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**For Immediate Release**

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**Notice Concerning Revisions to Operating Forecasts  
for the Fiscal Period Ending August 31, 2006**

New City Residence Investment Corporation (NCRI) announces the following revisions to the operating forecasts for the fiscal period ending August 31, 2006 (Third Fiscal Period: March 1, 2006 – August 31, 2006) that were reported on April 25, 2006.

1. Reasons for Revision

Of the properties announced as assets to be acquired in “Notice Concerning the Proposed Acquisition of Investment Asset” dated May 31, 2006, New City Residence Nipponbashi Takatsu (tentative name) is to be acquired during the concerned fiscal period (acquisition scheduled for June 30, 2006). In addition, NCRI decided to change the scheduled acquisition date for New City Residence Shinagawa Seaside Tower announced in “Notice Concerning the Proposed Acquisition of Investment Asset” dated March 14, 2006 to June 30, 2006. Consequently, these two properties will contribute to revenues in the concerned fiscal period. Moreover, with the decrease in replacement costs and other rental expenses resulting from higher occupancy rates of managed assets situated in the city center, including New City Residence Takanawa and New City Residence Nishi Azabu, a better property revenues and expenses balance is expected than the previous forecasts. Accordingly, the revision is to upward revise operating forecasts.

2. Revised Forecasts

	Operating Revenues (million yen)	Net Income (million yen)	Dividends per Unit (excluding excess of earnings) (yen)	Dividends in Excess of Earnings per Unit (yen)
Previous Forecast (A)	3,944	1,438	11,730	-
Revised Forecast (B)	4,130	1,618	13,200	-
Change (B – A)	186	180	1,470	-
Change (%)	4.7	12.5	12.5	-

[Reference]

Forecast number of investment units issued and outstanding as of August 31, 2006: 122,612 units

[Notes]

1. The above forecast figures were calculated as of today based on assumptions outlined in the separate supplementary data attached. Actual operating revenues, net income, and dividends per unit may change due to the acquisition or disposition of properties, fluctuations in real estate markets, changes in the operating environment, and other factors. These forecasts are not intended as a guarantee of dividend amount.
2. NCRI may revise the forecasts if disparities of more than a certain level with the above forecasts are anticipated.
3. Figures are rounded down.

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- URL: <http://www.ncrinv.co.jp>

This press release in English language is a translation of the press release in Japanese language published on May 31, 2006 and was prepared solely for the convenience of readers outside Japan. In case of any discrepancies between this translation and the Japanese original, the later shall prevail. NCRI is not responsible nor does it assume any liability for the completeness, appropriateness and accuracy of this translation.

## Supplementary Data

### Assumptions for Revisions to Operating Forecasts for the Fiscal Period Ending August 31,

**2006**

Item	Assumptions						
Period	<ul style="list-style-type: none"> <li>Third Fiscal Period: March 1, 2006 – August 31, 2006 (184 days)</li> </ul>						
Investment Assets	<ul style="list-style-type: none"> <li>Forecasts are based on the assumption that the investment portfolio comprises the 91 properties owned by NCRI as of May 31, 2006 plus the following two properties that were announced on May 31, 2006 as properties that will be acquired during the concerned fiscal period to total 93 properties. In actuality, the investment portfolio may change (due to the acquisition of new properties, sale of existing properties, etc.)</li> </ul> <p style="text-align: center;">&lt;Properties to be Acquired&gt;</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Acquisition Date (Planned)</th> <th>Property Name</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">June 30, 2006 (Note)</td> <td>New City Residence Nipponbashi Takatsu (tentative name)</td> </tr> <tr> <td style="text-align: center;">June 30, 2006</td> <td>New City Residence Shinagawa Seaside Tower</td> </tr> </tbody> </table> <p>(Note) The revisions of this time are based on the assumption that the property will be acquired on the above date, but this may change to a date separately agreed to with the Seller.</p>	Acquisition Date (Planned)	Property Name	June 30, 2006 (Note)	New City Residence Nipponbashi Takatsu (tentative name)	June 30, 2006	New City Residence Shinagawa Seaside Tower
Acquisition Date (Planned)	Property Name						
June 30, 2006 (Note)	New City Residence Nipponbashi Takatsu (tentative name)						
June 30, 2006	New City Residence Shinagawa Seaside Tower						
No. of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>The number of investment units issued and outstanding as of May 31, 2006 is 122,612 units. Forecasts are based on the assumption that this number of investment units issued and outstanding will not change through to the end of the Third Fiscal Period.</li> </ul>						
Interest-bearing Liabilities Ratio	<ul style="list-style-type: none"> <li>The interest-bearing liabilities ratio stood at approximately 56% as of May 31, 2006. Forecasts are based on the assumption that the interest-bearing liabilities ratio will increase to about 59% at the end of the Third Fiscal Period in consideration of such factors as additional debt financing to fund the settlement of properties that are scheduled to be acquired.</li> <li>The interest-bearing liabilities ratio is calculated using the following formula:  <math display="block">\text{Interest-bearing liabilities ratio} = \frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities} + \text{Unitholders' equity}} \times 100</math> </li> </ul>						
Operating Expenses	<ul style="list-style-type: none"> <li>In general, property tax, city planning tax and other related taxes applicable to the sale and purchase of real estate, etc. are calculated on a pro rata basis as of the date of acquisition and shared accordingly with the prior owner. NCRI includes that amount in the acquisition cost and does not record it as rental revenues. The amount of property tax, city planning tax and other related taxes included in the acquisition cost is assumed to be about ¥6 million in the Third Fiscal Period.</li> <li>An estimate for repairs and maintenance for each fiscal period is allocated to expenses. However, emergency situations requiring repairs and maintenance for deteriorating buildings, etc. may arise owing to unforeseeable circumstances.</li> </ul>						
Dividends per Unit	<ul style="list-style-type: none"> <li>Dividends are calculated based on the assumption that 100% of earnings are distributed in accordance with the cash distribution policy stipulated in NCRI's Articles of Incorporation.</li> </ul>						
Dividends in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>NCRI does not currently anticipate distributions in excess of earnings.</li> </ul>						