

June 19, 2008

For Immediate Release

New City Residence Investment Corporation
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Jun Arai, Executive Director
(Securities Code: 8965)

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Notice Concerning the Repayment of Debt Financing

New City Residence Investment Corporation (“NCRI”) today announced its decision to repay debt financing as follows:

1. Reason for Repayment of Debt Financing

In order to achieve an improved balance in interest-bearing payments and financial stability in accordance with the financial policy of NCRI, a portion of debt finance will be repaid early using a portion of funds from issuance of new investment units (Note) as the source of the repayment.

(Note) For details of issuance of new investment units, please refer to the press release issued on April 22, 2008, “Notice Concerning Third-Party Allocation of Investment Units”.

2. Details of Debt Financing Repaid

Debt financing executed on March 31, 2008 pursuant to “Basic Collateral Free Loan Agreement” dated April 26, 2006 (including changes thereafter.)

| | | |
|--------------------|---|---|
| 1 Lender | : | The Chuo Mitsui Trust and Banking Co., Limited, Aozora Bank, Ltd., Sumitomo Mitsui Banking Co., Shinsei Bank, Limited., Resona Bank, Limited. |
| 2 Amount (balance) | : | ¥14,500,000,000 |
| 3 Repayment Amount | : | ¥2,000,000,000 |
| 4 Repayment Due | : | September 30, 2008 |
| 5 Repayment Date | : | June 25, 2008 |

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.

- 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 | Basic Collateral Free Loan | 23,200 | 21,200 | (2,000) |
| Long-Term Debt | Term Loan (Collateral) | 17,350 | 17,350 | — |
| | Basic Collateral Free Loan | 36,800 | 36,800 | — |
| Total Debt Financing Balance | | 77,350 | 75,350 | (2,000) |
| Investment Corporation Bonds | | 31,000 | 31,000 | — |
| Total Interest-bearing liabilities | | 108,350 | 106,350 | (2,000) |
| Unitholders' Capital (Note 1) | | 90,932 | 90,932 | — |
| Interest-Bearing Liabilities Ratio (%) (Notes 2 & 3) | | 54.4% | 53.9% | (0.5%) |

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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