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For Immediate Release

New City Residence Investment Corporation
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(Securities Code: 8965)

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Notice Concerning Signing of Interest Rate Swap Agreements

New City Residence Investment Corporation (“NCRI” or “the Investment Corporation”) announces the decision made today at a meeting of the Board of Directors to enter into interest rate swap agreements as follows.

1. Reason for Entering into Interest Rate Swap Agreements
To hedge against interest volatility risk by converting the interest rate payable into a fixed rate for part of Term Loan C (initial maturity: 3 years; total amount: 21.6 billion yen) that was executed on September 21, 2005 and December 1, 2005 under a variable interest rate.
2. Overview of Interest Rate Swap Agreements
 - (1) Interest Rate Swap Agreement A
 - i) Counterparty: The Sumitomo Trust & Banking Co., Ltd.
 - ii) Notional Principal: ¥7 billion
 - iii) Interest Rate: Fixed interest payable: 1.270 %
Variable interest receivable: 3-month Japanese Yen TIBOR
 - iv) Effective Date: September 25, 2006
 - v) Termination Date: September 22, 2008
 - vi) Interest Payment Dates: The first payment shall be made on December 25, 2006 and ensuing payments made on the 25th day of every March, June, September and December thereafter
 - (2) Interest Rate Swap Agreement B
 - i) Counterparty: Mitsubishi UFJ Trust and Banking Corporation
 - ii) Notional Principal: ¥5 billion
 - iii) Interest Rate: Fixed interest payable: 1.262 %
Variable interest receivable: 3-month Japanese Yen TIBOR

iv) Effective Date: September 25, 2006
v) Termination Date: September 22, 2008
vi) Interest Payment Dates: The first payment shall be made on December 25, 2006 and ensuing payments made on the 25th day of every March, June, September and December thereafter

(3) Interest Rate Swap Agreement C

i) Counterparty: The Chuo Mitsui Trust and Banking Co., Ltd.
ii) Notional Principal: ¥3 billion
iii) Interest Rate: Fixed interest payable: 1.280 %
Variable interest receivable: 3-month Japanese Yen TIBOR
iv) Effective Date: September 25, 2006
v) Termination Date: September 22, 2008
vi) Interest Payment Dates: The first payment shall be made on December 25, 2006 and ensuing payments made on the 25th day of every March, June, September and December thereafter

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