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For Immediate Release

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**Notice Concerning Operation Status Forecasts for the 12th Fiscal Period
and Operation Status Forecasts for the 13th Fiscal Period**

BLife Investment Corporation (“BLife”) announces the following with regard to the operation status forecasts for the fiscal period ending in February 2012 (12th Fiscal Period: from September 1, 2011 to February 29, 2012) and the fiscal period ending in August 2012 (13th Fiscal Period: from March 1, 2012 to August 31, 2012).

Furthermore, as of today there are no changes to the operation status forecasts for the fiscal period ending August 2011 (11th Fiscal Period: from March 1, 2011 to August 31, 2011) from that announced on June 27, 2011.

1. Reason for Announcement

BLife is newly announcing the respective operation status forecasts for the fiscal period ending in February 2012 and the fiscal period ending in August 2012 as a resolution was passed at a board of directors meeting held today to issue additional investment units and conduct secondary offering as well deciding to acquire assets.

<Disclaimer> This document is a press release to make a public announcement of the operating status forecasts for the 12th Fiscal Period (ending February 29, 2012) and 13th Fiscal Period (ending August 31, 2012) of BLife Investment Corporation, and has not been prepared as a solicitation for investment. BLife cautions investors to ensure that they refer to the prospectus for notification of the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by BLife (if such have been prepared) before undertaking investments and investments be made at their own discretion and responsibility.

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2. Operation Status Forecasts for the 12th Fiscal Period and 13th Fiscal Period

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Total Distributions (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution in excess of earnings per unit (yen)
12th Fiscal Period	7,365	3,344	2,271	2,271	2,568	16,000	—
13th Fiscal Period	7,520	3,377	2,408	2,408	2,568	16,000	—

Forecasted number of outstanding investment units for the 12th Fiscal Period: 160,535 units

Forecasted number of outstanding investment units for the 13th Fiscal Period: 160,535 units

(Note 1) BLife assumes a total number of 41,800 units, the sum of 118,735 outstanding investment units as of February 28, 2011, the 38,000 investment units to be issued by issuance of new investment units through public offering and the 3,800 investment units to be issued by issuance of new investment units by way of third-party allotment that were both decided at a board of directors meeting held on September 5, 2011, will all be issued.

(Note 2) The above forecasts are the current operation status forecasts calculated based on the assumption in the attachment “Assumptions for Operating Forecasts of the 12th and 13th Fiscal Periods.” Actual operating revenue, operating income, ordinary income, net income, total distributions and distributions per unit may vary due to factors such as the future acquisition or sale of real estate, etc. changes in rent income due to changes in tenants, etc., unanticipated need for repairs, fluctuations in the real estate market, etc., fluctuations in interest rates, the actual decided number and issue value of new investment units to be issued, and changes in other conditions surrounding BLife. Moreover, these forecasts are not intended as a guarantee of distribution amount.

(Note 3) Figures for monetary amounts are rounded down to the nearest specified unit, the same hereafter.

(Note 4) The funds from which distributions are paid out for the 12th Fiscal Period as well as for the 13th Fiscal Period are the amounts including the reversal of internal reserves and differ from “net income.”

3. Basis for Calculation of Forecasts for Total Distributions and Distribution per Unit for the 12th Fiscal Period and 13th Fiscal Period

(1) Forecasts for the 12th Fiscal Period

Net income (net income per unit)	2,271 million yen (14,151 yen)
Reversal of reserve in preparation of distribution (reversal of reserve in preparation of distribution per unit) +)	296 million yen (1,848 yen)
Total distributions (distribution per unit)	2,568 million yen (16,000 yen)

(2) Forecasts for the 13th Fiscal Period

Net income (net income per unit)	2,408 million yen (15,001 yen)
Reversal of reserve in preparation of distribution (reversal of reserve in preparation of distribution per unit) +)	160 million yen (998 yen)

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Total distributions (distribution per unit) 2,568 million yen (16,000 yen)

4. Internal Reserves Utilization Policy

(1) Concerning Utilization of Internal Reserves

BLife, as a result of making internal reserves the gain on negative goodwill from the merger, gain on sale of properties, gain on retirement by purchase, etc. as of the end of February 2011 is with a total of 20.3 billion yen in internal reserves (reversal of reserve in preparation of distribution).

BLife has a policy of securing stable distributions by internally retaining earnings in part or whole with utilization of tax-loss carry forwards in the case that there is gain on sale of property or gain on retirement by purchase of investment corporation bonds, etc. and these exceed the initially scheduled net income and such, as well as implementing the reversal of internal reserves when loss on sale of properties or extraordinary loss is incurred.

Furthermore, BLife resolved as of today to issue new investment units, conduct secondary offering and acquire five properties centering on properties in which the Daiwa House Group (Note 1) is involved, and, simultaneously, in order to realize stability of future distributions in the mid- to long-term and steady growth of BLife, decided to utilize internal reserves it holds as of today in accordance with the following policies.

(Note 1) The Daiwa House Group is comprised of Daiwa House Industry Co., Ltd., which is the main sponsor of BLife, and 62 of its consolidated subsidiaries including Daiwa Living Co., Ltd. which mainly conducts management and operation business of apartments and condominiums, as well as one non-consolidated subsidiary, and 13 affiliated companies for which the equity method will be applied (as of the end of March 2011).

(Note 2) Please refer to "Notice Concerning the Proposed Acquisition of Real Estate and Trust Beneficiary Rights in Real Estate" announced today.

(2) Utilization Policy

- ① BLife will utilize the total of 20.3 billion yen of internal reserves by separating it into two parts, one to be used for when there is loss on sale of properties and the another to be used as funds from which distributions are paid out.
- ② Concerning amount equivalent to unrealized loss in book value against appraisal value (10.9 billion yen)
 - (a) With regard to the difference of 10.9 billion yen in appraisal value and book value of owned assets (as of the end of February 2011), BLife will internally retain this until a loss on sale of properties is incurred, assuming the occurrence of such in the future. BLife will review the amount of internal reserves each period from book value and

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appraisal value.

- (b) When loss on sale of properties is incurred, distributions will be covered with the utilization (implementation of the reversal) of internal reserves.
- ③ Concerning the remaining amount (9.4 billion yen)
- (a) It will be utilized for covering distributions in the case of extraordinary loss incurred such as earthquake related expenses or when there is dilution of distributions due to capital increase.
 - (b) A target distribution level will be set and it will be utilized as funds for raising distributions to the target distribution level.
 - (c) Concerning the target distribution level, it will be decided with due consideration given to the external environment such as the financial economy and conditions, etc. of the overall J-REIT market, and BLife will set it at a level that can be realized even if there is no rise in distributions after a certain period of time when an increase in BLife's earnings, cost reductions, etc. can be forecasted.

(3) Future Distribution Level

The target distribution level of BLife for the time being will be set at 16,000 yen. With regard to distribution per unit of the 12th Fiscal Period and the 13th Fiscal Period, by implementing the partial reversal of internal reserves and making this the funds from which distributions are paid out, in addition to net income, BLife plans to implement distributions at the target distribution level (Note).

(Note) The above aimed distribution level is a target figure set by BLife and is not a guarantee of distribution amount.

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Assumptions for Operating Forecasts of the 12th and 13th Fiscal Periods

Item	Assumptions
Period	<ul style="list-style-type: none"> • Fiscal period ending in February 2012: September 1, 2011 to February 29, 2012 (182 days) • Fiscal period ending in August 2012: March 1, 2012 to August 31, 2012 (184 days)
Assets under management	<ul style="list-style-type: none"> • BLife owns 121 real estate and trust beneficiary rights in real estate as of today. • The acquisition of 5 properties to be acquired announced today will bring the total to 126 properties (assets under management). BLife assumes there will be no changes in portfolio composition (new property acquisitions or sale of acquired properties, etc.) from the 126 properties through to August 31, 2012. • The actual assets under management may vary as a result of changes in the portfolio composition, etc.
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> • BLife assumes that a total number of 41,800 units, the sum of 118,735 outstanding investment units as of today, the 38,000 investment units to be issued by issuance of new investment units through public offering and the 3,800 investment units to be issued by issuance of new investment units by way of third-party allotment, will be issued. • BLife assumes that, after this, the number will not change through to August 31, 2012.
Operating Revenue	<ul style="list-style-type: none"> • Operating revenue include rent income, common area charges income, parking space income, incidental revenue, utilities income, key money, etc. Each of these items is calculated based on historical data and future projections. • Anticipated occupancy rates are also calculated based on historical data and future projections for each property.
Operating Expenses	<ul style="list-style-type: none"> • Operating expenses include management fees, utilities expenses, non-life insurance expenses, depreciation and amortization, trust compensations, repair expenses, etc. For property tax, urban planning tax and depreciative property tax, 387 million yen is forecast for the 12th Fiscal Period and 420 million yen is forecast for the 13th Fiscal Period. As for property tax and urban planning tax which are to be settled with the previous owner (previous beneficiary) according to the number of days owned in conjunction with the new acquisition of real estate, etc., they are calculated into the acquisition cost and are therefore not recorded as expense. Each of these items is calculated based on historical data and future projections. • Selling, general and administrative expenses are estimated based on actual values or rates, etc. of each item individually. • Depreciation and amortization is calculated based on the straight-line method. Depreciation and amortization is expected to be 1,412 million yen for both the 12th and 13th Fiscal Periods.
Borrowings	<ul style="list-style-type: none"> • BLife assumes a balance of interest-bearing liabilities as of June 30, 2011 of 122,653 million yen, and that it will implement contractual obligations of 23 million yen each at the ends of September and December of 2011, and March and June of 2012, and repay 6 million yen and 73 million yen respectively with the refinancing at the ends of September 2011 and July 2012, and also that there will be no change in the balance of interest-bearing liabilities through to August 31, 2012. • BLife assumes a balance of liabilities from September 30, 2011 to October 31, 2011 of 1,741 million yen

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Non-operating Expenses	<ul style="list-style-type: none"> • Interest expenses, etc. (including borrowing related expenses) are expected to be 951 million yen for the 12th Fiscal Period and 955 million yen for the 13th Fiscal Period. • Investment unit issuance costs are expected to be 70 million yen for the 12th Fiscal Period.
Distribution per Unit	<ul style="list-style-type: none"> • BLife assumes it will pay out distributions (distribution per unit) of no more than the amount of earnings pursuant to the cash distribution policy set forth in its Articles of Incorporation. Moreover, BLife assumes that it will implement the reversal of reversal of reserve in preparation of distribution of 296 million yen in the 12th Fiscal Period and 160 million yen in the 13th Fiscal Period respectively. • The amount of distributions per unit may vary due to factors such as acquisition or sale of real estate, etc., changes in rent income in conjunction with changes in tenants, etc., unanticipated need for repairs, fluctuations in the real estate market, etc., fluctuations in interest rates, the actual decided number and issue value of new investment units to be issued, and changes in other conditions surrounding BLife.
Distribution in Excess of Earnings per Unit	<ul style="list-style-type: none"> • BLife does not currently anticipate distributions in excess of earnings per unit.
Others	<ul style="list-style-type: none"> • BLife assumes that there will be no amendments to laws and regulations, the taxation system, accounting standards, listing regulations, Investment Trusts Association rules, etc. that would affect the above forecasts. • BLife assumes that there will be no unforeseen material changes in general economic conditions, real estate market conditions, etc.

* 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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