5 years |
| 5 Drawdown date | : | December 17, 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 December 13, 2007 with the lenders in the above 1. |
| 7 Repayment date | : | December 17, 2012 |
| 8 Repayment method | : | Principal repayment in full on maturity |

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.

9 Collateral : No collateral or guarantee (Note)

<Debt Financing 2>

1 Lender : Aozora Bank, Ltd.
2 Amount : ¥4.1 billion
3 Interest rate : Interest rate applicable to debt financing will be announced as soon as it's made.
4 Borrowing period : 102 days
5 Drawdown date : December 21, 2007
6 Debt financing method : In regards to this Basic Agreement, NCRI will conclude monetary loan agreement on December 19, 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 1 will be used to repay loans in regards to Term Loan (B) (including changes thereafter) which repayment date on December 17, 2007 and debt financing 2 will be used to repay loans in regards to this Basic Agreement which repayment date on December 21, 2007.

- 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/eng/>

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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 (Note 4)	Change
Short-Term Debt	Basic Collateral Free Loan	22,000	22,000	-
Long-Term Debt	Term Loan (B)	11,294	-	▲11,294
	Term Loan (C)	17,995	17,995	-
	Basic Collateral Free Loan	24,100	35,100	11,000
Total Debt Financing Balance		75,389	75,095	▲294
Corporate bonds		31,000	31,000	-
Total Interest-bearing Liabilities		106,389	106,095	▲294
Unitholders' Capital (Note 1)		85,791	85,791	-
Interest-Bearing Liabilities Ratio (%) (Note 2 &3)		55.4%	55.3%	▲0.1%

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.
4. The debt financing balance after additional debt financing indicates the amount outstanding after debt financing which NCRI announced on November 27, 2007.

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