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For Immediate Release

New City Residence Investment Corporation
3-2-31 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 Issuance of New Investment Units through Third-Party Allotment

New City Residence Investment Corporation (“NCRI”) announced it decided on December 14, 2009 to issue new investment units through a third-party allotment (the “Capital Increase through Third-Party Allotment”) as outlined below.

1. Outline of Issuance of New Investment Units

(1) Number of new investment units to be issued	120,000 units
(2) Issue price	50,000 yen per unit
(3) Gross proceeds (issue price)	6 billion yen
(4) Method of offering/allotment	By way of a third-party allotment
(5) Subscription date	January 14, 2010 (Thursday)
(6) Payment due date	January 15, 2010 (Friday)
(7) Allottee and number of investment units to be allotted	Daiwa House Industry Co., Ltd. 60,000 units Sumitomo Mitsui Banking Corporation 20,000 units The Chuo Mitsui Trust and Banking Company, Limited 20,000 units Mizuho Securities Principal Investment Co., Ltd. 20,000 units
(8) Unit of subscription	1 unit or more in multiples of 1 unit
(9) Administrative agent relating to the offering	Citigroup Global Markets Japan Inc.
(10) The Capital Increase through Third-Party Allotment is subject to certain conditions, including the rehabilitation plan becoming final and binding in NCRI’s civil rehabilitation proceedings and the notification pursuant to the Financial Instruments and Exchange Law for the Capital Increase through Third-Party Allotment taking effect.	

2. Change in Number of Investment Units Issued and Outstanding from the Issuance

Current number of investment units issued and outstanding	182,068 units
Increase in number of investment units from the issuance	120,000 units
Total number of investment units issued and outstanding following the issuance	302,068 units

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3. Purpose and Reason for the Issuance

The turmoil in the financial markets and the credit crunch worldwide stemming from the subprime mortgage crisis in the U.S., skyrocketing costs of raw materials due to surging crude oil prices and other factors have caused material impact on Japanese real estate related industries, leading to less financing and real estate disposition options and other stagnation in real estate transactions on the whole. Such changes left NCRI in a state of there being no prospects for procuring funds to pay for assets that it was planning to acquire or funds to repay loans that were to become due for repayment. Consequently, NCRI received an order of commencement of civil rehabilitation proceedings on October 14, 2008 (the “Initial Civil Rehabilitation Proceedings”). Although NCRI focused on seeking potential sponsors, drawing up a proposed rehabilitation plan and other efforts, the proposed rehabilitation plan was voted down at a creditors meeting in the Initial Civil Rehabilitation Proceedings held on September 9, 2009 and the Tokyo District Court made an order of discontinuance of the Initial Civil Rehabilitation Proceedings. Following such, NCRI found itself in a state in which early selection of a new sponsor that will meet with the approval of rehabilitation creditors and filing of a new petition for commencement of rehabilitation proceedings premised on a rehabilitation plan based on support from that sponsor would be necessary in order to avoid bankruptcy. Under such circumstances, as already announced, NCRI signed into a letter of intent with Daiwa House Industry Co., Ltd. (“Daiwa House Industry”) and BLife Investment Corporation on September 18, 2009 for support of NCRI’s rehabilitation (the “Letter of Intent”), agreeing to make Daiwa House Industry and BLife Investment Corporation the new sponsors and for NCRI to receive rehabilitation support that includes increasing capital through a third-party allotment to support the rehabilitation of NCRI in which the allottees are Daiwa House Industry and any party designated by Daiwa House Industry with the consent of NCRI. Later, for the Capital Increase through Third-Party Allotment, NCRI signed into an agreement with Daiwa House Industry on November 10, 2009 for the underwriting of new investment units (the “Underwriting Agreement”).

Moreover, on November 9, 2009, NCRI submitted to the Tokyo District Court a proposed rehabilitation plan premised on the rehabilitation structure set forth in the Letter of Intent (the “Proposed Rehabilitation Plan” when referring to that prior to creditors’ approval and the “Rehabilitation Plan” when referring to that after approval). The Proposed Rehabilitation Plan was approved at a creditors meeting held on December 9, 2009 and NCRI received a Tokyo District Court order of confirmation on December 9, 2009.

NCRI decided to implement the Capital Increase through Third-Party Allotment in accordance with the Letter of Intent, Underwriting Agreement and Rehabilitation Plan.

4. Amount of Funds to be Procured, and Use and Scheduled Date of Use of Funds to be Procured

(1) Amount of Funds to be Procured (Estimated Net Proceeds)
6 billion yen

(2) Specific Use and Scheduled Date of Use of Funds to be Procured
The entire amount of the proceeds from the Capital Increase through Third-Party Allotment is to be applied to the payment of rehabilitation claims (including rehabilitation claims with a right of separate satisfaction) on the first payment date prescribed in the Rehabilitation Plan (the last day of the month in which falls the date that marks two months from when the order of confirmation of the Rehabilitation Plan becomes final and binding).

5. Rationality of Issuance Conditions, etc.

NCRI carefully reviewed the necessity of the Third-Party Allotment and the rationality of issuance conditions, etc. in light of such factors as the course of the sponsor selection procedures and content of sponsor proposals in the Initial Civil Rehabilitation Proceedings, the order of discontinuance of the Initial Civil Rehabilitation Proceedings making the early drafting of a proposed rehabilitation plan that is very likely to will meet with the approval of creditors and subsequent filing of a new petition for commencement of rehabilitation proceedings necessary in order to avoid bankruptcy, the state of major rehabilitation creditors’ approval of the

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proposal of Daiwa House Industry and BLife Investment Corporation, rehabilitation creditors whose rehabilitation claims account for the majority of rehabilitation claims having expressed their intentions to object to carrying out procedures to bid again for the selection of potential new sponsors, and a comparison and balancing of the interests of unitholders between the case that NCRI falls into bankruptcy and the case that NCRI implements the Third-Party Allotment and merges with BLife Investment Corporation (the “Merger”). Based on the review, NCRI deemed that receiving rehabilitation support under the issue price, issue volume and other issue conditions proposed by the new sponsors would enhance NCRI’s value as an investment corporation.

6. Reason for Selecting Allottees, etc.

(1) Overview of Allottees

(1) Name	Daiwa House Industry Co., Ltd.
(2) Head office address	3-3-5 Umeda, Kita-ku, Osaka-shi
(3) Title and name of representative	Kenji Murakami, President and COO
(4) Business description	Building business, urban development business, etc.
(5) Capital stock	110,120 million yen
(6) Date established	March 4, 1947
(7) Number of shares issued and outstanding	599,921,851 shares
(8) End of fiscal year	March 31
(9) Number of employees (as of September 30, 2009)	26,980 employees (consolidated basis)
(10) Main clients	General customers (individuals and business corporations)
(11) Main banks	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd.
(12) Principal shareholders and their shareholding (as of September 30, 2009)	The Master Trust Bank of Japan, Ltd. (trust account) 6.49% Japan Trustee Services Bank, Ltd. (trust account) 5.73% Moxley & Co. (standing proxy: Sumitomo Mitsui Banking Corporation) 2.74%
(13) Relationship between investment corporation / asset management company and allottee	
Capital ties	There are no capital ties requiring mention between NCRI or its asset management company and the Company. Furthermore, there are no capital ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.
Personnel ties	There are no personnel ties requiring mention between NCRI or its asset management company and the Company. Furthermore, there are no personnel ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.
Business ties	NCRI has signed into a merger agreement with BLife Investment Corporation, which entrusts its asset management services to a Daiwa House Industry subsidiary Daiwa House Morimoto Asset Management Co., Ltd. In correlation, an asset management agreement is also scheduled to be signed with Daiwa House Morimoto Asset Management Co., Ltd. or any party designated by Daiwa House Industry with NCRI’s consent. There are no business ties requiring special mention between the

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	affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of Daiwa House Industry.			
Status of classification as related party	The Company does not constitute a related party of NCRI or its asset management company. Furthermore, the affiliated persons or affiliated companies of the Company do not constitute a related party of NCRI or its asset management company.			
(14) Results of operations and financial position for past 3 years (unit: million yen)				
	Fiscal year ended	March 31, 2007	March 31, 2008	March 31, 2009
	Consolidated net assets	661,145	649,440	607,427
	Consolidated total assets	1,630,022	1,791,052	1,810,573
	Consolidated net assets per share (yen)	1,122.88	1,092.04	1,047.50
	Consolidated net sales	1,618,450	1,709,254	1,690,956
	Consolidated operating income	85,678	89,120	73,580
	Consolidated ordinary income	89,356	61,290	39,855
	Consolidated net income	46,393	13,079	4,170
	Consolidated net income per share (yen)	81.15	22.46	7.20
	Dividend per share (yen)	20.0	24.0	24.0

(1) Name	Sumitomo Mitsui Banking Corporation
(2) Head office address	1-1-2 Yuraku-cho, Chiyoda-ku, Tokyo
(3) Title and name of representative	Masayuki Oku, President
(4) Business description	Banking business
(5) Capital stock	1,263 billion yen
(6) Date established	June 6, 1996
(7) Number of shares issued and outstanding	Common stock: 86,232,385 shares First series type 6 preferred stock: 70,001 shares
(8) End of fiscal year	March 31
(9) Number of employees	22,913 employees (consolidated basis)
(10) Principal shareholder and its shareholding	Sumitomo Mitsui Financial Group, Inc. 100.00%
(11) Relationship between investment corporation / asset management company and allottee	
Capital ties	There are no capital ties requiring mention between NCRI or its asset management company and the Company. Furthermore, there are no capital ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.
Personnel ties	There are no personnel ties requiring mention between NCRI or its asset management company and the Company. Furthermore, there are no personnel ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.
Business ties	NCRI borrows funds from the Company. There are no business ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.
Status of classification as related party	The Company does not constitute a related party of NCRI or its asset management company. Furthermore, the affiliated persons or affiliated companies of the Company

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		do not constitute a related party of NCRI or its asset management company.		
(12)	Results of operations and financial position for past 3 years (unit: million yen)			
	Fiscal year ended	March 31, 2007	March 31, 2008	March 31, 2009
	Consolidated net assets	5,412,458	5,080,747	4,518,647
	Consolidated total assets	98,570,638	108,637,791	115,849,385
	Consolidated net assets per share (yen)	67,823	60,442	41,492
	Consolidated ordinary revenue	2,925,665	3,411,052	2,989,608
	Consolidated ordinary income	716,697	734,958	59,285
	Consolidated net income	401,795	351,820	△317,306
	Consolidated net income per share (yen)	7,072	6,132	△5,740
	Dividend per share (yen)	763	1,487	1,638

(1) Name	The Chuo Mitsui Trust and Banking Company, Limited
(2) Head office address	3-33-1 Shiba, Minato-ku, Tokyo
(3) Title and name of representative	Kazuo Tanabe, President
(4) Business description	Trust and banking business
(5) Capital stock	399,697 million yen (as of September 30, 2009)
(6) Date established	May 26, 1962
(7) Number of shares issued and outstanding	Common stock: 2,595,958 thousand shares (as of September 30, 2009)
(8) End of fiscal year	March 31
(9) Number of employees	6,497 employees (consolidated basis) (as of September 30, 2009)
(10) Main client	Chuo Mitsui Trust Holdings, Inc. 100.00%

(11)	Relationship between investment corporation / asset management company and allottee			
	Capital ties	There are no capital ties requiring mention between NCRI or its asset management company and the Company. Furthermore, there are no capital ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.		
	Personnel ties	There are no personnel ties requiring mention between NCRI or its asset management company and the Company. Furthermore, there are no personnel ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.		
	Business ties	NCRI borrows funds from the Company. There are no business ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.		
	Status of classification as related party	The Company does not constitute a related party of NCRI or its asset management company. Furthermore, the affiliated persons or affiliated companies of the Company do not constitute a related party of NCRI or its asset management company.		
(12)	Results of operations and financial position for past 3 years (unit: million yen)			
	Fiscal year ended	March 31, 2007	March 31, 2008	March 31, 2009
	Consolidated net assets	995,201	743,245	546,824
	Consolidated total assets	13,875,967	14,233,141	14,887,017
	Consolidated net assets per share (yen)	439.87	247.28	107.31

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Consolidated ordinary revenue	399,686	410,285	363,462
Consolidated ordinary income	133,644	103,473	△134,554
Consolidated net income	102,489	64,657	△95,446
Consolidated net income per share (yen)	75.33	46.22	△60.87
Dividend per share (yen)	Common stock: 7.88 yen Second series class A preferred stock: 14.40 yen Third series class A preferred stock: 20.00 yen	Common stock: 98.44 yen Second series class A preferred stock: – yen Third series class A preferred stock: – yen	Common stock: – yen Second series class A preferred stock: – yen Third series class A preferred stock: – yen

(1) Name	Mizuho Securities Principal Investment Co., Ltd.		
(2) Head office address	1-7-2 Otemachi, Chiyoda-ku, Tokyo		
(3) Title and name of representative	Fumiaki Nishijima, Representative Director		
(4) Business description	Investment business, etc.		
(5) Capital stock	5,000,011,100 yen in cash (as of end of November 2009)		
(6) Date established	July 1, 2005 ^{*1}		
(7) Number of shares issued and outstanding	251,882 shares		
(8) End of fiscal year	March 31		
(9) Number of employees	19 employees (consolidated basis) (as of end of November 2009; excluding non-executive employees)		
(10) Main bank	Mizuho Corporate Bank, Ltd.		
(11) Principal shareholder and its shareholding	Mizuho Securities Co., Ltd.	100%	
(12) Relationship between investment corporation / asset management company and allottee			
Capital ties	There are no capital ties requiring mention between NCRI or its asset management company and the Company. Furthermore, there are no capital ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.		
Personnel ties	There are no personnel ties requiring mention between NCRI or its asset management company and the Company. Furthermore, there are no personnel ties requiring special mention between the affiliated persons or affiliated companies of NCRI or its asset management company and the affiliated persons or affiliated companies of the Company.		
Business ties	There are no business ties requiring mention between NCRI or its asset management company and the Company. Furthermore, NCRI does not borrow funds from the Company's affiliated companies Mizuho Bank, Ltd. or Mizuho Trust & Banking Co., Ltd.		
Status of classification as related party	The Company does not constitute a related party of NCRI or its asset management company. Furthermore, the affiliated persons or affiliated companies of the Company do not constitute a related party of NCRI or its asset management company.		
(13) Results of operations and financial position for past 3 years (unit: million yen)			
Fiscal year ended	March 31, 2007	March 31, 2008	March 31, 2009
Consolidated net assets	93	1,148	6,668
Consolidated total assets	275	29,111	44,727

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Consolidated net assets per share (yen)	46,795	57,431	26,474
Consolidated net sales	191	150	1,151
Consolidated operating income	△4	△4	△2,068
Consolidated ordinary income	△5	△28	△2,473
Consolidated net income	△6	△14	△2,478
Consolidated net income per share (yen)	△3,269.9	△706.1	△9,840.4
Dividend per share (yen)	0	0	0

*1: July 1, 2005 Established Shinko Principal Investment Co., Ltd.
January 28, 2008 Company name changed to Mizuho Securities Shinko Principal Investment Co., Ltd.
June 25, 2009 Company name changed to Mizuho Securities Principal Investment Co., Ltd.

(2) Reason for Selecting Allottees

Following the events described in “3. Purpose and Reason for the Issuance” above, NCRI signed into the Letter of Intent and Underwriting Agreement and received an order of confirmation of the Rehabilitation Plan. NCRI selected Daiwa House Industry and any party designated by Daiwa House Industry as allottees based on the Letter of Intent and Underwriting Agreement.

(3) Allottees’ Lock-Up Policy

The investment units allotted as a result of the Capital Increase through Third-Party Allotment (in the event that the Merger takes effect, BLife Investment Corporation investment units that will be allotted and delivered for such investment units upon the Merger) shall not be sold to a third party or otherwise disposed of without the prior consent of NCRI (in the event that the Merger takes effect, BLife Investment Corporation) for a period up to the date that marks twelve months from the effective date of the Merger in the case of Daiwa House Industry and for a period up to the date that marks six months from the effective date of the Merger in the case of Sumitomo Mitsui Banking Corporation, The Chuo Mitsui Trust and Banking Company, Limited and Mizuho Securities Principal Investment Co., Ltd.

7. Principal Unitholders and their Unitholding

Principal unitholders and their unitholding (number of investment units held by the unitholder as a percentage of total number of investment units issued and outstanding) before and after the Capital Increase through Third-Party Allotment

Before the offering (as of August 31, 2009)		After the offering	
UBS AG London Account IPB Segregated Client Account	13.75%	Daiwa House Industry Co., Ltd.	19.86%
DBS Vickers Hong Kong Ltd.- Client Account	8.24%	UBS AG London Account IPB Segregated Client Account	8.29%
BBH (LUX) Fidelity Active Strategy Japan Fund	7.47%	Sumitomo Mitsui Banking Corporation	6.62%
Goldman Sachs International	7.17%	The Chuo Mitsui Trust and Banking Company, Limited	6.62%
UBS AG London Asia Equities	4.99%	Mizuho Securities Principal Investment Co., Ltd.	6.62%
CGML-IPB Customer Collateral Account	3.87%	DBS Vickers Hong Kong Ltd.- Client Account	4.97%
Japan Securities Depository Center, Inc. (Unregistered Stocks Management Account)	3.07%	BBH (LUX) Fidelity Active Strategy Japan Fund	4.50%
An individual	2.14%	Goldman Sachs International	4.32%
BNP Paribas Securities Service Luxembourg Jasdec Securities	2.09%	UBS AG London Asia Equities	3.01%
AIG Star Life Insurance Co., Ltd.	1.77%	CGML-IPB Customer Collateral Account	2.33%

● URL: <http://www.ncrinv.co.jp/eng/>

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