



April 1, 2010

For Immediate Release

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Notice Concerning Establishment of Merger with New City Residence Investment Corporation

BLife Investment Corporation (“BLife”) announces the merger of BLife and New City Residence Investment Corporation (“NCR”) announced in the “Notice concerning the Execution of the Merger Agreement between BLife Investment Corporation and New City Residence Investment Corporation” dated November 10, 2009 (the “Merger”) was effectively established today.

1. Effects of the Merger

- (1) BLife succeeded the real estate owned by NCR (105 properties; BLife’s acquisition price: approximately 139.3 billion yen), bringing the assets owned by BLife to 129 properties for an increase of about 3.7 times in amount to approximately 190.5 billion yen (based on acquisition price) and increasing net assets also by about 2.9 times to approximately 73.0 billion yen compared to before the Merger.
- (2) In addition, BLife enjoys numerous benefits from the Merger. For example, the Merger raises its revenue-generating capacity and thereby is expected to largely improve its portfolio NOI and distribution per unit as well. And the obligations assumed from NCR are long-term obligations with diversified maturity dates. Additionally, the Merger enhance liquidity of investment unit.
- (3) Furthermore, through utilizing negative goodwill and by accumulating retained earnings, which BLife is the only J-REIT entitled to do so, BLife believes that it will be able to increasingly strengthen its revenue-generating capacity and make stable payments of distributions.

Note: The stated figures are estimates of BLife and are yet to be audited.

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2. Future Running of Operations

- (1) BLife will embark on reducing operating and management costs promptly after the Merger, while at the same time also working to boost the efficiency of property management and leasing operations, and restructuring them. In this manner, BLife will strive to realize integration effects at an early stage. Moreover, BLife intends to focus on also enhancing the stability of its financial base by lowering its LTV (sum total amount of loans, investment corporation bonds and deposits/guarantees with no matching funds expressed as a percentage of total amount of assets) through such measures as selling off real estate that are not so competitive.
- (2) BLife will continue to pursue optimization of returns for unitholders through securing stable revenue over the medium to long term and steady growth of assets under management by making the most of the comprehensive strengths and know-how of the Daiwa House Group based on working together with the main sponsor Daiwa House Industry Co., Ltd.

3. Other

- (1) Having received an order of commencement of civil rehabilitation proceedings on October 14, 2009, NCR has been executing a rehabilitation plan based on the proposed rehabilitation plan dated November 9, 2009 (order of confirmation became final and binding on January 5, 2010). On March 30, 2010, NCR received an order of termination of rehabilitation proceedings from the Tokyo District Court. Consequently, after the Merger, BLife is able to carry out operations as an ordinary investment corporation without supervision of the court pursuant to the Civil Rehabilitation Act.
- (2) The book value, net assets amount, amount of negative goodwill, etc. of the real estate succeeded from NCR are currently being assessed and will be announced once determined.
- (3) Moreover, determination of the book value of the real estate and other factors may result in revisions in the forecasts of the operation status for the fiscal period ending August 2010 (from December 1, 2009 to August 31, 2010) of BLife from those announced on January 15, 2010. The forecasts of the operation status will also be announced once determined.
- (4) The number of new investment units of BLife to be allotted to the unitholders of NCR in correlation with the Merger has been determined to be 69,475 units, bringing the total number of investment units issued and outstanding after the Merger to 118,735 units. Meanwhile, fractions of investment units of less than 1 unit for the unitholders of NCR are scheduled to be sold on the market and the sales proceeds distributed to those unitholders that had fractions of investment units. The details will be announced once ascertained.

* 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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