

November 7, 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:  
CBRE Residential Management K.K.  
Jun Arai, President and Representative Director

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**Notice Concerning New Executive Organization and Policy on Execution of Duties of NCRI's  
Asset Management Company**

The asset management company of New City Residence Investment Corporation (“NCRI”), CBRE Residential Management K.K. (the “Asset Management Company”), announced the decision made today to revamp its business management structure as follows and to conduct asset management geared towards rehabilitation of NCRI under a new executive organization in accordance with the policy on execution of duties detailed below.

We again express our sincere apologies to all for the considerable inconvenience and concern caused. We will exert our utmost efforts in the rehabilitation and kindly ask for understanding and support.

(1) New Executive Organization

The Asset Management Company determined that revamping the Asset Management Company's management team and embarking on the execution of duties under a new management team would be in the best interests of NCRI in electing a sponsor and developing a rehabilitation structure for the rehabilitation of NCRI.

Based on the policy, Hidekazu Higuchi is scheduled to be appointed director at the Asset Management Company's general meeting of shareholders (resolution to be adopted on November 14, 2008) and appointed representative director at the meeting of the board of directors to be held on the same day. Furthermore, the policy is for the Asset Management Company's current representative director Jun Arai and all full-time directors to resign on said date, once the incoming directors are appointed by the general meeting of shareholders. Part-time directors Tetsuya Fujita, Ichiro Kushimoto and William M.Harris are to remain on as part-time directors under the new executive organization.

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*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.*

## New Executive Organization

President Hidekazu Higuchi

\*The biography of the appointed president is attached.

Director (Part time) Tetsuya Fujita

Director (Part time) Ichiro Kushimoto

Director (Part time) William M.Harris

Statutory Auditor Yoshito Kaneyama

## Directors to Resign (scheduled to be effective on November 14, 2008)

Name Jun Arai

Name Kazuyuki Iwasaki

Name Keiji Ohtsu

Name Katsumi Yoshimura

Name Toyoharu Tsutsui (Part time)

## (2) The Asset Management Company's Policy on Execution of Duties Towards Rehabilitation of NCRI

Considerations are underway towards establishing the following as the duties of the Asset Management Company:

- (i) To focus on the operation and maintenance of the assets in NCRI's portfolio that prevents deterioration of the assets, under the supervision of the Court and the supervisor appointed by the Court; and
- (ii) To promptly provide materials and information to the financial advisor (please refer to the "Notice Concerning Progress of NCRI's Civil Rehabilitation Proceedings" issued on November 5, 2008).

In addition, the Asset Management Company intends to provide materials and offer advice upon the request of NCRI as needed. Considerations are underway to reduce the present asset management fees to reflect the reduction in services entrusted.

Under the new executive organization outlined in (1) above, the Asset Management Company will be committed to conducting asset management for NCRI in view of NCRI electing a sponsor and developing a rehabilitation plan that considers maximizing returns for unitholders and all other stakeholders.

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

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**[Attachment]** Biography of Director to be Appointed

Title	Name	Biography	
President	Hidekazu Higuchi	April, 1984	The Sanwa Bank Co., Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Loan Section, Shinbashi Branch
		August, 1986	Appointed to M&A Section, International Financial Dept., Business Development Dept.
		June, 1992	Appointed to Senior Manager of Capital Market Trading Dept.
		April, 1995	Seconded to Sanwa Securities Co., Ltd. (currently Mitsubishi UFJ Securities Co., Ltd.), Senior Manager, Sales and Trading Dept.
		July, 1998	Seconded to Sanwa Asset Management Co., Ltd. (currently MU Investments Co., Ltd.), Fund Manager
		November, 1999	Fischer Francis Trees & Watts, K.K., Director and Member of the Board, Business Development & Client Service
		December, 2004	HFR Asset Management, LLC. Tokyo Branch, Representative Director in Japan, Managing Director
		June, 2007	New City Corporation, K.K. Executive Officer and Executive Vice President, Investor Relations
		October, 2008	CBRE Residential Management K.K. Advisor
November, 2008	To be appointed to President of CBRE Residential Management K.K.		

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