

Japan's real estate investment trust (J-REIT) market was first launched in the fall of 2001. In the ensuing period, J-REITs have grown to become a leading financial instrument and investment alternative.

For the most part, the J-REIT market has comprised property funds backed primarily by investments in office buildings and retail facilities. As a result, the need arose for a J-REIT that specialized in residential leasing properties, a segment that is less susceptible to changes in the economy and general social conditions and that offers greater stability in terms of investment return.

CBRE Residential Management K.K. (hereafter referred to as "CBRE Residential Management" or the "Company") is the asset management company for New City Residence Investment Corporation (hereafter referred to as "NCRI" or "New City Residence"), a new, property-backed, high-quality residential leasing J-REIT that was listed on the Tokyo Stock Exchange in December 2004. Leveraging the asset management know-how and extensive network and pipeline in connection with real estate acquisition and development of its sponsors CB Richard Ellis Investors K.K., a real estate investment and advisory company and member of the CB Richard Ellis Group, itself listed on the New York Stock Exchange, and New City Corporation, a Japanese residential property developer, CBRE Residential Management strives for sustainable growth and to secure long-term stable returns from the real estate assets held by NCRI.

In principle, the Company maintains an investment and asset management policy that emphasizes risk management and diversification. In order to establish, develop and maintain a real estate portfolio that is unaffected by changes in the market and the times, the Company looks at investments across a broad base of residential properties that incorporate diverse lifestyles. This includes properties that cater to the singles segment, families, and premium-type properties favored by the affluent. In addition to this focus on high-quality and diverse residential properties, CBRE Residential Management also strives to minimize risk through geographic selection and diversification. In general, properties are located in the Tokyo Metropolitan Area, which

comprises Tokyo, Kanagawa, Chiba and Saitama, and other major cities in regional Japan.

Another key area in which the Company places significant importance is tenant satisfaction. Leveraging the strategic New City Residence brand, the Company strives for asset management and investment efficiency. To this end, CBRE Residential Management delivers high-quality services that emphasize convenience and comfort along with pleasant living conditions over the long term. Recognizing the need to grasp and preempt tenant needs and changing lifestyles, the Company works to provide high-specification properties that offer the latest in home security and broadband facilities.

As the asset management company for New City Residence, a publicly listed and property-backed J-REIT that engages in residential leasing, executive management and the employees of CBRE Residential Management are united in their efforts to promote stable investment, dynamic growth and efficiency in Japan's residential leasing property market. We ask for your continued understanding and support in our efforts.

Tetsuya Fujita

CBRE Residential Management K.K.