

March 31, 2006

For Immediate Release

New City Residence Investment Corporation
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(Securities Code: 8965)

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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) Real Estate Property

	Property Name	Projected Acquisition Price (Note 1)
1	New City Residence Sakae	JPY 1,360,800,00

Notes:

1. 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) Acquisition terms for the property to be acquired

In regards to the property scheduled to be acquired, the following termination conditions were established in consideration of the need to conduct due diligence of the managed property and NCRI intends to conclude a reservation agreement to purchase the real estate on March 31, 2006.

[Acquisition Terms]

The acquisition will be pursued if due diligence conducted for New City Residence Sakae reveals no defects that would have a negative impact on the scheduled acquisition price. In addition, the property scheduled for acquisition is in a state in which the objective of the reservation agreement to purchase the real estate can be rationally and objectively achieved.

(3) Reservation agreement execution date is scheduled for March 31, 2006.

(4) Scheduled Acquisition Date March 23, 2007

(5) Seller Nomura Real Estate Development Co., Ltd.
 (Please refer to 3. "Seller Profile" below for details)

(6) 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 Sakae

(1) Reason for Acquisition

(i) Property Features

New City Residence Sakae is located in the central area of Nagoya City within a four-minute walk of Sakae Station on the Nagoya City Higashiyama Subway Line and Meijo Subway Line, and is scheduled to be a condominium with primarily single-resident units. The surrounding area boasts a concentration of department stores and other commercial facilities along with office buildings. It is also near the Naka Ward Office and the Aichi Arts Center. The property boasts excellent transportation and living convenience and NCRI anticipates this property will have strong demand centering on singles that are fond of living in the city.

(ii) Housing Type and Floor Plan

Single Type:	75.6%
Urban Family Type:	19.1%
Other:	5.3%

Floor Plan:	12 1R (one bedroom) apartments, 48 1K (one bedroom with kitchen) apartments, 12 1LDK (one bedroom with dining and kitchen) apartments and 2 retails.
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Note: For further details, please refer to Attachment 3., "Composition by Housing Type."

(2) Property Profile (Scheduled for Acquisition)

Property Name		NCR Sakae	
Type of Acquisition		Real Estate	
Acquisition Date (Planned)		March 23, 2007	
Address (Note 1)	Residential	TBA (4-16 Sakae, Naka-ku, Nagoya-shi, Aichi prefecture)	
	Lot	4-1610 Sakae, Naka-ku, Nagoya-shi, Aichi prefecture	
Access		Approximately 4 minutes walk from Sakae station on Higashiyama line and Meijo line	
Use (Note 2)		Apartment complex and retail	
Site Area (Note 1)	Land	497.65m ²	
	Building	3,594.02m ²	
Construction (Note 1)		RC 13F	
Probable maximum loss(Note 3)		TBD upon completion	
Type of Ownership		Proprietary ownership	
Completion Date (Note 1)		March 2008 (planned)	
Acquisition Price		¥ 1,360,800,000	
Appraisal Method		Assessed by Tokyo Kantei	
Assessed Value		¥ 1,402,000,000	
Collateral		None	
Special Considerations		None	
Tenant Details	Number of Tenants (Note 4)	1 (TBD)	
	Total No. of Leasable Apartments	74 (planned)	
	Total No. of Leased Apartments (Notes 5)	-	
	Total Leasable Floor Space	2,836.00 m ² (planned)	
	Total Leased Floor Space (Note 5)	-	
	Occupancy Ratio Based on Floor Space (Note 5)	-	

Notes:

1. "Address," "Site Area," "Construction," and "Completion Date" are as per report by the assessor.
2. The principal use has been identified.
3. The probable maximum loss refers to the probability of the maximum loss from an earthquake. The probable maximum loss is based on the content of the earthquake risk analysis report prepared by OYO RMS and is the probability of the maximum loss that may result from an earthquake computed by OYO RMS using the natural disaster risk analysis software RiskLink® as having about a 0.21% annual exceedance probability of occurring (occurrence once every 475 years is equivalent to a 10% exceedance probability of occurring within 50 years)
4. The "Number of Tenants" is recorded as "1" where a single master lease has been executed with a sublessor company.
5. N/A, since the subject property is preconstruction.

3. Seller Profiles

Property 1

Company Name	Nomura Real Estate Development Co., Ltd.
Head Office Address	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan
Representative	Suzuki Hirohisa
Capital	JPY 2 Billion
Principal Activities	Residential services, Corporate services, Corporate Investment Services
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 is Japan ERI Co., Ltd. Therefore, NCRI requests a reinvestigation with a specialist third party inspection agency (Index Consulting, Inc.) for due diligence regarding acquisition of the property. NCRI plans to acquire said property after inspection results have been obtained that must specifically state that there has been no willful alteration of structural calculation documents, etc.; that no falsification or other illegal acts have been conducted and that structural calculations that are compliant with laws have been conducted.

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 Sakae
Architects	Nomura Real Estate Development Co., Ltd.
Contractors	YAHAGI CONSTRUCTION CO., LTD.
Building designers	
Structural design companies	
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. Reparations by Seller

The seller has provided declarations and guarantees that the design of the property complies with the Building Standard Law and related laws and that the property satisfies the anti-earthquake standards designated in the Building Standard Law. When the above declarations and guarantees prove to be inaccurate, the seller shall provide reparations to NCRI for the damages it incurs.

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, 2006 is considered to be immaterial. Accordingly, there are no revisions to its previously announced operating forecasts.

[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 Sakae

Unit: Thousand yen

Appraisal Company	Tokyo Kantei	
Base Date for Survey	2006/3/6	
Assessed Value	1,402,000	
Value Calculated Using the Direct Capitalization Method	1,420,000	
Gross Operating Revenue	Rent/Common Area Fee based on an estimated occupancy ratio of 95%.	87,960
	Gain on Guarantee Deposit Investment	234
	Other Revenues	9,772
	Total Gross Operating Revenue ①	97,966
Gross Operating Expenses	Administrative and Maintenance Expense	4,370
	Management Fees	2,622
	Taxes and Dues	6,326
	Insurances	492
	Other Expenses	-
	Profit and Loss from Leasing ②	13,810
	Capital Expenditures	1,382
	Leasing Commissions	1,821
	Total Gross Operating Expenses ③	17,013
	Net Operating Income (NOI) ①－②	84,156
	Net Cash Flow ①－③	80,953
	Overall Capitalization Rate	5.7%
Value Calculated Using the Discounted Cash Flow Method	1,384,000	
	Discount Rate	5.6%
	Terminal Capitalization Rate	6.0%
Value Calculated Using the Cost Method	1,221,000	

- (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	2.57%
	C-2	NCR Nishi Azabu Twin Tower	Dec. 17, 2004	3,315	2.26%
	C-3	NCR Nishi Azabu	Dec. 15, 2004	3,143	2.14%
	C-4	NCR Ochanomizu	Dec. 17, 2004	2,300	1.56%
	C-5	NCR Sangubashi	Dec. 15, 2004	1,734	1.18%
	C-6	NCR Shinjyuku Ichibankan	Dec. 15, 2004	1,978	1.35%
	C-7	NCR Shinjyuku Nibankan	Dec. 15, 2004	889	0.60%
	C-8	NCR Nihonbashi East	Dec. 15, 2004	1,622	1.10%
	C-9	NCR Nihonbashi West	Dec. 15, 2004	1,480	1.01%
	C-10	NCR Ginza Twin I	Dec. 15, 2004	1,133	0.77%
	C-11	NCR Ginza Twin II	Dec. 15, 2004	968	0.66%
	C-12	NCR Harajuku	Dec. 17, 2004	1,220	0.83%
	C-13	NCR Mita	Dec. 15, 2004	986	0.67%
	C-14	NCR Yoyogi Uehara	Dec. 17, 2004	765	0.52%
	C-15	NCR Sendagaya	Dec. 17, 2004	695	0.47%
	C-16	NCR Shinjyuku 7 Chome	Dec. 17, 2004	626	0.43%
	C-17	NCR Ichigaya Sanaicho	Dec. 17, 2004	577	0.39%
	C-18	NCR Ningyocho I	Feb. 25, 2005	1,230	0.84%
	C-19	NCR Ningyocho II	Feb. 25, 2005	1,290	0.88%
	C-20	NCR Shin Ochanomizu	Feb. 25, 2005	1,160	0.79%
	C-21	NCR Jinbocho	Jul. 29, 2005	2,803	1.91%
	C-22	NCR Ningyocho III	Jul. 29, 2005	1,662	1.13%
	C-23	NCR Jinbocho II	Jul. 5, 2005	1,470	1.00%
	C-24	NCR Ginza East III	Jul. 5, 2005	841	0.57%
	C-25	NCR Shinjyuku Gyoen I	Jul. 28, 2005	3,140	2.14%
	C-26	NCR Sasazuka	Jul. 28, 2005	3,050	2.08%
	C-27	NCR Takanawadai	Jul. 28, 2005	1,180	0.80%
	C-28	NCR Nihonbashi Ningyocho IV	Jul. 28, 2005	842	0.57%
	C-29	NCR Shinjyuku Gyoen II	Jul. 28, 2005	580	0.39%
	C-30	NCR Ginza East IV	Jul. 28, 2005	510	0.35%
	C-31	NCR Takanawadai II	Sep. 21, 2005	1,530	1.04%
	C-32	NCR Minami Azabu	Sep. 21, 2005	840	0.57%
	C-33	NCR Minami Azabu East	Dec. 26, 2005	1,260	0.86%
	C-34	NCR Ginza	By Jun. 22, 2006	4,000	2.72%
	C-35	NCR Nihonbashi Suitengu	By Jun. 22, 2006	3,332	2.27%
	C-36	NCR Takanawa	Jan. 11, 2006	10,995	7.48%
	Subtotal	—	68,929	46.89%	
23 Wards of Tokyo Excluding the Five Central Tokyo Wards	M-1	NCR Meguro Mita	Dec. 17, 2004	6,066	4.13%
	M-2	NCR Todoroki	Dec. 15, 2004	1,850	1.26%
	M-3	NCR Honjo Azumabashi	Dec. 15, 2004	1,122	0.76%
	M-4	NCR Kitazawa	Dec. 17, 2004	1,070	0.73%
	M-5	NCR Meguro	Dec. 17, 2004	1,050	0.71%
	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	0.88%
	M-13	NCR Morishita	Feb. 25, 2005	985	0.67%
	M-14	NCR Wakabayashi Koen	Apr. 21, 2005	970	0.66%
	M-15	NCR Asakusabashi	Apr. 19, 2005	870	0.59%
	M-16	NCR Gakugei Daigaku	May 31, 2005	1,210	0.82%
	M-17	NCR Jiyugaoka	July 28, 2005	1,470	1.00%

	M-18	NCR Mejiro East	July 28, 2005	1,080	0.73%
	M-19	NCR Iriya	July 28, 2005	675	0.46%
	M-20	NCR Ikebukuro	Sep. 29, 2005	3,227	2.20%
	M-21	NCR Kanamecho	Jan. 11, 2006	1,360	0.93%
	M-22	NCR Ueno Tower	Feb.1, 2006	2,990	2.03%
	M-23	NCR Shinagawa Seaside Tower	By Sept. 20, 2006	9,350	6.36%
	Subtotal		—	39,900	27.15%
Tokyo Metropolitan Area Excluding the 23 Wards of Tokyo	G-1	NCR Yokohama East	Dec. 15, 2004	6,753	4.59%
	G-2	NCR Funabashi Honcho	Dec. 17, 2004	1,083	0.74%
	G-3	SH Motosumiyoshi	Dec. 15, '004	1,058	0.72%
	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	0.57%
	G-7	NCR Ichikawa Myoden	Dec. 17, 2004	769	0.52%
	G-8	NCR Kumegawa	Dec. 17, 2004	715	0.49%
	G-9	NCR Urayasu	Dec. 17, 2004	653	0.44%
	G-10	NCR Minami Gyotoku I	Dec. 17, 2004	648	0.44%
	G-11	NCR Minami Gyotoku II	Dec. 17, 2004	447	0.30%
	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	0.30%
	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	0.42%
	G-18	PT Shioyaki	Jul. 28, 2005	310	0.21%
	G-19	PT Horie	Jul. 28, 2005	193	0.13%
	Subtotal		—	17,910	12.18%
Other Regions	R-1	NCR Ohdori-koen	Dec. 17, 2004	726	0.49%
	R-2	Goshikiyama Heights	Dec. 15, 2004	720	0.49%
	R-3	NCR Nishikoen	Dec. 17, 2004	379	0.26%
	R-4	NCR Nishi Otori	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	1.16%
	R-8	NCR Uchonmachi	Jul. 29, 2005	855	0.58%
	R-9	Crest Kusatsu	June 28, 2005	3,830	2.61%
	R-10	NCR Honmachi East	Dec.1, 2005	1,740	1.18%
	R-11	NCR Shin-Umeda	Dec.1, 2005	1,640	1.12%
	R-12	NCR Shizuoka Takasho	Mar.31, 2006	770	0.52%
	R-13	NCR Abeno	By Apr..28, 2006	5,400	3.67%
	R-14	NCR Ohtedori	By Apr..28, 2006	382	0.26%
	R-15	NCR Sakae	By Mar. 2007	1,361	0.93%
	Subtotal		—	20,247	13.77%
Total			—	146,986	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



The computer graphic image is based on architectural plans and designs. Accordingly, there may be discrepancies with the actual property.

This English language notice is a translation of the Japanese language notice issued on March 31, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NCR makes no warranties as to its accuracy or completeness.