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For Immediate Release

New City Residence Investment Corporation
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**Notice Concerning “Advisory” from the Investment Trusts
Association, Japan on the Asset Management Company**

New City Residence Investment Corporation (“NCRI”) announced that CBRE Residential Management K.K., the asset management company to which NCRI entrusts the management of its assets (the “Asset Management Company”), received an advisory from the Investment Trusts Association, Japan (the “Association”) on March 12, 2009 regarding the false entry of minutes for resolutions, etc. made at the Asset Management Company’s Investment Committee meeting as well as the meeting of its Board of Directors ahead of the resolution for approval at a meeting of NCRI’s Board of Directors held on April 22, 2008 concerning NCRI’s capital increase through third-party allotment, and also regarding the lack of an internal control system concerning the acquisition of real estate from interested parties, etc.

Other issues indicated in the advisory were in regard to matters pointed out in the results of the inspection the Securities and Exchange Surveillance Commission (“SESC”) had conducted of the Asset Management Company since mid-May 2008. The inspection results were received from the SESC on November 7, 2008 (please refer to the “Notice Concerning SESC Inspection Results” dated November 7, 2008). In response to the abovementioned SESC inspection results, the Asset Management Company had already submitted a business improvement plan, etc., including countermeasures to prevent recurrence, to the Commissioner of the Financial Services Agency and also reported the content of such to the Association.

The Asset Management Company takes the contents of these inspection results and advisory with the utmost seriousness and will be committed to preventing recurrence by earnestly addressing increasingly thorough legal compliance and further enhancement of the internal control system through the unified efforts of all directors and employees.

We sincerely apologize to all unitholders, investors and related parties for the considerable concern and inconvenience the lack of an internal control system at the Asset Management Company may have caused.

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

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.