

July 4, 2005

For Immediate Release

New City Residence Investment Corporation
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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

(Millions of yen)

Property Name		Projected Acquisition Price (Note 1)
1	New City Residence Jinbocho II (Note2)	1,470
2	New City Residence Ginza East III (Note2)	841
Total		2,311

Notes:

1. The projected acquisition price is exclusive of property tax, urban planning tax, consumption tax, and local consumption tax.
2. The current names of properties 1 and 2 identified in the table above are Park City Jinbocho and Park City Shintomi-cho, respectively. The Investment Corporation intends to change the names of each building to those identified in the above table shortly after acquisition.

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

July 4, 2005

(3) Acquisition Date (Planned)

July 5, 2005

(4) Seller

SCR Third 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

1) Property Name: New City Residence Jinbocho II

(1) Reason for Acquisition

(i) Property Features

The building is a single-type condominium complex located approximately four minutes on foot from Jimbocho Station, serviced by the Tokyo Metro Hanzomon Line and the Toei Shinjuku Subway Line. The property also offers considerable convenience, situated in close proximity to shops, hospitals, and government offices. Ideal for singles and couples with dual incomes and no children (DINKS), NCR Jimbocho II provides comfortable and convenient urban living. Completed in 2005, the property boasts a high-quality interior and specifications. NCR Jimbocho II is expected to remain highly competitive over the medium to long term.

(ii) Housing Type and Floor Plan

Single Type: 100%
Floor Plan: 60 1K (one bedroom 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 Jibocho II	
Type of Acquisition (Note 1)	Trust beneficiary interest	
Trustee (Note 1)	Mizuho Trust Bank Limited	
Trust Maturity Date	TBD	
Acquisition Date (Planned)	July 5, 2005	
Address (Note 2)	Residential	2-40-8 Kanda Jinbocho, Chiyoda-ku, Tokyo

	Lot	2-40-8 Kanda Jinbocho, Chiyoda-ku, Tokyo
Access	Approximately 4 min. on foot from Jibocho station on either Hanzomon Line or Toei Shinjuku Line	
Use (Note 3)	Apartment complex	
Site Area (Note 2)	Land	340.26m ²
	Building	1,830.23 m ²
Construction (Note 2)	RC 11F	
Type of Ownership	Proprietary ownership	
Completion Date (Note 2)	May 2004	
Acquisition Price	¥1,470 million	
Appraisal Method	Appraisal by Tokyo Godo Kantei, Japan	
Appraisal Value	¥1,470 million	
Collateral	None	
Special Considerations	None	
Tenant Details	Number of Tenants (Note 5)	1
	Total No. of Leasable Apartments (Note 4)	60
	Total No. of Leased Apartments (Notes 4 & 6)	60
	Forecast Annual Rental Revenue (Note 7)	¥85,779,461
	Total Leasable Floor Space (Note 4)	1,628.80 m ²
	Total Leased Floor Space (Note 4)	1,628.80 m ²
	Occupancy Ratio Based on Floor Space (Note 4)	100%

2) Property Name: New City Residence Ginza East III

(3) Reason for Acquisition

(i) Property Features

NCR Ginza East III is a single-type condominium complex located in close proximity to Shintomicho Station, serviced by the Tokyo Metro Yurakucho Line, and approximately four minutes on foot from the Hatchobori Station, serviced by both the Tokyo Metro Hibiya Line and the JR Keiyou Line. NCR Ginza East III is situated in an area that maintains much of its old town feel, while also offering excellent access to the city's various modes of transportation, as well as to shops, hospitals, and government offices. Completed approximately one year ago, the property boasts a high-quality interior and specifications and is expected to remain highly competitive over the medium to long term.

(ii) Housing Type and Floor Plan

Single Type:	87%
Urban Family Type:	13%
Floor Plan:	38 1K (one bedroom with kitchen) apartments 3 1DK (three bedrooms with dining and kitchen) apartments

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

(4) Property Profile (Scheduled for Acquisition)

Property Name		NCR Ginza East III
Type of Acquisition (Note 1)		Trust beneficiary interest
Trustee (Note 1)		Mizuho Trust Bank Limited
Trust Maturity Date		TBD
Acquisition Date (Planned)		July 5, 2005
Address (Note 2)		Residential 2-8-8 Irifune, Chuo-ku, Tokyo
		Lot 2-15-13 and etc., Irifune, Chuo-ku, Tokyo
Access		Approximately 4 min. on foot from Shintomi-cho station on Yurakucho-Line, or Hacchobori station on JR Keiyo Line
Use (Note 3)		Apartment complex
Site Area (Note 2)		Land 189.01m ²
		Building 1,116.75 m ²
Construction (Note 2)		SRC 12F
Type of Ownership		Proprietary ownership
Completion Date (Note 2)		June 2004
Acquisition Price		¥841 million
Appraisal Method		Appraisal by <u>Tokyo Godo Kantei, Japan</u>
Appraisal Value		¥872million
Collateral		None
Special Considerations		None
Tenant Details	Number of Tenants (Note 5)	1
	Total No. of Leasable Apartments (Note 4)	41
	Total No. of Leased Apartments (Notes 4 & 6)	40
	Forecast Annual Rental Revenue (Note 7)	¥53,184,887
	Total Leasable Floor Space (Note 4)	971.74 m ²
	Total Leased Floor Space (Note 4)	928.71 m ²
	Occupancy Ratio Based on Floor Space (Note 4)	96%

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 31, 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 Third SPC
Head Office Address	4-1-17 Toranomom, Minato-ku, Tokyo
Representative	Phi Q. Le
Capital	JPY 83.85 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: ¥23,110,000 (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	4.5%
	C-2	NCR Nishi Azabu Twin Tower	Dec. 17, 2004	3,315	4.0%
	C-3	NCR Nishi Azabu	Dec. 15, 2004	3,143	3.8%
	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	0.8%
	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	3.4%
	C-22	NCR Ningyocho III	Jul. 29, 2005	1,662	2.0%
	C-23	NCR Jinbocho II	Jul. 5, 2005	1,470	1.8%
	C-24	NCR Ginza East III	Jul. 5, 2005	841	1.0%
	Subtotal		—	37,670	45.3%
23 Wards of Tokyo Excluding the Five Central Tokyo Wards	M-1	NCR Meguro Mita	Dec. 17, 2004	6,066	7.3%
	M-2	NCR Todoroki	Dec. 15, 2004	1,850	2.2%
	M-3	NCR Honjo Azumabashi	Dec. 15, 2004	1,122	1.3%
	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	1.0%
	M-16	NCR Gakugei Daigaku	May 31, 2005	1,210	1.5%
	Subtotal		—	19,748	23.7%
Tokyo Metropolitan Area Excluding the 23 Wards of Tokyo	G-1	NCR Yokohama East	Dec. 15, 2004	6,753	8.1%
	G-2	NCR Funabashi Honcho	Dec. 17, 2004	1,083	1.3%
	G-3	SH Motosumiyoshi	Dec. 15, 2004	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	0.9%
	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	0.5%
	G-12	NCR Nogeeyama	Dec. 17, 2004	469	0.6%
	G-13	NCR Minamirinkan	Dec. 17, 2004	456	0.5%
	G-14	NCR Shonan	Dec. 17, 2004	445	0.5%
	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	20.2%
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	3830	4.6%
	Subtotal		—	8,954	10.8%
Total			—	83,159	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

① NCR Jinbocho II



② NCR Ginza East III

