New City Residence Investment Corporation

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For Immediate Release

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Notice Concerning Signing into Merger Agreement between BLife Investment Corporation and New City Residence Investment Corporation

New City Residence Investment Corporation ("NCRI") and BLife Investment Corporation ("BLife") signed into a merger agreement on November 10, 2009, to execute a merger with April 1, 2010 as the effective date of the merger, as outlined below. NCRI and BLife had signed a letter of intent on September 18, 2009 regarding a merger between NCRI and BLife that designates BLife and Daiwa House Industry Co., Ltd. ("Daiwa House") as NCRI's sponsors. Moreover, the merger is dependant upon the condition that it is approved at NCRI's general meeting of unitholders.

1. Purpose of the Merger

(1) The J-REIT market, which started in 2001, grew steadily in terms of market size and number of REITs and has greatly contributed to the development of the real estate transaction market. However, turmoil in global financial markets and the credit crunch stemming from the subprime mortgage crisis in the U.S., skyrocketing costs of raw materials due to surging crude oil prices and other factors have caused material impact on Japanese real estate related industries, leading to less financing and real estate disposition options, and other stagnation in real estate transactions on the whole. As a result, NCRI found itself in a state in which there was no prospect of it being able to raise the funds to pay for the assets that it was scheduled to

acquire and to repay the borrowings that were to become due for repayment. Consequently, NCRI received an order of commencement of civil rehabilitation proceedings (the "Initial Civil Rehabilitation Proceedings"). NCRI poured effort into soliciting sponsor candidates and formulating a proposed rehabilitation plan, etc., but its proposed rehabilitation plan was voted down at the creditors meeting for the Initial Civil Rehabilitation Proceedings that was held on September 9, 2009. The Tokyo District Court then gave an order of discontinuance of rehabilitation proceedings. Following this, NCRI was required to immediately select new sponsors who would be approved by the rehabilitation creditors and to file a new petition for commencement of rehabilitation proceedings premised on a rehabilitation plan supported by those sponsors, in order to avoid a bankruptcy.

(2) Meanwhile, BLife expressed its desire to support the rehabilitation of NCRI based on the thinking that striving to stabilize its management by expanding the asset size at an early date by supporting the rehabilitation of NCRI including the execution of a merger with NCRI by approving the proposal from NCRI's major rehabilitation creditors would be in the interest of BLife's Unitholders. The reasons behind this decision were that BLife's main sponsor was changed to Daiwa House on December 2008 which enhanced its sponsor capabilities and enabled the consideration of external growth; and the handling of legal, accounting and taxation matters to enable the consideration of a merger between investment corporations were clarified, which improved the environment for executing mergers between investment corporations.

(3) Under such circumstances, as the two investment corporations announced on September 18, 2009, BLife and NCRI decided that the best way to increase unitholders' value for the two investment corporations that would also gain the consent of creditors, including major rehabilitation creditors, would be to execute a merger between the two investment corporations (the "Merger"). As of the same date, a letter of intent for rehabilitation support was signed with Daiwa House and the two investment corporations. Since then, BLife and NCRI have held consultations regarding the terms and conditions, etc. of the Merger based on this letter of intent and, today, it signed a merger agreement (the "Merger Agreement"). Moreover, NCRI filed another petition for commencement of civil rehabilitation proceedings on October 13, 2009 based on the fact that Daiwa House and BLife have agreed on basic matters regarding rehabilitation support during the rehabilitation proceedings and based on the premise that support will be provided according to this agreement. NCRI was notified by the Tokyo District Court on October 14, 2009 on the commencement of civil rehabilitation proceedings (hereafter, the rehabilitation proceedings of NCRI that commenced as a result of this order are referred to as the "Current Civil Rehabilitation Proceedings"). The Merger forms the basis of the rehabilitation support during the Current Civil Rehabilitation Proceedings. NCRI submitted a proposed rehabilitation plan premised on this rehabilitation support on November 9, 2009.

(4) Moreover, as announced in the "Notice Concerning Agreement for the Underwriting of New Investment Units" dated today, NCRI signed an agreement with Daiwa House as of today regarding the underwriting of new investment units to be issued in relation to the rehabilitation proceedings. It has agreed that the payment due date is scheduled for January 15, 2010 and Daiwa House and/or any party designated by Daiwa House with the consent of NCRI, will underwrite the investment units issued by NCRI whose total payment amount is 6.0 billion yen (the "Capital Increase through Third-Party Allotment").

(5) While NCRI is still undergoing civil rehabilitation proceedings, it still possesses the strength of a large-scale portfolio. After the Merger, BLife, which is the corporation surviving the absorption-type merger, will come to inherit the assets of NCRI and is expected to become a REIT that owns one of the best portfolio. As such, it is expected to come to own a portfolio with one of the largest assets under management in the J-REIT market. After the Merger, BLife will strive to maximize the interests of Unitholders by realizing increased revenue and reduced operational management costs by taking advantage of this economy of scale. Furthermore, NCRI, which is the corporation dissolving in the absorption-type merger, based on the perspective that it will be able to avert a bankruptcy under this severe environment in which it is under the supervision of civil rehabilitation proceedings. At the same time, through a merger with a listed J-REIT, operation that utilizes the strength of NCRI's large-sized portfolio will be continued. Therefore, NCRI decided that the Merger is also the best option for its unitholders, and is planning to continue to work towards execution of the Merger.

2. Summary of the Merger

(1) Schedule of the Merger and NCRI's Civil Rehabilitation Proceedings

Execution date of the agreement	November 10, 2009
Date of public notice of the record date for BLife's general meeting of unitholders	November 13, 2009 (planned) (Note)
Record date for BLife's general meeting of unitholders	November 30, 2009 (planned) (Note)
Date of public notice of the record date for NCRI's general meeting of unitholders	December 22, 2009 (planned)
Record date for NCRI's general meeting of unitholders	January 15, 2010 (planned)
Date of NCRI's general meeting of unitholders	February 23, 2010 (planned)
Date of BLife's general meeting of unitholders	February 25, 2010 (planned) (Note)
Date of Merger	April 1, 2010 (planned)
Merger Registration Date	April 1, 2010 (planned)

(Note) BLife will execute the Merger without receiving approval for the Merger Agreement from its general meeting of unitholders as prescribed in Article 149-7, Paragraph 1 of the Investment Trust Law, since it will take the form of a simple merger as prescribed in the provisions of Paragraph 2 of the same Article. However, BLife is planning to present a bill on changes to its Articles of Incorporation, etc. in relation to the Merger to its general meeting of unitholders.

(2) Merger Form

The Merger will take the form of an absorption-type merger, with BLife as the surviving corporation and NCRI as the dissolving corporation.

(3) Content of Allotment in Relation to the Merger

	BLife (Corporation surviving the absorption-type merger)	NCRI (Corporation dissolving in the absorption-type merger)
Content of allotment in relation to the merger	1	0.23

a. Ratio of Allotment of Investment Units

There will be an allotment and delivery of 0.23 investment units of BLife per 1 investment unit of NCRI.
Furthermore, concerning fractions of less than one unit of BLife units that are to be delivered to NCRI's unitholders, BLife plans to sell those in bulk and deliver the sales proceeds in proportion to those fractions.
Furthermore, with regard to the Merger, there will be no deliveries of cash in relation to the Merger to NCRI's unitholders.

b. Number of New BLife Investment Units to be Issued as a Result of Merger

69,475 units (planned) (based on the premise that there will be an increase of 120,000 units to NCRI's total number of investment units issued ahead of this Merger through the Capital Increase through Third-Party Allotment)

(4) Changes and Content of Changes to the Articles of Incorporation of the Corporation Surviving the Absorption-type Merger

BLife is planning to change its Articles of Incorporation in relation to the Merger, but the content of change are undecided at this point in time. We will promptly announce any future decisions.

3. Basis of Calculations, etc. of the Content of Allotment in Relation to the Merger

(1) Basis of Calculations

The merger ratio to be used in the Merger was decided by determining the most appropriate merger ratio after comprehensively considering various factors, including the financial standing and conditions of assets and liabilities of both BLife and NCRI, future prospects of their businesses, envisaged advantages to be gained by the respective investment corporations as a result of this merger, as well as the results of financial analyses conducted by their respective financial advisors and as a result of conducting careful discussions and negotiations repeatedly based on the competitive environment of sponsor selection during NCRI's Initial Civil Rehabilitation Proceedings, as well as the content of support proposals, and the events leading up to the commencement of the Current Civil Rehabilitation Proceedings.

BLife assigned Morgan Stanley Japan Securities Co., Ltd. ("Morgan Stanley") as its financial advisor for the Merger. In order to ensure fairness of calculations of the merger ratio to be used for the Merger, BLife asked Morgan Stanley to conduct a financial analysis of the merger ratio.

Morgan Stanley analyzed the said merger ratio by comprehensively considering the results of analyses conducted for both BLife and NCRI, such as the discounted cash flow analysis (the "DCF Analysis"), net asset value method and analysis of increase/dilution of distribution per unit. An overview of the calculation results of Morgan Stanley is as follows:

Method of Evaluation	Range of Merger Ratio
DCF Analysis	0.105～0.276
Net asset value method	0.189～0.348
Analysis of increase/dilution of distribution per unit	0.186～0.299

*The abovementioned range indicates the number of BLife investment units that will be allotted per 1 NCRI investment unit.

Moreover, since NCRI filed a petition for commencement of civil rehabilitation proceedings, it was delisted as of November 10, 2008. Therefore, it was impossible to compare, or analyze the history of past investment unit prices based on the premise of a listed investment corporation. Furthermore, the sponsor of the investment corporation to be acquired fell into bankruptcy, which is an exceptional case. We therefore did not to carry out an analysis of investment unit prices, or a comparable transactions analysis, since this transaction would not necessarily be comparable to other transactions. Moreover, the comparable companies analysis and application of the dividend discount method are analyses of financial statements of the most recent (or future) fiscal period. As such, if the assumption applies that the financial statements of a single fiscal period of a targeted investment corporation is a sufficient reflection of its investment unit prices under normal circumstances, then these analyses would be effective evaluation tools. However, since prices of NCRI investment units do not exist, while we are conducting these analyses using a certain set of premises, we do not think they are valuable methods for evaluating the calculations of the merger ratio. For details of supplemental explanations regarding assumptions, or exceptions used by Morgan Stanley during the analysis, please refer to Note 1 at the end of this announcement.

The board of directors of BLife carefully reviewed the appropriateness of the Merger and the merger ratio based comprehensively on various factors, including financial standing and conditions of assets of the two investment corporations and their future prospects, as well as the range of the abovementioned merger ratio calculated by Morgan Stanley. Based on this review, the board of directors of BLife determined that the Merger would increase the value of BLife as an investment corporation. Furthermore, they determined that this action would also contribute to the interests of unitholders of BLife since it would increase the value of each investment unit to be received by BLife's existing unitholders. Thus they decided to execute the Merger.

On the other hand, NCRI appointed Citigroup Global Markets Japan, Inc. ("Citigroup"), its financial advisor for the selection of sponsors, etc. during the Initial Civil Rehabilitation Proceedings and the Current Civil Rehabilitation Proceedings, to conduct an analysis of the merger ratio.

Citigroup conducted a comparable listed companies analysis and a DCF Analysis based on a certain set of assumptions for both BLife and NCRI. It analyzed the merger ratio based comprehensively on the results of these analyses. Furthermore, it also made an evaluation using the net asset value method for the analysis of the merger ratio. However, since the appraisers and appraisal periods of assets owned by BLife and NCRI vary, it felt that a direct comparison between the two investment corporations would be difficult to accurately perform. Thus it positions the evaluation result using the net asset value method to only serve as a reference. An overview of the calculation results of Citigroup is as follows:

Method of Evaluation	Range of Merger Ratio
Comparable listed companies analysis	0.10～0.32
DCF Analysis	0.22～0.38
(Reference) Net asset value method	0.31

*The abovementioned range indicates the number of BLife investment units that will be allotted per 1 NCRI investment unit.

In view of the content of Citigroup's calculation results of the abovementioned merger ratio for the Merger, the board of directors of NCRI carefully reviewed the appropriateness of the Merger and the merger ratio [in order to ensure fairness of the Merger]. Upon doing so, they took into consideration a number of factors, which includes the following: events leading up to sponsor selection proceedings and content of sponsor proposals for the Initial Civil Rehabilitation Proceedings; the fact that NCRI was ordered to discontinue the Initial Civil Rehabilitation Proceedings and that in order to avoid a bankruptcy, NCRI is required to file another petition to commence rehabilitation proceedings after having drafted a proposed rehabilitation plan at an early stage that is likely to obtain the consent of creditors and win enough votes; the fact that consent was given by major rehabilitation creditors for proposals made by Daiwa House and BLife; the fact that rehabilitation creditors whose rehabilitation claims account for the majority of rehabilitation claims have expressed their intention to object to the execution of another bid proceedings to select new potential sponsors; and a comparison of the interests of unitholders in the case of falling into bankruptcy, or in the case of executing the Merger. Based on this review, the board of directors of NCRI determined that the Merger would increase the value of NCRI as an investment corporation. They also determined that this action would be in the interests of unitholders. Thus they decided to execute the Merger.

(2) Events Leading up to the Calculations

While comprehensively taking into consideration various factors, including the financial standing and conditions of assets of the two investment corporations and their future prospects, BLife and NCRI carried out repeated careful consultations of the merger ratio. For these consultations, BLife used the abovementioned calculation results as reference, while NCRI took into consideration the content of the analyses of the abovementioned merger ratio, the competitive environment and the content of support proposals during sponsor selection in NCRI's Initial Civil Rehabilitation Proceedings, as well as the events leading up to the commencement of the Current Civil Rehabilitation Proceedings. As a result, they came to the conclusion that the abovementioned merger ratio was appropriate and executed the Merger Agreement on November 10, 2009.

(3) Relationships with Calculation Institutions

Morgan Stanley, BLife's financial advisor (calculation institution), does not fall under the category of related party with BLife, or NCRI (Related party as prescribed in Article 15-4 of the Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements and related party as prescribed in Article 8, Paragraph 17 of the Regulation for Terminology, Forms and Preparation of Financial Statements; hereafter the same.) and it does not have any material relationships of interest that need mention concerning this Merger.

Furthermore, Citigroup, NCRI's financial advisor, does not fall under the category of related party with BLife, or NCRI.

(4) Prospects of Being Delisted and its Reason

Investment units issued by BLife are not expected to be delisted as a result of the Merger. Moreover, investment units of NCRI, the dissolving corporation in this Merger, were delisted on November 10, 2008 when it filed a petition for commencement of civil rehabilitation proceedings.

(5) Measures to Ensure Fairness

In order to ensure fairness of the Merger, BLife selected Morgan Stanley as its calculation institution, which falls under the category of an independent third party, and requested Morgan Stanley to issue a merger ratio calculation report. After conducting analysis of the content of allotment in relation to the Merger from a financial standpoint and by using a certain set of premises, Morgan Stanley issued NCRI the said report.

Based on this, the board of directors of BLife judges that sufficient measures have been taken to ensure fairness in the Merger.

Furthermore, in order to ensure fairness of the Merger, NCRI requested Citigroup, its financial advisor for sponsor selecting proceedings, to issue a merger ratio calculation report. After conducting analysis of the content of the allotment in relation to the Merger from a financial standpoint and by using a certain set of premises, Citigroup issued NCRI the said report.

Based on this, the board of directors of NCRI judges that sufficient measures have been taken to ensure fairness of the Merger.

4. Outline of the Merging Parties

		Corporation surviving the absorption-type Merger	Corporation dissolving in the absorption-type merger
(1)	Name	BLife Investment Corporation	New City Residence Investment Corporation
(2)	Address	9-10, Shibuya 3-chome, Shibuya-ku, Tokyo	3-2-31, Roppongi, Minato-ku, Tokyo
(3)	Name of executive director	Takeshi Fujita	Jun Arai
(4)	Unitholders' capital	24,002 million yen	90,931 million yen
(5)	Date of incorporation	June 7, 2005	September 27, 2004
(6)	Total number of investment units issued	49,260 units	182,068 units
(7)	Fiscal period	May, November	February, August
(8)	Major investment asset	Trust beneficiary interest in real estate	Trust beneficiary interest in real estate
(9)	Main financial institutions	Sumitomo Mitsui Banking Corporation, The Chuo Mitsui Trust and Banking Co., Ltd., Mizuho Bank, Ltd.	Aozora Bank, Ltd., The Chuo Mitsui Trust and Banking Co., Ltd., The Norinchukin Bank, The Sumitomo Trust and Banking Co., Ltd., Sumitomo Mitsui Banking Corporation

(10)	Principal unitholders and ratio of the number of investment units (Note)	Japan Trustee Services Bank, Ltd. (Trust Account) 13.16% Daiwa House Industry Co., Ltd. 10.27% NikkoCiti Trust and Banking Corporation (Investment Trust Account) 9.35% CapitaLand Nippon Investments Private Limited 8.11% The Master Trust Bank of Japan, Ltd. (Trust Account) 5.12%	UBS AG London Account IPB Segregated Client Account 13.75% DBS Vickers Hong Kong Ltd.-Client Account 8.24% BBH (LUX) Fidelity Active Strategy Japan Fund 7.47% Goldman Sachs International 7.17% UBS AG London Asia Equities 4.99%

(11) Operational results, etc. for the last 3 fiscal periods

	BLife Investment Corporation (Corporation surviving the absorption-type Merger)			New City Residence Investment Corporation (Corporation dissolving in the absorption-type merger)		
Fiscal Period	5th Period (ended May 31, 2008)	6th Period (ended Nov. 30, 2008)	7th Period (ended May 31, 2009)	6th Period (ended Feb. 29, 2008)	7th Period (ended Aug. 31, 2008)	8th Period (ended Feb. 29, 2009)
Operating revenues	1,658	1,675	1,558	6,252	5,972	5,578
Operating income	977	949	854	3,234	2,969	2,792
Ordinary income	654	619	549	2,456	1,875	2,215
Net income	653	612	548	2,453	(5,749)	(1,456)
Net income per unit (yen)	13,262	12,433	11,138	14,953	(32,888)	(7,999)
Dividends per unit (yen)	13,262	12,434	11,138	14,954	—	—
Net assets per unit (yen)	500,752	499,712	498,402	537,859	467,855	459,857
Net assets	24,667	24,615	24,551	88,245	85,181	83,725
Total assets	55,546	54,618	54,456	202,743	203,889	192,576

(Unit: millions of yen, unless specified otherwise.)

(12)	Name of asset management company	Daiwa House Morimoto Asset Management Co., Ltd. ("DHMAM")	CBRE Residential Management K.K. ("CBRERM")
(13)	Address of asset management company	3-9-10, Shibuya, Shibuya-ku, Tokyo	3-2-31, Roppongi, Minato-ku, Tokyo
(14)	Representative of asset management company	Takeshi Fujita, CEO and President	Hidekazu Higuchi, President and Representative Director

(15) Relationships between the parties

Capital ties	There are no capital ties between BLife/DHMAM and NCRI/CBRERM that are worthy of note. Furthermore, there are no noteworthy capital ties between related parties, or affiliated companies of BLife/DHMAM and related parties, or affiliated companies of NCRI/CBRERM.
Personal ties	There are no personal ties between BLife/DHMAM and NCRI/CBRERM that are worthy of note. Furthermore, there are no noteworthy personal ties between related parties, or affiliated companies of BLife/DHMAM and related parties, or affiliated companies of NCRI/CBRERM.

	Business ties	There are no business ties between BLife/DHMAM and NCRI/CBRERM that are worthy of note. Furthermore, there are no noteworthy business ties between related parties, or affiliated companies of BLife/DHMAM and related parties, or affiliated companies of NCRI/CBRERM.
	Conditions of related party, etc.	NCRI/CBRERM does not fall under the category of related party with BLife/DHMAM. Furthermore, related parties, or affiliated companies of NCRI/CBRERM do not fall under the category of related party with BLife/DHMAM.

(Note) Indicates principal unitholders and ratio of the number of investment units as of May 31, 2009 for BLife and as of August 31, 2009 for NCRI.

5. Situation Prior to / After the Merger

(1) Situation of the Surviving Corporation

		Corporation surviving the absorption-type Merger
(1)	Name	BLife Investment Corporation
(2)	Address	9-10, Shibuya 3-chome, Shibuya-ku, Tokyo
(3)	Name of executive director	Takeshi Fujita
(4)	Unitholders' capital	TBD (not finalized at this point in time)
(5)	Fiscal period	November, May
(6)	Net assets	TBD (not finalized at this point in time)
(7)	Total assets	TBD (not finalized at this point in time))
(8)	Name of asset management company	Daiwa House Morimoto Asset Management Co., Ltd.
(9)	Address of asset management company	9-10, Shibuya 3-chome, Shibuya-ku, Tokyo
(10)	Representative of asset management company	Takeshi Fujita, CEO and President

(2) Principal unitholders and ratio of the number of investment units prior to / after the Merger

BLife Prior to the Merger (as of May 31, 2009)		NCRI Prior to the Merger (as of August 31, 2009) (Note)	
Japan Trustee Services Bank, Ltd. (Trust Account)	13.16%	Daiwa House Industry Co., Ltd.	39.73%
Daiwa House Industry Co., Ltd.	10.27%	UBS AG London Account IPB Segregated Client Account	8.29%
NikkoCiti Trust and Banking Corporation (Investment Trust Account)	9.35%	DBS Vickers Hong Kong Ltd.- Client Account	4.97%
CapitaLand Nippon Investments Private Limited	8.11%	BBH (LUX) Fidelity Active Strategy Japan Fund	4.50%
The Master Trust Bank of Japan, Ltd. (Trust Account)	5.12%	Goldman Sachs International	4.32%
CapitaLand Japan Investments Private Limited (Japan Branch)	4.87%	UBS AG London Asia Equities	3.01%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	4.45%	CGML-IPB Customer Collateral Account	2.33%
Goldman Sachs International	3.57%	Japan Securities Depository Center, Inc. (Unregistered Stocks Management Account)	1.85%
Minami Nippon Bank, Ltd.	3.55%	An individual	1.29%
BNP Paribas Securities Service Luxembourg Jasdec Securities	2.81%	BNP Paribas Securities Service Luxembourg Jasdec Securities	1.26%

After Merger Simple summation after considering the merger ratio	
Daiwa House Industry Co., Ltd.	27.51%
UBS AG London Account IPB Segregated Client Account	6.68%
Japan Trustee Services Bank, Ltd. (Trust Account)	5.50%
Goldman Sachs International	4.01%
NikkoCiti Trust and Banking Corporation (Investment Trust Account)	3.88%
CapitaLand Nippon Investments Private Limited	3.37%
DBS Vickers Hong Kong Ltd.- Client Account	2.91%
BBH (LUX) Fidelity Active Strategy Japan Fund	2.63%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2.26%
CapitaLand Japan Investments Private Limited (Japan Branch)	2.02%

(Note)
Principal unitholders and ratio of the number of investment units prior to and after the merger are based on the ownership situation of principal unitholders of BLife as of May 31, 2009 and the ownership situation reflecting the change in number of owned investment units following the Capital Increase through Third-Party Allotment to the ownership situation of principal unitholders of NCRI as of August 31, 2009 and on the calculation results made based on these figures. Furthermore, we have calculated the principal unitholders and ratio of the number of investment units prior to and after the Merger based on the investment units allotted in accordance with the abovementioned “2. Summary of the Merger, (3) Content of Allotment in Relation to the Merger.”

(3) Changes and content of changes to the asset management agreement

BLife is planning to change its asset management agreement, although the content of change is undecided at this point in time. We will promptly announce any future decisions.

(4) Changes and content of changes to the investment policy

At this point in time, it has not been decided whether the investment policy will be changed. We will promptly announce any future decisions.

(5) Changes and content of changes to the details of the agreement made with sponsors, etc.

At this point in time, it has not been decided whether details of the agreement made with sponsors, etc. will be changed. We will promptly announce any future decisions.

6. Overview of Accounting Treatment

The Merger falls in the category of acquisition as prescribed in the Accounting Standard for Business Combinations (ASBJ Statement No. 21, revised December 26, 2008) and its premise is that the purchase method will be applied. Moreover, we expect that negative goodwill will arise as a result of the Merger, but the amount is undecided at this point in time.

7. Future Prospects

The impact of the execution of merger agreement concerning the Merger on BLife’s operating conditions for the fiscal period ending November 30, 2009 is considered to be immaterial. Moreover, we are planning to announce the operating conditions for the fiscal period ending May 31, 2010 in the announcements of results for the fiscal period ending November 30, 2009 scheduled for mid-January of 2010.

Note 1) When conducting analysis of the abovementioned merger ratio, Morgan Stanley, in principle, used information provided by the two investment corporations as well as publicly announced information as is. This means that it presumed that these materials or information were all accurate and complete and have not examined their accuracy or completeness on its own. Furthermore, it has not, on its own, evaluated, appraised nor validated the assets or liabilities of the two investment corporations (including assets and liabilities off the books and other contingent liabilities) and neither has it requested a third party institution to conduct appraisal or validation. In addition, it presumes that information concerning financial forecasts of the two investment corporations and synergy effect expected from the Merger were rationally created by the management team of the two investment corporations and that it is a reflection of the best forecasts and evaluations available at this point in time. The analysis of the abovementioned merger ratio by Morgan Stanley was conducted based on the aforementioned information as of November 10, 2009.

Morgan Stanley conducted the analysis in an aim to provide information and support to the board of directors of BLife when the board of directors of BLife was discussing the Merger. This analysis was not conducted with the aim of providing information to the board of directors of NCRI, nor to support the discussions concerning the Merger made by the board of directors of NCRI. Furthermore, it was not conducted to make recommendations to the unitholders of BLife or NCRI as to how to exercise their voting rights in relation to the Merger, or other matters.

Morgan Stanley is not to express any kind of opinion regarding the Merger, the appropriateness of the merger ratio of the Merger.

Note 2) When calculating the merger ratio of the Merger, Citigroup presumed that the Capital Increase through Third-Party Allotment would be executed as planned and that the information provided to Citigroup, publicly announced information and all other information which Citigroup used for the consideration were accurate and complete. Its calculations are reliant on the accuracy and completeness of this information and it has not examined their accuracy or completeness on its own. Furthermore, Citigroup presumed that there exists no information that has not been disclosed to it that may have a material impact on either the Merger, or the prices of investment units of NCRI, or BLife. Moreover, when calculating the merger ratio of the Merger, Citigroup has not, on its own, evaluated, appraised or validated the assets and liabilities of NCRI and BLife (whether it is a contingent liability or not), nor considered their reality.

Financial forecasts and their assumptions of NCRI and BLife are reliant on materials and information provided by NCRI to Citigroup. It presumes that the financial forecasts and their assumptions were rationally created or answered based on the best forecasts and evaluations made by NCRI at this point in time and the financial standing of BLife and NCRI will shift in accordance to these forecasts, etc. When calculating the merger ratio of the Merger, Citigroup relied upon these financial forecasts and related materials, without having investigated, nor validated them on its own.

Citigroup is not a professional when in comes to legal work, accounting, or taxation matters. When calculating the merger ratio of the Merger, it has not, on its own, evaluated the legality or effectiveness of the Merger, nor the handling of accounting or taxation matters. It has presumed that all legal work, accounting and taxation matters will be handled according to standard procedure and that they will be carried out appropriately and effectively. Furthermore, when calculating the merger ratio of the Merger, it has not taken into consideration taxation matters of NCRI and BLife, and of unitholders of the two investment corporations. Its calculations are premised on the financial, market, economic and other factors as of the date of the said calculation report that Citigroup submitted (the “Citigroup Calculation Report”). Moreover, the Citigroup Calculation Report is based on information provided to Citigroup as of the date of the Citigroup Calculation Report, as well as information it gathered.

Citigroup was assigned as the financial advisor of NCRI for the Merger and plans to receive a fee from NCRI as compensation for carrying out said responsibility, including the calculation of the merger ratio of the Merger. Citigroup and related companies, etc. may have provided, or may be providing investment banking services unrelated to the Merger to NCRI, BLife, the asset management company of either NCRI and BLife, Daiwa House or any of its related companies (hereafter collectively, or individually referred to as “NCRI, etc.”) and may have received or will receive fees for such services. Citigroup and related companies, etc. may provide securities-related services, or other financial services to NCRI, etc. as part of its normal businesses, and may trade (negotiable) securities of NCRI, etc. for its own account or for the account of its customers.

The calculation of the merger ratio of the Merger conducted by Citigroup is only for the purpose of providing reference material to the board of directors of NCRI for the Merger. Citigroup is not to express any kind of opinion regarding the appropriateness of the merger ratio of the Merger.

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