

April 18, 2008

For Immediate Release

New City Residence Investment Corporation
1-10-6 Roppongi, Minato-ku, Tokyo
Jun Arai, Executive Director
(Securities Code: 8965)

Asset Management Company:
CBRE Residential Management K.K.
Jun Arai, President

Inquiries:
Kazuyuki Iwasaki
Director, Managing Officer and CFO
TEL: +81-3-6229-3860

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 cost.

Note: The aforementioned real estate property relate to New City Residence Kuramae (“the subject property”). Please refer to the press release “Notice Concerning the Proposed Acquisition of Investment Asset” dated December 13, 2007 and “Notice Concerning Change of Planned Acquisition Date and Seller” dated March 26, 2008 for details.

2. Details of Debt Financing

- 1 Lender : The Development Bank of Japan (Note 1)
- 2 Amount : ¥1,700,000,000
- 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 : April 23, 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 April 21, 2008 with the lenders in the above 1.
- 7 Repayment date : April 23, 2013
- 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 April 21, 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.

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.

3. Use of Debt Financing

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

- 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, Transport and Tourism.
- 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	26,200	26,200	—
Long-Term Debt	Term Loan (Collateral)	17,995	17,995	—
	Collateral Free Loan	35,100	36,800	1,700
Total Debt Financing Balance		79,295	80,995	1,700
Investment Corporation Bonds		31,000	31,000	—
Total Interest-bearing liabilities		110,295	111,995	1,700
Unitholders' Capital (Note 1)		85,791	85,791	—
Interest-Bearing Liabilities Ratio (%) (Notes 2 &3)		56.2%	56.6%	0.4%

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.

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.