



September 5, 2011

For Immediate Release

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**Notice Concerning Issuance of New Investment Units and
Secondary Offering of Investment Units**

BLife Investment Corporation (“BLife”) announces that the resolution was passed at a board of directors meeting held on September 5, 2011 to issue new investment units and conduct secondary offering. The details are as follows.

1. Issuance of New Investment Units through Public Offering (Primary Offering)

- | | |
|---|------------------|
| (1) Number of investment units to be offered: | 38,000 units |
| (2) Issue price (Offer price): | To be determined |

The issue price (offer price) shall be determined by taking the price arrived at when the closing price in regular trading of the investment units of BLife (the “BLife investment units”) on the Tokyo Stock Exchange, Inc. on any day between September 13, 2011 (Tuesday) and September 15, 2011 (Thursday) (the “Pricing Date”) (when there is no closing price on that day, the closing price on the most recent day preceding that day) is multiplied by a factor between 0.90 and 1.00 (price shall be rounded down to the

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- (2) Issue price (Offer price): nearest 1 yen) as the provisional condition, in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association, then taking the demand conditions and other factors into account.
- (3) Paid-in amount (Issue value): To be determined
The paid-in amount (issue value) shall be determined on the Pricing Date in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association. Please note that the paid-in amount (issue value) refers to the amount per BLife investment unit that BLife is to receive as the amount paid in for new investment units.
- (4) Total paid-in amount (issue value): To be determined
- (5) Offering method: The offering shall be a primary offering in which all BLife investment units subject to the primary offering shall be purchased and underwritten by an underwriting syndicate of which Daiwa Securities Capital Markets Co. Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Nomura Securities Co., Ltd. are the joint lead managers (collectively referred to as the “Joint Lead Managers”). The underwriters other than the Joint Lead Managers shall be Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc. and UBS Securities Japan Ltd. (collectively referred to with the Joint Lead Managers as the “Underwriters”).
- (6) Underwriting agreement details: The Underwriters shall purchase and underwrite BLife investment units at the issue value determined on the Pricing Date, and conduct a primary offering at an amount that differs to the concerned issue value (issue price). BLife shall not pay an underwriting fee to the Underwriters. However, the Underwriters shall pay in the total paid-in amount (issue value) on the payment date stated in (9) below, and the difference between the total issue price (offer price) and total paid-in amount (issue value) shall be the proceeds of the Underwriters.
- (7) Subscription unit: 1 unit or more in multiples of 1 unit
- (8) Subscription period: The subscription period shall be between the business day following the Pricing Date and the date that marks two business days after the Pricing Date.

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- (9) Payment date: The payment date shall be any day between September 21, 2011 (Wednesday) and September 26, 2011 (Monday). However, the date shall be five business days after the Pricing Date.
- (10) Transfer date: The transfer date shall be the business day following the payment date.
- (11) The issue price (offer price), paid-in amount (issue value) and other matters necessary for this issuance of new investment units shall be determined at a future meeting of the board of directors.
- (12) Each of the items above is subject to the condition that the securities registration document filed in accordance with the Financial Instruments and Exchange Act takes effect.

2. Secondary Offering (Secondary Offering through Over-Allotment)

(Please refer to <Reference> 1. below.)

- (1) Seller: Daiwa Securities Capital Markets Co. Ltd.
- (2) Number of investment units to be sold: 3,800 units
The number of investment units to be sold above indicates the maximum number of investment units of the secondary offering through over-allotment. There may be cases where the number is reduced in light of demand conditions and other factors, or there may be cases where the secondary offering through over-allotment itself does not take place at all. The number of investment units to be sold shall be determined on the Pricing Date, taking the demand conditions and other factors into account.
- (3) Selling price: To be determined
The selling price shall be determined on the Pricing Date. Please note that the selling price shall be the same price as the issue price (offer price) of the primary offering.
- (4) Total selling price: To be determined
- (5) Offering method: Upon the primary offering, taking the demand conditions and other factors of the primary offering into account, Daiwa Securities Capital Markets Co. Ltd. will conduct, separate from the primary offering, a secondary offering of BLife investment units that it is to borrow from BLife unitholder Daiwa House Industry Co., Ltd. with 3,800 units set as the maximum number.
- (6) Subscription unit: 1 unit or more in multiples of 1 unit
- (7) Subscription period: The subscription period is to the same as the subscription period of the primary offering.
- (8) Transfer date: The transfer date shall be the same as the transfer date of the primary offering.

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- (9) When the primary offering is suspended, the secondary offering through over-allotment is also suspended.
- (10) The number of investment units to be sold, selling price and other matters necessary for this secondary offering of investment units shall be determined at a future meeting of the board of directors.
- (11) Each of the items above is subject to the condition that the securities registration document filed in accordance with the Financial Instruments and Exchange Act takes effect.

3. Issuance of New Investment Units by Way of Third-Party Allotment

(Please refer to <Reference> 1. below.)

- (1) Number of investment units to be offered: 3,800 units
- (2) Paid-in amount (Issue value): To be determined
The paid-in amount (issue value) is to be determined on the Pricing Date. Please note that the paid-in amount (issue value) shall be the same as the paid-in amount (issue value) of the primary offering.
- (3) Total paid-in amount (issue value): To be determined
- (4) Allottee and number of investment units to be allotted: Daiwa Securities Capital Markets Co. Ltd.
3,800 units
- (5) Subscription unit: 1 unit or more in multiples of 1 unit
- (6) Subscription period (Subscription date): October 18, 2011 (Tuesday)
- (7) Payment date: October 19, 2011 (Wednesday)
- (8) If some or all of the investment units are not applied for by the end of the subscription period (subscription date⁹ set forth in (6) above, the issuance of those units not applied for shall be cancelled.
- (9) When the primary offering is suspended, the issuance of new investment units by way of third-party allotment is also to be suspended.
- (10) The paid-in amount (issue value) and other matters necessary for this issuance of new investment units shall be determined at a future meeting of the board of directors.
- (11) Each of the items above is subject to the condition that the securities registration document filed in accordance with the Financial Instruments and Exchange Act takes effect.

<Reference>

1. Secondary Offering through Over-Allotment, etc.

There may be cases where, upon the primary offering, taking the demand conditions and other factors of the primary offering into account, Daiwa Securities Capital Markets Co. Ltd. will conduct, separate from the primary offering, a secondary offering (secondary offering through over-allotment) of BLife investment units that it is to borrow from BLife unitholder Daiwa House Industry Co., Ltd. with 3,800 units set as the maximum number (the “borrowed BLife investment units”). The number of investment units to be sold through the secondary offering through over-allotment is planned to be 3,800 units, where said number of investment units to be sold indicates the maximum number of investment units to be sold. There may be cases where the number is reduced in light of demand conditions and other factors, or there may be cases where the secondary offering through over-allotment itself does not take place at all.

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In relation to this, BLife passed a resolution at a meeting of the board of directors held on September 5, 2011 (Monday) to conduct, separate from the primary offering, an issuance of new investment units by way of third-party allotment of 3,800 BLife investment units with Daiwa Securities Capital Markets Co. Ltd. as the allottee (the “third-party allotment”), setting October 19, 2011 (Wednesday) as the payment date, for the purpose of Daiwa Securities Capital Markets Co. Ltd. acquiring the BLife investment units it requires to return the borrowed BLife investment units.

There may be cases where Daiwa Securities Capital Markets Co. Ltd. will conduct stabilizing transactions in conjunction with the primary offering and secondary offering through over-allotment. All or part of the BLife investment units acquired through said stabilizing transactions may be allocated to returning the borrowed BLife investment units.

In addition, there may be cases during the period from the day following the date on which the subscription period for the primary offering and secondary offering through over-allotment ends to October 14, 2011 (Friday) (the “syndicate covering transaction period”) where Daiwa Securities Capital Markets Co. Ltd. will purchase BLife investment units on the Tokyo Stock Exchange, Inc. up to the number of investment units of the secondary offering through over-allotment (the “syndicate covering transactions”) for the purpose of returning the borrowed BLife investment units. The BLife investment units that Daiwa Securities Capital Markets Co. Ltd. acquires in the syndicate covering transactions will all be allocated to returning the borrowed BLife investment units. Please note that there may be cases during the syndicate covering transaction period where, at the discretion of Daiwa Securities Capital Markets Co. Ltd., no syndicate covering transaction is conducted at all, or syndicate covering transactions are terminated before the number of investment units purchased reach the number of investment units of the secondary offering through over-allotment.

Daiwa Securities Capital Markets Co. Ltd. plans to subscribe to BLife investment units through the third-party allotment for the number of investment units arrived at when the number of investment units acquired through stabilizing transactions and syndicate covering transactions that are to be allocated to returning borrowed BLife investment units is subtracted from the number of investments units of the secondary offering through over-allotment. Accordingly, there may be cases where all or part of the investment units to be issued by way of the third-party allotment may not be subscribed for, which may result in a decrease in the number of investment units planned to be issued by way of the third-party allotment, or the cancellation of the entire issuance due to forfeiture.

The transactions described above are to be conducted by Daiwa Securities Capital Markets Co. Ltd. upon consultation with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Nomura Securities Co., Ltd.

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2. Changes in Total Number of Investment Units Issued After the Issuance of New Investment Units

Total number of outstanding investment units	118,735 units
Number of investment units to be issued by issuance of new investment units through primary offering	38,000 units
Total number of outstanding investment units after issuance of new investment units through primary offering	156,735 units
Number of investment units to be issued by issuance of new investment units by way of the third-party allotment	3,800 units (Note)
Total number of outstanding investment units issued after issuance of new investment units by way of the third-party allotment	160,535 units (Note)

(Note) The number of investment units are based on the assumption that the new investment units to be issued by way of third-party allotment are all applied for by Daiwa Securities Capital Markets Co. Ltd.

3. Purpose and Reason for Issuance

Considerations made – while paying heed to market trends, BLife’s LTV (ratio of interest-bearing liabilities to total assets) levels and cash distribution levels, and other factors – led to the decision to issue new investment units for the purpose of expanding asset size and enhancing portfolio quality through new acquisition of specified assets.

4. Total Amount to be Procured , Use of Funds and Scheduled Outlay Period

- (1) Total Amount to be Procured (approximate net balance)
19,311,600,000 yen (maximum)

(Note) The sum total amount of 17,556,000,000 yen in proceeds from the primary offering and 1,755,600,000 yen in maximum proceeds from the issuance of new investment units by way of the third-party allotment is shown. In addition, the amount above is the estimated amount calculated based on the closing price in regular trading of BLife investment units on the Tokyo Stock Exchange, Inc. as of August 25, 2011 (Thursday).

- (2) Specific Use of Funds and Scheduled Outlay Period

The procured funds shall be allocated to fund part of the acquisition of specified assets announced in the press release “Notice Concerning the Proposed Acquisition of Real Estate and Trust Beneficiary Rights in Real Estate” dated today. Please note that, if there are any funds remaining, the funds will be used to fund part of the repayment of loans.

5. Designation of Distributee

Not applicable.

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6. Future Prospects

Please refer to the press release “Notice Concerning Operation Status Forecasts for the 12th Fiscal Period and Operation Status Forecasts for the 13th Fiscal Period” dated today.

7. Performance in the Most Recent Three Fiscal Periods and Equity Finance Status

(1) Performance in the Most Recent Three Fiscal Periods

	8th Fiscal Period (fiscal period ended in November 2009)	9th Fiscal Period (fiscal period ended in August 2010) (Note 1)	10th Fiscal Period (fiscal period ended in February 2011)
Net income per unit (Note 2)	8,861 yen	237,562 yen	27,334 yen
Distribution per unit	8,862 yen	15,341 yen	16,880 yen
Actual payout ratio (Note 3)	100.0%	6.5%	61.8%
Net assets per unit	496,125 yen	616,183 yen	628,176 yen

(Note 1) The 9th Fiscal Period is the nine months from December 1, 2009 to August 31, 2010.

(Note 2) Net income per unit is calculated by dividing net income by the weighted average number of investment units in the period (8th Fiscal Period: 49,260 units; 9th Fiscal Period: 88,054 units; 10th Fiscal Period: 118,735 units).

Net income for the 9th Fiscal Period is the amount including the gain on negative goodwill from the merger (215,880 yen per unit) and differs to the amount of funds from which distributions are paid out.

Net income for the 10th Fiscal Period is the amount including the amount set aside as internal reserves (10,454 yen per unit) and differs to the amount of funds from which distributions are paid out.

(Note 3) Actual payout ratio is rounded to one decimal place. In addition, the actual payout ratio after factoring out the gain on negative goodwill from the merger in the 9th Fiscal Period is 70.8%.

(2) Status of Recent Investment Unit Price

① Status Over Most Recent Three Fiscal Periods

	8th Fiscal Period (fiscal period ended in November 2009)	9th Fiscal Period (fiscal period ended in August 2010)	10th Fiscal Period (fiscal period ended in February 2011)
Opening price	254,200 yen	396,000 yen	437,000 yen
Highest price	520,000 yen	484,000 yen	616,000 yen
Lowest price	240,100 yen	386,500 yen	435,000 yen
Closing price	396,000 yen	437,000 yen	577,000 yen

② Status Over Most Recent Six Months

	April, 2011	May	June	July	August	September
Opening price	577,000 yen	597,000 yen	582,000 yen	551,000 yen	537,000 yen	495,000 yen
Highest price	603,000 yen	601,000 yen	593,000 yen	564,000 yen	542,000 yen	496,000 yen
Lowest price	568,000 yen	577,000 yen	521,000 yen	535,000 yen	475,500 yen	491,500 yen
Closing price	598,000 yen	582,000 yen	544,000 yen	540,000 yen	493,000 yen	491,500 yen

(Note) The investment unit price for September 2011 shows the price as of September 2, 2011.

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③ Investment Unit Price on Business Day Preceding Issuance Resolution Date

	September 2, 2011
Opening price	495,500 yen
Highest price	496,000 yen
Lowest price	491,500 yen
Closing price	491,500 yen

(3) Equity Finance Status Over Most Recent Three Business Periods
Not applicable.

8. Other (Restrictions on Sale, Additional Issuance, etc.)

- (1) Daiwa House Industry Co., Ltd., which is a unitholder of BLife investment units holding 18,860 units as of today, has reached an agreement with the Joint Lead Managers concerning the primary offering to not engage in a sale, etc. of the BLife investment units it holds as of today (provided, however, that such restriction shall not apply to the lending, etc. of BLife investment units to Daiwa Securities Capital Markets Co. Ltd. in conjunction with the secondary offering through over-allotment) for the period starting on the Pricing Date and ending on the date that marks 180 days from the payment date of the primary offering without prior written consent of the Joint Lead Managers.
- (2) BLife will reach an agreement with the Joint Lead Managers concerning the primary offering to not engage in an additional issuance of BLife investment units (provided, however, that such restriction shall not apply to the issuance of new investment units through the third-party allotment) for the period starting on the Pricing Date and ending on the date that marks 90 days from the transfer date of the primary offering without prior written consent of the Joint Lead Managers.

Please note that the Joint Lead Managers have the authority to waive all or part of the restrictions above at its discretion.

* This press release is to be distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange); the Ministry of Land, Infrastructure, Transport and Tourism Press Club; and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.

* URL of the BLife's website: <http://www.blife-reit.co.jp/eng/>

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