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For Immediate Release

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Notice Concerning the Proposed Acquisition of Investment Asset

New City Residence Investment Corporation (“NCRI” or “the Investment Corporation”) today announced its plan to acquire the following investment asset.

1. Acquisition Details

(1) Trust Beneficiary Interest in Real Estate Property Trust Asset

Property Name	(Millions of yen)
	Projected Acquisition Price (Note 1)
NCR Gakugei Daigaku (Note 2)	1,210

Notes:

1. The projected acquisition price is exclusive of property tax, urban planning tax, consumption tax, and local consumption tax.
2. The current name of the property in the table above is Homes Shimouma 6-chome. The Investment Corporation intends to change the name of the property identified in the above table shortly after acquisition.

(2) Trust Beneficiary Interest Agreement Execution Date (Planned)

May 31, 2005

(3) Acquisition Date (Planned)

May 31, 2005

(4) Seller

PLUSTA Co., Ltd. (Please refer to 3. “Seller Profile” below for details)

(5) Financing Details

The Investment Corporation intends to acquire the investment property utilizing cash on hand and debt financing.

2. Property Details

Property Name: NCR Gakugei Daigaku

(1) Reason for Acquisition

(i) Property Features

NCR Gakugei Daigaku is conveniently located eight minutes on foot from Gakugei Daigaku Station on the Tokyu Toyoko Line, in a prime and quiet residential area. Gakugei Daigaku Station is approximately eight minutes from Shibuya station by express train (Toyoko Line) and within five minutes of Jiyugaoka and Daikanyama stations by local train (Toyoko Line). The property is comprised mainly of urban family type one- and two-bedroom condominiums, each containing a separate lounge, dining room and kitchen. The complex offers 10 variations in room size, configuration and interior. In addition to a pleasant home environment and lifestyle convenience, the property boasts significant competitive advantages that cater to a variety of tenant needs.

(ii) Housing Type and Floor Plan

Single Type: 27%
Urban Family Type: 73%

Floor Plan: 12 1R (one room) apartments, 6 1LDK (one bedroom with lounge, dining and kitchen) apartments, 12 1LDK+S (one bedroom with lounge, dining and kitchen, and service room) apartments, 8 2LDK (two bedrooms with lounge, dining and kitchen) apartments

Note: For further details, please refer to Attachment 1., “Composition by Housing Type.”

(2) Property Profile (Scheduled for Acquisition)

Property Name	NCR Gakugei Daigaku
Type of Acquisition (Note 1)	Trust beneficiary interest
Trustee (Note 1)	UFJ Trust Bank Limited
Trust Maturity Date	TBD

Acquisition Date (Planned)		May 31, 2005	
Address (Note 2)		Residential	6-46-5 Shimouma, Setagaya-ku, Tokyo
		Lot	6-54-2 Shimouma, Setagaya-ku, Tokyo
Access		Approximately 8 minutes on foot from Gakugei Daigaku station, Tokyu Toyoko Line	
Use (Note 3)		Apartment complex	
Site Area (Note 2)		Land	970.73 m ²
		Building	1,919.59 m ²
Construction (Note 2)		SRC 4F	
Type of Ownership		Proprietary ownership	
Completion Date (Note 2)		April 2005	
Acquisition Price		¥1,210 million	
Appraisal Method		Appraisal by <u>Tokyo Godo Kantei, Japan</u>	
Appraisal Value		¥1,260 million	
Collateral (Note 8)		Secured	
Special Considerations		None	
Tenant Details	Number of Tenants (Note 5)	1	
	Total No. of Leasable Apartments (Note 4)	38	
	Total No. of Leased Apartments (Notes 4 & 6)	0	
	Forecast Annual Rental Revenue (Note 7)	¥75,599,000	
	Total Leasable Floor Space (Note 4)	1,602.88 m ²	
	Total Leased Floor Space (Note 4)	0 m ²	
	Occupancy Ratio Based on Floor Space (Note 4)	0%	

Notes:

1. The seller and trustee intend to execute a real estate investment trust agreement in connection with the subject property prior to the scheduled date of acquisition. The Investment Corporation intends to acquire a trust beneficiary interest in the aforementioned trust agreement.
2. “Address,” “Site Area,” “Construction,” and “Completion Date” are as per registered details.
3. The principal use has been identified.
4. Data as of May 25, 2005
5. The “Number of Tenants” is recorded as “1” where a single master lease has been executed with a sublessor company. Plans are in place to execute a master lease agreement with New City Estate Service K.K. (“NCES”) as sublessee prior to the scheduled acquisition date. The “Number of Tenants” noted above is the number after master lease execution.
6. The “Total No. of Leased Apartments” noted above represents the number of apartments leased to end tenants.
7. The “Forecast Annual Rental Revenue” comprises forecast annual rental revenue, common service fees, key money, parking and other related facility fee income. The appraisal value is calculated using the direct capitalization method applied to the earnings taken from gross revenue, assuming an occupancy ratio of 96%, less earnings from security deposits and other.
8. A mortgage is currently held (provisional registration) over the land portion as collateral for a debt totaling ¥577 million with Mizuho Bank, Ltd. as the mortgagor and the Seller as debtor. A flexible mortgage is also currently held (provisional registration) over the land portion as collateral for a line of credit with maximum amount of ¥110

million with The Sawayaka Shinkin Bank as the mortgagor and the Seller as debtor. It is the responsibility of the Seller to discharge and deregister each mortgage prior to the scheduled acquisition date.

3. Seller Profile

Company Name	PLUSTA Co., Ltd.
Head Office Address	5-10-12 Toranomom, Minato-ku, Tokyo
Representative	Katsuhiko Tanaka
Capital	¥15 million
Principal Activities	Real estate sales
Relationship with NCRI	None

4. Related-Party Transactions

In connection with the aforementioned property, the Investment Corporation plans to execute a property management agreement with New City Estate Service K.K. (“NCES”). NCES is also sublessee for the property. NCES is defined as a third-party pursuant to Article 15.2 of the Investment Trust and Investment Corporation Law relating to third-party transactions. Furthermore, and in accordance with the internal rules of the Investment Corporation as they relate to asset management, it is intended that the following entities discuss and determine matters in connection with the property management agreement and the sublease agreement:

- The Compliance Committee of the Asset Management Company (CBRE Residential Management K.K.)
- The Investment Committee of the Asset Management Company
- The Board of Directors of the Asset Management Company

5. Acquisition Schedule

Please refer to Item 1. (3) preceding

6. Outlook

The impact of the acquisition of the aforementioned property on the Investment Corporation’s operating conditions for the fiscal period ending August 31, 2005 is considered to be immaterial. Accordingly, there are no revisions to its previously announced operating forecasts.

[Attachments]

- Attachment 1: Composition by Housing Type
- Attachment 2: Real Estate Portfolio after Planned Property Acquisition
- Attachment 3: Photograph of the External Façade of the Property Planned for Acquisition.

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

Attachment 1

Composition by Housing Type

The Investment Corporation's Asset Management Company has classified investment properties into the following housing types.

Housing Type	Housing Type Classification
Single Type (S)	<Projected Tenant Profile> Single residents <Principal Geographic Region> Tokyo Metropolitan Area and principal provincial cities <Preferred Location and Environment> Convenient rail access and close to commercial districts and workplaces <Floor Plan and Area> 1R, 1K, or 1DK (Note 1)
Urban Family Type (UF)	<Projected Tenant Profile> Those who prefer urban life and value convenience such as families comprising one to three persons, couples with no children (DINKS), single parent and child, and persons managing a small home office (SOHO) <Principal Geographic Region> The 23 wards of Tokyo and central areas in each principal provincial city <Preferred Location and Environment> Close to workplaces with convenient access to shopping, leisure, and cultural facilities <Floor Plan and Area> 1DK, 1LDK, 2DK, or 2LDK (Note 1)
Family Type (F)	<Projected Tenant Profile> The typical family comprising approximately two to four persons <Principal Geographic Region> Tokyo Metropolitan Area and principal provincial cities <Preferred Location and Environment> A pleasant environment, with convenient rail access close proximity to workplaces <Floor Plan and Area> 2DK, 2LDK, 3DK, 3LDK, or 4LDK (Note 1) 2DK and 2LDK apartments of more than 40 square meters but less than 60 square meters located in the 23 wards of Tokyo are classified as Urban Family Type (Note 2).
Premium Type (P)	<Projected Tenant Profile> Business entrepreneurs or specialists with a family structure comprising approximately one to four persons <Principal Geographic Region> The 23 wards of Tokyo <Preferred Location and Environment> High-quality residence located in a pleasant and upscale environment <Floor Plan and Area> 1LDK, 2LDK, 3LDK, or 4LDK (Note 1)

Notes:

1. The Investment Corporation's Asset Management Company has determined the floor plan for each residence. Based on each floor plan and residence area, the Asset Management Company has further classified each residence by type, set forth in the table as follows.

- 1R : Single room with combined kitchen residence.
 1K : Single room with separate kitchen residence.
 1 (2 or 3) DK : One, two or three bedroom with separate combined dining room and kitchen residence. Dining room and kitchen area of more than 4.5 jo*.
 1 (2 or 3) DK+S : One, two or three bedroom with separate combined dining room and kitchen, and service room residence.
 LDK+S : Combined lounge, dining, kitchen residence with separate service room. Combined lounge, dining and kitchen area of more than 10 jo*.
 1 (2, 3 or 4) LDK : One, two, three, or four bedroom with combined lounge, dining and kitchen residence. Combined lounge, dining and kitchen area of more than 10 jo*. Alternatively, one, two, three or four bedroom with combined lounge and dining room residence and separate kitchen. Combined lounge and dining room area of more than 8 jo*.
 1 (2 or 3) LDK+S : One, two or three bedroom with combined lounge, dining and kitchen residence and separate service room.

* "Jo" is a Japanese unit of floor space representing one tatami mat, or about two square meters.

Area Type	Max. 30m ²	Max. 40m ²	Max. 50m ²	Max. 60m ²	Max. 70m ²	Max. 80m ²	Max. 90m ²	Max. 100m ²	More than 100m ²
1R or 1K	S	S	S	S	—	—	—	—	—
1DK	S	UF	UF	UF	—	—	—	—	—
1LDK or LDK+S	—	UF	UF	UF	UF	P	P	P	P
2DK or 1DK+S	—	UF	UF/F	UF/F	F	—	—	—	—
2LDK or 1LDK+S	—	—	UF/F	UF/F	F	F	P	P	P
3DK or 2DK+S	—	—	F	F	F	—	—	—	—
3LDK or 2LDK+S	—	—	—	F	F	F	F	P	P
4LDK or 3LDK+S	—	—	—	—	—	F	F	F	P

2. Based on anticipated tenant groups and lifestyles, the Asset Management Company has classified residences with a 2DK or 2LDK floor plan and an area of more than 40 m² but less than 60 m² into Urban Family Type if the residence is located in the 23 wards of Tokyo, and into Family Type if the residence is located in areas other than the 23 wards of Tokyo.

Attachment 2

Real Estate Portfolio after Planned Property Acquisition

Area	Property No.	Property Name	Acquisition Date	Acquisition Price (Millions of yen)	Percent of Total
Central Tokyo (Five Central Tokyo Wards)	C-1	NCR Minami Aoyama	Dec. 15, 2004	3,783	4.9%
	C-2	NCR Nishi Azabu Twin Tower	Dec. 17, 2004	3,315	4.3%
	C-3	NCR Nishi Azabu	Dec. 15, 2004	3,143	4.1%
	C-4	NCR Ochanomizu	Dec. 17, 2004	2,300	3.0%
	C-5	NCR Sangubashi	Dec. 15, 2004	1,734	2.3%
	C-6	NCR Shinjyuku Ichibankan	Dec. 15, 2004	1,978	2.6%
	C-7	NCR Shinjyuku Nibankan	Dec. 15, 2004	889	1.2%
	C-8	NCR Nihonbashi East	Dec. 15, 2004	1,622	2.1%
	C-9	NCR Nihonbashi West	Dec. 15, 2004	1,480	1.9%
	C-10	NCR Ginza Twin I	Dec. 15, 2004	1,133	1.5%
	C-11	NCR Ginza Twin II	Dec. 15, 2004	968	1.3%
	C-12	NCR Harajuku	Dec. 17, 2004	1,220	1.6%
	C-13	NCR Mita	Dec. 15, 2004	986	1.3%
	C-14	NCR Yoyogi Uehara	Dec. 17, 2004	765	1.0%
	C-15	NCR Sendagaya	Dec. 17, 2004	695	0.9%
	C-16	NCR Shinjyuku 7 Chome	Dec. 17, 2004	626	0.8%
	C-17	NCR Ichigaya Sanaicho	Dec. 17, 2004	577	0.7%
	C-18	NCR Ningyocho I	Feb. 25, 2005	1,230	1.6%
	C-19	NCR Ningyocho II	Feb. 25, 2005	1,290	1.7%
	C-20	NCR Shin Ochanomizu	Feb. 25, 2005	1,160	1.5%
	C-21	NCR Jinbocho	Jul. 29, 2005	2,803	3.6%
	C-22	NCR Ningyocho III	Jul. 29, 2005	1,662	2.2%
	Subtotal	—	35,359	45.9%	
23 Wards of Tokyo Excluding the Five Central Tokyo Wards	M-1	NCR Meguro Mita	Dec. 17, 2004	6,066	7.9%
	M-2	NCR Todoroki	Dec. 15, 2004	1,850	2.4%
	M-3	NCR Honjo Azumabashi	Dec. 15, 2004	1,122	1.5%
	M-4	NCR Kitazawa	Dec. 17, 2004	1,070	1.4%
	M-5	NCR Meguro	Dec. 17, 2004	1,050	1.4%
	M-6	NCR Senzokukoen	Dec. 17, 2004	921	1.2%
	M-7	NCR Kyodo	Dec. 15, 2004	715	0.9%
	M-8	NCR Monzennakacho	Dec. 15, 2004	524	0.7%
	M-9	NCR Denenchofu	Dec. 17, 2004	511	0.7%
	M-10	NCR Negishi	Dec. 17, 2004	356	0.5%
	M-11	NCR Kamiikedai	Dec. 17, 2004	238	0.3%
	M-12	NCR Otsuka	Feb. 25, 2005	1,290	1.7%
	M-13	NCR Morishita	Feb. 25, 2005	985	1.3%
	M-14	NCR Wakabayashi Koen	Apr. 21, 2005	970	1.3%
	M-15	NCR Asakusabashi	Apr. 19, 2005	870	1.1%
	M-16	NCR Gakugei Daigaku	May 31, 2005	1,210	1.6%
	Subtotal	—	19,748	25.6%	
Tokyo Metropolitan Area Excluding the 23 Wards of Tokyo	G-1	NCR Yokohama East	Dec. 15, 2004	6,753	8.8%
	G-2	NCR Funabashi Honcho	Dec. 17, 2004	1,083	1.4%
	G-3	SH Motosumiyoshi	Dec. 15, '004	1,058	1.4%
	G-4	NCR Toyoda	Dec. 15, 2004	1,053	1.4%
	G-5	NCR Nishi Funabashi	Dec. 17, 2004	997	1.3%
	G-6	NCR Maihama	Dec. 17, 2004	844	1.1%
	G-7	NCR Ichikawa Myoden	Dec. 17, 2004	769	1.0%
	G-8	NCR Kumegawa	Dec. 17, 2004	715	0.9%
	G-9	NCR Urayasu	Dec. 17, 2004	653	0.8%
	G-10	NCR Minami Gyotoku I	Dec. 17, 2004	648	0.8%
	G-11	NCR Minami Gyotoku II	Dec. 17, 2004	447	0.6%
	G-12	NCR Nogeeyama	Dec. 17, 2004	469	0.6%
	G-13	NCR Minamirinkan	Dec. 17, 2004	456	0.6%
	G-14	NCR Shonan	Dec. 17, 2004	445	0.6%

	G-15	LM Fuchinobe Honcho	Dec. 17, 2004	222	0.3%
	G-16	LM Higashi Ome Daisan	Dec. 17, 2004	175	0.2%
	Subtotal		—	16,787	21.8%
Other Regions	R-1	NCR Ohdori-koen	Dec. 17, 2004	726	0.9%
	R-2	Goshikiyama Heights	Dec. 15, 2004	720	0.9%
	R-3	NCR Nishikoen	Dec. 17, 2004	379	0.5%
	R-4	NCR Nishi Ohori	Dec. 17, 2004	258	0.3%
	R-5	NCR Kakogawa	Dec. 17, 2004	274	0.4%
	R-6	LM Maebashi Nishikatakai	Dec. 17, 2004	202	0.3%
	R-7	Aprire Tarumi	Feb. 25, 2005	1,710	2.2%
	R-8	NCR Uehonmachi	Jul. 29, 2005	855	1.1%
	Subtotal		—	5,124	6.7%
Total			—	77,018	100.0%

Notes:

1. “Central Tokyo (Five Central Tokyo Wards)” comprises Minato Ward, Shibuya Ward, Shinjuku Ward, Chiyoda Ward, and Chuo Ward. The “23 Wards of Tokyo Excluding the Five Central Tokyo Wards” comprises all 23 wards of Tokyo excluding the aforementioned five wards. “Tokyo Metropolitan Area Excluding the 23 Wards of Tokyo” comprises Tokyo Prefecture excluding the 23 wards of Tokyo, and Kanagawa, Chiba, and Saitama prefectures. “Other Regions” comprises all other areas excluding the aforementioned.
2. In the Property Name column above, “NCR” is the acronym for “New City Residence,” “LM” for “Lions Mansion,” and “SH” for “Sonnen Heim.”
3. The “Acquisition Price” is the amount identified in the trust beneficiary interest purchase agreement with conditions precedent, and does not include related costs such as consumption tax.
4. The “Percent of Total” column details the acquisition price of each investment asset as a percentage of the total acquisition price for the Investment Corporation’s aggregate real estate portfolio. Figures are rounded to the nearest first decimal point.

Attachment 3

Photograph of the External Façade of the Property Planned for Acquisition

