

December 15, 2006

**For Immediate Release**

New City Residence Investment Corporation  
1-10-6 Roppongi, Minato-ku, Tokyo  
Tetsuya Fujita, Executive Officer  
(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 the debt financing under a variable interest rate (borrowing period: 4 years; total amount: 8.0 billion yen) that will be executed on December 18, 2006.

Note: For detail on the aforementioned debt financing, please refer to “Notice Concerning Debt Financing and the Repayment” dated December 12, 2006.

**2. Overview of Interest Rate Swap Agreements**

(1) Interest Rate Swap Agreement A

- |   |                        |  |
|---|------------------------|--|
| 1 | Counterparty           | : The Chuo Mitsui Trust and Banking Co., Ltd.  |
| 2 | Notional principal     | : ¥2 billion   |
| 3 | Interest rate          | : Fixed interest payable: 1.803 %<br>Variable interest receivable: 0.84818% (3-month variable interest) (Note)   |
| 4 | Effective date         | : December 18, 2006  |
| 5 | Termination date       | : December 17, 2010  |
| 6 | Interest payment dates | : The first payment shall be made on December 25, 2006 and ensuing payments made on the 25 <sup>th</sup> day of every March, June, September and December thereafter |

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*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.*

(2) Interest Rate Swap Agreement B

- 1 Counterparty : The Sumitomo Trust and Banking Co., Ltd.
- 2 Notional principal : ¥3 billion
- 3 Interest rate : Fixed interest payable:1.799 %  
: Variable interest receivable: 0.84818% (3-month variable interest) (Note)
- 4 Effective date : December 18, 2006
- 5 Termination date : December 17, 2010
- 6 Interest payment dates : The first payment shall be made on December 25, 2006 and ensuing payments made on the 25<sup>th</sup> day of every March, June, September and December thereafter

(3) Interest Rate Swap Agreement C

- 1 Counterparty : Aozora Bank Ltd.
- 2 Notional principal : ¥3 billion
- 3 Interest rate : Fixed interest payable:1.798 %  
: Variable interest receivable: 0.84818% (3-month variable interest) (Note)
- 4 Effective date : December 18, 2006
- 5 Termination date : December 17, 2010
- 6 Interest payment dates : The first payment shall be made on December 25, 2006 and ensuing payments made on the 25<sup>th</sup> day of every March, June, September and December thereafter

Note: 3-month variable interest rates shall be announced when it's changed.

- This document is released to media organizations through the “Kabuto Club” (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Press Club for the Ministry of Land, Infrastructure and Transport Construction Paper.
- URL: <http://www.ncrinv.co.jp>

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