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**For Immediate Release**

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(Securities Code: 8965)

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**Notice Concerning Third-Party Allocation of Investment Units**

New City Residence Investment Corporation (“NCRI”) today announced its decision for a third-party allocation of new investment units. Brief details are as follows:

**1. Outline of New Investment Unit Issue**

1. Number of new investment units issued : 18,000 units
2. Issue price per unit : ¥285,579 per unit
3. Total issue price : ¥5,140,422,000
4. Subscription date : May 9, 2008 (Friday)
5. Payment due date : May 14, 2008 (Wednesday)
6. Allottee and number of units to be issued : (1) Funds managed by Fidelity Investments Japan Limited (17,622 units)  
(2) Funds managed by Fidelity Investments Management (Hong Kong) Limited (378 units)
7. Subscription and allocation method : Third-party allocation
8. Delivery and settlement date : After the payment due date
9. Administrative agent commissioned to offer new investment units : Nikko Citigroup Limited
10. Other necessary matters described in the securities registration statement in regard to units issued : N/A
11. The aforementioned items shall be subject to the entry into force of the securities registration statement in accordance with the Financial Instruments and Exchange Law.

This press release provides information regarding New City Residence Investment Corporation’s decision for a third-party allocation of new investment units and is not provided as an inducement or invitation for investment. We caution readers to undertake investment decisions based on individual determination and responsibility.

## 2. Total Number of Investment Units Issued Following Issuance

Current total number of investment units issued	:	164,068 units
Increase in investment units following this issue (planned)	:	18,000 units (Note)
Total number of investment units following this issue (planned)	:	182,068 units (Note)

(Note) In the event all the investment units subject to this third-party allocation were issued.

## 3. Reason for Issue and Use of Funds

### (1) Reason for Issue

NCRI has decided to undertake a third-party allocation to fund the acquisition of new specified assets (as defined Article 2, Paragraph 1 of the Law regarding Investment Trust and Investment Corporation, hereafter the same) and to repay loans.

### (2) Calculation Method of Issue Price

The issue price is 95% of the volume weighted average price of the investment securities of NCRI ordinarily traded on the Tokyo Stock Exchange from April 1 to 21, 2008, a payment amount of ¥285,579 per unit.

### (3) Amounts of Procured Funds

¥5,140,422,000

### (4) Use of Procured Funds

All proceeds (¥5,140,422,000) from the third-party allocation will be applied to the repayment of loans to appropriate for the acquisition of acquired assets and to the support the acquisition of new specified assets. (New City Residence Monzennakacho East and New City Residence Ikebukuro Precious Tower).

(Note) For details of planned new acquisition, please refer to NCRI's press release "Notice Concerning Proposed Acquisition of Investment Asset" dated December 13, 2007 and March 26, 2008.

### (5) Expense Period of Procured Funds

May 2008

### (6) Rationalization of Procured Funds Use

We believe that our efforts at expanding the financial base through the issuance of investment securities and the allocation of necessary funds for the future acquisition of specified assets is a rational use of capital and will contribute to the sustainable growth and the enhancement of the corporate value of NCRI.

### (7) Restrictions on Disposition and Additional Acquisition

NIL

### (8) Predicted Impact on the Operations of NCRI

Please refer to the "Notice Concerning Operating Forecasts for the Fiscal Period Ending August 31, 2008".

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#### 4. Forecasts for the Interest-bearing Liabilities Ratio after Issue of New Investment Units

NCRI forecasts the interest-bearing liabilities ratio as of August 31, 2008 at approx. 55% after considering the repayment of loans using proceeds from the third-party allocation.

(Note) The above forecasts were calculated based on currently available information and certain assumptions deemed reasonable by NCRI. The actual interest-bearing liabilities ratio may change as a result of the future acquisition or sale of real estate, fluctuations in the real estate market, etc., other changes in the conditions surrounding NCRI. NCRI may revise the forecasts if disparities of more than a certain level with the above forecasts are anticipated.

#### 5. Overview of Performance for Latest Three Fiscal Periods and Overview of Equity Financing

##### (1) Performance for Latest Three Fiscal Periods (Millions of yen)

Fiscal Period	4th Period (ended Feb 28, 2007)	5th Period (ended Aug 31, 2007)	6th Period (ended Feb 29, 2008)
Net Income per Unit	¥16,804	¥13,393	¥14,953
Distribution per Unit	¥14,858	¥13,393	¥14,954
Unitholders' Equity per Unit	¥537,843	¥536,404	¥537,859

(Note) Net income per unit was calculated using the following average number of investment units outstanding (weighted average).  
Fourth Fiscal Period: 145,062 units, Fifth Fiscal Period: 164,068 units, Sixth Fiscal Period: 164,068 units

##### (2) Recent Trends in Investment Unit Prices

###### (i) Unit Price for Latest Three Fiscal Periods

	4th Period (ended Feb. 28, 2007)	5th Period (ended Aug. 31, 2007)	6th Period (ended Feb. 29, 2008)
Opening Price	¥503,000	¥602,000	¥559,000
High Price	¥663,000	¥747,000	¥640,000
Low Price	¥479,000	¥481,000	¥370,000
Closing Price	¥605,000	¥569,000	¥383,000

###### (ii) Unit Price for Latest Six Months

	October 07	November 07	December 07	January 08	February 08	March 08
Opening Price	¥629,000	¥532,000	¥479,000	¥458,000	¥419,000	¥374,000
High Price	¥635,000	¥535,000	¥523,000	¥460,000	¥438,000	¥375,000
Low Price	¥505,000	¥384,000	¥451,000	¥370,000	¥376,000	¥280,000
Closing Price	¥534,000	¥471,000	¥459,000	¥408,000	¥383,000	¥310,000

###### (iii) Unit Price for Recent Day

	April 21, 2008
Opening Price	¥305,000
High Price	¥309,000
Low Price	¥303,000
Closing Price	¥308,000

##### (3) Overview of Equity Financing

###### Allocation to Third-parties

Issue due date	May 1, 2008
Amounts of procured funds	Total Issue price: ¥5,140,422,000
Current total number of investment units issued	164,068 units
Number of investment units issued following this issue	18,000 units
Total number of investment units issued in this issue	182,068 units
Allottee	Funds managed by Fidelity Investments Japan Limited (17,622 units)

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	Funds managed by Fidelity Investments Management (Hong Kong) Limited (378 units)
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#### (4) Overview of Equity Financing for Latest Three Years

##### Public Offering ①

Issue due date	September 13, 2005
Amounts of procured funds	¥24,968,979,000 (Issue price: ¥535,815)
Total number of investment units issued	74,556 units
Total number of investment units newly issued	46,600 units
Use of funds	NCRI appropriated funds for the acquisition of specified assets (as defined in Article 2, Paragraph 1 of the Law regarding Investment Trust and Investment Corporation; hereafter the same) and repayment a portion of loans
Expense Period	NCRI already appropriated
Appropriation status as of this date	NCRI already appropriated

##### Allocation to Third-parties ①

Issue due date	October 12, 2005
Amounts of procured funds	¥780,146,640 (Issue price: ¥535,815)
Total number of investment units issued	121,156 units
Total number of investment units newly issued	1,456 units
Allottee	Mizuho Securities Co., Ltd.
Use of funds	NCRI appropriated funds for the acquisition of specified assets (as defined in Article 2, Paragraph 1 of the Law regarding Investment Trust and Investment Corporation; hereafter the same) and repayment a portion of loans
Expense Period	NCRI already appropriated
Appropriation status as of this date	NCRI already appropriated

##### Public Offering ②

Issue due date	November 22, 2006
Amounts of procured funds	¥19,958,400,000 (Issue price: ¥498,960)
Total number of investment units issued	122,612 units
Total number of investment units newly issued	40,000 units
Use of funds	NCRI appropriated funds for the acquisition of specified assets (as defined in Article 2, Paragraph 1 of the Law regarding Investment Trust and Investment Corporation; hereafter the same) and repayment a portion of loans
Expense Period	NCRI already appropriated
Appropriation status as of this date	NCRI already appropriated

##### Allocation to Third-parties ②

Issue due date	December 20, 2006
Amounts of procured funds	¥726,485,760 (Issue price: ¥498,960)

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Total number of investment units issued	162,612 units
Total number of investment units newly issued	1,456 units
Allottee	Mizuho Securities Co., Ltd.
Use of funds	NCRI appropriated funds for the acquisition of specified assets (as defined in Article 2, Paragraph 1 of the Law regarding Investment Trust and Investment Corporation; hereafter the same) and repayment a portion of loans
Expense Period	NCRI already appropriated
Appropriation status as of this date	NCRI already appropriated

## 6. Principal Unitholders and Ratio of the Number of Investment Units

### (1) Principal Unitholders prior / after this issue and Ratio of the Number of Investment Units

Principal Unitholders prior to this issue (as of February 29, 2008)	
Japan Trustee Services Bank, Ltd. (Trust Account)	7.40%
NikkoCiti Trust and Banking Corporation (Investment Trust Account)	7.32%
CGML-IPB Customer Collateral Account	4.29%
The Master Trust Bank of Japan, Ltd. (Trust Account)	4.17%
Goldman Sachs International	3.21%
North Pacific Bank, Ltd.	3.10%
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	3.06%
The Bank of New York, Treaty Jasdec Account	2.75%
Morgan Stanley & Company International PLC	2.63%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2.32%

(Note 1) The number of investment units acquired by funds managed by Fidelity Investments Japan Limited and funds managed by Fidelity Investments Management (Hong Kong) Limited through this third-party allocation shall be approx. 10.97% of the number of NCRI investment units outstanding. Trust accounts were used for the transaction and, because of the inability to distinguish between individual investors in the list of unitholders, the ratio of the number of investment units held after subscription was omitted.

(Note 2) Ratio of the number of investment units held to the total number of issued investment units is rounded down to the nearest tenth.

(Note 3) The table above shows the status of unitholders after the third-party allotment on the assumption that the status has not changed from the list of unitholders as of February 29, 2008. Therefore, the actual condition of unitholders may be different from the above.

### (2) Whether the Allottees are in Agreement Pertaining to the Satisfaction of the Conduit Requirement in the Event the Ratio of the Number of Investment Units held by the Top 3 Unitholders Exceeds 40% as a Result of this Third-party Allocation

NIL

## 7. Predicted Impact on the Operations of the Investment Corporation

Please refer to the "Notice Concerning Operating Forecasts for the Fiscal Period Ending August 31, 2008".

## 8. Rationalization of Issuance Requirements

### (1) Basis and Conceptualization of Issue Price (reason for a discount, if any)

The issue price was set at 95% of the volume weighted average price of investment units of NCRI ordinarily traded on the Tokyo Stock Exchange from April 1 to 21, 2008, a payment amount of ¥ 285,579.

The weighted average of the transaction value over the abovementioned period was used

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because it was determined that an averaged figure was more objective as a calculation basis for the issue price.

The discount rate was determined taking into consideration possible increases in refinancing costs and the risk of a decrease in the investment unit price between the date of resolution for issuance and the payment date.

(2) Basis on which the Effect the Issuance Volume and the Dilution of Investment Units have on Distribution per Unit was Determined as Rational

The scale of the subscription for the investment units to be issued by this third-party allocation shall be approx. 10% of the number of NCRI investment units outstanding. The purpose of this subscription for investment units issued by third-party allocation is for the sustainable growth and the improvement of the corporate value of NCRI and, with this in mind, the volume of the issuance by third-party allocation and the dilution of units are at rational levels.

## 9. Overview of Allottees

### (1) Details of Allottees

#### ① Funds managed by Fidelity Investments Japan Limited (17,622 units)

① Company name	Fidelity Investments Japan Limited
② Activities	Investment trust management Consultation on securities investments
③ Head office address	Shiroyama Trust Tower, 4-3-1, Toranomon, Minato-ku, Tokyo
④ Representative	Representative Executive Officer, Thomas Emil Johann Balk
⑤ Capital	¥1,000,000,000
⑥ Major shareholder and percentage of held shares	Fidelity Japan Holdings K.K. (100%)
⑦ Relationship with NCRI and Asset Management Company	Funds managed by Fidelity Investments Japan Limited owns 2,434 units of NCRI's investment units. NCRI and Asset Management Company have no other personal or business relations.

(Note 1) "Relationship with NCRI and Asset Management Company" indicate data as of April 14, 2008.

(Note 2) Excluding "Relationship with NCRI and Asset Management Company" based on data as of March 31, 2008 of Fidelity Investments Japan Limited.

#### ② Funds managed by Fidelity Investments Management (Hong Kong) Limited (378 units)

① Company name	Fidelity Investments Management (Hong Kong) Limited
② Activities	Management of investment assets.
③ Head office address	17 <sup>th</sup> Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
④ Representative	Managing Director, Evan Hale
⑤ Capital	HKD 103,000,000
⑥ Major shareholder and percentage of held shares	FIL Limited (100%)
⑦ Relationship with NCRI and Asset Management Company	Funds managed by Fidelity Investments Management (Hong Kong) Limited does not own NCRI's investment units. NCRI and Asset Management Company have no other personal or business relations.

(Note 1) "Relationship with NCRI and Asset Management Company" indicate data as of April 14, 2008.

(Note 2) Excluding "Relationship with NCRI and Asset Management Company" based on data as of March 31, 2008 of Fidelity Investments Management (Hong Kong) Limited.

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(2) Reasons for Selection of Allottees

Fidelity Investments Japan Limited and Fidelity Investments Management (Hong Kong) Limited were selected as allottees with the understanding that Fidelity Investments Japan Limited and Fidelity Investments Management (Hong Kong) Limited are in agreement with our managerial policies with regard to the future internal and external growth of NCRI.

(3) Ownership Policy of Allottees

All intend to hold the investment units over the mid- to long term.

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

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