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For Immediate Release

New City Residence Investment Corporation
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(Securities Code: 8965)

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**Notice Concerning the Additional Issue of
New Investment Units and Secondary Offering**

New City Residence Investment Corporation (“NCRI” or “the Investment Corporation”) today announced its decision to issue new investment units and to conduct a secondary offering. This decision was ratified at a Board of Officers meeting held on August 18, 2005. Brief details are as follows:

1. Primary Offering

1. Total number of units to be issued : 46,600 units (Primary offering)
2. Issue price : To be determined
(The issue price for new investment units shall be determined by a resolution of the Board of Officers on a date between September 5, 2005 (Monday) and September 7, 2005 (Wednesday) (“the Issue Price Determination Date”))
3. Gross proceeds : To be determined
4. Offer method : The investment units are being offered in a public offering by the following underwriters:
Mizuho Securities Co., Ltd.
Nikko Citigroup Limited,
together referred to as the “Joint-Lead Managers,” and
Nomura Securities Co., Ltd.
Daiwa Securities SMBC Co., Ltd.
UFJ Tsubasa Securities Co., Ltd.
Shinko Securities Co., Ltd.

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Kyokuto Securities Co., Ltd.,
(collectively referred to as “the Underwriters.”)

The issue price (offer price) shall provisionally be calculated by multiplying the Tokyo Stock Exchange (“TSE”) closing price on the Issue Price Determination Date (the closing price on the day immediately preceding the Issue Price Determination Date in the event there is no closing price) by a factor of 0.90 to 1.00 (amounts less than ¥1 to be omitted) and subject to demand.

5. Underwriting agreement details : The Underwriters shall pay to the Investment Corporation the full underwritten proceeds (offer price amount) on the payment date identified in (8) below. Underwriting fees applicable to the issue shall be the difference between the offer price and the issue price. The Investment Corporation shall not pay an underwriting commission.
6. Application unit : More than one unit in multiples of one unit
7. Application period : September 8, 2005 (Thursday) through September 12, 2005 (Monday) inclusive.

Subject to demand, the application period shall be brought forward. The earliest application period shall be September 6, 2005 (Tuesday) through September 8, 2005 (Thursday).

8. Payment date : September 15, 2005 (Thursday)

Subject to demand, the payment date shall be brought forward. The earliest payment date applicable shall be September 13, 2005 (Tuesday).

9. Delivery and settlement date : The first business day after the payment date.
10. Starting date for the computation of cash distributions : September 1, 2005 (Thursday)
11. The offer price and other matters relating to the issue of new investment units shall be determined at future meetings of the Board of Officers.
12. The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Securities and Exchange Law of Japan.

2. Third-Party Allotment (Greenshoe Option)

1. Total number of units to be issued : 1,456 units

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In accordance with Point 3. “Secondary Offering (Over-Allotment)” and for the purposes of over-allotment (“Secondary Offering [Over-Allotment]”), Mizuho Securities Co., Ltd. (“Mizuho Securities”) shall borrow the Investment Corporation’s investment units to a maximum limit of 1,456 units (“Borrowed Investment Units”) from New City Corporation K.K. (“NCC”), a unitholder of the Investment Corporation.

In connection with the aforementioned and separate to the Primary offering outlined previously, and in order to return the Borrowed Investment Units, Mizuho Securities shall be given by the Investment Corporation a purchase option of new investment units for the third-party allotment (hereafter referred to as the “Greenshoe Option”) up to a maximum of 1,456 investment units. The Greenshoe Option exercise period shall be calculated from the day following the close of the application period for the primary offering and secondary offering (over-allotment) and extend for a period of 30 days thereafter (up to the immediately preceding business day in the event the 30th day is not a business day).

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| 2. Third party | : | Mizuho Securities Co., Ltd. |
| 3. Issue price | : | To be determined.
(The same price as for the primary offering) |
| 4. Gross proceeds | : | To be determined. |
| 5. Application period
(“Application Date”) | : | October 14, 2005 (Friday)
In connection with the aforementioned “Application period,” and in accordance with the “Primary Offering” and Point 3. “Secondary Offering (Over-Allotment),” the application period shall be brought forward. The earliest application date shall be October 12, 2005 (Wednesday). |
| 6. Payment date | : | October 14, 2005 (Friday)
In connection with the aforementioned “Payment date,” and in accordance with the “Primary Offering” and “Secondary Offering (Over-Allotment),” the application period shall be brought forward. The |

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earliest application date shall be October 12, 2005 (Wednesday).

7. Application unit : More than one unit in multiples of one unit
8. Starting date for the computation of cash distributions : September 1, 2005 (Thursday)
9. The issue price and other matters relating to the third-party allotment shall be determined at future meetings of the Board of Officers.
10. In the event there are no applications during the aforementioned "Application period," the issue shall be terminated.
11. In the event the primary offering of new investment units is suspended, the third-party allotment shall be suspended.
12. The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Securities and Exchange Law of Japan.

3. Secondary Offering (Over-Allotment)

1. Total number of units to be issued : 1,456 units
2. Seller : Mizuho Securities Co., Ltd.
The secondary offering (over-allotment) in connection with Mizuho Securities is subject to primary offering demand outlined in Point 1 preceding. The total number of 1,456 units is the maximum limit and may differ depending on demand. Accordingly, the number of units to be issued may be zero or less than the maximum limit. For the purpose of over-allotment, Mizuho Securities shall borrow the Investment Corporation's investment units from a company identified by the Investment Corporation. The Investment Corporation has identified "NCC", a unitholder of the Investment Corporation, as lender of the Investment Corporation's investment units ("the Lender") to Mizuho Securities For the purpose of the over-allotment, Mizuho Securities shall borrow from NCC up to a maximum of 1,456 units.
3. Offer price : To be determined.
(The same price as the primary offering)
4. Gross proceeds : To be determined.
5. Application period : The same application period as the primary offering
6. Transfer date : The first business day immediately following the payment date for the primary offering
7. Application unit : More than one unit in multiples of one unit

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8. The offer price and other matters relating to the third-party allotment shall be determined at future meetings of the Board of Officers.
9. The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Securities and Exchange Law of Japan.

[Reference]

Mizuho Securities plans to borrow the Investment Corporation's investment units from the Lender to be sold in the event of over-allotment to a maximum of 1,456 units ("Borrowed Investment Units"). In order to affect the return of the borrowed investment units, Mizuho Securities shall be given by the Investment Corporation a purchase option of new investment units for the Greenshoe Option up to a maximum of 1,456 investment units, outlined in 2. preceding. The Greenshoe Option application period shall be calculated from the day following the close of the application period and extend for a period of 30 days thereafter (up to the immediately preceding business day in the event the 30th day is not a business day).

In addition, Mizuho Securities may seek to purchase the Investment Corporation's investment units up to a maximum of 1,456 units (the maximum number of investment units under secondary offering [over-allotment]) through the TSE (hereafter referred to as "Syndicated Cover Transactions") in order to affect the return of the investment units borrowed from the day immediately following the end of the application period through the exercise period of the Greenshoe Option (hereafter referred to as "the Syndicated Cover Transaction Period"). Moreover, in the period between the first business day immediately following the Issue Price Determination Date through the end of the application date, Mizuho Securities may undertake a Syndicated Cover Transaction and apply the investment units acquired under it to return the Borrowed Investment Units. In the event that during the Syndicated Cover Transaction Period, Mizuho Securities decides not to undertake a Syndicated Cover Transaction, or the number of units purchased under the Syndicated Cover Transactions falls below the number of investment units to be returned under the secondary offering (over-allotment), the Syndicated Cover Transaction may be deemed to terminate.

However, Mizuho Securities may exercise the Greenshoe Option in the event the number of units purchased under the Syndicated Cover Transaction falls below the number of investment units to be returned under secondary offering (over-allotment). On the other hand, in the event the secondary offering (over-allotment) is less than the maximum, or the secondary offering (over-allotment) is suspended, and a Syndicated Cover Transaction is undertaken, Mizuho Securities shall exercise the Greenshoe Option in connection with the reduced number of investment units subject to secondary offer (over-allotment). In this case, the maximum limit of investment units to be issued under third-party allotment shall be reduced and rights shall be forfeited, or the issue itself shall not be made.

Mizuho Securities will undertake the aforementioned transaction subject to discussion with Nikko Citigroup Limited.

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4. Total Number of Investment Units Issued after the New Issue

Number of investment units currently issued and outstanding	74,556
Number of new investment units to be issued (primary offering)	46,600
Subtotal	121,156
Number of new investment units (third-party allotment) to be issued (planned)	1,456*
Total (planned)	122,612*

Note: The number of investment units subject to third-party allotment in full.

5. Use of Proceeds

The Investment Corporation intends to purchase specified assets as defined under Article 2.1 of the Investment Trust Law and undertake the repayment of debt financing with the proceeds procured through the primary offering totaling ¥26,500 million and a maximum of ¥800 million procured through third-party allotment and the exercise of the Greenshoe Option.

6. Distribution to Unitholders

Distribution to unitholders is determined in line with the Investment Corporation's Articles of Incorporation and its distribution policy.

7. Other

(1) Specified Purchaser
Not applicable.

(2) Restrictions on Sale and Additional Issue of Investment Units

1. NCC and CSK Corporation ("CSK") acquired 200 units and 100 units, respectively, of the Investment Corporation's investment units, in conjunction with the Investment Corporation's establishment on September 27, 2004. NCC and CSK have agreed not to dispose of any of the Investment Corporation's investment units for a period of six months after the Investment Corporation's Public Listing Date on the TSE in accordance with the Exchange's rules and regulations. Furthermore, NCC and CSK have agreed not to dispose of any of the Investment Corporation's investment units for a period of one year after an allocation of investment units. In the case of NCC, a restriction agreement as outlined in (3) as follows has been concluded.
2. CB Richard Ellis Investors K.K. ("CBRIE"), NCC Holdings (Delaware) LLC, Tokyo Branch ("NHD") and CSK plan to acquire 1,456 units, 1,256 units, and 728 units,

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respectively, of the Investment Corporation's investment units as part of the Investment Corporation's primary offering, and have agreed with the Joint-Lead Managers not to sell, transfer, pledge as collateral, or dispose of in any other manner their respective unitholdings, excluding investment units borrowed in connection with secondary offering over-allotment, for a period of one year after the Public Listing Date, without the written consent of the Joint-Lead Managers.

3. With the agreement of the Joint-Lead Managers, NHD transferred 1,256 investment units to NCC Holdings (Delaware) LLC on May 13, 2005. Furthermore, NCC Holdings (Delaware) LLC transferred 1,256 investment units to NCC on June 29, 2005. Accordingly, NCC holds 1,456 of the Investment Corporation's investment units as of the date of this release. NCC has agreed with the Joint-Lead Managers not to sell, transfer, pledge as collateral, or dispose of in any other manner its existing unitholdings for a period up to December 15, 2005, without the written consent of the Joint-Lead Managers.
4. The Investment Corporation has agreed with the Joint-Lead Managers that it will not issue additional investment units, excluding the issue of new investment units outlined in (2) preceding, subject to third-party allotment, for a period of three months after the payment date of the primary offering. The Joint-Lead Managers, at their own discretion, may delete a portion of all of the aforementioned agreements and shorten the restriction periods.

(3) Syndicated Cover Transactions

Mizuho Securities may undertake syndicated cover transactions in connection with the primary offering and the secondary offering (over-allotment).

(4) Equity Finance Conducted in the Past Three Years

Date	Issue Amount (Thousands of Yen)	Investment Amount after Issue (Thousands of Yen)	Remarks
September 27, 2004	150,000	150,000	Private placement
December 14, 2004	38,438,400	38,588,400	Public offering
January 12, 2005	768,768	39,357,168	Third-party allotment

(5) Recent Trends in Investment Unit Prices

	Fiscal Period Ending August 31, 2005 (Yen)
Opening	570,000
High	687,000
Low	561,000
Closing	624,000

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Notes:

1. The Investment Corporation was publicly listed on the Tokyo Stock Exchange Real Estate Investment Trust Section on December 15, 2004. Accordingly, there is no investment unit price data prior to this date.
2. Investment unit price data for the fiscal period ending August 31, 2005 relates to the investment unit price as of August 17, 2005.

- 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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