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For Immediate Release

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Notice Concerning Impact of the Start of Bankruptcy Proceedings by re-plus inc.

New City Residence Investment Corporation (“NCRI”) announced the impact, etc. that the decision to start bankruptcy proceedings made on September 24, 2008 by re-plus inc. (“re-plus”) has on NCRI as follows.

1. Relationship between NCRI and re-plus

Some of the lessees of properties in NCRI’s portfolio (“tenants”) are in an agreement with re-plus that entrusts re-plus with the joint guarantee of obligations under lease agreements. This agreement is a tripartite agreement between the tenants, re-plus and the property management company. Accordingly, there is no direct contractual relationship between NCRI and re-plus.

2. Impact of re-plus’s Bankruptcy Proceedings on NCRI

The abovementioned agreement contains a clause stipulating that, when there are delays in rent payable by tenants, re-plus shall pay off the late rent for tenants. In cases where tenants that are behind in their rent made payments to re-plus based on bills from re-plus or independently made payments of the late rent in part or in full to re-plus, there is a possibility that the rent that is essentially payable to the lessor by re-plus will not be paid as a result of the concerned bankruptcy proceedings.

In addition, as there is no other joint guarantor aside from re-plus under these lease agreements in the majority of cases, risks associated with rent collection may increase as a result of the bankruptcy proceedings.

3. Late Rent Subject to re-plus’s Joint Guarantee

Of the rent subject to joint guarantee by re-plus as entrusted to it by tenants, the rent for which payment is delayed as of September 26, 2008 amounts to about 33 million yen (by 166 tenants).

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.

4. Collection of Back Rent and Filling for the Joint Guarantor

Efforts will be made to collect back rent directly from tenants.

NCRI will take the extra step to inform of re-plus's start of bankruptcy proceedings in writing to all tenants that have entrusted re-plus with joint guarantee. In addition, NCRI will commence talks with tenants that are behind in their rent payment concerning the means of making future payments and filling the role of joint guarantor.

5. Impact of this Fact on NCRI's Business Performance

The impact of this fact on NCRI's business performance is considered to be immaterial. Business forecasts for the fiscal period ending February 2009 (September 1, 2008 to February 28, 2009) is scheduled to be released in the financial statements for the fiscal period ending August 2008 (March 1, 2008 to August 31, 2008) around Mid-October 2008.

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