

April 22, 2009

For Immediate Release

New City Residence Investment Corporation
1-10-6 Roppongi, Minato-ku, Tokyo
Jun Arai, Executive Director

Asset Management Company:
CBRE Residential Management K.K.
Hidekazu Higuchi, President and Representative Director

Inquiries:
Yasutaka Kato
General Manager, Planning Department
Investment & Asset Management Division
TEL: +81-3-6229-3860

**Notice Concerning Administrative Action Against
Asset Management Company's Principal Shareholder New City Corporation K.K.**

New City Residence Investment Corporation ("NCRI") announced an administrative action against New City Corporation K.K. ("NCC"), which is a principal shareholder (shareholding: 42.5%) of NCRI's current asset management company (CBRE Residential Management K.K.; hereafter, the "Asset Management Company"), was issued by the Financial Services Agency ("FSA") on April 21, 2009 (for details and other information on the administrative action, please refer to FSA's website <<http://www.fsa.go.jp/news/20/syouken/20090421-2.html>>).

NCRI is a corporation operated independently from NCC. Furthermore, pursuant to laws and regulations, NCRI entrusts the business relating to the custody of its assets to its asset custodian Mizuho Trust & Banking Co., Ltd. and NCRI's assets are under custody separate from the assets of others. The Asset Management Company is also a corporation operated independently from NCC and the concerned administrative action against NCC does not directly impact the business of the Asset Management Company. In addition, the concerned administrative action against NCC does not impact the rehabilitation proceedings that were commenced for NCRI or the proposed rehabilitation plan that NCRI submitted to the court on April 7, 2009.

Another notice will be released if new material facts concerning this matter unveil in the future.

- 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.