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For Immediate Release

New City Residence Investment Corporation
1-10-6 Roppongi, Minato-ku, Tokyo
Tetsuya Fujita, Executive Officer
(Securities Code: 8965)

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Notice Concerning Changes to the Administrative Agency Agreement
and Asset Custodian Agreement

On August 28, 2006, the board of officers of New City Residence Investment Corporation (NCRI) ratified changes to both the Administrative Agency Agreement and Asset Custodian Agreement that were each concluded on September 27, 2004 with Mizuho Trust & Banking Co., Ltd., the administrative agent and asset custodian of NCRI. The details concerning these changes are indicated below.

1. Description and Reason for Change

NCRI had established a compensation system for the administrative agent and asset custodian work that consisted of a pro-rata calculation of a fixed amount for the period running from two years after conclusion of the Administrative Agency Agreement and Asset Custodian Agreement to the day preceding the day that marks three years after execution (September 27, 2006 to September 26, 2007). Additionally, the compensation system for the period thereafter in each Agreement featured a compensation amount linked to the portfolio size. Following consideration of the portfolio expansion since listing among other factors, however, the parties agreed that this compensation should be made an amount separately agreed to by the parties to the Agreements while setting the amounts designated in the existing system of linking the compensation to the portfolio size as the ceiling. Consequently, on September 1, 2006, the Agreement on Changes to the Administrative Agency Agreement and the Agreement on Changes to the Asset Custodian Agreement will be signed and changes made to these Agreements. Please see the attached Overview of Changes for details regarding these changes.

*These changes are scheduled to be reported to the Director-General of the Kanto Local Finance Bureau as changes made to registration matters in accordance with the regulations in the Investment Trust and Investment Corporation Law.

2. Projected Impact on Performance

NCRI believes this will have no material impact on management conditions, etc. in the fourth fiscal period and after.

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

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(Attachment) Overview of Changes
 1. Administrative Agency Agreement

Overview of Compensation Terms in Present Agreement	Overview of Change Agreement								
<p>a. Agreement Period Three years from the conclusion of the Agreement. However, the Agreement shall be automatically extended for one year from the day after the scheduled end date and continue in the same manner thereafter when neither NCRI nor the administrative agent has notified the other party in writing by three months prior to the scheduled end date that it is terminating the Agreement on the scheduled end date.</p> <p>b. Paid Compensation The calculation periods shall start on the date the Administrative Agency Agreement was concluded, March 1 or September 1 and continue until the last day of the next arriving February or August. The compensation for each calculation period (administrative agency compensation) shall be the total sum of the amounts listed in the following paragraphs with consumption tax added. This is based on the precondition that the assets owned by NCRI consist of beneficiary interests in real estate trusts for which master lease agreements seeking to sublet buildings that are the subject of the trust are concluded or are deposits.</p> <p>(i) For the period from the date this Agreement was concluded to the date before one year after it was concluded, the amount shall be a prorated calculation of 25 million yen a year with one year recognized as being 365 days. However, when the total unitholders' equity of NCRI on the date this Agreement is concluded is 500 million yen or less, the compensation shall be 1.2 million yen a year up to the date before the total unitholders' equity of NCRI first surpasses 500 million yen (hereafter, standard date) and 25 million yen a year from the standard date and forward where the amount is a prorated calculation with one year recognized as being 365 days.</p> <p>(ii) For the period from the date one year after this Agreement was concluded to the date before two years after it was concluded, the amount shall be a prorated calculation of 35 million yen a year with one year recognized as being 365 days.</p> <p>(iii) For the period from the date two years after this Agreement was concluded to the date before three years after it was concluded, the amount shall be a prorated calculation of 45 million yen a year with one year recognized as being 365 days.</p> <p>(iv) For the period from the date three years after this Agreement was concluded and forward, an amount calculated using the six-month rates entered in the following Standard Compensation Table and the total assets entered in the balance sheet for the settlement period of NCRI most immediately before the first day of said calculation period (this is the total amount of the Asset Section in the balance sheet as regulated by Investment Trusts Law Article 129-1-1). When the period is not a full six months long, the amount arrived at through a pro-rata calculation based on the actual number of days in the concerned calculation period.</p>	<p>a. Agreement Period The agreement period shall be from the date this Agreement was concluded until August 31, 2008. However, the Agreement shall be automatically extended for two years from the day after the scheduled end date and continue in the same manner thereafter when neither NCRI nor the administrative agent has notified the other party in writing by three months prior to the scheduled end date that it is terminating the Agreement on the scheduled end date.</p> <p>b. Paid Compensation The calculation periods beginning from September 2006 shall commence on either March 1 or September 1 of each year and end on the last day of the next arriving February or August. The compensation for each calculation period (administrative agency compensation) shall be the amount listed below with consumption tax and local consumption tax added. This is based on the precondition that the assets owned by NCRI consist of trust beneficiary interests in real estate trusts for which master lease agreements seeking to sublet buildings that are the subject of the trust are concluded or are deposits.</p> <p>The amount calculated using the six-month rates entered in the following Standard Compensation Table and the total assets entered in the balance sheet for the settlement period of NCRI most immediately before the first day of said calculation period (this is the total amount of the Asset Section in the balance sheet as regulated by Investment Trusts Law Article 129-2) shall be the ceiling for compensation and the amount shall be an amount separately agreed to by NCRI and the administrative agent. Further, when the total assets do not reach 100 billion yen they will be judged to be 100 billion yen when making the calculation.</p> <p>(Standard Compensation Table)</p> <table border="1" data-bbox="810 1344 1364 1630"> <thead> <tr> <th>Total assets</th> <th>Calculation (6 months' compensation)</th> </tr> </thead> <tbody> <tr> <td>Portfolio portion worth 50 billion yen and less</td> <td>Total assets×0.0200%</td> </tr> <tr> <td>Portfolio portion worth more than 50 billion yen and extending up to 100 billion yen</td> <td>Total assets×0.0175%</td> </tr> <tr> <td>Portfolio portion worth more than 100 billion yen</td> <td>Total assets×0.0150%</td> </tr> </tbody> </table>	Total assets	Calculation (6 months' compensation)	Portfolio portion worth 50 billion yen and less	Total assets×0.0200%	Portfolio portion worth more than 50 billion yen and extending up to 100 billion yen	Total assets×0.0175%	Portfolio portion worth more than 100 billion yen	Total assets×0.0150%
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2. Asset Custodian Agreement

Overview of Compensation Terms in Present Agreement	Overview of Change Agreement								
<p>a. Agreement Period</p> <p>Three years from the conclusion of the Agreement. However, the Agreement shall be automatically extended for one year from the day after the scheduled end date and continue in the same manner thereafter when neither NCRI nor the asset custodian has notified the other party in writing by three months prior to the scheduled end date that it is terminating the Agreement on the scheduled end date.</p> <p>b. Paid Compensation</p> <p>The calculation periods shall start on the date the Asset Custodian Agreement was concluded, March 1 or September 1 and continue until the last day of the next arriving February or August. The compensation for each calculation period (asset custodian compensation) shall be the sum total of the amounts listed in the following paragraphs with consumption tax added. This is based on the precondition that the assets owned by NCRI consist of trust beneficiary interests in real estate trusts for which master lease agreements seeking to sublet buildings that are the subject of the trust are concluded or are deposits.</p> <p>(i) For the period from the date this Agreement was concluded to the date before one year after it was concluded, the amount shall be a prorated calculation of 15 million yen a year with one year recognized as being 365 days. However, when the total unitholders' equity of NCRI on the date this Agreement is concluded is 500 million yen or less, the compensation shall be 1.2 million yen a year up to the date before the total unitholders' equity of NCRI first surpasses 500 million yen (hereafter, standard date) and 15 million yen from the standard date and forward where the amount is a prorated calculation with one year recognized as being 365 days in each case.</p> <p>(ii) For the period from the date one year after this Agreement was concluded to the date before two years after it was concluded, the amount shall be a prorated calculation of 15 million yen a year with one year recognized as being 365 days.</p> <p>(iii) For the period from the date two years after this Agreement was concluded to the date before three years after it was concluded, the amount shall be a prorated calculation of 15 million yen a year with one year recognized as being 365 days.</p> <p>(iv) For the period from the date three years after this Agreement was concluded and forward, an amount calculated using the six-month rates entered in the following Standard Compensation Table and the total assets entered in the balance sheet for the settlement period of NCRI most immediately before the first day of said calculation period (this is the total amount of the Asset Section in the balance sheet as regulated by Investment Trusts Law Article 129-1-1). 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The compensation for each calculation period (asset custodian compensation) shall be the amount listed below with consumption tax and local consumption tax added. This is based on the precondition that the assets owned by NCRI consist of trust beneficiary interests in real estate trusts for which master lease agreements seeking to sublet buildings that are the subject of the trust are concluded or are deposits.</p> <p>The amount calculated using the six-month rates entered in the following Standard Compensation Table and the total assets entered in the balance sheet for the settlement period of NCRI most immediately before the first day of said calculation period (this is the total amount of the Asset Section in the balance sheet as regulated by Investment Trusts Law Article 129-2) shall be the ceiling for compensation and the amount shall be an amount separately agreed to by NCRI and the asset custodian. 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