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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 Changes to the Articles of Incorporation and Appointment of Directors

New City Residence Investment Corporation (NCRI) plans to hold its Second General Meeting of Unitholders on June 2, 2006, as publicly announced in the Nihon Keizai Shimbun on March 16, 2006. The board of directors resolved the following concerning changes to the Articles of Incorporation and the appointment of directors at a meeting held today.

Furthermore, the following items shall take effect once approved at the Second General Meeting of Unitholders.

1. Primary Content and Reasons for Changes to the Articles of Incorporation

(As long as there is no special comment made, the numbers of articles and clauses for the Articles of Incorporation are in fact the numbers of such in the present Articles of Incorporation.)

A. Matters Related to Articles 1, 17, 24 and 34 and supplementary provisions

Articles and phrases of the Articles of Incorporation designated at the time of establishment that are already unnecessary are being deleted and the Articles of Incorporation are being simplified.

B. Matters Related to Articles 6, 15, 19, 21, 22, 35 and 41

In correlation with implementation of the Law concerning the Coordination, Etc., of Associated Laws in Connection with the Enforcement of the Company Law (hereafter, Coordination Law), the necessary changes to Articles 6, 15, 19, 21, 22 and 41 are being made.

In addition, with the implementation of the Coordination Law, it is now possible for the board of directors to resolve to exempt responsibilities of the auditing corporation within the limits prescribed by law, as long as the auditing corporation fulfills its duties with integrity and without material neglect based on stipulations under Article 115-6-7 of the Investment Trust and Investment Corporation Law after the implementation of the Coordination Law. Article 19 is being changed so that the responsibilities of the auditing corporation are limited to a rational scope in order to enable the auditing corporation to sufficiently demonstrate its expected roles in the execution of its duties.

Furthermore, with regards to the preparation of meeting minutes stipulated in Article 22, changes have been made to clarify that each director can sign the minutes via an electronic signature.

Furthermore, with the implementation of the Coordination Law it is now impossible to distribute monies based on pro rata calculations. Therefore Article 35-1-4 is being deleted.

C. Article 28 Matters

The reforms to the Enforcement Rules of the Special Tax Measures Law changed the content of “real estate, etc.” regulated in Article 67-15-9 of the Special Tax Measures Law. In correlation with this, the content of Article 28 was changed and the specific article and subparagraph where “real estate, etc.” is defined in the Special Tax Measures Law has been clearly indicated to simplify the text. As a result, the description of the content of “real estate, etc.” has been deleted.

D. Article 29 Matters

The Tokyo Stock Exchange revised its rules and this has made it possible to acquire stocks up to a certain level. NCRI has newly established the regulations of Article 29-2-1-7 in the proposed changes to enable investment into stocks in the case that it is recognized as necessary or beneficial to fulfill the basic asset management policy of NCRI. This policy is to manage assets in a manner that achieves reliable growth and secures steady earnings over the medium- to long-term. As a result, it will, for example, be possible to acquire stocks in joint stock corporations that manage, operate or such real estate, etc. of areas conducting major redevelopment, etc. In addition, NCRI is newly establishing a comprehensive regulation in Article 29-2-3 to enable investment in specified assets recognized as necessary or beneficial to the above basic policy of NCRI. NCRI has also changed the regulations of Article 29-3 in its proposal. This is in line with revisions to the Tokyo Stock Exchange rules. The changes will make it possible for NCRI to acquire hot springs rights and to obtain assets that will become possible to acquire in the future as a result of changes to rules of the Tokyo Stock Exchange or other securities exchanges that list investment securities, which indicate investment units of NCRI

E. Article 30 Matters

The corrections to Article 30-1 clarify the management of investment securities with an eye on their safety and liquidity in combination with the new regulation of Article 29-2-3, which also discusses investment securities.

F. Article 31 Matters

Article 31-3 and Article 31-4 were newly established. The former was established to enable the leasing of non-real estate assets when NCRI leases furnished service apartments, and the latter was established to enable NCRI to lease real estate as a master lessor in the future.

G. Article 37 Matters

The corrections to Article 37(1) deleted the entry in the parentheses because the managed portfolio of NCRI as of the first fiscal period has reached 100 billion yen.

H. Other

In addition to the above changes, the above changes resulted in the numbering of articles in the Articles of Incorporation to be misaligned and mis-referenced. These articles were realigned and re-referenced so the text reads properly.

2. Appointment of Directors

The terms of NCRI's present executive officers run until September 23, 2006. NCRI desires to make the period for holding the General Meeting of Unitholders for appointing executive officers to be as close to the announcement of the accounts settlements as possible by having the terms of executive officers commence on July 1. Therefore, executive officer Tetsuya Fujita will resign as of June 30, 2006 and both supervisory officers Koichi Shimada and Rika Namura will also resign on the same day. A proposal to appoint the three to

the same posts will then be submitted to the Second General Meeting of Unitholders. Another proposal to appoint Jun Arai as an alternate executive officer will also be made in order to fulfill any lack in the legal number of executive officers designated by laws and ordinances.

3. Schedule

April 25, 2006:

Board of directors approves proposals to be submitted to the Second General Meeting of Unitholders

May 18, 2006:

Delivery of Notice Concerning the Convening of the Second General Meeting of Unitholders (plan)

June 2, 2006:

Holding of Second General Meeting of Unitholders (plan)

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