



Moody's Investors Service

NEWS

Contact:

Tokyo

Takuji Masuko
VP - Senior Credit Officer
Structured Finance Group
Moody's Japan K.K.
JOURNALISTS: (03) 5408-4110
SUBSCRIBERS: (03) 5408-4100

Tokyo

Tetsuji Takenouchi
Senior Vice President - Team Leader
Structured Finance Group
Moody's Japan K.K.
JOURNALISTS: (03) 5408-4110
SUBSCRIBERS: (03) 5408-4100

Moody's downgrades NCR's ratings to Ba1; ratings remain under review for possible downgrade

Tokyo, October 10, 2008 -- Moody's Investors' Service announced today that it has downgraded the issuer rating and senior unsecured long-term debt ratings of New City Residence Investment Corporation (NCR) to Ba1 from A3, remaining under review for a possible further downgrade.

The rating actions are the result of NCR's October 9, 2008, petition for civil rehabilitation proceedings. Moody's believes the value of the assets in the company's real estate portfolio should be sufficient to make full payment on all of its outstanding debt. However, the ratings remain under review for possible downgrade because of uncertainties with regard to a potential delay in the proceedings, which may increase the company's vulnerability to real estate market conditions.

The last rating action for NCR was taken on October 9, 2008, when its A3 rating was placed under review for possible downgrade.

New City Residence Investment Corporation is a Japanese real estate investment trust that invests in residential properties.

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