

April 24, 2007

**For Immediate Release**

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

Asset Management Company of Investment Trusts:  
CBRE Residential Management K.K.  
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**Notice Concerning the Proposed Acquisition of Investment Asset**

New City Residence Investment Corporation (“NCRI”) today announced its plan to acquire the following investment assets.

**1. Acquisition Details**

(1) Real Estate Property

	Property Name	(Unit: Thousand Yen) Projected Acquisition Price (Note)
Property 1	New City Residence Kotodaikoen	655,000
Property 2	New City Residence Ichibancho (tentative name)	965,000
Property 3	New City Residence Omachi (tentative name)	841,500

Note: The projected acquisition price is exclusive of property tax, urban planning tax, consumption tax, and local consumption tax.

(2) Acquisition terms for the property to be acquired

In acquiring New City Residence Kotodaikoen, New City Residence Ichibancho (tentative name) and New City Residence Omachi (tentative name) (each hereafter referred to as the “Property 1, Property 2 and Property 3” ), in consideration of the need to conduct a detailed investigation (due diligence) of the managed real estate, a real estate sales and purchase agreement for Property 1 and a real estate sales and purchase reservation agreement for Property 2 and Property 3 are each scheduled to be executed on April 26, 2007 in order to secure investment opportunities while setting the terms and conditions described below as conditions precedent to the fulfillment of obligations to pay sales proceeds.

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[Acquisition Terms]

Acquisition of each property is subject to due diligence and the absence of defects that may affect projected acquisition prices.

(3) Agreement execution Date (planned)

Property 1 (Purchase Agreement): April 26, 2007

Property 2 (Purchase Reservation Agreement): April 26, 2007

Property 3 (Purchase Reservation Agreement): April 26, 2007

(4) Acquisition Date (planned)

Property 1: April 26, 2007

Property 2: July 31, 2007

Property 3: August 15, 2007

(5) Seller

Property 1-3: Sennan House Industry Co., Ltd.

(Please refer to 3. "Seller Profile" below for details)

(6) Financing Details

Date of payment for property 1 is April 26, 2007 (planned), property 2 is July 31, 2007 (planned) and property 3 is August 15, 2007 (planned).

NCRI intends to acquire the investment property utilizing cash on hand and debt financing.

## 2. Property Details

### Property 1: New City Residence Kotodaikoen

(1) Reason for Acquisition

(i) Property Features

New City Residence Kotodaikoen is an eleven-story condominium complex comprised primarily of 1K and 1LDK units located approximately seven minutes on foot from Kotodai Koen Station on the Sendai City Subway Namboku Line. The property boasts outstanding transportation convenience being about five minutes from the nearest station to the property, Kotodai Koen Station, to JR Tohoku Shinkansen Sendai Station. The city and prefectural government offices are situated in the surrounding area and the location exhibits excellent convenience in terms of lifestyle. Therefore, strong rental demand can be anticipated from mainly commuters centering on singles, DINKs, etc. demanding their work and home to be in close proximity and convenience in terms of lifestyle.

(ii) Housing Type and Floor Plan

Unit Type: Single Type 52%, Family Type 48%

Floor Plan: 30 1K (one bedroom with kitchen) apartments,

20 1LDK (one bedroom with dining, kitchen, lounge) apartments

Note: For further details, please refer to Attachment 3., "Composition by Housing Type."

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## (2) Property Profile (Scheduled for Acquisition)

Property Name	New City Residence Kotodaikoen	
Type of Acquisition (Note 1)	Real Estate	
Acquisition Date (planned)	April 26, 2007	
Address (Note 2)	Residential	3-10-24, Kokubuncho, Aoba-ku, Sendai-shi, Miyagi Prefecture
	Lot	3-10-12, Kokubuncho, Aoba-ku, Sendai-shi, Miyagi Prefecture
Access	Approximately 7 minutes walk from Kotodaikoen station on Nanboku line	
Use (Note 3)	Apartment complex	
Site Area (Note 2)	Land	380.16 m <sup>2</sup>
	Building	2,017.22 m <sup>2</sup>
Construction (Note2 )	RC 11F / B1F	
Probable maximum loss (Note 4)	2.7%	
Type of Ownership	Proprietary ownership	
Completion (Note2 )	February 2007	
Acquisition Price (planned)	¥655,000,000	
Appraisal Firm	Daiwa Real Estate Appraisal Corporation	
Appraisal Value	¥655,000,000	
Base Date for Survey	April 1, 2007	
Collateral	None	
Special Considerations	The building coverage ratio for the land of the real estate, which was originally 80%, is 100% due to deregulations on commercial zones and fire-resistant buildings in fire zones.	
Tenant Details	Number of Tenants (Note 5)	1 (planned)
	Rent (Note 5)	-
	Deposit (Note 6)	¥0
	Total No. of Leasable Apartments (Note 6)	50
	Total No. of Leased Apartments (Note 6)	0
	Total Leasable Floor Space (Note 6)	1,684.10 m <sup>2</sup>
	Total Leased Floor Space (Note 6)	0 m <sup>2</sup>
	Occupancy Rate Based on Floor Space (Note 6)	0%

## Notes:

1. No trust contract for real-estate management and disposal agreement that places the subject property in trust asset will be executed since the subject asset is a real estate.
2. "Address," "Site Area," "Construction," and "Completion Date" are as per real estate appraisal reports.
3. The principal use has been identified.
4. 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)
5. In relation to this property, a lease agreement is scheduled to be concluded with the abovementioned seller by the planned acquisition date and, based on the concerned lease agreement, the seller is set to pay NCRI a fixed amount (4,135,350 yen per month) as rent. However, the lease agreement is

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scheduled to end on October 25, 2007. After the lease agreement ends, NCRI plans to operate the property under the so-called sublease operation form whereby the entire building is leased to a sublease company and then each rental apartment sublet to third parties.

6. Data as of April 24, 2007.

## Property 2: New City Residence Ichibancho (tentative name)

### (1) Reason for Acquisition

#### (iii) Property Features

New City Residence Ichibancho is scheduled to be a condominium complex consisting of two buildings – one ten-story tall and the other nine-story tall – comprised primarily of 1K and 1LDK units located approximately nine minutes on foot from Sendai Station on the Sendai City Subway Namboku Line and approximately thirteen minutes on foot from the JR Tohoku Shinkansen Sendai Station. The area surrounding the property has a concentration of Sendai City's core retail facilities – the “Vlandome Ichibancho,” “Sunmall Ichibancho” and “Marble Road Ohmachi” shopping arcades – as well as the “Fujisaki Department Store” that faces these shopping arcades, along with educational facilities such as Tohoku University and colleges. Thus, the property stands in a location that exhibits outstanding convenience in terms of lifestyle. Therefore, strong rental demand can be anticipated from mainly singles and DINKs demanding convenience in terms of lifestyle.

#### (iv) Housing Type and Floor Plan (planned)

Unit Type: Single Type 43%, Family Type 57%

Floor Plan: A building: 36 1LDK (one bedroom with dining, kitchen, lounge) apartments,  
B building: 32 1R (one bedroom) apartments

Note: For further details, please refer to Attachment 3., “Composition by Housing Type.”

### (2) Property Profile (Scheduled for Acquisition)

Property Name	New City Residence Ichibancho (tentative name)	
Type of Acquisition (Note 1)	Real Estate	
Acquisition Date (planned)	July 31, 2007	
Address (Note 2)	Residential	1-6, Ichibancho, Aoba-ku, Sendai-shi, Miyagi Prefecture
	Lot	1-6-26, 1-6-27, Ichibancho, Aoba-ku, Sendai-shi, Miyagi Prefecture
Access	Approximately 9 minutes walk from Sendai station on Nanboku line, 13 minutes walk from Sendai station on JR line	
Use (Note 3)	Apartment complex	
Site Area (Note 2)	Land	772.50 m <sup>2</sup>
	Building	3,659.37 m <sup>2</sup> (planned) ※ Total Floor Space
Construction (Note 2)	A building: RC 10F, B building: RC 9F	
Probable maximum loss (Note 4)	To be calculated after the completion	
Type of Ownership (Note 1)	Proprietary ownership	
Completion (Note 2)	May 2007 (planned)	
Acquisition Price (planned)	¥965,000,000	
Appraisal Method	Opinion Report by Daiwa Real Estate Appraisal Corporation	
Appraisal Value	¥970,000,000	
Base Date for Survey	April 1, 2007	
Collateral	None	
Special Considerations	The building coverage ratio for the land of the real estate, which was originally 80%, is 100% due to deregulations on commercial zones and fire-resistant buildings in fire zones.	

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Tenant Details	Number of Tenants (Note 5)	N/A
	Rent (Note 5)	N/A
	Deposit (Note 5)	N/A
	Total No. of Leasable Apartments	68 (planned)
	Total No. of Leased Apartments (Note 5)	N/A
	Total Leasable Floor Space	2,800.32 m <sup>2</sup> (planned)
	Total Leased Floor Space (Note 5)	N/A
	Occupancy Rate Based on Floor Space (Note 5)	N/A

Notes:

1. No trust contract for real-estate management and disposal agreement that places the subject property in trust asset will be executed since the subject asset is a real estate.
2. "Address," "Site Area," "Construction," and "Completion Date" are as per real estate appraisal reports.
3. The principal use has been identified.
4. 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)
5. N/A, since the subject property is preconstruction.

### Property 3: New City Residence Omachi (tentative name)

#### (1) Reason for Acquisition

##### (v) Property Features

New City Residence Omachi is scheduled to be a thirteen-story condominium complex comprised of 72 1R units located approximately thirteen minutes on foot from Hirose Dori Station on the Sendai City Subway Namboku Line. In the area surrounding the property are the "Vlandome Ichibancho," "Sunmall Ichibancho" and "Marble Road Ohmachi" shopping arcades, which are core retail facilities of Sendai City. In addition, Nishi Koen (tentative name) Station is scheduled for construction on the Sendai City Subway Tozai Line in 2015 at the Nishi Koen Intersection, which is the intersection closest to the property. Thus, the property stands in a location that exhibits outstanding convenience in terms of lifestyle. Therefore, strong rental demand can be anticipated from mainly singles demanding convenience in terms of lifestyle.

##### (vi) Housing Type and Floor Plan (planned)

Unit Type: Single Type 100%

Floor Plan: 72 1R (one bedroom) apartments

Note: For further details, please refer to Attachment 3., "Composition by Housing Type."

#### (2) Property Profile (Scheduled for Acquisition)

Property Name	New City Residence Omachi (tentative name)	
Type of Acquisition (Note 1)	Real Estate	
Acquisition Date (planned)	August 15, 2007	
Address (Note 2)	Residential	2-5, Omachi, Aoba-ku, Sendai-shi, Miyagi Prefecture
	Lot	2-5-8, Omachi, Aoba-ku, Sendai-shi, Miyagi

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		Prefecture
Access	Approximately 13 minutes walk from Hirose Dori station on Nanboku line	
Use (Note 3)	Apartment complex	
Site Area (Note 2)	Land	452.95 m <sup>2</sup>
	Building	3,085.50 m <sup>2</sup> (planned) ※Total Floor Space
Construction (Note 2)	RC 13F / B1F	
Probable maximum loss (Note 4)	To be calculated after the completion	
Type of Ownership (Note 1)	Proprietary ownership	
Completion (Note 2)	June 2007 (planned)	
Acquisition Price (planned)	¥841,500,000	
Appraisal Method	Opinion Report by Daiwa Real Estate Appraisal Corporation	
Appraisal Value	¥849,000,000	
Base Date for Survey	April 1, 2007	
Collateral	None	
Special Considerations	The building coverage ratio for the land of the real estate, which was originally 80%, is 100% due to deregulations on commercial zones and fire-resistant buildings in fire zones.	
Tenant Details	Number of Tenants (Note 5)	N/A
	Rent (Note 5)	N/A
	Deposit (Note 5)	N/A
	Total No. of Leasable Apartments	72 (planned)
	Total No. of Leased Apartments (Note 5)	N/A
	Total Leasable Floor Space	2,149.08 m <sup>2</sup> (planned)
	Total Leased Floor Space (Note 5)	N/A
	Occupancy Rate Based on Floor Space (Note 5)	N/A

Notes:

1. No trust contract for real-estate management and disposal agreement that places the subject property in trust asset will be executed since the subject asset is a real estate.
2. "Address," "Site Area," "Construction," and "Completion Date" are as per real estate appraisal reports.
3. The principal use has been identified.
4. 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)
5. N/A, since the subject property is preconstruction.

### 3. Seller Profiles

Company Name	Sennan House Industry Co., Ltd.
Head Office Address	34-5, Shinnan, Okawara-cho aza, Shibata-gun, Miyagi Prefecture
Major Shareholder	Kunimitsu Yaegashi
Representative	Yoshio Yaegashi
Capital	JPY49,000,000 (Note 1)

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Principal Activities	<ol style="list-style-type: none"> <li>1. Design, construction, contracting and sale of housing, stores, apartments, etc.</li> <li>2. Development and allotment sale of residential land, industrial land, etc.</li> <li>3. Sale, purchase, exchange and leasing of real estate</li> <li>4. Brokerage for sale, purchase, exchange and leasing of real estate</li> <li>5. Building and sale of built-for-sale housing</li> <li>6. Sale of construction materials and household equipment</li> <li>7. General insurance agency work</li> <li>8. All other work incidental to the above items</li> </ol>
Relationship with NCRI and Asset Management Company (Note 2)	Nil

(Note 1) Entered based on the seller's certificate of total historical records dated March 6, 2007.

(Note 2) Asset Management Company: CBRE Residential Management K.K.

#### 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.

NCRI has verified that neither the architect, building designer or structural designer for the property that is scheduled to be acquired is a company announced by MLIT as of April 13, 2007.

Concerning the structural calculation falsification problems, NCRI requests a reinvestigation with a specialist third party inspection agency (Index Consulting, Inc.) for due diligence regarding acquisition of the property. As a result, for property 1, NCRI has obtained investigation results that report no willful falsification, fabrication or other illegal acts concerning outlines, structural calculation documents and other documents and that judge the structural calculations to be compliant with laws. For property 2 and property 3, NCRI plans to acquire 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 appropriate structural verifications and earthquake risk analyses are conducted.

	Property 1	Property 2	Property 3
Name of Property	NCR Kotodaikoen	NCR Ichibancho (tentative name)	NCR Omachi (tentative name)
Developer	Sennan House Industry Co., Ltd.	Sennan House Industry Co., Ltd.	Sennan House Industry Co., Ltd.
Contractor	Yaegashi Construction Inc.	Yaegashi Construction Inc.	Yaegashi Construction Inc.
Architect	K.K. Shu Kenchiku Sekkei	Kusuyama Architect Co., Ltd.	K.K. Sekimoto Kinsaku Sekkei Kenchiku
Structural engineer	K.K. Kozo Planning	A building: K.K. Dan Kozo Sekkei B building: Y.K. Ace Planning	Kumagai Gumi Co., Ltd. Tohoku first-class architect office
Construction appraiser	Miyagi Building Housing Center	Miyagi Building Housing Center	Miyagi Building Housing Center

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*Reference: Specialist Organizations*

Name of Company : Index Consulting, Inc.

Headquarter : 1-25-5 Toranomom 34MT Bldg., Toranomom, Minato-ku, Tokyo

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

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. Acquisition of Right to Demand Collateral for Defects and Reparations by Seller**

### **(1) Acquisition of Right to Demand Collateral for Defects by Seller**

For Property 1, the real estate sale and purchase agreement is scheduled to contain provisions stating that the seller shall, on the planned acquisition date, obtain consent from the construction company of the property's building without objection that the construction company will be directly liable in relation to NCRI for all rights that the construction company is liable for at present and in the future based on the order form, order confirmation form, etc. concerning the contracting of construction between the seller and the construction company (includes the right to demand collateral for defects, right to demand after-service and other rights stipulated in the real estate sale and purchase agreement).

For Property 2 and Property 3, the real estate sale and purchase agreement is scheduled to contain provisions stating that the seller shall, on the planned acquisition date, transfer to NCRI or the party designated by NCRI all rights to demand that the construction company is liable for at present and in the future for the property's building based on the order form, order confirmation form, etc. concerning building construction on the property's building between the seller and the construction company (includes the right to demand collateral for defects, right to demand after-service and other rights stipulated in the respective real estate sale and purchase agreement).

### **(2) Reparations by the Seller**

In regards to the properties, the seller has provided declarations and guarantees in the real estate sales and purchase agreement that the real estate is not defective in a way that will have a negative impact on the operation, management or value of the concerned property, that construction was conducted legally and appropriately using materials of reasonable quality based on laws and regulations and actual building practices that were current at the time of construction, that the property has a strong structure, that there are no defects that could decrease the value of the concerned property (includes those resulting from negligent maintenance and management), and that there are no defects that would hinder earthquake-resistance.

The seller has provided declarations and guarantees that the property has earthquake resistance of a level that satisfies the earthquake-resistance standards designated by law, etc. for Property 1 and that there are no defects that could present as a problem in earthquake resistance for Property 2 and Property 3. When the above declarations and guarantees are violated, the seller

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shall provide reparations to NCRI for the damages, etc. NCRI incurs.

## 6. Related-Party Transactions

In connection with Property 1, NCRI plans to execute a property management agreement with New City Property Service (NCPS). The NCPS is defined as interested party (Note). Furthermore, in accordance with the internal rules of NCRI as they relate to asset management, it is intended that the following entities discuss and determine matters in connection with the property management agreement:

- The Investment Committee of the Asset Management Company
- The Compliance Committee of the Asset Management Company
- The Board of Directors of the Asset Management Company

(Note) Interested party is defined as the related-party, etc. defined in Article 15-2 of the Investment Trust Law, a shareholder with at least 10% share in the asset manager and an SPC established at the will of said party (SPCs as regulated under the Asset Liquidation Law, special limited company (tokurei yugen kaisha) or joint stock corporation (kabushiki kaisha) as regulated in the Law on Preparing Laws Related to the Implementation of the Company Law, etc. are included).

## 7. Broker Details

NCRI and the Asset Management Company have determined the following commission to be paid to K.K. J Property the broker in the purchase and sale of the Property 1, Property 2 and Property 3, for its brokerage services. K.K. J Property has no interest in NCRI or the Asset Management Company:

Commission:	Property 1	¥19,650,000 (excluding consumption tax)
	Property 2	¥28,950,000 (excluding consumption tax)
	Property 3	¥25,200,000 (excluding consumption tax)

## 8. Settlement Method (Payment Period and Acquired Funds)

Please refer to Item 1. (6) preceding.

## 9. Acquisition Schedule

Please refer to Item 1. (3) and (4) preceding.

## 10. Outlook

The operating forecasts for the fiscal period ending in August 2007 (March 1, 2007 to August 31, 2007) that has factored in the impact of the Property 1, Property 2 and Property 3 are disclosed in the financial report for the fiscal period ending in February 2007 (September 1, 2006 to February 28, 2007) that released on April 24, 2007.

### [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 of the Property Planned for Acquisition

- 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 1**

## Projected Cash Flow Based on Appraisal Reports

Property 1 : New City Residence Kotodaikoen

(Unit: Thousand yen)

Appraisal Company:		Daiwa Real Estate Appraisal Co.	
Base Date for Survey:		April 1, 2007	
Assessed Value		655,000	
Value Calculated Using the Direct Capitalization Method		666,000	
Gross Operating Revenue	Rent/Common Area Fee based on an estimated occupancy ratio of 94%.	46,043	
	Parking/Based on an estimated occupancy ratio of 85%.	2,340	
	Other Revenues	1,535	
	Total Gross Operating Revenue ①		49,918
	Gross Operating Expenses	Administrative and Maintenance Expense	3,326
		Utilities	1,223
		Management Fees	1,452
		Taxes and Dues	4,098
		Insurances	315
		Leasing Commissions	1,210
Other Expenses		—	
Profit and Loss from Leasing ②		11,624	
Capital Expenditures		1,800	
Total Gross Operating Expenses ③		13,424	
Net Operating Income (NOI) ①－②		38,294	
	Gain on Guarantee Deposit Investment	157	
Net Cash Flow ①＋④－③		36,651	
Overall Capitalization Rate		5.5%	
Value Calculated Using the Discounted Cash Flow Method		645,000	
	Discount Rate	5.4%	
	Terminal Capitalization Rate	5.7%	
Value Calculated Using the Cost Method		610,000	

(Note)

- (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.

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Property 2 : New City Residence Ichibancho (tentative name)

(Unit: Thousand yen)

Appraisal Company:		Daiwa Real Estate Appraisal Co.	
Base Date for Survey:		April 1, 2007	
Assessed Value		970,000	
Value Calculated Using the Direct Capitalization Method		982,000	
Gross Operating Revenue	Rent/Common Area Fee based on an estimated occupancy ratio of 94%.	70,162	
	Parking/Based on an estimated occupancy ratio of 85%.	4,018	
	Other Revenues	2,339	
	Total Gross Operating Revenue ①		76,519
	Gross Operating Expenses	Administrative and Maintenance Expense	5,531
		Utilities	2,033
		Management Fees	2,225
		Taxes and Dues	7,018
		Insurances	462
		Leasing Commissions	1,855
		Other Expenses	-
		Profit and Loss from Leasing ②	
	Capital Expenditures		2,640
	Total Gross Operating Expenses ③		21,764
	Net Operating Income (NOI) ① - ②		57,395
	Gain on Guarantee Deposit Investment	240	
Net Cash Flow ① + ④ - ③		54,995	
Overall Capitalization Rate		5.6%	
Value Calculated Using the Discounted Cash Flow Method		958,000	
	Discount Rate	5.5%	
	Terminal Capitalization Rate	5.8%	
Value Calculated Using the Cost Method		1,010,000	

(Note)

- (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.

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Property 3 : New City Residence Omachi (tentative name)

(Unit: Thousand yen)

Appraisal Company:		Daiwa Real Estate Appraisal Co.	
Base Date for Survey:		April 1, 2007	
Assessed Value		849,000	
Value Calculated Using the Direct Capitalization Method		863,000	
Gross Operating Revenue	Rent/Common Area Fee based on an estimated occupancy ratio of 94%.	60,124	
	Parking/Based on an estimated occupancy ratio of 85%.	3,037	
	Other Revenues	2,005	
	Total Gross Operating Revenue ①		65,166
	Gross Operating Expenses	Administrative and Maintenance Expense	4,243
		Utilities	1,560
		Management Fees	1,895
		Taxes and Dues	5,153
		Insurances	392
		Leasing Commissions	1,579
Other Expenses		-	
Profit and Loss from Leasing ②		14,822	
Capital Expenditures		2,240	
Total Gross Operating Expenses ③		17,062	
Net Operating Income (NOI) ①－②		50,344	
	Gain on Guarantee Deposit Investment	205	
Net Cash Flow ①＋④－③		48,309	
Overall Capitalization Rate		5.6%	
Value Calculated Using the Discounted Cash Flow Method		836,000	
	Discount Rate	5.5%	
	Terminal Capitalization Rate	5.8%	
Value Calculated Using the Cost Method		698,000	

(Note)

- (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.

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## 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	2.08%
	C-2	NCR Nishi Azabu Twin Tower	Dec. 17, 2004	3,315	1.83%
	C-3	NCR Nishi Azabu	Dec. 15, 2004	3,143	1.73%
	C-4	NCR Ochanomizu	Dec. 17, 2004	2,300	1.27%
	C-5	NCR Sangubashi	Dec. 15, 2004	1,734	0.95%
	C-6	NCR Shinjyuku Ichibankan	Dec. 15, 2004	1,978	1.09%
	C-7	NCR Shinujyuku Nibankan	Dec. 15, 2004	889	0.49%
	C-8	NCR Nihonbashi East	Dec. 15, 2004	1,622	0.89%
	C-9	NCR Nihonbashi West	Dec. 15, 2004	1,480	0.82%
	C-10	NCR Ginza Twin I	Dec. 15, 2004	1,133	0.62%
	C-11	NCR Ginza Twin II	Dec. 15, 2004	968	0.53%
	C-12	NCR Harajuku	Dec. 17, 2004	1,220	0.67%
	C-13	NCR Mita	Dec. 15, 2004	986	0.54%
	C-14	NCR Yoyogi Uehara	Dec. 17, 2004	765	0.42%
	C-15	NCR Sendagaya	Dec. 17, 2004	695	0.38%
	C-16	NCR Shinjyuku 7 Chome	Dec. 17, 2004	626	0.34%
	C-17	NCR Ichigaya Sanaicho	Dec. 17, 2004	577	0.32%
	C-18	NCR Ningyocho I	Feb. 25, 2005	1,230	0.68%
	C-19	NCR Ningyocho II	Feb. 25, 2005	1,290	0.71%
	C-20	NCR Shin Ochanomizu	Feb. 25, 2005	1,160	0.64%
	C-21	NCR Jinbocho	Jun. 10, 2005	2,803	1.54%
	C-22	NCR Ningyocho III	Jun. 10, 2005	1,662	0.92%
	C-23	NCR Jinbocho II	Jul. 5, 2005	1,470	0.81%
	C-24	NCR Ginza East III	Jul. 5, 2005	841	0.46%
	C-25	NCR Shinjyuku Gyoen I	Jul. 28, 2005	3,140	1.73%
	C-26	NCR Sasazuka	Jul. 28, 2005	3,050	1.68%
	C-27	NCR Takawadai	Jul. 28, 2005	1,180	0.65%
	C-28	NCR Nihonbashi Ningyocho IV	Jul. 28, 2005	842	0.46%
	C-29	NCR Shinjyuku Gyoen II	Jul. 28, 2005	580	0.32%
	C-30	NCR Ginza East IV	Jul. 28, 2005	510	0.28%
	C-31	NCR Takawadai II	Sep. 21, 2005	1,530	0.84%
	C-32	NCR Minami Azabu	Sep. 21, 2005	840	0.46%
	C-33	NCR Minami Azabu East	Dec. 26, 2005	1,260	0.69%
	C-34	NCR Ginza	Apr. 27, 2006	4,000	2.20%
	C-35	NCR Nihonbashi Suitengu	Apr. 27, 2006	3,332	1.83%
	C-36	NCR Takawada	Jan. 11, 2006	10,995	6.05%
	C-37	NCR Higashi Nihonbashi	Dec. 1, 2006	4,930	2.71%
	C-38	Catherina Mita Towersuite (New City Residence)	Dec. 22, 2006	16,200	8.92%
	Subtotal		-	90,059	49.59%

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23 Wards of Tokyo Excluding the Five Central Tokyo Wards	M-2	NCR Todoroki	Dec. 15, 2004	1,850	1.02%	
	M-3	NCR Honjo Azumabashi	Dec. 15, 2004	1,122	0.62%	
	M-4	NCR Kitazawa	Dec. 17, 2004	1,070	0.59%	
	M-5	NCR Meguro	Dec. 17, 2004	1,050	0.58%	
	M-6	NCR Senzokukoen	Dec. 17, 2004	921	0.51%	
	M-8	NCR Monzennakacho	Dec. 15, 2004	524	0.29%	
	M-9	NCR Denenchofu	Dec. 17, 2004	511	0.28%	
	M-10	NCR Negishi	Dec. 17, 2004	356	0.20%	
	M-11	NCR Kamiikedai	Dec. 17, 2004	238	0.13%	
	M-12	NCR Otsuka	Feb. 25, 2005	1,290	0.71%	
	M-13	NCR Morishita	Feb. 25, 2005	985	0.54%	
	M-14	NCR Wakabayashi Koen	Apr. 21, 2005	970	0.53%	
	M-15	NCR Asakusabashi	Apr. 19, 2005	870	0.48%	
	M-16	NCR Gakugei Daigaku	May 31, 2005	1,210	0.67%	
	M-17	NCR Jiyugaoka	Jul 28, 2005	1,470	0.81%	
	M-18	NCR Mejiro East	Jul 29, 2005	1,080	0.59%	
	M-19	NCR Iriya	Jul 29, 2005	675	0.37%	
	M-20	NCR Ikebukuro	Sep. 21, 2005	3,227	1.78%	
	M-21	NCR Kanamecho	Jan. 11, 2006	1,360	0.75%	
	M-22	NCR Ueno Tower	Feb.1, 2006	2,990	1.65%	
	M-23	NCR Shinagawa Seaside Tower	Jun. 30, 2006	9,350	5.15%	
	M-24	NCR Yakumo	Dec. 1, 2006	1,160	0.64%	
	M-25	NCR Morishita West	Jun. 30, 2007 (planned)	810	0.45%	
	M-26	NCR Togoshiginza	Dec. 13, 2006	1,960	1.08%	
	Subtotal			-	37,049	20.40%
	Tokyo Metropolitan Area Excluding the 23 Wards of Tokyo	G-1	NCR Yokohama East	Dec. 15, 2004	6,753	3.72%
G-2		NCR Funabashi Honcho	Dec. 17, 2004	1,083	0.60%	
G-3		SH Motosumiyoshi	Dec. 15, 2004	1,058	0.58%	
G-4		NCR Toyoda	Dec. 15, 2004	1,053	0.58%	
G-5		NCR Nishi Funabashi	Dec. 17, 2004	997	0.55%	
G-6		NCR Maihama	Dec. 17, 2004	844	0.46%	
G-7		NCR Ichikawa Myoden	Dec. 17, 2004	769	0.42%	
G-8		NCR Kumegawa	Dec. 17, 2004	715	0.39%	
G-9		NCR Urayasu	Dec. 17, 2004	653	0.36%	
G-10		NCR Minami Gyotoku I	Dec. 17, 2004	648	0.36%	
G-11		NCR Minami Gyotoku II	Dec. 17, 2004	447	0.25%	
G-12		NCR Nogeyama	Dec. 17, 2004	469	0.26%	
G-13		NCR Minamirinkan	Dec. 17, 2004	456	0.25%	
G-14		NCR Shonan	Dec. 17, 2004	445	0.25%	
G-15		LM Fuchinobe Honcho	Dec. 17, 2004	222	0.12%	
G-16		LM Higashi Ome Daisan	Dec. 17, 2004	175	0.10%	
G-17		PT Ichikawa	Jul. 28, 2005	620	0.34%	
G-18		PT Shioyaki	Jul. 28, 2005	310	0.17%	
G-19		PT Horie	Jul. 28, 2005	193	0.11%	

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	Subtotal		-	17,910	9.86%
Other Regions	R-1	NCR Ohdori-koen	Dec. 17, 2004	726	0.40%
	R-2	Goshikiyama Heights	Dec. 15, 2004	720	0.40%
	R-3	NCR Nishikoen	Dec. 17, 2004	379	0.21%
	R-4	NCR Nishi Ohori	Dec. 17, 2004	258	0.14%
	R-5	NCR Kakogawa	Dec. 17, 2004	274	0.15%
	R-6	LM Maebashi Nishikatakai	Dec. 17, 2004	202	0.11%
	R-7	Aprire Tarumi	Feb. 25, 2005	1,710	0.94%
	R-9	Crest Kusatsu	Jun. 28, 2005	3,830	2.11%
	R-10	NCR Honmachi East	Dec 1, 2005	1,740	0.96%
	R-11	NCR Shin-Umeda	Dec.1, 2005	1,640	0.90%
	R-12	NCR Shizuoka Takasho	Mar. 30, 2006	770	0.42%
	R-13	NCR Abeno	Apr. 27, 2006	5,400	2.97%
	R-14	NCR Ohtedori	Apr. 27, 2006	382	0.21%
	R-15	NCR Sakae	Mar. 23, 2007	1,361	0.75%
	R-16	NCR Nipponbashi Kouzu	Jun. 30, 2006	4,780	2.63%
	R-17	NCR Maruyama Urasando (tentative name)	By Sep. 2007 (planned)	486	0.27%
	R-18	NCR Maruyama Omotesando (tentative name)	By Mar. 2008 (planned)	2,045	1.13%
	R-19	NCR Higashihie (tentative name)	By Nov. 2007 (planned)	1,230	0.68%
	R-20	NCR Shinsaibashi East Tower	Mar. 27, 2007	4,693	2.58%
	R-21	NCR Sannomiya	Mar. 27, 2007	1,485	0.82%
	R-22	NCR Kotodaikoen	Apr. 26, 2007 (planned)	655	0.36%
	R-23	NCR Ichibancho (tentative name)	Jul. 31, 2007 (planned)	965	0.53%
	R-24	NCR Omachi (tentative name)	Aug. 15, 2007 (planned)	841	0.46%
		Subtotal		-	36,572
Total		-	181,590	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.” Above “Catherina Mita Towersuite (New City Residence),” the name of the building in its registry is “Catherina Mita Towersuite,” but NCRI operate the tenants of the 264 units of the property that NCRI is acquiring under the name of “Catherina Mita Towersuite (New City Residence)”.
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.
5. New City Residence Inbocho schedule to sale on June 29, 2007.

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### 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>&lt;Projected Tenant Profile&gt; Single residents</p> <p>&lt;Principal Geographic Region&gt; Tokyo Metropolitan Area and principal provincial cities</p> <p>&lt;Preferred Location and Environment&gt; Convenient rail access and close to commercial districts and workplaces</p> <p>&lt;Floor Plan and Area&gt; 1R, 1K(+S), or 1DK (Note 1)</p>
Urban Family Type (UF)	<p>&lt;Projected Tenant Profile&gt; 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>&lt;Principal Geographic Region&gt; The 23 wards of Tokyo and central areas in each principal provincial city</p> <p>&lt;Preferred Location and Environment&gt; Close to workplaces with convenient access to shopping, leisure, and cultural facilities</p> <p>&lt;Floor Plan and Area&gt; 1K(+S), 1DK(+S), LDK+S, 1LDK(+S), 2DK, or 2LDK (Note 1)</p>
Family Type (F)	<p>&lt;Projected Tenant Profile&gt; The typical family comprising approximately two to four persons</p> <p>&lt;Principal Geographic Region&gt; Tokyo Metropolitan Area and principal provincial cities</p> <p>&lt;Preferred Location and Environment&gt; A pleasant environment, with convenient rail access close proximity to workplaces</p> <p>&lt;Floor Plan and Area&gt; 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>&lt;Projected Tenant Profile&gt; Business entrepreneurs or specialists with a family structure comprising approximately one to four persons</p> <p>&lt;Principal Geographic Region&gt; The 23 wards of Tokyo</p> <p>&lt;Preferred Location and Environment&gt; High-quality residence located in a pleasant and upscale environment</p> <p>&lt;Floor Plan and Area&gt; 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.

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- 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 <sup>2</sup>	Max. 40m <sup>2</sup>	Max. 50m <sup>2</sup>	Max. 60m <sup>2</sup>	Max. 70m <sup>2</sup>	Max. 80m <sup>2</sup>	Max. 90m <sup>2</sup>	Max. 100m <sup>2</sup>	More than 100m <sup>2</sup>
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 m<sup>2</sup> but less than 60 m<sup>2</sup> 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.

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#### **Attachment 4**

Photograph of the External Façade of the Property Planned for Acquisition

Property1: New City Residence Kotodaikoen



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Property2: New City Residence Ichibancho (tentative name)  
A building



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Property2: New City Residence Ichibancho (tentative name)  
B building



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

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Property3: New City Residence Omachi (tentative name)



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

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