

January 19, 2010

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.
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**Notice Concerning Convocation of General Meeting of Unitholders for
Approval of Merger Agreement and Other Matters**

New City Residence Investment Corporation (“NCRI”) plans to hold its fifth general meeting of unitholders (the “General Meeting of Unitholders”) on February 23, 2010, as notified by way of public notice in The Nikkei dated December 22, 2009. NCRI announced that a resolution was adopted at a meeting of its board of directors held today to submit the approval of a merger agreement, appointment of directors and change of the asset management company, among other matters, as agenda for discussion at the General Meeting of Unitholders as outlined below.

1. Background to Convocation of the General Meeting of Unitholders

On October 14, 2009, NCRI received an order of commencement of rehabilitation proceedings (the rehabilitation proceedings that have commenced for NCRI hereafter referred to as the “Civil Rehabilitation Proceedings”). On November 9, 2009, NCRI submitted to the Tokyo District Court a proposed rehabilitation plan premised on the rehabilitation structure agreed to in a letter of intent signed with Daiwa House Industry Co., Ltd. (“Daiwa House Industry”) and BLife Investment Corporation (“BLife;” hereafter referred to collectively with Daiwa House Industry as the “Sponsors”) on September 18, 2009 for rehabilitation support in the hopes of drafting a proposed rehabilitation plan that is to be formulated in the Civil Rehabilitation Proceedings (the “Letter of Intent”) (the “Proposed Rehabilitation Plan” when referring to that prior to approval at a creditors meeting and the “Rehabilitation Plan” when referring to that after approval). On December 9, 2009, the Proposed Rehabilitation Plan was approved at the creditors meeting and NCRI received a Tokyo District Court order of confirmation. On January 5, 2010, that order of confirmation became final and binding. For the essentials of the Rehabilitation Plan, please refer to the “Notice Concerning Submission of Proposed Rehabilitation Plan” dated November 9, 2009.

2. Approval of Merger Agreement

As announced in the “Notice Concerning Signing into Merger Agreement between BLife Investment Corporation and New City Residence Investment Corporation” dated November 10, 2009, NCRI signed into a merger *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.*

agreement to execute a merger between NCRI and BLife with April 1, 2010 as the effective date of the merger (the “Merger”).

The Merger will take the form of an absorption-type merger with BLife as the corporation surviving the absorption-type merger and NCRI as the corporation dissolving in the absorption-type merger.

The notice of convocation of general meeting of unitholders that is scheduled to be released and dispatched in early February 2010 will provide the details on the Merger. Thus, please refer to the convocation notice for details on the Merger.

NCRI hopes that unitholders will agree with the purpose of the Merger and approve the merger agreement.

3. Appointment of Directors

In correlation with execution of the Rehabilitation Plan, NCRI’s current executive director Jun Arai and supervisory directors Koichi Shimada and Yukiko Fujikawa are scheduled to step down from their positions as of February 23, 2010. In conjunction, agenda expressing the intention to appoint one executive director and agenda expressing the intention to appoint one substitute executive director to prepare for the situation in which there is an absence of an executive director or situation in which there is a shortage in the number from that set forth by laws and ordinances, and agenda expressing the intention to appoint two supervisory directors will be submitted. The biography, etc. of these director candidates are described below.

None of the director candidates have particular vested interest in NCRI. In addition, each of the director candidates agree with the details of the Rehabilitation Plan and support from the Sponsors.

The name and biography, etc. of the executive director candidate are as follows:

Name (date of birth)	Biography (company name as at that time)
Nobuo Kunihiro (April 4, 1952)	April 1976 Joined The Mitsui Trust and Banking Co., Ltd.
	January 1998 Branch Manager of Otsu Branch
	October 1999 Manager assigned to Head Office Business Department
	April 2000 Manager in charge of Nihonbashi Main Office Business Department at The Chuo Mitsui Trust and Banking Co., Ltd.
	July 2000 Manager of Nihonbashi Main Office Business Department
	October 2001 Manager of Nihonbashi Main Office Business Department and Head Office Business Department
	March 2002 Manager of Institutional Business Department at Mitsui Asset Trust and Banking Co., Ltd.
	May 2002 Kyoto Branch Manager at The Chuo Mitsui Trust and Banking Co., Ltd.
	November 2004 President and Representative Director at Chuo Mitsui Finance Service Co., Ltd.
	June 2006 Auditor (part-time) at Chuo Mitsui Leasing Co., Ltd.
	June 2007 Auditor (part-time) at Mitsui Direct General Insurance Co., Ltd.
	July 2009 Counsel to The Developer Sanshin Co., Ltd.
	August 2009 Managing Director (current position)
	August 2009 Director (part-time) at Shinsen Tatemono K.K. (current position)
August 2009 Director (part-time) at Koto Tatemono Kanri K.K. (current position)	

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The name and biography, etc. of the substitute executive director candidate are as follows:

Name (date of birth)	Biography (company name as at that time)	
Tetsuya Sakamoto (November 26, 1962)	April 1987	Joined The Mitsui Trust and Banking Co., Ltd. Assigned to Personnel Department
	August 1987	Yokohama Station West Exit Branch
	July 1990	Sendai Branch
	October 1996	Real Estate Department
	October 1999	Osaka Branch
	February 2005	Real Estate Planning and Administration Department at The Chuo Mitsui Trust and Banking Co., Ltd.
	September 2009	Seconded to Daiwa House Morimoto Asset Management Co., Ltd. Deputy Manager of Planning and Administration Department
	October 2009	Manager of Compliance Office and Deputy Manager of Planning and Administration Department (current position)

The name and biography, etc. of the supervisory director candidates are as follows:

Candidate No.	Name (date of birth)	Biography (company name as at that time)	
1	Ken Hasegawa (October 5, 1948)	April 1975	Manager of Welfare Department of Bunkyo Ward Office
		April 1978	Legal Training and Research Institute of the Supreme Court of Japan (legal apprentice)
		April 1980	Registered as attorney (Tokyo Bar Association)
		April 1983	Opened Kato, Nishida and Hasegawa Law Office (current position)
		July 1994	Attorney on contract with The Japan Center for Settlement of Traffic Accident Disputes (current position)
		April 1996	Lecturer of School of Law at Meiji University
		April 1999	Lecturer (part-time) at Seisen University (current position)
		April 2003	Director of NPO corporation "Tomo ni Seikatsu wo Kiduku Kai" (a group home for the intellectually challenged) (current position)
		April 2004	Lecturer (part-time) of Law School at Daito Bunka University (current position)
		June 2009	Auditor at Sakuma Confectionery Co., Ltd. (current position)
2	Yoshikane Saito (September 19, 1972)	October 1997	Joined KPMG Century Audit Corporation
		August 2000	Joined Visionarts, Inc.
		July 2002	Established Saito Kaikei Jimusho
		April 2004	Registered as certified public accountant (Registration No. 18508)
		July 2004	Registered as certified public tax accountant (Registration No. 100124)
		September 2006	Established Phoenix Accounting Group Inc. Director and COO
		October 2007	Established Omotesando Koninkaikeishi Kyodo Jimusho Partner (current position)
		November 2009	Established Omotesando Zeirishi Hojin Partner (current position)

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4. Change of the Asset Management Company

As outlined in 1. above, for realization of the Rehabilitation Plan, NCRI is scheduled to execute an absorption-type merger with BLife as the surviving corporation and NCRI as the dissolving corporation and BLife's asset management company Daiwa House Morimoto Asset Management Co., Ltd. ("DHMAM") is scheduled to become the asset management company of the investment corporation resulting from the Merger. In addition, even if approval of the agenda presented in 1. above is not obtained, the existing asset management agreement is scheduled to be cancelled and a new asset management agreement to be signed with DHMAM pursuant to the Rehabilitation Plan. Consequently, agenda expressing the intention to cancel the asset management agreement dated September 27, 2004 signed with NCRI's current asset management company CBRE Residential Management Co., Ltd. (including amendments and changes thereto) on March 31, 2010 (however, when the Merger is to take place and the effective date of the Merger is changed to a date other than April 1, 2010, then the day prior to the effective date of the Merger after that change), and the agenda seeking approval of the signing of a new asset management agreement with DHMAM will be submitted. Concerning the agenda seeking approval of the signing of a new asset management agreement with DHMAM, this is a preliminary agenda that is subject to deliberation and resolution only if the agenda seeking approval of the Merger described in 1. above is not approved.

The name, address and history of the asset management company with which an asset management agreement is to be signed is outlined below. The content of the asset management agreement is scheduled to be of identical content to the content of the asset management agreement entered into with the current asset management company. The notice of convocation of general meeting of unitholders that is scheduled to be released and dispatched in early February 2010 will provide the details. Thus, please refer to the convocation notice for details.

Company name:	Daiwa House Morimoto Asset Management Co., Ltd.	
Date established:	September 1, 2004	
History:	October 29, 2004	Acquired building lots and buildings transaction business operator license issued by the Governor of Tokyo
	February 4, 2005	Acquired discretionary transaction agent authorization under the Building Lots and Buildings Transaction Business Law
	April 18, 2005	Acquired investment corporation asset management business authorization under the Investment Trust and Investment Corporation Law (Prime Minister of Japan Authorization No. 43)
	September 30, 2007	Registered as financial instruments business operator
	February 1, 2009	Changed company name from Morimoto Asset Management Co., Ltd. to Daiwa House Morimoto Asset Management Co., Ltd.
Capital stock:	300 million yen	
Representative:	Takeshi Fujita, Representative Director	
Head office:	KDC Shibuya Building 4F, 3-9-10 Shibuya, Shibuya-ku, Tokyo	
Number of employees:	12 (as of last day of November 2009)	
Business description:	Investment trust management business, investment corporation asset management business, business as founder of investment corporation, building lots and buildings transaction business, real estate management business, general administration entrustment business pursuant to the Investment Trust and Investment Corporation Law, and other business incidental or related to the above	
Acquired licenses, etc.:	Building lots and buildings transaction business (Governor of Tokyo License (2) No. 83758) Discretionary transaction agent (Minister of Land, Infrastructure, Transport and Tourism Authorization No. 32) Financial instruments business operator (Director-General of the Kanto Local Finance Bureau (Kinsho) Registration No. 409)	
Shareholders:	Daiwa House Industry Co., Ltd. (73.5%) Morimoto Co., Ltd. (20.0%)	

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Morgan Stanley Capital K.K. (2.0%)
Mizuho Bank, Ltd. (1.5%)
The Chuo Mitsui Trust and Banking Company, Limited. (1.5%)
Sumitomo Mitsui Banking Corporation (1.5%)

Main clients: BLife Investment Corporation

5. Schedule

December 22, 2009	Public notice of the record date for the Fifth General Meeting of Unitholders
January 15, 2010	Record date for the Fifth General Meeting of Unitholders
January 19, 2010	Approval of the board of directors for agenda to be submitted to the Fifth General Meeting of Unitholders
February 5, 2010	Dispatch of notice of convocation of the Fifth General Meeting of Unitholders (planned)
February 23, 2010	Holding of the Fifth General Meeting of Unitholders (planned)

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

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