

Rating Action: [New City Residence Investment Corporation](#)

Moody's downgrades and withdraws NCR's ratings

Tokyo, February 03, 2009 -- Moody's Investors' Service announced today that it had downgraded the issuer and senior unsecured long-term debt ratings of New City Residence Investment Corporation (NCR) to Caa1 from B1 (under review for possible further downgrade). The outlook was stable.

Moody's also withdrew the ratings immediately after the downgrades, as the rating agency believes it lacks adequate information to maintain them. Please refer to Moody's Withdrawal Policy on www.moodys.com.

On October 9, 2008, NCR petitioned for civil rehabilitation, which was approved by the Tokyo District Court on October 14, 2008. A petition to extend the deadline for submission of the proposed rehabilitation plan, which had initially been scheduled for January 7, 2009, was filed with the Tokyo District Court. NCR announced that it had received (on January 7) an extension to April 7, 2009.

Moody's still believes that the value of the assets in NCR's real estate portfolio should be sufficient to pay down all of its outstanding debt. The agency downgraded the ratings immediately prior to withdrawing them because of concerns that the company would become more vulnerable due to the slump and uncertainties in the real estate market.

Moody's last rating action with respect to NCR was taken on October 17, 2008, when it downgraded the company's issuer and senior unsecured long-term debt ratings from Ba1 to B1, and kept the ratings under review for possible downgrade.

The methodology used in rating REITs is Moody's "Rating Methodology for REITs and Other Commercial Property Firms" (January 2006), which can be found at www.moodys.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory.

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

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