

December 13, 2007

**For Immediate Release**

New City Residence Investment Corporation  
1-10-6 Roppongi, Minato-ku, Tokyo  
Jun Arai, 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 the debt financing under a variable interest rate (borrowing period: 5 years; total amount: 11 billion yen) that will be executed on December 17, 2007.

Note: For detail on the aforementioned debt financing, please refer to “Notice Concerning Debt Financing” dated December 13, 2007.

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

(1) Interest Rate Swap Agreement A

- |   |                        |   |   |
|---|------------------------|---|---|
| 1 | Counterparty           | : | The Sumitomo Trust & Banking, Co., Ltd.   |
| 2 | Notional principal     | : | ¥ 5 billion   |
| 3 | Interest rate          | : | Fixed interest payable: 1.738 %<br>Variable interest receivable: 3-month Japanese Yen TIBOR+0.5% (Note)   |
| 4 | Effective date         | : | December 17, 2007   |
| 5 | Termination date       | : | December 17, 2012   |
| 6 | Interest payment dates | : | The first payment shall be made on March 25, 2008 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 : Aozora Bank, Ltd.
- 2 Notional principal : ¥4 billion
- 3 Interest rate : Fixed interest payable: 1.754 %  
: Variable interest receivable: 3-month Japanese Yen TIBOR+0.5% (Note)
- 4 Effective date : December 17, 2007
- 5 Termination date : December 17, 2012
- 6 Interest payment dates : The first payment shall be made on March 25, 2008 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 : The Chuo Mitsui Trust and Banking Co., Ltd.
- 2 Notional principal : ¥2 billion
- 3 Interest rate : Fixed interest payable: 1.755 %  
: Variable interest receivable: 3-month Japanese Yen TIBOR+0.5% (Note)
- 4 Effective date : December 17, 2007
- 5 Termination date : December 17, 2012
- 6 Interest payment dates : The first payment shall be made on March 25, 2008 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 made.

### 3. Outlook

The impact of signing of interest rate swap agreement on the Investment Corporation's operating conditions for the fiscal period ending February 29, 2008 are considered to be immaterial. Accordingly, there are no revisions to its previously announced operating forecasts.

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

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