

October 10, 2008

**For Immediate Release**

New City Residence Investment Corporation  
1-10-6 Roppongi, Minato-ku, Tokyo  
Jun Arai, Executive Director  
(Securities Code: 8965)

Asset Management Company  
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**Notice Concerning Civil Rehabilitation Proceedings**

New City Residence Investment Corporation (“NCRI”) filed a petition for commencement of civil rehabilitation proceedings with the Tokyo District Court on October 9, 2008, which was accepted by the Court on the same day. In correlation with this petition being filed, the Court immediately issued a provisional remedy prohibiting the payment of liabilities and a supervisory order was also issued along with the provisional remedy.

The civil rehabilitation proceedings are proceedings designed to rebuild businesses with the cooperation of all related parties and NCRI will continue to operate as usual. Different to bankruptcy, these are not proceedings designed to liquidate or dissolve businesses immediately.

Under the instructions and supervision of the Court and supervisor, NCRI intends to endeavor to perform its business smoothly and will make every effort to regain credibility and rebuild its business, asking for the support and cooperation of financial institutions, business partners and other persons concerned.

NCRI again expresses its sincere apologies for the considerable inconvenience to and kindly asks for the understanding and support of its unitholders, business partners and other related parties concerning the rehabilitation of NCRI.

NCRI will promptly announce future developments once the Court decides to commence the civil rehabilitation proceedings. In addition, adequate disclosure will be made in a timely manner.

Common civil rehabilitation proceedings are outlined as follows as reference for persons concerned.

<Reference>

- After filing a petition, the Court issues a “decision on commencement” about one week later, and a “rehabilitation plan” is developed and submitted to the Court generally about three months after this commencement decision (depending on the case).
- If a sponsor for rehabilitation proceedings is named and there is to be a merger by absorption into a sponsor corporation, or if it is to continue as a corporation that has filed a petition for civil rehabilitation through third-party allotment, etc. to a sponsor, then there is also the possibility of re-listing in the future.
- If business is to be assigned to a sponsor, the corporation that has filed a petition for civil rehabilitation goes into liquidation after the assignment and whatever remains after the settlement of obligations is distributed among capital investors.

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*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.*

- If a sponsor is not named and assets are sold or converted into cash, it still goes into liquidation and whatever remains after the settlement of obligations is distributed among capital investors.
  
- URL: <http://www.ncrinv.co.jp/eng>

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