

March 26, 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 a part of associated cost (Debt Financing 1), and to repay loans (Debt Financing 2).

Note: The aforementioned real estate property relate to New City Residence Maruyama Omotesando (“the subject property”). Please refer to the press release “Notice Concerning the Proposed Acquisition of Investment Asset” dated December 12, 2006 for details.

2. Details of Debt Financing

• Debt Financing 1

- | | | |
|-------------------------|---|--|
| 1 Lender | : | North Pacific Bank, LTD |
| 2 Amount | : | ¥500,000,000 |
| 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 | : | March 31, 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 March 27, 2008 with the lenders in the above 1. |
| 7 Repayment date | : | March 31, 2009 |
| 8 Repayment method | : | Principal repayment in full on maturity |
| 9 Collateral | : | No collateral or guarantee (Note) |

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.

• Debt Financing 2

- 1 Lender : The Chuo Mitsui Trust and Banking Co., Ltd.
Aozora Bank, Ltd.
Sumitomo Mitsui Banking Co.
Shinsei Bank, Ltd.
Resona Bank, Ltd.
- 2 Amount : ¥17,500,000,000
- 3 Interest rate : Interest rate applicable to debt financing will be announced as soon as it's made.
- 4 Borrowing period : 183 days
- 5 Drawdown date : March 31, 2008
- 6 Debt financing method : In regards to this Basic Agreement, NCRI will conclude monetary loan agreement on March 27, 2008 with the lenders in the above 1.
- 7 Repayment date : September 30, 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 Basic Agreement occur after the loan is executed.

3. Use of Debt Financing

Debt financing 1 will be used to acquire specified assets (the subject property). Debt financing 2 will be used to acquire specified assets (the subject property). Debt financing 2 will be used to repay loans in regards to this Basic Agreement which repayment date on March 31, 2008.

- 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/>

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	27,100	26,200	(900)
Long-Term Debt	Term Loan (Collateral)	17,995	17,995	—
	Collateral Free Loan	35,100	35,100	—
Total Debt Financing Balance		80,195	79,295	(900)
Investment Corporation Bonds		31,000	31,000	—
Total Interest-bearing liabilities		111,195	110,295	(900)
Unitholders' Capital (Note 1)		85,791	85,791	—
Interest-Bearing Liabilities Ratio (%) (Notes 2 & 3)		56.4%	56.2%	(0.2%)

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.
4. The debt financing balance after additional debt financing indicates the amount outstanding after repayment of debt financing to be scheduled on March 31, 2008.

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