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For Immediate Release

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Notice Concerning Letter of Intent for Rehabilitation Support from New Sponsors

New City Residence Investment Corporation (“NCRI”) announced it signed into a letter of intent for rehabilitation support that designates Daiwa House Industry Co., Ltd. and BLife Investment Corporation as NCRI’s new sponsors (the “Letter of Intent”) with Daiwa House Industry Co., Ltd. and BLife Investment Corporation (hereafter referred collectively as the “New Sponsors”) on September 18, 2009.

1. Events Leading Up to Signing of the Letter of Intent

NCRI’s proposed rehabilitation plan was voted down at a creditors meeting held on September 9, 2009 and, in light of this outcome, the sponsor agreement that NCRI had entered into on April 7, 2009 with Lone Star Real Estate Fund (U.S.), L.P. and KF Capital Co., Ltd. was terminated on the same date. Since, NCRI has been engaging in a series of discussions with several major rehabilitation creditors in the hopes of early drafting of a proposed rehabilitation plan that will meet with the approval of all creditors.

As announced in the “Notice Concerning Rejection of Proposed Rehabilitation Plan, Court Order of Discontinuance of Rehabilitation Proceedings, Termination of Sponsor Agreement, and Expressions of Intention Made by Creditors to File Another Petition for Commencement of Rehabilitation Proceedings” dated September 9, 2009, the Tokyo District Court made an order of discontinuance of NCRI’s rehabilitation proceedings due to the proposed rehabilitation plan being voted down at the creditors meeting held on said date. Under such circumstances, NCRI believes that, at the very least, the early development of a proposed rehabilitation plan that is likely to obtain the consent of creditors and win enough votes, as well as the filing of a new petition for commencement of rehabilitation proceedings premised on a so-called prepackaged rehabilitation plan under the cooperation of major creditors, would be necessary in order to avoid bankruptcy. Based on this thinking, the fact that the proposal from the New Sponsors has obtained the consent of major creditors and thus a corresponding petition for commencement of rehabilitation proceedings would probably be able to be filed, the fact that the time that can be spent on sponsor selection is

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extremely limited in order to avoid bankruptcy, the fact that rehabilitation creditors whose rehabilitation claims account for the majority of rehabilitation claims have expressed their intentions to object to carrying out procedures for the selection of potential sponsors other than the New Sponsors in view of the above, and various other factors were carefully reviewed.

In addition to the abovementioned review, in light of the content of the rehabilitation support presented in the concrete proposal from the New Sponsors and based on the certain terms and conditions as well as premises agreed to in the Letter of Intent, NCRI deemed that pursuing the rehabilitation of NCRI – which will be based on the fundamental structure being (i) NCRI issuing investment units by way of a third-party allotment with Daiwa House Industry Co., Ltd. and any third party designated by Daiwa House Industry Co., Ltd. as the allottees (the “Capital Increase through Third-Party Allotment”) and (ii) NCRI and BLife Investment Corporation merging together (the “Merger”) – would be conducive to NCRI’s avoidance of bankruptcy and thereby serve to protect the interests of NCRI’s unitholders and creditors. Consequently, NCRI decided to sign into the Letter of Intent with the New Sponsors. Furthermore, in the event that the Merger takes place, all unitholders of NCRI will be allotted investment units of BLife Investment Corporation, which is a listed investment corporation, and thus will be vested with liquidity at an early stage.

2. Outline of the Letter of Intent

The terms and conditions of the Capital Increase through Third-Party Allotment and the Merger agreed to in the Letter of Intent are as outlined below. However, these terms and conditions are subject to change upon consultation between NCRI and its sponsors when new events that have material impact on these terms and conditions are found (however, the total payment amount shall not fall below the 6.0 billion yen stated in (1) (iv) below).

Agreements have been reached for NCRI and its sponsors to execute the Capital Increase through Third-Party Allotment and the Merger premised on certain terms and conditions, including the commencement of new NCRI rehabilitation proceedings as well as the confirmation of the proposed rehabilitation plan in said rehabilitation proceedings and that order of confirmation becoming final and binding. Agreements have also been reached for NCRI and its sponsors to hereafter do their utmost to promptly execute the rehabilitation of NCRI and the Merger through consultations and considerations in good faith in accordance with the concrete terms and conditions, procedures, etc. of the Capital Increase through Third-Party Allotment and the Merger provided in the Letter of Intent.

(1) Overview of the Capital Increase through Third-Party Allotment

The following is an overview of the Capital Increase through Third-Party Allotment.

(i) Method of offering

An increase of capital through a third-party allotment to Daiwa House Industry Co., Ltd. and/or any party designated by Daiwa House Industry Co., Ltd. with the consent of NCRI.

(ii) Number of investment units to be offered

120,000 units

(iii) Offer price

50,000 yen per unit

(iv) Total payment amount

6.0 billion yen

(v) Payment due date

To be decided upon consultation and agreement between Daiwa House Industry Co., Ltd. and NCRI with sights set on early January 2010.

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(vi) Lock-up

Daiwa House Industry Co., Ltd. shall not sell to a third party or otherwise dispose of the investment units that it will be allotted as a result of the Capital Increase through Third-Party Allotment (BLife Investment Corporation investment units that will be allotted and delivered in place of such investment units as a result of the Merger) without the prior consent of NCRI (BLife Investment Corporation after the Merger) for a period of twelve months from the effective date of the Merger.

(Note) The Capital Increase through Third-Party Allotment is subject to the notification under the Financial Instruments and Exchange Law taking effect.

(2) Overview of the Merger

The following is an overview of the Merger.

(i) Merger schedule

Plans are to sign into a merger agreement after the order of commencement of rehabilitation proceedings filed by NCRI or NCRI's creditors (the "New Rehabilitation Proceedings") is made and by the time a proposed rehabilitation plan is submitted in the New Rehabilitation Proceedings. The effective date of the Merger shall be the date decided as agreed to between the two investment corporations with sights set on April 1, 2010.

(ii) Merger form

The basis will be an absorption-type merger with BLife Investment Corporation as the corporation surviving the absorption-type merger and NCRI as the corporation dissolving in the absorption-type merger, but the final decision will be made upon consultation and agreement between the two investment corporations. Furthermore, the two investment corporations shall consult in good faith and take reasonably required measures to meet the requirements for a tax-qualified merger.

(iii) Content of allotment in relation to merger

Investment corporation	BLife Investment Corporation	NCRI
Merger ratio	1	0.23

(a) Ratio of allotment of investment units

The basis will be an allotment and delivery of 1 NCRI investment unit per 0.23 BLife Investment Corporation units. Furthermore, concerning fractions of less than one unit of BLife Investment Corporation units that are to be delivered to NCRI's unitholders, BLife Investment Corporation plans to sell those in bulk and deliver the sales proceeds in proportion to those fractions.

(b) Number of new BLife Investment Corporation investment units to be issued as a result of merger

69,475 units (planned)

NCRI will continue to do its utmost to realizing the rehabilitation of NCRI early. Moreover, the upcoming schedule and other details will be notified once they are determined.

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

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