

December 7, 2004

For Immediate Release

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**Notice Concerning Revisions to Operating Forecasts
for the Fiscal Periods Ending August 31, 2005 and February 28, 2006**

New City Residence Investment Corporation (“NCRF” or “the Investment Corporation”) today announced its revised forecasts for the fiscal periods ending August 31, 2005 (the first fiscal period from September 27, 2004 through August 31, 2005) and February 28, 2006 (the second fiscal period from September 1, 2005 through February 28, 2006), which were previously revised on November 26, 2004.

1. Reasons for Revision

Revised forecasts for the first and second fiscal periods contained in the press release “Notice Concerning Revisions to Operating Forecasts for the Fiscal Periods Ending August 31, 2005 and February 28, 2006” dated November 26, 2004 were announced prior to the determination of pricing for the additional issue of new investment units and secondary offering. Subsequent to this press release, the Investment Corporation determined pricing for the additional issue of new investment units and secondary offering on December 7, 2004. Accordingly, and in line with this change to underlying preconditions and assumptions, operating forecasts are revised as follows:

- (1) Indicative offer price range for additional issue of new investment units included in previous preconditions and assumptions for operating forecasts

¥500,000 to ¥550,000

- (2) Offer price for additional issue of new investment units determined on December 7, 2004

Note: This press release provides information regarding New City Residence Investment Corporation’s revised operating forecasts for the fiscal periods ending August 31, 2005 and February 28, 2006, and is not provided as an inducement or invitation for investment. We caution readers to refer to the Investment Corporation’s offering circular and notice of amendments thereto and to undertake investment decisions subject to individual determination and responsibility.

¥550,000

2. Revised Forecasts

	Net Income (Millions of yen)	Dividends per Unit (Yen)	Dividends in Excess of Earnings per Unit (Yen)
Previous Forecast (November 26, 2004)			
Fiscal Period Ending August 31, 2005 (First Fiscal Period)	1,030 to 1,046	13,824 to 14,037	—
Fiscal Period Ending February 28, 2006 (Second Fiscal Period)	798 to 812	10,707 to 10,893	—
Revised Forecast			
Fiscal Period Ending August 31, 2005 (First Fiscal Period)	1,046	14,037	—
Fiscal Period Ending February 28, 2006 (Second Fiscal Period)	812	10,893	—

Following the determination of the offer price for the additional issue of new investment units identified in 1.(2) above, preconditions and assumptions underlying operating forecasts published in the press release “Notice Concerning Operating Forecasts for the Fiscal Periods Ending August 31, 2005 and February 28, 2006,” dated November 12, 2004, and subsequent revisions on November 26, 2004, are revised as follows:

Non-Operating Expenses : Non-operating expense range of ¥217 million to ¥221 million is revised to approximately ¥221 million.

Debt Financing : Intended debt financing from qualified institutional investors of between ¥25,066 million to ¥28,568 million is revised to approximately ¥25,066 million. Balance of debt financing after application of all funds procured through third-party allotment in accordance with a secondary offering (over-allotment) of investment units is revised to approximately ¥24,297 million.

As a result, net income and dividends per unit have been revised as per the preceding table.

[Reference]

The forecast of the number of investment units issued and outstanding as of August 31, 2005: 74,556 units (no change)

The forecast of the number of investment units issued and outstanding as of February 28, 2006: 74,556 units (no change)

Notes:

1. The above forecasts are calculated on the basis of certain preconditions and assumptions as of the date of this press release. Actual operating revenues, net income

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and dividends per unit may change due to the acquisition or disposition of properties, changes in real estate markets or the operating environment and other factors. In addition, the Investment Corporation does not guarantee payment of forecasted dividends.

2. In the event the Investment Corporation anticipates significant change in the aforementioned forecasts, NCRI shall undertake further revisions to forecasted results.
 3. The Investment Corporation's first fiscal period commenced September 27, 2004, and extends through to August 31, 2005. The second and subsequent fiscal periods commence annually from September 1 through to February 28 and March 1 through to August 31, respectively.
 4. The Investment Corporation intends to promptly acquire trust beneficiary interests in 50 properties after settlement of the additional issue of new investment units (December 14, 2004).
 5. The scheduled date of public listing of the Investment Corporation is December 15, 2004.
 6. Figures are rounded down.
- 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 Paper.

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