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**For Immediate Release**

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**Notice Concerning Revisions to Operating Forecasts  
for the Fiscal Period Ending August 31, 2007**

New City Residence Investment Corporation (“NCRI” or “the Investment Corporation”) announces the following revisions to the operating forecasts for the fiscal period ending August 31, 2007 (Fifth Fiscal Period: March 1, 2007 – August 31, 2007).

**1. Reasons for Revision**

NCRI is upward revising the operating forecasts for the Fifth Fiscal Period as it will be recording a gain on sale of New City Residence Jinbocho, which was notified in the “Notice Concerning the Proposed Sale of Investment Asset” dated April 13, 2007, and because rent revenues, the source of which are assets that NCRI has announced it will acquire during the Fourth Fiscal Period and Fifth Fiscal Period, that have generated to date since the date of the previous notice will be contributing to NCRI’s earnings. Moreover, operating forecasts are being revised in consideration of other events such as rental business expenses in correlation with acquisition of the abovementioned assets and the increase in financing expenses resulting from the issuance of investment corporation bonds in order to convert interest rates into long-term fixed interest rates and other factors. The content of the following revision are identical to the operating forecasts for the Fifth Fiscal Period that appears in the “Financial Report (“*Kessan Tanshin*”) for the Fourth Fiscal Period (September 1, 2006 – February 28, 2007” released today.

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

## 2. Revised Forecasts

	Operating Revenues (million yen)	Ordinary Income (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)	4,593	1,829	1,827	11,130	—
Revised Forecast (B)	5,690	2,135	2,133	13,000	—
Change (B – A)	1,097	306	306	1,870	—
Change	23.9%	16.7%	16.8%	16.8%	—

[Reference]

Forecast number of investment units issued and outstanding as of August 31, 2007: 164,068 units

[Notes]

1. The concerned figures are current forecast figures calculated based on assumptions outlined in a separate attachment. Actual operating revenues, net income and dividends per unit may change as a result of future acquisition or sale of real estate, fluctuations in real estate markets, changes in the conditions surrounding NCRI and other factors. Accordingly, 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.

- 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

### Assumptions for Operating Forecasts for the Fifth Fiscal Period (March 1, 2007 – August 31, 2007)

Item	Assumptions
Fiscal Period	<ul style="list-style-type: none"> <li>Fifth Fiscal Period: March 1, 2007 – August 31, 2007 (184 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>The assumption for the assets under management in the fifth fiscal period is 100 properties. This is comprised of 94 properties owned as of February 28, 2007 and is arrived at by adding New City Residence Sakae acquired on March 23, 2007, New City Residence Shinsaibashi East Tower and New City Residence Sannomiya, both acquired on March 27, 2007, as well as the following four properties scheduled to be acquired; New City Residence Kotodaikoen on April 26, 2007, New City Residence Morishita West (tentative name) on June 30, 2007, New City Residence Ichibancho (tentative name) on July 31, 2007 and New City Residence Omachi (tentative name) on August 15, 2007, and subtracting New City Residence Jinbocho which is scheduled for sale on June 29, 2007, from this total.</li> <li>(* ) These forecasts are based on the premise that the properties will be acquired on the above indicated dates but the dates may change in agreement with the seller on a case-by-case basis.</li> </ul>
Number of Investment Units Outstanding	<ul style="list-style-type: none"> <li>Forecasts are based on the assumption that the 164,068 investment units outstanding as of February 28, 2007 will not change through to the end of the fifth fiscal period.</li> </ul>
Interest-bearing Liabilities Ratio	<ul style="list-style-type: none"> <li>The interest-bearing liabilities ratio as of February 28, 2007 is about 51%. Forecasts are based on the assumption that, after considering new borrowings, etc. for closing the transactions on properties to be acquired during the fifth fiscal period (including those already acquired to date), the interest-bearing liabilities ratio will increase to about 54% by the end of the fifth fiscal period.</li> <li>The following formula was used to calculate the interest-bearing liabilities ratio in this table.  <math display="block">\text{Ratio of interest-bearing liabilities} = \frac{\text{total interest-bearing liabilities}}{\text{total interest-bearing liabilities} + \text{total equity}} \times 100</math> </li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>The depreciation and amortization has been calculated using the straight-line method including incidental costs and future additional capital expenditures. We expect depreciation and amortization to be 844 million yen in the fifth fiscal period.</li> </ul>
Distribution per Unit	<ul style="list-style-type: none"> <li>Distributions are calculated based on the assumption that 100% of earnings are distributed in accordance with the cash distribution policy stipulated in NCRI's AIC.</li> </ul>
Distribution 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>

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