

September 25, 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

To repay loans in regards to Basic Collateral Free Loan Agreement which repayment date on September 30, 2008

2. Details of Debt Financing

Short-term Debt based on the Commitment Line Agreement

- | | | |
|---|------------------------|--|
| 1 | Lenders | : The Chuo Mitsui Trust and Banking Co., Ltd.,
Aozora Bank, Ltd., The Sumitomo Trust & Banking Co., Ltd. |
| 2 | Amount | : ¥1,493,000,000 |
| 3 | Interest rate | : Interest rate applicable to debt financing will be announced as soon as a decision is made. |
| 4 | Borrowing period | : 206 days |
| 5 | Drawdown date | : September 30, 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 Agreement) (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 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 repay loans in regards to this Basic Agreement which repayment date on September 30, 2008.

4. Debt Financing Balance Prior to and After Debt Financing and Repayment of Debt Financing

(Millions of yen)

		Prior to additional Debt Financing and Repayment (Note 4)	After additional Debt Financing and Repayment	Change
Short-Term Debt	Unsecured Loan (Including short-term debt based on commitment line)	13,200	13,193	(7)
Long-Term Debt	Term Loan (secured)	17,350	17,350	-
	Unsecured Loan	36,800	36,800	-
Total Debt Financing		67,350	67,343	(7)
Investment Corporation Bonds		31,000	31,000	-
Total Interest-bearing liabilities		98,350	98,343	(7)
Unitholders' Capital (Note 1)		90,932	90,932	-
Interest-Bearing Liabilities Ratio (%) (Notes 2 &3)		52.0%	52.0%	-

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. Prior to additional debt financing and repayment indicates the amount outstanding after the repayment of debt financing. Please refer to the press release, "Notice Concerning the Repayment of Debt Financing" dated September 25, 2008.

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

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.