

September 9, 2009

For Immediate Release

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Notice Concerning Cancellation of Issuance of Investment Units through Third-Party Allotment, and Terms and Conditions for Asset Management Agreement to Take Effect Not Being Met

New City Residence Investment Corporation (“NCRI”) announced, in the “Notice Concerning Rejection of Proposed Rehabilitation Plan, Court Order of Discontinuance of Rehabilitation Proceedings, Termination of Sponsor Agreement, and Expressions of Intention Made by Creditors to File Another Petition for Commencement of Rehabilitation Proceedings” dated today, it terminated the sponsor agreement that it had entered into on April 7, 2009 with Lone Star Real Estate Fund (U.S.), L.P. and KF Capital Co., Ltd. (including amendments thereto) on September 9, 2009. As a consequence, NCRI has decided to cancel its third-party allotment of offered investment units that was to be implemented with KF Capital and any person designated by Lone Star with the consent of NCRI as the allottees. In addition, NCRI also announced the asset management agreement that it had entered into on May 15, 2009 with Hudson Japan K.K. will not take effect due to it becoming final and binding that the agreement terms and conditions for the asset management agreement with Hudson Japan K.K. to take effect will not be met.

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

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