

January 24, 2008

**For Immediate Release**

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(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 New City Residence Shinjuku (tentative name), New City Residence Oshiage (“the subject properties”). Please refer to the press release “Notice Concerning the Proposed Acquisition of Investment Asset” dated December 13, 2007 for details.

**2. Details of Debt Financing**

• **Debt Financing 1 (Collateral Free Loan)**

- |                         |   |  |
|-------------------------|---|--|
| 1 Lender                | : | Mizuho Trust and Banking Co. Ltd. (Note 1)<br>Resona Bank, Ltd.  |
| 2 Amount                | : | ¥3.7 billion   |
| 3 Interest rate         | : | Interest rate applicable to debt financing will be announced as soon as it’s made.   |
| 4 Borrowing period      | : | One year   |
| 5 Drawdown date         | : | January 30, 2008   |
| 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 January 28, 2008 with the lenders in the above 1. |
| 7 Repayment date        | : | January 30, 2009   |
| 8 Repayment method      | : | Principal repayment in full on maturity  |
| 9 Collateral            | : | No collateral or guarantee (Note 2)  |

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• **Debt Financing 2** (Short-Term Debt based on commitment line)

- 1 Lender : The Chuo Mitsui Trust and Banking Co., Ltd.  
Aozora Bank, Ltd.  
The Sumitomo Trust & Banking Co., Ltd.  
Mitsubishi UFJ Trust and Banking Co.  
Shinsei Bank, Ltd.  
Resona Bank, Ltd.
- 2 Amount : ¥1.4 billion
- 3 Interest rate : Interest rate applicable to debt financing will be announced as soon as it's made.
- 4 Borrowing period : 86 days
- 5 Drawdown date : January 30, 2008
- 6 Debt financing method : In regards to this Basic Agreement and a Memorandum based on a Basic Collateral Free Loan Agreement (commitment line) dated July 13, 2007, NCRI will undertake debt financing.
- 7 Repayment date : April 24, 2008
- 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 January 28, 2008 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.

### 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 Construction.
- URL: <http://www.ncrinv.co.jp/eng/>

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**Attachment**

(Millions of yen)

		Debt Financing Balance Prior to Additional Debt Financing	Debt Financing Balance After Additional Debt Financing	Change
Short-Term Debt	Collateral Free Loan (Including short-term debt based on commitment line)	22,000	27,100	5,100
Long-Term Debt	Term Loan (Collateral)	17,995	17,995	—
	Collateral Free Loan	35,100	35,100	—
Total Debt Financing Balance		75,095	80,195	5,100
Investment Corporation Bonds		31,000	31,000	—
<b>Total Interest-bearing liabilities</b>		106,095	111,195	5,100
Unitholders' Capital (Note 1)		85,791	85,791	—
Interest-Bearing Liabilities Ratio (%) (Notes 2 & 3)		55.3%	56.4%	1.1%

## Notes:

1. Figures under million yen are rounded.
2. Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' capital) x 100
3. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.

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