

August 27, 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 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 Monzennakacho East (“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**

Short-term Debt based on the Commitment Line Agreement

- |                          |   |   |
|--------------------------|---|---|
| 1 Lender                 | : | The Chuo Mitsui Trust and Banking Co., Limited,<br>Aozora Bank, Ltd., The Sumitomo Trust & Banking Co., Ltd.  |
| 2 Amount                 | : | ¥3,000,000,000  |
| 3 Interest rate          | : | 1.33459%  |
| 4 Borrowing period       | : | 238 days  |
| 5 Drawdown date          | : | August 29, 2008   |
| 6 Debt financing method  | : | In regards to Basic Collateral Free Loan Agreement dated April 26, 2006 (hereafter “this Basic Agreement” including amendments thereafter and adding the lender) and “Basic Agreement and a Memorandum based on a Basic Collateral Free Loan Agreement (commitment line) (including amendments thereafter) ” dated July 13, 2007, NCRI will undertake debt financing. |
| 7 Repayment date         | : | April 23, 2009  |
| 8 Repayment method       | : | Bullet payment at maturity  |
| 9 Collateral / Guarantee | : | Unsecured and non-guaranteed (Note)   |

Note: A mortgage will be placed when one of the certain reasons designated in this Basic Agreement occur after the loan is

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executed.

### **3. Use of Debt Financing**

Debt financing will be used to acquire specified assets (the subject property) on August 29, 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, Transport and Tourism.
- URL: <http://www.ncrinv.co.jp/eng/>

## Attachment

(Millions of yen)

		Prior to additional Debt Financing	After additional Debt Financing	Change
Short-Term Debt	Unsecured Loan (Including short-term debt based on commitment line )	21,200	24,200	3,000
Long-Term Debt	Term Loan (secured)	17,350	17,350	—
	Unsecured Loan	36,800	36,800	—
Total Debt Financing		75,350	78,350	3,000
Investment Corporation Bonds		31,000	31,000	—
<b>Total Interest-bearing liabilities</b>		106,350	109,350	3,000
Unitholders' Capital (Note 1)		90,932	90,932	—
Interest-Bearing Liabilities Ratio (%) (Notes 2 &3)		53.9%	54.6%	0.7%

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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