



**Moody's Investors Service**

# NEWS

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**Moody's downgrades NCR's ratings to B1; ratings remain under review for possible downgrade**

Tokyo, October 17, 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) from Ba1 to B1. The ratings remain under review for possible further downgrade.

The rating actions are due to NCR's October 9, 2008, petition for civil rehabilitation, which was approved by the Tokyo District Court on October 14, 2008. Moody's believes the value of the assets in the company's real estate portfolio should be sufficient to pay down all of its outstanding debt. We have nevertheless downgraded the ratings, which remain under review for possible downgrade, because of uncertainties with regard to a potential delay in the proceedings, which may further increase the company's vulnerability to real estate financial market conditions.

The last rating action for NCR was taken on October 10, 2008. The previous ratings were Ba1, 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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