

April 13, 2007

For Immediate Release

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1-10-6 Roppongi, Minato-ku, Tokyo
Tetsuya Fujita, Executive Officer
(Securities Code: 8965)

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Notice Concerning Signing of Forward Swap Agreement

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

1. Reason for Entering into Interest Rate Swap Agreement

To hedge against interest rate volatility risk by converting the interest rate payable into a fixed rate for debt financing under a variable interest rate (borrowing period: 5 years; total borrowing amount: 6.4 billion yen) (Note) that was executed on March 27, 2007.

(Note) For details on the aforementioned debt financing, please refer to the “Notice Concerning Debt Financing” dated March 22, 2007 released by NCRI.

2. Overview of Interest Rate Swap Agreement

(1) Interest Rate Swap Agreement A

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|---|------------------------|---|
| 1 | Counterparty | : The Chuo Mitsui Trust and Banking Co., Ltd. |
| 2 | Notional principal | : ¥2 billion |
| 3 | Interest rate | : Fixed interest payable: 1.955 %
Variable interest receivable: 3-month Japanese Yen TIBOR+0.5% (Note) |
| 4 | Effective date | : June 25, 2007 |
| 5 | Termination date | : March 26, 2012 |
| 6 | Interest payment dates | : The first payment shall be made on September 25, 2007 and ensuing payments made on the 25 th day of every March, June, September and December thereafter |

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 : ¥2.4 billion
- 3 Interest rate : Fixed interest payable:1.950 %
: Variable interest receivable: 3-month Japanese Yen TIBOR+0.5% (Note)
- 4 Effective date : June 25, 2007
- 5 Termination date : March 26, 2012
- 6 Interest payment dates : The first payment shall be made on September 25, 2007 and ensuing payments made on the 25th day of every March, June, September and December thereafter

(3) Interest Rate Swap Agreement C

- 1 Counterparty : Aozora Bank Ltd.
- 2 Notional principal : ¥2 billion
- 3 Interest rate : Fixed interest payable:1.952 %
: Variable interest receivable: 3-month Japanese Yen TIBOR+0.5% (Note)
- 4 Effective date : June 25, 2007
- 5 Termination date : March 26, 2012
- 6 Interest payment dates : The first payment shall be made on September 25, 2007 and ensuing payments made on the 25th day of every March, June, September and December thereafter

Note: Variable interest receivable shall be announced when it's changed.

3. Outlook

The operating forecasts for the fiscal period ending in August 2007 (March 1, 2007 to August 31, 2007) that has factored in the impact of signing of forward swap agreement are scheduled to be disclosed in the financial report for the fiscal period ending in February 2007 (September 1, 2006 to February 28, 2007) that is to be released on April 24, 2007.

- 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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