

June 28, 2005

For Immediate Release

New City Residence Investment Corporation
1-10-6 Roppongi, Minato-ku, Tokyo
Tetsuya Fujita, Executive Officer
(Securities Code: 8965)

Inquiries:
CBRE Residential Management K.K.
Yutaka Ono, Director and Chief Financial Officer
TEL: +81-3-6229-3860

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)
Crest Kusatsu	3,830

Notes:

1. The projected acquisition price is exclusive of property tax, urban planning tax, consumption tax, and local consumption tax.

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

June 28, 2005

(3) Acquisition Date (Planned)

June 28, 2005

(4) Seller

SCR First SPC (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: Crest Kusatsu

(1) Reason for Acquisition

(i) Property Features

The property is located in Kusatsu, in close proximity to the major cities of Kyoto and Osaka, and a prime commuter belt serviced by the JR Tokaido Line, Tokaido Shinkansen Line, National Route 1, Keiji Bypass, and Meishin Expressway. Kusatsu is also distinguished as the leading industrial city of Shiga Prefecture, and it continues to experience solid growth. In recent years, both Ritsumeikan University and Ryukoku University have relocated a portion of their campuses to Kusatsu. Accordingly, a number of condominiums catering to the university student market have been constructed in the area between Minami Kusatsu and Seta Stations, and in close proximity to each university. The property is an 11-storey one-room condominium complex made of reinforced concrete. Completed in 1999, it is conveniently located approximately 3 kilometers from Minami Kusatsu Station, 2.4 kilometers from the Biwako-Kusatsu Campus of Ritsumeikan University, 3 kilometers from the Seta Campus of Ryukoku University, and 1.6 kilometers from the Shiga University of Medical Science. The property boasts considerable competitive advantage and is distinguished for its quality facilities and specifications. A master lease agreement over the entire building has been executed with Coop Sogo Living Corporation, ensuring a guaranteed income to the Investment Corporation.

(ii) Housing Type and Floor Plan

Single Type: 100%
 Floor Plan: 540 1R (one bedroom) apartments

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

(2) Property Profile (Scheduled for Acquisition)

Property Name	Crest Kusatsu	
Type of Acquisition (Note 1)	Trust beneficiary interest	
Trustee (Note 1)	Mizuho Trust Bank Limited	
Trust Maturity Date	TBD	
Acquisition Date (Planned)	June 28, 2005	
Address (Note 2)	Residential	5-3-17 Kasayama, Kusatsu-shi, Shiga Prefecture
	Lot	480 Kasanokuchi, Aza 5-chome, Sasayama, Kusatsu-shi, Shiga

Access	3.1 Km southern east from Minami Kusatsu station, JR Tokaido Line. Approximately 1 min. on foot from Crest Kusatsu bus stop (Teisan Konan Kotsu Bus)	
Use (Note 3)	Apartment complex	
Site Area (Note 2)	Land	7,615.08m ²
	Building	15,176.45 m ²
Construction (Note 2)	RC 11F/B2F	
Type of Ownership	Proprietary ownership	
Completion Date (Note 2)	February 1999	
Acquisition Price	¥3,830 million	
Appraisal Method	Appraisal by Tanizawa Sogo Kantei, Japan	
Appraisal Value	¥3,830 million	
Collateral	None	
Special Considerations	None	
Tenant Details	Number of Tenants (Note 5)	1
	Total No. of Leasable Apartments (Note 4)	540
	Total No. of Leased Apartments (Notes 4 & 6)	540
	Forecast Annual Rental Revenue (Note 7)	¥327,586,512
	Total Leasable Floor Space (Note 4)	13,468.35 m ²
	Total Leased Floor Space (Note 4)	13,468.35 m ²
	Occupancy Ratio Based on Floor Space (Note 4)	100%

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 June 23rd, 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.

3. Seller Profile

Company Name	SCR First SPC
Head Office Address	4-1-17 Toranomom, Minato-ku, Tokyo
Representative	John Paul Toppino
Capital	JPY 158 Million
Principal Activities	Propose projects for liquidation of assets and related assignment of specified

	assets, together with activities related to management and dispersal, in accordance with the laws on assets transfer.
Relationship with NCRI	None

4. Related-Party Transactions

(1) 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

(2) New City Corporation K.K., acting as broker in the purchase and sale of the subject property, is defined as an Interested Party. Accordingly, the Investment Corporation and the Asset Management Company have adopted the following commission and other terms and conditions in connection with property acquisition based on each company’s internal rules and regulations:

Commission: ¥38,300,000 (1% of the acquisition price excluding consumption tax)

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)	<p><Projected Tenant Profile> Single residents</p> <p><Principal Geographic Region> Tokyo Metropolitan Area and principal provincial cities</p> <p><Preferred Location and Environment> Convenient rail access and close to commercial districts and workplaces</p> <p><Floor Plan and Area> 1R, 1K, or 1DK (Note 1)</p>
Urban Family Type (UF)	<p><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)</p> <p><Principal Geographic Region> The 23 wards of Tokyo and central areas in each principal provincial city</p> <p><Preferred Location and Environment> Close to workplaces with convenient access to shopping, leisure, and cultural facilities</p> <p><Floor Plan and Area> 1DK, 1LDK, 2DK, or 2LDK (Note 1)</p>
Family Type (F)	<p><Projected Tenant Profile> The typical family comprising approximately two to four persons</p> <p><Principal Geographic Region> Tokyo Metropolitan Area and principal provincial cities</p> <p><Preferred Location and Environment> A pleasant environment, with convenient rail access close proximity to workplaces</p> <p><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).</p>
Premium Type (P)	<p><Projected Tenant Profile> Business entrepreneurs or specialists with a family structure comprising approximately one to four persons</p> <p><Principal Geographic Region> The 23 wards of Tokyo</p> <p><Preferred Location and Environment> High-quality residence located in a pleasant and upscale environment</p> <p><Floor Plan and Area> 1LDK, 2LDK, 3LDK, or 4LDK (Note 1)</p>

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	4.7%
	C-2	NCR Nishi Azabu Twin Tower	Dec. 17, 2004	3,315	4.1%
	C-3	NCR Nishi Azabu	Dec. 15, 2004	3,143	3.9%
	C-4	NCR Ochanomizu	Dec. 17, 2004	2,300	2.8%
	C-5	NCR Sangubashi	Dec. 15, 2004	1,734	2.1%
	C-6	NCR Shinjyuku Ichibankan	Dec. 15, 2004	1,978	2.4%
	C-7	NCR Shinujyuku Nibankan	Dec. 15, 2004	889	1.1%
	C-8	NCR Nihonbashi East	Dec. 15, 2004	1,622	2.0%
	C-9	NCR Nihonbashi West	Dec. 15, 2004	1,480	1.8%
	C-10	NCR Ginza Twin I	Dec. 15, 2004	1,133	1.4%
	C-11	NCR Ginza Twin II	Dec. 15, 2004	968	1.2%
	C-12	NCR Harajuku	Dec. 17, 2004	1,220	1.5%
	C-13	NCR Mita	Dec. 15, 2004	986	1.2%
	C-14	NCR Yoyogi Uehara	Dec. 17, 2004	765	0.9%
	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	1.5%
	C-19	NCR Ningyocho II	Feb. 25, 2005	1,290	1.6%
	C-20	NCR Shin Ochanomizu	Feb. 25, 2005	1,160	1.4%
	C-21	NCR Jinbocho	Jul. 29, 2005	2,803	3.5%
	C-22	NCR Ningyocho III	Jul. 29, 2005	1,662	2.1%
	Subtotal	—	35,359	43.7%	
23 Wards of Tokyo Excluding the Five Central Tokyo Wards	M-1	NCR Meguro Mita	Dec. 17, 2004	6,066	7.5%
	M-2	NCR Todoroki	Dec. 15, 2004	1,850	2.3%
	M-3	NCR Honjo Azumabashi	Dec. 15, 2004	1,122	1.4%
	M-4	NCR Kitazawa	Dec. 17, 2004	1,070	1.3%
	M-5	NCR Meguro	Dec. 17, 2004	1,050	1.3%
	M-6	NCR Senzokukoen	Dec. 17, 2004	921	1.1%
	M-7	NCR Kyodo	Dec. 15, 2004	715	0.9%
	M-8	NCR Monzennakacho	Dec. 15, 2004	524	0.6%
	M-9	NCR Denenchofu	Dec. 17, 2004	511	0.6%
	M-10	NCR Negishi	Dec. 17, 2004	356	0.4%
	M-11	NCR Kamiikedai	Dec. 17, 2004	238	0.3%
	M-12	NCR Otsuka	Feb. 25, 2005	1,290	1.6%
	M-13	NCR Morishita	Feb. 25, 2005	985	1.2%
	M-14	NCR Wakabayashi koen	Apr. 21, 2005	970	1.2%
	M-15	NCR Asakusabashi	Apr. 19, 2005	870	1.1%
	M-16	NCR Gakugei Daigaku	May 31, 2005	1,210	1.5%
	Subtotal	—	19,748	24.4%	
Tokyo Metropolitan Area Excluding the 23 Wards of Tokyo	G-1	NCR Yokohama East	Dec. 15, 2004	6,753	8.4%
	G-2	NCR Funabashi Honcho	Dec. 17, 2004	1,083	1.3%
	G-3	SH Motosumiyoshi	Dec. 15, '004	1,058	1.3%
	G-4	NCR Toyoda	Dec. 15, 2004	1,053	1.3%
	G-5	NCR Nishi Funabashi	Dec. 17, 2004	997	1.2%
	G-6	NCR Maihama	Dec. 17, 2004	844	1.0%
	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 Oume Daisan	Dec. 17, 2004	175	0.2%
	Subtotal	—	16,787	20.8%	
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	0.3%
	R-6	LM Maebashi Nishikatakai	Dec. 17, 2004	202	0.2%
	R-7	Aprire Tarumi	Feb. 25, 2005	1,710	2.1%
	R-8	NCR Uehonmachi	Jul. 29, 2005	855	1.1%
	R-9	Crest Kusatsu	June 28, 2005	3,830	4.7%
	Subtotal		—	8,954	11.1%
	Total		—	80,848	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

