

March 28, 2006

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. In regard to the acquisition of the subject property, although a trust beneficiary interest purchase agreement has executed with the Yoshikon KK on October 31, 2005, as disclosed on the “Notice Concerning Acquisition of Investment Asset” dated November 1, 2005, the subject property will be replaced with real-estate property from the trust beneficiary interest whereby the said agreement is mutual rescinded as of March 30, 2006 and the following real estate purchase agreement will be executed on the same day. This notice is to reinform such modifications made after the above “Notice Concerning Acquisition of Investment Asset.”

1. Acquisition Details

(1) Real Estate Property

		(Millions of yen)
Property Name (Note 1)		Projected Acquisition Price (Note 2)
1	New City Residence Shizuoka Takajo	770

Notes:

1. The current name of property identified in the table above is Enburu Stage Takajo. The Investment Corporation intends to change the name of the building to the one identified in the above table shortly after acquisition.
2. The projected acquisition price is exclusive of property tax, urban planning tax, consumption tax, and local consumption tax. Figures less than million yen are rounded.

(2) Real Estate Purchase Agreement execution Date (Planned)
March 30th, 2006

(3) Acquisition Date (Planned)
March 30th, 2006

2. Property Details

Since the planned asset to be acquired is a real-estate property, there will be no real-estate managed and disposal trust agreement executed wherein the subject property is as a trust asset. Acquisition price is JPY 770M. Please refer to attachment 1 “Projected Cash Flow Based on Appraisal Reports” below for real estate appraisal value.

3. Seller Profile

Company Name	Yoshikon K.K.
Head Office Address	2622 Riemon, Ohikawamachi, Shitaro, Shizuoka-ken
Representative	T. Yoshida
Capital	JPY1,652,060,000
Principal Activities	Real Estate and Environment businesses
Relationship with NCRI	None

4. Design and Other Matters concerning the Scheduled Acquisition Properties

The Ministry of Land, Infrastructure and Transport (MLIT) has announced the architect, designer, contractor, and construction auditor’s names and the names of properties with falsified structural calculations concerning the structural calculation falsification problems.

NCRI has verified the architects, contractors, building designers, structural design companies and construction appraisers of the subject property NCRI is scheduled to acquire. The details are as indicated in the table below.

In regard to the architects, designers and contractors of the property NCRI is scheduled to acquire, neither of these fall under companies announced by MLIT as of March 27, 2006. However, the construction appraiser was Japan ERI Co., Ltd. Therefore, NCRI asked a specialized third party research agency (Index Consulting, Inc.) to conduct a re-appraisal of the subject property. Index Consulting has reported that it found no willful falsification, fabrication or other illegal act concerning the structural design documents, and it made the judgment that the structural design complies with legal requirements.

In addition, properties owned by NCRI have due diligence conducted in the acquisition process. Earthquake risk analyses are conducted by a third-party specialist organization (OYO RMS Corporation) and earthquake resistance assessed during this process. OYO RMS implements earthquake risk analyses based on materials provided by the building owners and managers. Its analyses include a design drawing review and refer to ground survey data in assessing the earthquake resistance. NCRI makes the final decision to acquire a property after having conducted appropriate structural verifications and earthquake risk analyses.

Name of Property	NCR Shizuoka Takajo
Architects	Yoshikon KK
Contractors	Ka)NIPPO Corporation

Building designers	Yoshikon KK
Structural design companies	Ka) Hirate Giken
Construction appraisers	Japan ERI Co., Ltd.

Reference: Specialist Organizations

Name of Company : Index Consulting, Inc.
Headquarter : 1-25-5 Toranomom 34MT Bldg., Toranomom, Minato-ku, Tokyo, Japan
Representative : Kouichi Uemura
Capital : JPY 30 million
Principal Activities : 1) Construction Project Management
2) Real Estate Solutions
3) Business Support Re-Engineering

Name of Company : OYO Corporation
Headquarter : 3-11-15 Akasaka Kikyo Bldg. 4F, Akasaka, Minato-ku, Tokyo, Japan
Representative : Takashi Kanemori
Capital : JPY 475 million
Principal Activities : 1) Risk analysis for natural disasters
2) Risk assessments for Risk Securitization
3) Provision of Advisory services for corporate risk management
4) Provision of software licenses for risk analysis

5. Acquisition of Right to Demand Collateral for Defects

The content of the real estate sales and purchase agreement stipulates that the seller transfers to the NCRI the right to demand after-the-sale service, rectification of defects and right to claim compensation for damage to the contractor and receives a letter of consent from the contractor for the aforesaid assignment of right.

6. Related-Party Transactions

The Investment Corporation plans to execute a property management agreement and a master lease agreement with New City Estate Service K.K. (“NCES”). The NCES is defined as 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

[Attachments]

- Attachment 1: Projected Cash Flow Based on Appraisal Reports
- Attachment 2: Real Estate Portfolio after Planned Property Acquisition
- Attachment 3: Composition by Housing Type
- Attachment 4: Photograph of the External Façade and Maps of the Property Planned for Acquisition

Attachment 1

Projected Cash Flow Based on Appraisal Reports

Property 1: NCR Shizuoka Takajo

Unit: Yen

Appraisal Company	Tokyo Godo	
Base Date for Survey	2006/3/20	
Appraisal Value		
Value Calculated Using the Direct Capitalization Method		790,000,000
Gross Operating Revenue	Rent/Common Area Fee based on an estimated occupancy ratio of 96%.	61,034,000
	Gain on Guarantee Deposit Investment	197,000
	Other Revenues	3,761,000
Total Gross Operating Revenue ①		64,992,000
Gross Operating Expenses	Administrative and Maintenance Expense	3,394,000
	Utilities	1,060,000
	Management Fees	2,505,000
	Taxes and Dues	4,162,000
	Insurances	367,000
	Other Expenses	325,000
	Profit and Loss from Leasing ②	11,813,000
Total Gross Operating Expenses ③		14,324,000
Net Operating Income (NOI) ①－②		53,179,000
Net Cash Flow ①－③		50,668,000
Overall Capitalization Rate		6.3%
Value Calculated Using the Discounted Cash Flow Method		776,000,000
Discount Rate		6.5%
Terminal Capitalization Rate		6.7%
Value Calculated Using the Cost Method		592,000,000

- (1) The above values are the assumed annual income and expenditure based on the direct cap rate entered in the Real Estate Appraisal Value and are not the projected figures of this term.
- (2) There are times when the above total values do not match the totals arrived at by summing each value since each value below one thousand yen has been rounded from the values indicated in the real estate appraisal. The above total values are arrived at by summing each value indicated in the real-estate appraisal and then rounding the values below 1,000 yen of that sum.

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	2.60%
	C-2	NCR Nishi Azabu Twin Tower	Dec. 17, 2004	3,315	2.28%
	C-3	NCR Nishi Azabu	Dec. 15, 2004	3,143	2.16%
	C-4	NCR Ochanomizu	Dec. 17, 2004	2,300	1.58%
	C-5	NCR Sangubashi	Dec. 15, 2004	1,734	1.19%
	C-6	NCR Shinjyuku Ichibankan	Dec. 15, 2004	1,978	1.36%
	C-7	NCR Shinjyuku Nibankan	Dec. 15, 2004	889	0.61%
	C-8	NCR Nihonbashi East	Dec. 15, 2004	1,622	1.11%
	C-9	NCR Nihonbashi West	Dec. 15, 2004	1,480	1.02%
	C-10	NCR Ginza Twin I	Dec. 15, 2004	1,133	0.78%
	C-11	NCR Ginza Twin II	Dec. 15, 2004	968	0.66%
	C-12	NCR Harajuku	Dec. 17, 2004	1,220	0.84%
	C-13	NCR Mita	Dec. 15, 2004	986	0.68%
	C-14	NCR Yoyogi Uehara	Dec. 17, 2004	765	0.53%
	C-15	NCR Sendagaya	Dec. 17, 2004	695	0.48%
	C-16	NCR Shinjyuku 7 Chome	Dec. 17, 2004	626	0.43%
	C-17	NCR Ichigaya Sanaicho	Dec. 17, 2004	577	0.40%
	C-18	NCR Ningyocho I	Feb. 25, 2005	1,230	0.84%
	C-19	NCR Ningyocho II	Feb. 25, 2005	1,290	0.89%
	C-20	NCR Shin Ochanomizu	Feb. 25, 2005	1,160	0.80%
	C-21	NCR Jinbocho	Jul. 29, 2005	2,803	1.92%
	C-22	NCR Ningyocho III	Jul. 29, 2005	1,662	1.14%
	C-23	NCR Jinbocho II	Jul. 5, 2005	1,470	1.01%
	C-24	NCR Ginza East III	Jul. 5, 2005	841	0.58%
	C-25	NCR Shinjyuku Gyoen I	Jul. 28, 2005	3,140	2.16%
	C-26	NCR Sasazuka	Jul. 28, 2005	3,050	2.09%
	C-27	NCR Takanawadai	Jul. 28, 2005	1,180	0.81%
	C-28	NCR Nihonbashi Ningyocho IV	Jul. 28, 2005	842	0.58%
	C-29	NCR Shinjyuku Gyoen II	Jul. 28, 2005	580	0.40%
	C-30	NCR Ginza East IV	Jul. 28, 2005	510	0.35%
	C-31	NCR Takanawadai II	Sep. 21, 2005	1,530	1.05%
	C-32	NCR Minami Azabu	Sep. 21, 2005	840	0.58%
	C-33	NCR Minami Azabu East	Dec. 26, 2005	1,260	0.87%
	C-34	NCR Ginza	By Jun. 22, 2006	4,000	2.75%
	C-35	NCR Nihonbashi Suitengu	By Jun. 22, 2006	3,332	2.29%
	C-36	NCR Takanawa	Jan. 11, 2006	10,995	7.55%
	Subtotal	—	78,279	47.33%	
23 Wards of Tokyo Excluding the Five Central Tokyo Wards	M-1	NCR Meguro Mita	Dec. 17, 2004	6,066	4.16%
	M-2	NCR Todoroki	Dec. 15, 2004	1,850	1.27%
	M-3	NCR Honjo Azumabashi	Dec. 15, 2004	1,122	0.77%
	M-4	NCR Kitazawa	Dec. 17, 2004	1,070	0.73%
	M-5	NCR Meguro	Dec. 17, 2004	1,050	0.72%
	M-6	NCR Senzokukoen	Dec. 17, 2004	921	0.63%
	M-7	NCR Kyodo	Dec. 15, 2004	715	0.49%
	M-8	NCR Monzennakacho	Dec. 15, 2004	524	0.36%
	M-9	NCR Denenchofu	Dec. 17, 2004	511	0.35%
	M-10	NCR Negishi	Dec. 17, 2004	356	0.24%
	M-11	NCR Kamiikedai	Dec. 17, 2004	238	0.16%
	M-12	NCR Otsuka	Feb. 25, 2005	1,290	0.89%
	M-13	NCR Morishita	Feb. 25, 2005	985	0.68%
	M-14	NCR Wakabayashi Koen	Apr. 21, 2005	970	0.67%
	M-15	NCR Asakusabashi	Apr. 19, 2005	870	0.60%
	M-16	NCR Gakugei Daigaku	May 31, 2005	1,210	0.83%
	M-17	NCR Jiyugaoka	July 28, 2005	1,470	1.01%

	M-18	NCR Mejiro East	July 28, 2005	1,080	0.74%
	M-19	NCR Iriya	July 28, 2005	675	0.46%
	M-20	NCR Ikebukuro	Sep. 29, 2005	3,227	2.22%
	M-21	NCR Kanamecho	Jan. 11, 2006	1,360	0.93%
	M-22	NCR Ueno Tower	Feb.1, 2006	2,990	2.05%
	M-23	NCR Shinagawa Seaside Tower	By Sept. 20, 2006	9,350	6.42%
	Subtotal		—	30,550	27.40%
Tokyo Metropolitan Area Excluding the 23 Wards of Tokyo	G-1	NCR Yokohama East	Dec. 15, 2004	6,753	4.64%
	G-2	NCR Funabashi Honcho	Dec. 17, 2004	1,083	0.74%
	G-3	SH Motosumiyoshi	Dec. 15, '004	1,058	0.73%
	G-4	NCR Toyoda	Dec. 15, 2004	1,053	0.72%
	G-5	NCR Nishi Funabashi	Dec. 17, 2004	997	0.68%
	G-6	NCR Maihama	Dec. 17, 2004	844	0.58%
	G-7	NCR Ichikawa Myoden	Dec. 17, 2004	769	0.53%
	G-8	NCR Kumegawa	Dec. 17, 2004	715	0.49%
	G-9	NCR Urayasu	Dec. 17, 2004	653	0.45%
	G-10	NCR Minami Gyotoku I	Dec. 17, 2004	648	0.44%
	G-11	NCR Minami Gyotoku II	Dec. 17, 2004	447	0.31%
	G-12	NCR Nogeyama	Dec. 17, 2004	469	0.32%
	G-13	NCR Minamirinkan	Dec. 17, 2004	456	0.31%
	G-14	NCR Shonan	Dec. 17, 2004	445	0.31%
	G-15	LM Fuchinobe Honcho	Dec. 17, 2004	222	0.15%
	G-16	LM Higashi Ome Daisan	Dec. 17, 2004	175	0.12%
	G-17	PT Ichikawa	Jul. 28, 2005	620	0.43%
	G-18	PT Shioyaki	Jul. 28, 2005	310	0.21%
	G-19	PT Horie	Jul. 28, 2005	193	0.13%
	Subtotal		—	17,910	12.30%
Other Regions	R-1	NCR Ohdori-koen	Dec. 17, 2004	726	0.50%
	R-2	Goshikiyama Heights	Dec. 15, 2004	720	0.49%
	R-3	NCR Nishikoen	Dec. 17, 2004	379	0.26%
	R-4	NCR Nishi Ohori	Dec. 17, 2004	258	0.18%
	R-5	NCR Kakogawa	Dec. 17, 2004	274	0.19%
	R-6	LM Maebashi Nishikataikai	Dec. 17, 2004	202	0.14%
	R-7	Aprire Tarumi	Feb. 25, 2005	1,710	1.17%
	R-8	NCR Uchonmachi	Jul. 29, 2005	855	0.59%
	R-9	Crest Kusatsu	June 28, 2005	3,830	2.63%
	R-10	NCR Honmachi East	Dec.1, 2005	1,740	1.19%
	R-11	NCR Shin-Umeda	Dec.1, 2005	1,640	1.13%
	R-12	NCR Shizuoka Takasho	Mar.30, 2006	770	0.53%
	R-13	NCR Abeno	By Apr..28, 2006	5,400	3.71%
	R-14	NCR Ohtedori	By Apr..28, 2006	382	0.26%
	Subtotal		—	18,886	12.97%
Total			—	145,625	100.00%

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

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(+S), 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> 1K(+S), 1DK(+S), LDK+S, 1LDK(+S), 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> 1DK+S, 1LDK+S, 2DK(+S), 2LDK(+S), 3DK, 3LDK(+S) or 4LDK (Note 1) 1DK+S, 1LDK+S, 2DK or 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> LDK+S, 1LDK(+S), 2LDK(+S), 3LDK(+S), 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.
 1K+S : Single room with separate kitchen and service room 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 or 1K+S	S	UF	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	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 1DK+S, 1LDK+S, 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 4

Photograph of the External Façade of the Property Planned for Acquisition



This English language notice is a translation of the Japanese language notice issued on March 28, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NCR makes no warranties as to its accuracy or completeness.