

October 10, 2008

For Immediate Release

New City Residence Investment Corporation
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Jun Arai, Executive Director
(Securities Code: 8965)

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Notice Concerning Business Improvement Orders on NCRI and Asset Management Company

New City Residence Investment Corporation (“NCRI”) filed a petition for commencement of civil rehabilitation proceedings with the Tokyo District Court on October 9, 2008 based on a resolution adopted at the meeting of the Board of Directors held earlier that day. On the same day, NCRI received a business improvement order pursuant to Article 214-1 of the Investment Trust and Investment Corporation Law from the Director-General of the Kanto Local Finance Bureau as follows. Additionally on the same day, the asset management company of NCRI, CBRE Residential Management K.K. (the “Asset Management Company”), received a business improvement order pursuant to Article 51 of the Financial Instruments and Exchange Law from the Commissioner of the Financial Services Agency as follows.

1. Details of Business Improvement Order on NCRI
 - (1) To protect NCRI’s assets, and refrain from conducting acts to unreasonably use up those assets.
 - (2) To provide adequate explanation to NCRI’s unitholders and take all other possible measures from the perspective of protecting unitholders.
 - (3) To take steps (1) and (2), and submit the situation of such in writing to the Tokyo Local Finance Office by October 24, 2008.
2. Details of Business Improvement Order on the Asset Management Company
 - (1) To protect NCRI’s and the Asset Management Company’s assets, and refrain from conducting acts to unreasonably use up those assets.
 - (2) To provide adequate explanation to NCRI’s unitholders and take all other possible measures from the perspective of protecting unitholders.
 - (3) To submit a business improvement plan concerning (1) and (2) in writing to the Financial Services Agency by October 24, 2008, and to implement the plan immediately.

NCRI and the Asset Management Company take these business improvement orders with utmost seriousness and will respond sincerely to the matters pointed out. In addition, efforts will be devoted to the rehabilitation of NCRI in order to protect all unitholders, business partners and other related parties.

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

This English language notice is a summary 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.