

Report of Independent Auditors

To the Board of Directors of
BLife Investment Corporation

We have audited the accompanying balance sheets of BLife Investment Corporation as of February 28, 2011 and August 31, 2011, and the related statements of income and retained earnings, changes in net assets, and cash flows for the six-month period ended February 28, 2011 and the six-month period ended August 31, 2011, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BLife Investment Corporation at February 28, 2011 and August 31, 2011, and the results of its operations and its cash flows for the six-month period ended February 28, 2011 and the six-month period ended August 31, 2011 in conformity with accounting principles generally accepted in Japan.

Supplementary Information

As described in Note 19, BLife Investment Corporation completed a public offering and a third-party allocation subsequent to August 31, 2011.

The U.S. dollar amounts in the accompanying financial statements with respect to the six-month period ended August 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

November 17, 2011

Ernst & Young Shin Nihon LLC

BLife Investment Corporation

Balance Sheets

As of February 28, 2011 and August 31, 2011

	As of February 28, 2011	As of August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Assets			
Current assets:			
Cash and bank deposits (including trust accounts)	¥ 9,585,634	¥ 9,230,422	\$ 120,281
Rental receivables	217,572	109,237	1,423
Prepaid expenses	238,796	167,999	2,189
Consumption tax receivable	—	43,175	562
Other current assets	11,653	624	8
Allowance for doubtful accounts	(54,343)	(21,379)	(278)
Total current assets	<u>9,999,312</u>	<u>9,530,079</u>	<u>124,186</u>
Property and equipment:			
Land	22,227,020	20,923,344	272,652
Buildings and structures	28,246,022	27,850,204	362,916
Machinery and equipment	417,987	417,987	5,446
Tools, furniture and fixtures	651,534	643,168	8,381
Land in trust	70,332,856	70,844,184	923,171
Buildings and structures in trust	70,691,532	72,148,561	940,168
Machinery and equipment in trust	1,013,637	1,030,530	13,428
Tools, furniture and fixtures in trust	276,202	281,813	3,672
Less – accumulated depreciation	(3,901,106)	(5,049,435)	(65,799)
Net property and equipment	<u>189,955,688</u>	<u>189,090,358</u>	<u>2,464,039</u>
Investments and other assets:			
Long-term prepaid expenses	162,683	103,960	1,354
Guarantee deposits	10,000	10,334	134
Leasehold rights in trust	1,521,476	1,521,476	19,826
Trademark rights	2,471	2,186	28
Lease and guarantee deposits in trust	440,799	440,769	5,743
Total investments and other assets	<u>2,137,430</u>	<u>2,078,726</u>	<u>27,087</u>
 Total assets	 <u><u>¥202,092,431</u></u>	 <u><u>¥200,699,164</u></u>	 <u><u>\$2,615,313</u></u>

	As of February 28, 2011	As of August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Liabilities and net assets			
Current liabilities:			
Trade and other payables	¥ 592,428	¥ 679,444	\$ 8,853
Current portion of long-term loans	15,937,000	28,352,000	369,455
Accrued expenses	465,710	406,900	5,302
Consumption taxes payable	125,606	—	—
Rent received in advance	570,539	607,946	7,922
Deposits received	288,127	173,809	2,264
Current portion of rehabilitation obligations	16,019,513	16,019,513	208,750
Total current liabilities	33,998,925	46,239,613	602,549
Long-term liabilities:			
Long-term loans	23,019,000	10,500,000	136,825
Tenant leasehold and security deposits	309,164	316,421	4,123
Tenant leasehold and security deposits in trust	1,646,610	1,693,047	22,062
Asset retirement obligations	182,308	184,241	2,400
Rehabilitation obligations	68,349,850	67,781,664	883,263
Total long-term liabilities	93,506,935	80,475,375	1,048,675
Total liabilities	127,505,860	126,714,989	1,651,224
Net assets:			
Unitholders' equity:			
Unitholders' capital:			
Units authorized: 2,000,000			
Units issued and outstanding: 118,735	24,002,588	24,002,588	312,778
Capital surplus	28,241,587	28,241,587	368,016
Reserve for distribution	—	20,338,145	265,026
Retained earnings	22,342,395	1,401,854	18,267
Total unitholders' equity	74,586,570	73,984,175	964,088
Total net assets	74,586,570	73,984,175	964,088
Total liabilities and net assets	¥202,092,431	¥200,699,164	\$2,615,313

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Income and Retained Earnings

For the period from September 1, 2010 to February 28, 2011
and for the period from March 1, 2011 to August 31, 2011

	From September 1, 2010 to February 28, 2011	From March 1, 2011 to August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Operating revenues:			
Rental revenues	¥6,731,489	¥6,728,311	\$ 87,676
Gain on sales of real estate properties	1,062,372	648	8
Total operating revenues	7,793,862	6,728,960	87,685
Operating expenses:			
Real estate rental expenses	2,982,619	3,053,848	39,794
Loss on sales of real estate properties	305,960	501,850	6,539
Asset management fees	460,163	404,357	5,269
Asset custodian and consignment fees	20,120	19,990	260
Administrative service and consignment fees	65,923	65,438	852
Directors' remuneration	6,600	6,600	86
Other operating expenses	156,443	198,592	2,587
Total operating expenses	3,997,830	4,250,678	55,390
Operating income	3,796,031	2,478,282	32,294
Non-operating income (expenses):			
Interest income	782	825	10
Interest expense	(880,074)	(876,366)	(11,419)
Reversal of allowance for doubtful accounts	6,957	11,391	148
Financing related expenses	(162,205)	(177,610)	(2,314)
Other, net	(31)	716	9
Total non-operating income (expenses)	(1,034,570)	(1,041,044)	(13,565)
Ordinary income	2,761,460	1,437,237	18,728
Extraordinary income:			
Gain on retirement of rehabilitation obligations due to payments	474,900	22,670	295
Settlement received	9,500	—	—
Other	523	270	3
Total extraordinary income	484,924	22,941	298
Extraordinary loss:			
Loss on disaster	—	57,722	752
Total extraordinary loss	—	57,722	752
Income before income taxes	3,246,384	1,402,457	18,275
Income taxes:			
Current	605	605	7
Deferred	237	—	—

Total income taxes	842	605	7
Net income	3,245,541	1,401,852	18,267
Retained earnings at beginning of period	19,096,853	2	0
Retained earnings at end of period	<u>¥ 22,342,395</u>	<u>¥ 1,401,854</u>	<u>\$ 18,267</u>

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Changes in Net Assets

For the period from September 1, 2010 to February 28, 2011

	For the period from September 1, 2010 to February 28, 2011					
	Net assets					
	Unitholders' equity					
	Number of units	Unitholders' capital	Capital surplus	Retained earnings	Total unitholders' equity	Total net assets
	(Thousands of yen)					
Balance as of August 31, 2010	118,735	¥24,002,588	¥28,241,587	¥ 20,918,366	¥73,162,542	¥73,162,542
Changes during the fiscal period:						
Dividends from retained earnings	—	—	—	(1,821,513)	(1,821,513)	(1,821,513)
Net income	—	—	—	3,245,541	3,245,541	3,245,541
Total changes during the fiscal period	—	—	—	1,424,028	1,424,028	1,424,028
Balance as of February 28, 2011	118,735	¥24,002,588	¥28,241,587	¥22,342,395	¥74,586,570	¥74,586,570

For the period from March 1, 2011 to August 31, 2011

	For the period from March 1, 2011 to August 31, 2011						
	Net assets						
	Unitholders' equity						
	Number of units	Unitholders' capital	Capital surplus	Reserve for distribution	Retained earnings	Total unitholders' equity	Total net assets
	(Thousands of yen)						
Balance as of February 28, 2011	118,735	¥24,002,588	¥28,241,587	—	¥22,342,395	¥74,586,570	¥74,586,570
Changes during the fiscal period:							
Reserve for distribution	—	—	—	¥20,338,145	(20,338,145)	—	—
Dividends from retained earnings	—	—	—	—	(2,004,246)	(2,004,246)	(2,004,246)
Net income	—	—	—	—	1,401,852	1,401,852	1,401,852
Total changes during the fiscal period	—	—	—	20,338,145	(20,940,540)	(602,394)	(602,394)
Balance as of August 31, 2011	118,735	¥24,002,588	¥28,241,587	¥20,338,145	¥1,401,854	¥73,984,175	¥73,984,175

For the period from March 1, 2011 to August 31, 2011

	For the period from March 1, 2011 to August 31, 2011						
	Net assets						
	Unitholders' equity						
	Number of units	Unitholders' capital	Capital surplus	Reserve for distribution	Retained earnings	Total unitholders' equity	Total net assets
	(Thousands of U.S. dollars)						
Balance as of February 28, 2011	118,735	\$312,778	\$368,016		\$ 291,144	\$971,938	\$971,938
Changes during the fiscal period:							
Reserve for distribution	—	—	—	\$265,026	(265,026)	—	—
Dividends from retained earnings	—	—	—		(26,117)	(26,117)	(26,117)
Net income	—	—	—		18,267	18,267	18,267
Total changes during the fiscal period	—	—	—	265,026	(272,876)	(7,849)	(7,849)
Balance as of August 31, 2011	118,735	\$312,778	\$368,016	\$265,026	\$18,267	\$964,088	\$964,088

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Cash Flows

For the period from September 1, 2010 to February 28, 2011
and for the period from March 1, 2011 to August 31, 2011

	From September 1, 2010 to February 28, 2011	From March 1, 2011 to August 31, 2011	
	(Thousands of yen)	(Thousands of yen)	(Thousands of U.S. dollars)
Cash flows from operating activities			
Income before income taxes	¥ 3,246,384	¥ 1,402,457	\$ 18,275
Depreciation and amortization	1,146,885	1,176,164	15,326
Gain on retirement of rehabilitation obligations due to payments	(474,900)	(22,670)	(295)
Loss on retirement of noncurrent assets	3,249	17,068	222
Amortization of trademark rights	285	285	3
Interest income	(782)	(825)	(10)
Interest expense	880,074	876,366	11,419
Change in rental receivables	35,660	108,334	1,411
Change in accounts receivable, other	1,563	(148)	(1)
Change in consumption taxes receivable	—	(43,175)	(562)
Change in advance payments	68,616	70,797	922
Change in trade payables	99,941	36,422	474
Change in other payables	(30,901)	45,216	589
Change in accrued consumption taxes	122,244	(125,606)	(1,636)
Change in accrued expenses	33,375	(60,678)	(790)
Change in deposits received	101,842	(83,726)	(1,091)
Change in rent received in advance	(28,553)	37,406	487
Change in long-term prepaid expenses	(55,661)	58,723	765
Decrease in disposal of property and equipment	—	2,939,497	38,304
Decrease in disposal of property and equipment in trust	13,445,128	423,355	5,516
Change in allowance for doubtful accounts	(35,558)	(32,964)	(429)
Change in guarantee deposits	10,212	(334)	(4)
Change in lease and guarantee deposits in trust	(440,799)	30	0
Other	(66,282)	(162,444)	(2,116)
Subtotal	18,062,022	6,659,553	86,780
Interest received	782	825	10
Interest paid	(864,201)	(874,498)	(11,395)
Income taxes (paid) refunded	409	(464)	(6)
Net cash provided by operating activities	17,199,014	5,785,415	75,389
Cash flows from investing activities			
Purchases of property and equipment	(10,106)	(1,256,341)	(16,371)
Purchases of property and equipment in trust	(13,773,141)	(2,434,415)	(31,722)
Proceeds from tenant leasehold and security deposits	51,868	75,243	980
Payment of tenant leasehold and security deposits	(15,125)	(49,692)	(647)
Proceeds from tenant leasehold and security deposits in trust	304,669	262,916	3,426
Payment of tenant leasehold and security deposits in trust	(398,307)	(89,950)	(1,172)
Net cash used in investing activities	(13,840,142)	(3,492,240)	(45,507)
Cash flows from financing activities			
Proceeds from long-term loans	10,500,000	—	—
Repayment of long-term loans	(104,000)	(104,000)	(1,355)
Repayment of rehabilitation obligations	(11,185,980)	(545,515)	(7,108)
Dividend payment	(1,816,591)	(1,998,870)	(26,047)
Net cash used in financing activities	(2,606,572)	(2,648,386)	(34,511)
Net (decrease) increase in cash and cash equivalents	752,299	(355,211)	(4,628)
Cash and cash equivalents at beginning of period	8,833,334	9,585,634	124,910
Cash and cash equivalents at end of period	¥ 9,585,634	¥ 9,230,422	\$ 120,281

See accompanying notes to financial statements.

BLife Investment Corporation

Notes to Financial Statements

For the period from September 1, 2010 to February 28, 2011
and for the period from March 1, 2011 to August 31, 2011

1. Organization and Basis of Presentation

(a) Organization

BLife Investment Corporation (“BLife”), a Japanese real estate investment corporation, was established on June 7, 2005 with an initial capitalization of ¥300 million under the Law Concerning Investment Trusts and Investment Corporations of Japan, or the Investment Trust Law. BLife was formed to invest primarily in residential and retail properties in Japan. BLife is externally managed by a licensed asset management company, Daiwa House Asset Management Co., Ltd.

BLife has concentrated on its beautiful life and residence vision by focusing its investment efforts on real estate properties and aims to build a hybrid portfolio to secure stable revenues in the mid- to long-term periods. By selecting properties suitable for modern lifestyle that appeal to tenants and consumers both of residential and retail properties using strict but transparent and high standards such as by considering the area, building quality and amenities, BLife aims to gain steady growth for its portfolio and expand its primary investment income.

(b) Basis of presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trust Law, the Financial Instruments and Exchange Law of Japan and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements have been compiled and translated into English (with certain reclassifications and expanded descriptions) from the financial statements of BLife prepared in accordance with Japanese GAAP and filed with the Kanto Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law.

In preparing the accompanying financial statements, relevant notes have been added and certain reclassifications have been made to the financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. BLife’s fiscal period is a six-month period which ends at the end of February or August of each year. BLife has not prepared consolidated financial statements as it has no subsidiaries.

1. Organization and Basis of Presentation (continued)

The U.S. dollar amounts in the accompanying financial statements have been translated from yen amounts solely for the convenience of readers outside Japan and, as a matter of arithmetic computation only, at ¥76.74 = U.S.\$1.00, the rate of exchange prevailing on August 31, 2011. This translation should not be construed as a representation that yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

2. Summary of Significant Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and in trust, bank deposits and deposits in trust redeemable on demand, and investments, which are readily convertible to cash, with an original maturity of three months or less, and an insignificant risk of price fluctuation.

(b) Property and equipment

Property and equipment are stated at cost. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets ranging as stated below:

	From September 1, 2010 to February 28, 2011	From March 1, 2011 to August 31, 2011
Buildings	2 – 65 years	2 – 65 years
Structures	6 – 63 years	6 – 63 years
Machinery and equipment	11 – 29 years	11 – 29 years
Tools, furniture and fixtures	2 – 28 years	2 – 28 years

(c) Revenue recognition

Revenues from leasing of property are recognized on a straight-line accrual basis over the life of each lease contract.

(d) Taxes on property and equipment

Property and equipment are subject to various taxes, such as property taxes and city planning taxes. An owner of a property is registered in a record maintained by the local government of the applicable jurisdiction, and taxes are imposed on the owner registered in the record as of January 1, based on an assessment made by the local government. The taxes are determined in April to June each year and are paid in four installments during the year.

When a property is purchased prior to January 1 of any given calendar year, taxes for the previous year are imposed on the seller. BLife pays the seller the corresponding amount of the taxes for the period from the property's transfer date to December 31 of the previous year as included in the purchase price of the property, and capitalizes this amount as a cost of the property.

2. Summary of Significant Accounting Policies (continued)

(e) Income taxes

Deferred tax assets and liabilities are computed based on the differences between the financial reporting and income tax bases of assets and liabilities using the enacted tax rates.

(f) Allowance for doubtful accounts

Allowance for doubtful accounts is provided at the amount considered sufficient to cover possible losses on collection.

(g) Consumption taxes

Consumption taxes withheld and consumption taxes paid are not included in the accompanying statements of income and retained earnings. Non-deductible consumption taxes for acquisition of assets are added on to the acquisition cost of each asset.

(h) Trust beneficiary interests

For trust beneficiary interests in real estate, each of the trust assets and liabilities as well as all income generated and expenses incurred in trusts are recorded in the relevant balance sheet and income statement accounts.

(i) Derivatives and hedge accounting

(1) Derivatives and hedge accounting

BLife adopts deferral hedge accounting. However, the special treatment is applied for interest-rate swaps that meet certain conditions.

(2) Hedging instruments and hedged items

Hedging instruments: Interest-rate swaps

Hedged items: Interest rates on loans

(3) Hedging policy

BLife utilizes derivative financial instruments in accordance with basic risk management policies for the purpose of hedging risks specified in its bylaws.

(4) Method of evaluating hedge effectiveness

Hedging effectiveness is assessed and validated by comparing the cumulative gains or losses on the hedging instrument with the cumulative gains or losses the underlying hedged item. However, the evaluation of hedging effectiveness is omitted for interest-rate swaps meeting specific criteria.

3. Changes in Accounting Policies

For the period from September 1, 2010 to February 28, 2011

BLife adopted “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008). This change had no significant impact on operating results of BLife for the period.

4. Changes in Methods of Presentation

For the period from September 1, 2010 to February 28, 2011

(Statements of Income and Retained Earnings)

“Gain on retirement of rehabilitation obligations due to payments,” which was included as “Other” in extraordinary income for the previous period, is presented separately from the six month period ended February 28, 2011 because of its increased importance.

“Gain on retirement of rehabilitation obligations due to payments,” included as “Other” in extraordinary income for the previous period, was ¥64,591 thousand.

5. Cash and Cash Equivalents

A reconciliation of cash and bank deposits in the accompanying balance sheets at February 28, 2011 and August 31, 2011 with cash and cash equivalents in the accompanying statements of cash flows is as follows:

	As of February 28, 2011 <i>(Thousands of yen)</i>	As of August 31, 2011 <i>(Thousands of yen)</i> <i>(Thousands of U.S. dollars)</i>	
Cash and bank deposits	¥4,873,568	¥4,350,254	\$56,688
Cash in trust and deposits in trust	4,712,065	4,880,168	63,593
Cash and cash equivalents	<u>¥9,585,634</u>	<u>¥9,230,422</u>	<u>\$120,281</u>

6. Lease Transactions

Operating lease transactions as lessor at February 28, 2011 and August 31, 2011 are as follows:

	As of February 28, 2011 <i>(Thousands of yen)</i>	As of August 31, 2011 <i>(Thousands of yen)</i> <i>(Thousands of U.S. dollars)</i>	
Future lease receivable equivalents			
Due within one year	¥1,147,913	¥1,168,382	\$15,225
Due after one year	<u>640,430</u>	<u>544,959</u>	<u>7,101</u>

Total	<u>¥1,788,343</u>	<u>¥1,713,341</u>	<u>\$22,326</u>
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7. Current Portion of Long-Term Loans and Long-Term Loans

Current portion of long-term loans and the long-term loans as of February 28, 2011 and August 31, 2011 consisted of the following:

Lender	As of February 28, 2011 <i>(Thousands of yen)</i>	As of August 31, 2011 <i>(Thousands of yen)</i>	As of August 31, 2011 <i>(Thousands of U.S. dollars)</i>	Average interest rate (%) (1)	Due on	Use of funds	Note
Current portion of long-term loans:							
Sumitomo Mitsui Banking Corporation	¥3,795,250	¥3,781,350	\$49,274				
The Chuo Mitsui Trust and Banking Co., Ltd.	3,795,250	3,781,350	49,274				
Mizuho Corporate Bank, Ltd. (2)	3,795,250	3,781,350	49,274	1.44	September 30, 2011	Refinance or acquisition of real estate in trust	Secured
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,972,850	2,961,990	38,597				
The Sumitomo Trust and Banking Co., Ltd.	1,486,400	1,480,960	19,298				
Sumitomo Mitsui Banking Corporation	25,840	3,527,700	45,969				
The Chuo Mitsui Trust and Banking Co., Ltd.	25,840	3,527,700	45,969	1.34	July 31, 2012	Refinance or acquisition of real estate in trust	Secured
Mizuho Corporate Bank, Ltd.	25,840	3,527,700	45,969				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	14,480	1,981,900	25,826				
Subtotal	15,937,000	28,352,000	369,455	—	—	—	—
Long-term loans:							
Sumitomo Mitsui Banking Corporation	3,514,780	—	—				
The Chuo Mitsui Trust and Banking Co., Ltd.	3,514,780	—	—	1.34	July 31, 2012	Refinance or acquisition of real estate in trust	Secured
Mizuho Corporate Bank, Ltd. (2)	3,514,780	—	—				
The Bank of Tokyo -Mitsubishi UFJ, Ltd.	1,974,660	—	—				
Sumitomo Mitsui Banking Corporation	1,800,000	1,800,000	23,455			Purchase of rehabilitation obligations (others), retirement of rehabilitation obligations	
The Chuo Mitsui Trust and Banking Co., Ltd.	1,800,000	1,800,000	23,455			(investment corporation bonds), and repayment of part of rehabilitation obligations (loans)	
Mizuho Corporate Bank, Ltd. (2)	1,800,000	1,800,000	23,455				
The Bank of Tokyo -Mitsubishi UFJ, Ltd.	1,800,000	1,800,000	23,455	1.36	December 28, 2015		Unsecured
Mitsubishi UFJ Trust and Banking Co., Ltd.	1,400,000	1,400,000	18,243				
Resona Bank, Ltd.	1,400,000	1,400,000	18,243				
Shinsei Bank, Limited.	500,000	500,000	6,515				
Subtotal	23,019,000	10,500,000	136,825				
Total	<u>¥38,956,000</u>	<u>¥38,852,000</u>	<u>\$506,280</u>				

(1) The average interest rate for each loan has been rounded to the second decimal place.

(2) Due to the assignment of obligation, the lender has changed, effective as of March. 31, 2011, from Mizuho Bank, Ltd. to Mizuho Corporate Bank, Ltd.

8. Collateral Pledged and Secured Liabilities

	As of February 28, 2011	As of August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Pledged assets:			
Cash in trust and deposits in trust	¥2,952,225	¥3,126,287	\$40,738
Buildings in trust	37,374,810	36,932,178	481,263
Structures in trust	271,746	268,880	3,503
Machinery and equipment in trust	320,793	319,137	4,158
Tools, furniture and fixtures in trust	99,074	81,195	1,058
Land in trust	43,807,346	43,807,346	570,854
Leasehold rights in trust	954,737	954,737	12,441
Total	<u>¥85,780,733</u>	<u>¥85,489,763</u>	<u>\$1,114,018</u>

	As of February 28, 2011	As of August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Secured liabilities:			
Current portion of long-term loans	¥ 15,937,000	¥ 28,352,000	\$369,455
Long-term loans	12,519,000	—	—
Current portion of rehabilitation obligations	16,019,513	16,019,513	208,750
Total	<u>¥44,475,513</u>	<u>¥44,371,513</u>	<u>\$578,205</u>

9. Details of Rental Revenues and Expenses

	From September 1, 2010 to February 28, 2011	From March 1, 2011 to August 31, 2011	
	(Thousands of yen)	(Thousands of yen)	(Thousands of U.S. dollars)
Real estate rental revenues:			
Rental income	¥6,223,225	¥6,120,280	\$79,753
Common service fees	156,636	177,351	2,311
Subtotal	6,379,861	6,297,632	82,064
Other rental revenues:			
Facility charges	162,093	158,472	2,065
Incidental revenues	27,258	27,527	358
Other rental business revenues	162,276	244,679	3,188
Subtotal	351,627	430,679	5,612
Total rental revenues	6,731,489	6,728,311	87,676
Real estate rental expenses:			
Management fees	807,438	825,833	10,761
Utilities	104,456	95,925	1,250
Taxes and public dues	322,956	364,789	4,753
Repairs	207,308	172,474	2,247
Insurance premiums	11,607	10,932	142
Restoration costs	193,478	219,647	2,862
Custodian fees	60,407	50,891	663
Depreciation and amortization	1,146,885	1,176,164	15,326
Other operating expenses	128,080	137,189	1,787
Total real estate rental expenses	2,982,619	3,053,848	39,794
Rental income	¥3,748,870	¥3,674,463	\$47,881

Details of Gain on Sales of Real Estate Properties

	From September 1, 2010 to February 28, 2011
	(Thousands of yen)
Catherina Mita Towersuite	
Revenue from sale of real estate	¥11,700,000
Cost of real estate sales	10,321,215
Other sales expenses	332,100
Gain on sales of real estate	1,046,684
New City Residence Nishi Ohori	
Revenue from sale of real estate	244,128
Cost of real estate sales	224,113
Other sales expenses	10,076
Gain on sales of real estate	9,938
New City Residence Kakogawa	
Revenue from sale of real estate	255,000
Cost of real estate sales	238,760

Other sales expenses	10,490
Gain on sales of real estate	5,749
New City Residence Negishi	
Revenue from sale of real estate	231,000
Cost of real estate sales	246,641
Other sales expenses	2,300
Loss on sales of real estate	(17,941)
SH Motosumiyoshi	
Revenue from sale of real estate	789,951
Cost of real estate sales	890,055
Other sales expenses	3,000
Loss on sales of real estate	(103,103)
LM Fuchinobe Honcho	
Revenue from sale of real estate	117,117
Cost of real estate sales	135,844
Other sales expenses	1,800
Loss on sales of real estate	(20,527)
New City Residence Ohdori-koen	
Revenue from sale of real estate	434,866
Cost of real estate sales	484,746
Other sales expenses	2,300
Loss on sales of real estate	(52,180)
Goshikiyama Heights	
Revenue from sale of real estate	400,000
Cost of real estate sales	481,094
Other sales expenses	3,000
Loss on sales of real estate	(84,094)
New City Residence Nishikoen	
Revenue from sale of real estate	330,000
Cost of real estate sales	333,135
Other sales expenses	2,800
Loss on sales of real estate	(5,935)
LM Maebashi Nishikatakai	
Revenue from sale of real estate	70,000
Cost of real estate sales	90,377
Other sales expenses	1,800
Loss on sales of real estate	(22,177)

	From March 1, 2011 to August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
New City Residence Denenchofu		
Revenue from sale of real estate	¥425,468	\$5,544
Cost of real estate sales	423,355	5,516
Other sales expenses	1,800	23
Gain on sales of real estate	313	4
New City Residence Otedori		
Revenue from sale of real estate	300,000	3,909
Cost of real estate sales	295,164	3,846
Other sales expenses	4,500	58
Gain on sales of real estate	335	4
New City Residence Minami Aoyama		
Revenue from sale of real estate	2,175,135	28,344
Cost of real estate sales	2,655,234	34,600
Other sales expenses	21,751	283
Loss on sales of real estate	(501,850)	(6,539)

Transactions with major unit holders

	From September 1, 2010 to February 28, 2011
	<i>(Thousands of yen)</i>
Business transaction	
Real estate acquired	¥5,770,000

10. Financial Instruments

1. Status of Financial Instruments

(a) Policy for the use of financial instruments

As a policy, when acquiring real estate and other properties, as well as when repaying its obligations, BLife raises necessary funds through loans from banks, issuance of investment corporation bonds, issuance of investment units, etc. As for financing efforts, BLife carefully pays attention to the long-term, cost effectiveness and soundness of the financial instruments, while considering the diversification of financial methods and repayment deadlines.

BLife may use derivative financial instruments for such purposes as hedging interest rate fluctuation risk, but does not engage in speculative transactions using these instruments.

For the six-month period from September 1, 2010 to February 28, 2011, BLife did not enter into in any derivative transactions.

For the six-month period from March 1, 2011 to August 31, 2011, BLife entered into interest rate swap transactions for the purpose of hedging interest rate fluctuation risk.

Surplus funds can be invested in securities or monetary claims, however, as a current policy

of BLife, they are deposited in interest-bearing accounts.

10. Financial Instruments (continued)

(b) Details of financial instruments, related risks and risk management system

Asset management companies stipulate basic provisions of risk management in their risk management rules.

Long-term loans and rehabilitation obligations are used to finance such efforts as acquisition of real estate and repayment of loans. These financial instruments are exposed to liquidity risk, though BLife controls such risk by maintaining the ratio of interest-bearing debt to total assets under a certain percentage, diversifying repayment deadlines, and retaining a certain amount of highly liquid cash and deposits.

For floating rate borrowings exposed to the risk of interest rate fluctuations, BLife, in order to reduce the impact caused by rising interest rates, closely watches the movement of interest rates, and intends to increase the ratio of fixed rate loans, etc.

Deposits are exposed to credit risks, including collapse of the financial institutions where deposits are made, and, thus, are managed through the use of liquid deposits.

(c) Supplementary explanation concerning fair value of financial instruments

The fair values of financial instruments are determined by market prices, and in the case of financial instruments without observable market prices, reasonable estimates are included in valuation. Since certain assumptions are used to measure applicable fair values, the amounts are subject to change under the different assumptions.

2. Fair Value of Financial Instruments

The book value on the balance sheet, fair value and the difference as of February 28, 2011 and August 31, 2011 are as follows.

	As of February 28, 2011		
	<i>(Thousands of yen)</i>		
	Book Value	Fair Value	Difference
(1) Cash and bank deposits (including trust accounts)	¥ 9,585,634	¥ 9,585,634	—
(2) Current portion of long-term loans	15,937,000	15,937,000	—
(3) Current portion of rehabilitation obligations	16,019,513	16,019,513	—
(4) Long-term loans	23,019,000	23,019,000	—
(5) Rehabilitation obligations	68,349,850	68,246,853	¥ 102,997

(Note 1) Methods of calculating the fair values of financial instruments.

(1) Cash and bank deposits (including trust accounts)

These instruments are settled in the short term and their fair values are approximately equal to their book values, thus, the measurement is based on their book values.

(2) Current portion of long-term loans, (3) Current portion of rehabilitation obligations and

(4) Long-term loans

These instruments carry floating interest rates, and their fair values are approximately equal to their book values, thus, the measurement is based on their book values.

(5) Rehabilitation obligations

Among rehabilitation obligations, those with variable interest rates have market values approximately equal to their book values, thus, the measurement is based on their book values.

Also, those with fixed interest rates are measured based on a calculation method where the total principal is discounted at a reasonably estimated rate that would be applied if similar rehabilitation obligations (loans) were entered into.

	As of August 31, 2011 (Thousands of yen)		
	Book Value	Fair Value	Difference
(1) Cash and bank deposits (including trust accounts)	¥ 9,230,422	¥ 9,230,422	—
(2) Current portion of long-term loans	28,352,000	28,352,000	—
(3) Current portion of rehabilitation obligations	16,019,513	16,019,513	—
(4) Long-term loans	10,500,000	10,548,044	(¥48,044)
(5) Rehabilitation obligations	67,781,664	67,829,810	(48,146)
(6) Derivatives	—	—	—

	As of August 31, 2011 (Thousands of U.S. dollars)		
	Book Value	Fair Value	Difference
(1) Cash and bank deposits (including trust accounts)	\$120,281	\$120,281	—
(2) Current portion of long-term loans	369,455	369,455	—
(3) Current portion of rehabilitation obligations	208,750	208,750	—
(4) Long-term loans	136,825	137,451	(\$626)
(5) Rehabilitation obligations	883,263	883,891	(627)
(6) Derivatives	—	—	—

10. Financial Instruments (continued)

(Note 1) Methods of calculating the fair values of financial instruments.

(1) Cash and bank deposits (including trust accounts)

These instruments are settled in the short term and their fair values are approximately equal to their book values, thus, the measurement is based on their book values.

(2) Current portion of long-term loans and (3) Current portion of rehabilitation obligations

These instruments carry floating interest rates, and their fair values are approximately equal to their book values, thus, the measurement is based on their book values.

(4) Long-term loans

These instruments carry floating interest rates, and their fair values are approximately equal to their book values, thus, the measurement is based on their book values. However, concerning long-term loans carrying floating interest rates that are hedged by interest-rate swaps under the special treatment, BLife employs a method to calculate the fair values by dividing the total amount of the principal under a separate accounting treatment as part of the corresponding interest-rate swaps, by a reasonable estimate of the interest rate applied to similar types of loans.

(5) Rehabilitation obligations

Among rehabilitation obligations, those with variable interest rates have market values approximately equal to their book values, thus, the measurement is based on their book values.

Also, those with fixed interest rates are measured based on a calculation method where the total principal is discounted at a reasonably estimated rate that would be applied if similar rehabilitation obligations (loans) were entered into.

(6) Derivatives

Please refer to “11. Derivative Transactions” below.

(Note 2) Amount of redemption (scheduled) for monetary claims after February 28, 2011 and August 31, 2011 are as follows.

	As of February 28, 2011	As of August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
		Within one year	
Cash and bank deposits (including trust accounts)	¥9,585,634	¥9,230,422	\$120,281

10. Financial Instruments (continued)

(Note 3) Redemptions (scheduled) for long-term loans and rehabilitation obligations after February 28, 2011 and August 31, 2011 are as follows.

As of February 28, 2011					
<i>(Thousands of yen)</i>					
	Within one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Current portion of long-term loans	¥15,937,000	—	—	—	—
Current portion of rehabilitation obligations	16,019,513	—	—	—	—
Long-term loans	—	¥12,519,000	—	—	¥10,500,000
Rehabilitation obligations	—	22,782,799	¥22,782,799	¥22,784,251	—

As of August 31, 2011					
<i>(Thousands of yen)</i>					
	Within one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Current portion of long-term loans	¥28,352,000	—	—	—	—
Current portion of rehabilitation obligations	16,019,513	—	—	—	—
Long-term loans	—	—	—	—	¥10,500,000
Rehabilitation obligations	—	¥22,593,408	¥22,593,408	¥22,594,847	—

As of August 31, 2011					
<i>(Thousands of U.S. dollars)</i>					
	Within one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Current portion of long-term loans	\$369,455	—	—	—	—
Current portion of rehabilitation obligations	208,750	—	—	—	—
Long-term loans	—	—	—	—	\$136,825
Rehabilitation obligations	—	\$294,415	\$294,415	\$294,433	—

11. Derivative Transactions

For the period from March 1, 2011 to August 31, 2011

- (1) Derivative transactions for which hedge accounting has not been applied
Not applicable.
- (2) Derivative transactions for which hedge accounting has been applied
Contract amount, or amount equivalent to principal specified in the contract according to the hedge accounting method is shown as follows.

Hedge accounting method	Type of derivative transaction	Primary hedged item
Special treatment for interest-rate swaps	Interest-rate swap agreements Receive floating and pay fixed	Long-term loan

(Thousands of yen)

Hedge accounting method	Contract amount, etc.		Fair value	Calculation method for applicable fair value
		Due after one year		
Special treatment for interest-rate swaps	¥10,500,000	¥10,500,000	(Note)	—
Total	¥10,500,000	¥10,500,000	—	—

(Thousands of U.S. dollars)

Hedge accounting method	Contract amount, etc.		Fair value	Calculation method for applicable fair value
		Due after one year		
Special treatment for interest-rate swap	\$136,825	\$136,825	(Note)	—
Total	\$136,825	\$136,825	—	—

(Note) Interest-rate swaps subject to special accounting treatment are included in the accounting for the hedged long-term loan, thus, the fair value is included in the fair value of the corresponding applicable long-term loan. (Please refer to “10.Financial Instruments” above.)

12. Asset Retirement Obligations

1. Details of applicable asset retirement obligations

BLife has entered into agreements involving fixed-term land lease rights with the landowners of assets of the Company, and recognizes asset retirement obligations associated with restoration obligations upon expiration of the lease periods.

2. Methods of calculating the amounts of applicable asset retirement obligations

BLife estimates the useful life of applicable assets as the remaining agreement period of the applicable fixed-term land lease rights (54 years), and uses a 2.111% discount rate for the calculation of applicable asset retirement obligations.

12. Asset Retirement Obligations (continued)

3. Changes in applicable asset retirement obligations

	Six-month period ended February 28, 2011
	<i>(Millions of yen)</i>
Balance at September 1, 2010	—
Increase due to purchase of property and equipment	¥181
Accretion expense	1
Balance at February 28, 2011	182

	Six-month period ended August 31, 2011
	<i>(Millions of yen)</i>
Balance at March 1, 2011	¥182
Increase due to purchase of property and equipment	—
Accretion expense	1
Balance at August 31, 2011	184

	Six-month period ended August 31, 2011
	<i>(Millions of U.S. dollars)</i>
Balance at March 1, 2011	\$2
Increase due to purchase of property and equipment	—
Accretion expense	0
Balance at August 31, 2011	2

13. Investment and Rental Properties

BLife owns residential housing for lease in Tokyo and other areas for the purpose of earning rental revenues. The book value on the balance sheet of these rental and other real estate properties, the fair value and the difference as of February 28, 2011 and August 31, 2011 are as follows.

	As of February 28, 2011
	<i>(Thousands of yen)</i>
Book value on balance sheets	
Balance at August 31, 2010	¥192,108,148
Change during the period	(630,984)
Balance at February 28, 2011	191,477,164
Fair value at February 28, 2011	180,575,000

(Note 1) The book value on the balance sheet is the acquisition cost less accumulated depreciation.

(Note 2) Increase from prior period (¥13,770,851 thousand) was primarily caused by the acquisition of 4 properties. Decrease from prior period (¥13,445,128 thousand) was primarily due to the sale of 10 properties.

(Note 3) The fair value at end of the period represents the value assessed by a third-party real estate appraiser.

13. Investment and Rental Properties (continued)

The profit or loss regarding rental and other real estate properties for the fiscal period ended February 28, 2011 is as shown in “9. Details of Rental Revenues and Expenses.”

	As of	
	August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Book value on balance sheets		
Balance at February 28, 2011	¥191,477,164	\$2,495,141
Change during the period	(865,329)	(11,276)
Balance at August 31, 2011	190,611,835	2,483,865
Fair value at August 31, 2011	181,039,000	2,359,121

(Note 1) The book value on the balance sheet is the acquisition cost less accumulated depreciation.

(Note 2) Increase from prior period (¥3,616,314 thousand) (\$47,124 thousand) was primarily caused by the acquisition of 3 properties. Decrease from prior period (¥3,373,753 thousand) (\$43,963 thousand) was primarily due to the sale of 3 properties.

(Note 3) The fair value at end of the period represents the value assessed by a third-party real estate appraiser.

The profit or loss regarding rental and other real estate properties for the fiscal period ended August 31, 2011 is as shown in “9. Details of Rental Revenues and Expenses.”

14. Segment Information

1. Segment Information

Since BLife has been engaged in a single segment of the real estate leasing business, and there is no other business segment for disclosure, segment information has been omitted.

2. Related Information

(1) Information about products and services

Since operating revenues from external customers for a single segment of product and service account for over 90% of total operating revenues in BLife's statements of income and retained earnings, information about products and services has been omitted.

(2) Information about geographic areas

(a) Operating revenues

Since operating revenues from external customers within Japan account for over 90% of total operating revenues in BLife's statement of income and retained earnings for the period ended February 28, 2011 and August 31, 2011, information about geographic areas has been omitted.

14. Segment Information, (continued)

(b) Property and equipment

Since over 90% of total property and equipment on the balance sheet as of February 28, 2011 and August 31, 2011 are located within Japan, information about geographic areas on such property and equipment has been omitted.

(3) Information about major customers

Since no single external client represents 10% or more of total operating revenues in BLife's statement of income and retained earnings for the period ended February 28, 2011 and August 31, 2011, information about major client has been omitted.

For the period from September 1, 2010 to February 28, 2011

(Additional Information)

From the 10th fiscal period, BLife has adopted "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement Revised, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008).

Moreover, since BLife has been engaged in a single segment of the real estate leasing business, segment information for the previous period, in accordance with said accounting standards, has been omitted.

15. Deferred Income Taxes

(a) Details of significant components of deferred tax assets and liabilities

	As of	
	February 28, 2011	
	<i>(Thousands of yen)</i>	
Deferred tax assets - current:		
Allowance for doubtful accounts	¥13,697	
Others	22,057	
Subtotal-Deferred tax assets - current	35,755	
Valuation reserve	¥35,755	
Total deferred tax assets - current	—	
Net deferred tax assets - current	—	
Deferred tax assets - non-current:		
Valuation difference from the time of merger (Long-term prepaid expenses, etc.)	¥6,583	
Valuation difference from the time of merger (Land, Buildings)	2,324,348	
Loss carryforward assumed at the time of merger	17,510,826	
Others	71,702	
Subtotal	19,913,460	
Deferred tax liabilities - non-current:		
Valuation difference from the time of merger (Land, Buildings)	2,407,146	
Others	70,725	
Subtotal	2,477,871	
Valuation reserve	¥17,435,589	
Total deferred tax assets - non-current	—	
Net deferred tax assets - non-current	—	
	As of August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Deferred tax assets - current:		
Allowance for doubtful accounts	¥2,617	\$34
Others	22,023	286
Subtotal-Deferred tax assets - current	24,640	321
Valuation reserve	¥24,640	\$321
Total deferred tax assets - current	—	—
Net deferred tax assets - current	—	—
Deferred tax assets - non-current:		
Valuation difference from the time of merger (Long-term prepaid expenses, etc.)	¥5,856	\$76
Valuation difference from the time of merger (Land, Buildings)	2,265,911	29,527

Loss carryforward assumed at the time of merger	17,511,301	228,190
Others	72,462	944
Subtotal	<u>19,855,531</u>	<u>258,737</u>
Deferred tax liabilities - non-current:		
Valuation difference from the time of merger (Land, Buildings)	2,365,365	30,823
Others	71,199	927
Subtotal	<u>2,436,565</u>	<u>31,750</u>
Valuation reserve	<u>¥17,418,965</u>	<u>\$226,986</u>
Total deferred tax assets - non-current	<u>—</u>	<u>—</u>
Net deferred tax assets - non-current	<u>—</u>	<u>—</u>

- (b) Details of main entries causing significant differences between the statutory tax rate and the effective tax rates after applying deferred income tax accounting

	From September 1, 2010 to February 28, 2011	From March 1, 2011 to August 31, 2011
Statutory tax rate	39.33%	39.33%
(Adjustment)		
Deduction of loss carryforward assumed at the time of merger	(38.48)	—
Tax-deductible dividends paid	—	(37.35)
Other	(0.85)	(1.94)
Effective tax rates after applying deferred income tax accounting	<u>0.00%</u>	<u>0.04%</u>

16. Related Party Transactions

(a) For the period from September 1, 2010 to February 28, 2011

1) Controlling investors and major corporate investors

Attribute	Name	Location	Capital (Millions of yen)	Business type or occupation	Ownership percentage of investment units (Owned)	Type of relationship		Transaction type	Transaction amount (Thousands of yen)	Line item	Balance at end of period (Thousands of yen)
						Position of director(s) serving concurrently	Business relationship				
Major unitholder	DAIWA HOUSE INDUSTRY Co., Ltd.	Osaka City, Osaka	¥110,120	Construction industry	15.88	—	Major unitholder	Acquisition of real estate	¥5,770,000	—	—

(Note 1) In the above table, consumption taxes are not included.

(Note 2) As for acquisition of real estate, the acquisition price determined based on third party institution's appraisal value.

2) Directors and major individual investors

Not applicable.

3) Subsidiaries

Not applicable.

4) Affiliates

Attribute	Name	Location	Capital (Millions of yen)	Business type or occupation	Ownership percentage of investment units (Owned)	Type of relationship		Transaction type	Transaction amount (Thousands of yen)	Line item	Balance at end of period (Thousands of yen)
						Position of director(s) serving concurrently	Business relationship				
Affiliates	DAIWA HOUSE MORIMOTO ASSET MANAGEMENT Co., Ltd.	Chiyoda-ku, Tokyo	¥300	Asset management	—	—	Consigned asset- management operations	Asset- management compensation payment	¥610,276	Accrued operating expenses payable	¥293,517
	Royal Parks Toyosu K.K.	Chiyoda-ku, Tokyo	¥100	Real estate acquisition, sale and leasing etc.	—	—	Property acquisition and sale	Acquisition of real estate	¥7,360,000	—	—
	DAIWAROYAL CO., LTD.	Chiyoda-ku, Tokyo	¥500	Real estate property management	—	—	Consigned property lease management	Consignment of lease management	¥3,512	Accrued operating expenses payable	¥427
	DAIWA LIVING Co., Ltd.	Chiyoda-ku, Tokyo	¥140	Real estate property management	—	—	Property lease and management	Rent income	¥210,535	—	—
							Consigned property lease management	Consignment of lease management	¥17,465	Accrued operating expenses payable	¥6,933
	DH Leasing LLC	Chiyoda-ku, Tokyo	¥3	Real estate property management	—	—	Property lease and management	Master lease fee	¥1,243	Trade and other payables	¥1,004

(Note 1) In the above table, consumption taxes are not included in the transaction amounts but are included in the balances at the end of the period.

(Note 2) Transaction terms and conditions and policies for determining transaction terms and conditions: market value is considered in such determinations.

(Note 3) As for acquisition of real estate, the acquisition price determined based on third party institution's appraisal value.

16. Related Party Transactions (continued)

(b) For the period from March 1, 2011 to August 31, 2011

1) Controlling investors and major corporate investors

Not applicable.

2) Directors and major individual investors

Not applicable.

3) Subsidiaries

Not applicable.

4) Affiliates

Attribute	Name	Location	Capital (Millions of yen) (Millions of U.S. dollars)	Business type or occupation	Ownership percentage of investment units (Owned)	Type of relationship		Transaction type	Transaction amount (Thousands of yen) (Thousands of U.S. dollars)	Line item	Balance at end of period (Thousands of yen) (Thousands of U.S. dollars)
						Position of director(s) serving concurrently	Business relationship				
Affiliates	DAIWA HOUSE ASSET MANAGEMENT Co., Ltd.	Chiyoda-ku, Tokyo	¥300 (\$3)	Asset management	—	—	Consigned asset- management operations	Asset- management compensation payment	¥433,565 (\$5,649)	Accrued operating expenses payable	¥252,061 (\$3,284)
	DAIWAROYAL CO., LTD.	Chiyoda-ku, Tokyo	¥500 (\$6)	Real estate property management	—	—	Consigned property lease management	Consignment of lease management	¥2,914 (\$37)	Accrued operating expenses payable	¥1,045 (\$13)
	DAIWA LIVING Co., Ltd.	Chiyoda-ku, Tokyo	¥140 (\$1)	Real estate property management	—	—	Property lease and management	Rent income	¥315,802 (\$4,115)	—	—
							Consigned property lease management	Consignment of lease management	¥25,458 (\$331)	Accrued operating expenses payable	¥7,845 (\$102)
	DAIWARAKU DA INDUSTRY Co., Ltd.	Osaka City, Osaka	¥450 (\$5)	Construction support	—	—	Property lease and management	Rent income	¥318 (\$4)	—	—
	DH Leasing LLC	Chiyoda-ku, Tokyo	¥3 (\$0)	Real estate property management	—	—	Property lease and management	Master lease fee	¥1,579 (\$20)	Trade and other payables	¥882 (\$11)

(Note 1) In the above table, consumption taxes are not included in the transaction amounts but are included in the balances at the end of the period.

(Note 2) Transaction terms and conditions and policies for determining transaction terms and conditions: market value is considered in such determinations.

17. Per Unit Information

- (a) The following table summarizes information about net assets per unit at February 28, 2011 and net income per unit for the period from September 1, 2010 to February 28, 2011:

Net assets per unit	¥628,176
Net income per unit	¥27,334

Net income per unit is calculated by dividing net income by the number of average investment units weighted by the number of days in the period. Net income per unit after adjustment for latent units has not been reported because there were no latent units.

- (b) The following table summarizes information about net assets per unit at August 31, 2011 and net income per unit for the period from March 1, 2011 to August 31, 2011:

Net assets per unit	¥623,103	\$8,119
Net income per unit	¥11,806	\$153

Net income per unit is calculated by dividing net income by the number of average investment units weighted by the number of days in the period. Net income per unit after adjustment for latent units has not been reported because there were no latent units.

- (c) Basis of calculation for the amounts of net income per unit is stated as follows:

	From September 1, 2010 to February 28, 2011	From March 1, 2011 to August 31, 2011	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Net income	¥3,245,541	¥1,401,852	\$18,267
Amount not attributable to common unitholders	—	—	—
Net income attributable to common units	¥3,245,541	¥1,401,852	\$18,267
Average number of investment units during the period (in units)	118,735	118,735	118,735

18. Net Assets

BLife shall maintain net assets of at least ¥50,000 thousand (\$651 thousand) as required by Clause 4 of Article 67 of the Investment Trust Law.

19. Significant Subsequent Events

- (a) For the period from September 1, 2010 to February 28, 2011

Cash dividends

On April 14, 2011, BLife's Board of Directors approved a resolution for the payment of cash dividends of ¥16,880 per unit, aggregating to ¥2,004,246,800, to unitholders of record as of February 28, 2011.

(Method of calculation of cash dividends)

In accordance with Section 37.1.1 of the bylaws set forth by BLife for distributions of cash dividends, the amount of dividends payable is limited by the amount of income and more than 90% of income available for distributions of dividends of BLife as set forth in Section 67.15 of the Special Taxation Measures Law.

However, as a result of the merger with New City Residence Investment Corporation ("NCR"), NCR's loss carryforward was transferred to BLife in the previous fiscal period. Thus, there was no taxable income, and no need to apply the provision set forth under Article 67-15 of the Special Taxation Measures Law.

Accordingly, as the maximum integral multiple of the 118,735 units issued, BLife set income available for distribution of dividends at ¥2,004,246,800, which is the amount of the unappropriated income at the end of this fiscal period less previous period's ¥19,009,252,032 gain on negative goodwill, ¥22,966,049 in gains on sales of real estate and ¥64,591,122 in gains on retirement of rehabilitation obligations, and this period's ¥756,412,328 net gains on real estate sales and ¥484,924,027 in extraordinary income, including gains on the retirement of rehabilitation obligations, etc. No cash distribution exceeding the income amount set forth in Section 37.1.2 of the bylaws of BLife shall be made.

In addition, in order to stabilize future distribution, BLife determined to put in reserve ¥20,338,145,558, which has not been distributed as dividends for this or the previous period.

BLife disposed of the following assets subsequent to February 28, 2011.

Property Name	New City Residence Denenchofu
Sales Price (Thousands of yen)	¥425,468
Book Value (Thousands of yen)	¥423,577 (As of February 28, 2011)
Buyer	Company engaged in general business in Japan
Asset Type	Beneficiary right in trust that places real estate in trust
Sales Date	March 30, 2011

Property Name	New City Residence Minami Aoyama
Sales Price (Thousands of yen)	¥2,175,135
Book Value (Thousands of yen)	¥2,656,524 (As of February 28, 2011)
Buyer	METRES CO., LTD.
Asset Type	Real estate
Sales Date	April 18, 2011

(Note) Excluding such amounts as expenses related to sale, amount equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.

19. Significant Subsequent Events (continued)

(b) For the period from March 1, 2011 to August 31, 2011

1. Cash dividends

On October 13, 2011, BLife's Board of Directors approved a resolution for the payment of cash dividends of ¥16,320 (\$212) per unit, aggregating to ¥1,937,755,200 (\$25,250,914), to unitholders of record as of August 31, 2011.

(Method of calculation of cash dividends)

In accordance with Section 37.1.1 of the bylaws set forth by BLife for distributions of cash dividends, the amount of dividends payable is limited by the amount of income and more than 90% of income available for distribution of dividends of BLife as set forth in Section 67.15 of the Special Taxation Measures Law.

However, as a result of the merger with New City Residence Investment Corporation ("NCR"), NCR's loss carryforward was transferred to BLife. Thus, there was no taxable income, and the provision set forth under Article 67-15 of the Special Taxation Measures Law does not apply.

Accordingly, as the maximum integral multiple of the 118,735 units issued, BLife set income available for distribution of dividends at ¥1,937,755,200 (\$25,250,914) (¥16,320 per unit) (\$212 per unit), which is the amount of the unappropriated income at the end of this fiscal period after adjustment including net loss of (¥501,201,280) ((\$6,531,160)) on sales of real estate, ¥22,941,298 (\$298,948) in gains on retirement by purchase of rehabilitation obligations, and loss on disaster of (¥57,722,062) ((\$752,176)) ,which consists of repair expenses for damages caused by Great East Japan Earthquake. No cash distribution exceeding the income amount set forth in Section 37.1.2 of the bylaws of this investment corporation shall be made.

Also, the difference, ¥535,900,422 (\$6,983,325), between the total distribution of ¥1,937,755,200 (\$25,250,914) and the unappropriated income at the end of this fiscal period is allocated from the reserve for distribution.

19. Significant Subsequent Events (continued)

2. Acquisition of property

BLife acquired of the following assets subsequent to August 31, 2011.

Property Name	Besta Yakuin
Acquisition Price (Thousands of yen) (Thousands of U.S. dollars)	¥930,000 (\$12,118)
Seller	Company engaged in general business in Japan
Asset Type	Real estate
Location	2-112, Imaizumi, Chuo-ku, Fukuoka City, Fukuoka Prefecture
Acquisition Date	September 26, 2011

Property Name	Royal Parks Hanakoganei
Acquisition Price (Thousands of yen) (Thousands of U.S. dollars)	¥5,300,000 (\$69,064)
Seller	Royal Parks Hanakoganei Co., Ltd.
Asset Type	Beneficiary right in trust that places real estate in trust
Location	1-764-7, Hanakoganei, Kodaira City, Tokyo
Acquisition Date	October 7, 2011

Property Name	My Atria Mishuku
Acquisition Price (Thousands of yen) (Thousands of U.S. dollars)	¥1,900,000 (\$24,758)
Seller	Special purpose company in Japan
Asset Type	Beneficiary right in trust that places real estate in trust
Location	1-2-3, Taishidou, Setagaya-ku, Tokyo
Acquisition Date	October 7, 2011

Property Name	Shibaura Island Bloom Tower
Acquisition Price (Thousands of yen) (Thousands of U.S. dollars)	¥7,580,000 (\$98,775)
Seller	Shibaura Canal Development Ltd.
Asset Type	Beneficiary right in trust that places real estate in trust
Location	4-31-46, Shibaura, Minato-ku, Tokyo
Acquisition Date	October 18, 2011

(Note 1) Excluding such amounts as expenses related to acquisition, amount equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.

(Note 2) The property is comprised of two buildings: (Bloom Tower and Bloom Homes) .

19. Significant Subsequent Events (continued)

3. Issuance of new investment units

BLife passed a resolution at the board meeting held on September 15, 2011 to issue new investment units. The issuance of new investment units through public offering was completed on October 4, 2011, and a secondary offering through third-party allotment was completed on November 2, 2011.

As a result of the above issuances, total unitholders' capital has increased to ¥41,602,436,200 (\$542,121,920) and the number of outstanding investment units to 160,535 units.

Issuance of new investment units through public offering

Number of new investment units issued:	38,000 units
Price of unit issued (offered):	¥435,337 (\$5,672)
Total price of units issued (offered):	¥16,542,806,000 (\$215,569,533)
Paid-in amount (value of investment units issued):	¥421,049 (\$5,486)
Total paid-in amount (value of investment units issued):	¥15,999,862,000 (\$208,494,422)
Transaction date:	October 4, 2011

Issuance of new investment units through third-party allotment

Number of new investment units issued:	3,800 units
Paid-in amount (value of investment units issued) :	¥421,049 (\$5,486)
Total paid-in amount (value of investment units issued):	¥1,599,986,200 (\$20,849,442)
Transaction date:	November 2, 2011
Allotment to:	Daiwa Securities Capital Markets Co. Ltd.

Usage of proceeds

Funds financed through this public offering will be used to acquire specific assets. The remaining funds, if any after acquisition of properties, will be used for the repayment of loans.

19. Significant Subsequent Events (continued)

4. Borrowing of funds

BLife refinanced ¥31,800 million (\$414 million), out of ¥31,806 million (\$414 million), which consisted of ¥15,787 million (\$205 million) in long-term loans that became due for repayment on September 30, 2011, and ¥16,019 million (\$208 million) in rehabilitation obligations with right of separate satisfaction, due on January 31, 2012, by entering into a new long-term loan, and it repaid the remaining ¥6 million (\$0 million) from cash reserves.

The details of the new loan in the amount of ¥31,800 million (\$414 million) are as follows:

Lenders:	Sumitomo Mitsui Banking Corporation, Chuo Mitsui Trust & Banking Co., Ltd., Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Aozora Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Resona Bank Ltd., Sumitomo Trust & Banking Co., Ltd., Shinsei Bank, Ltd.
Loan amount:	¥31,800 million (\$414 million)
Interest rate:	Base rate (JBA3-month Japanese Yen TIBOR) + 0.65% (floating interest rate)
Transaction date:	September 30, 2011
Due date:	September 30, 2016
Method of payment:	Bullet repayment (lump sum payment at maturity)
Collateral, guarantee:	Unsecured and non-guaranteed

20. Changes in Investment Units Issued

The quantity of investment units issued and the changes in total unitholders' capital for the last five years are reported as follows:

Date	Type	Investment units issued (Units)		Total unitholders' capital (Millions of yen)		Comments
		Change in quantity	Balance	Amount of change	Balance	
March 2, 2007	Third-party allotment	8,000	49,260	¥ 4,034	¥24,002	(Note 1)
April 1, 2010	Merger	69,475	118,735	0	¥24,002	(Note 2)
October 4, 2011	Capital increase by public offering	38,000	156,735	¥15,999	¥40,002	(Note 3)
November 2, 2011	Third-party allotment	3,800	160,535	¥ 1,599	¥41,602	(Note 4)

(Note 1) Additional units were issued at an issue price of ¥504,261 per unit to obtain funds for acquiring new properties.

(Note 2) BLife merger with NCR on April 1, 2010.

(Note 3) Investment units were issued at ¥435,337 per unit (value of investment unit issued ¥421,049) to obtain property acquisition funds by public offering.

(Note 4) Investment units were issued at ¥421,049 per unit to obtain property acquisition funds by third-party allotment.

21. Other Supplementary Information

(a) For the period from September 1, 2010 to February 28, 2011

1) Detailed Schedule of Portfolio

Not applicable.

2) Table of Contract Amounts and Market Value of Futures Trades of Marketable Portfolio and Foreign Exchange Contract Amounts and Their Values

Not applicable.

3) General Overview of Detailed Schedule of Real Estate

(Thousands of yen)

Type of asset		Balance at end of prior period	Increase during the period	Decrease during the period	Balance at end of the period	Less accumulated depreciation or accumulated amortization		Net book value at end of the period
							Depreciation or amortization for the period	
Tangible fixed assets	Buildings	¥27,999,157	¥7,247	–	¥28,006,405	¥ 505,826	¥278,408	¥27,500,578
	Structures	237,375	2,241	–	239,617	4,385	2,404	235,231
	Machinery and equipment	417,987	–	–	417,987	13,238	7,245	404,749
	Tools, furniture and fixtures	650,917	616	–	651,534	44,625	24,311	606,908
	Land	22,227,020	–	–	22,227,020	–	–	22,227,020
	Buildings in trust	66,566,319	11,719,400	¥8,120,775	70,164,944	3,152,833	783,838	67,012,111
	Structures in trust	551,126	72,906	97,444	526,587	16,300	7,684	510,287
	Machinery and equipment in trust	670,638	394,467	51,469	1,013,637	132,646	26,158	880,990
	Tools, furniture and fixtures in trust	278,595	5,969	8,362	276,202	31,249	16,833	244,952
	Land in trust	73,852,746	1,766,106	5,285,996	70,332,856	–	–	70,332,856
	Construction in progress in trust	3,759	–	3,759	–	–	–	–
	Total	¥193,455,646	¥13,968,955	¥13,567,807	¥193,856,794	¥3,901,106	¥1,146,885	¥189,955,688
Intangible fixed assets	Leasehold rights in trust	¥1,521,476	–	–	¥1,521,476	–	–	¥1,521,476
	Trademark rights	2,756	–	–	2,756	–	¥285	2,471
	Total	¥1,524,232	–	–	¥1,524,232	–	¥285	¥1,523,947

(Note) Details of the increase (decrease) during the period are shown below.

21. Other Supplementary Information (continued)

1. Increase in buildings

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
New City Residence Hakataekihigashi	Border fence repair work	Structures	¥1,220
Total			¥1,220

2. Increase in buildings in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Royal Parks Toyosu	Building work	Building in trust	¥6,431,215
Royal Parks Toyosu	Electric facilities construction	Installation of equipment for building in trust	417,854
Royal Parks Toyosu	Plumbing sanitary	Installation of equipment for building in trust	378,760
Royal Parks Toyosu	Work on air conditioning	Installation of equipment for building in trust	219,473
IPSE Togoshi	Building work	Building in trust	830,072
IPSE Togoshi	Electric facilities construction	Installation of equipment for building in trust	58,791
IPSE Togoshi	Plumbing sanitary	Installation of equipment for building in trust	103,207
IPSE Togoshi	Work on air conditioning	Installation of equipment for building in trust	43,424
Big Tower Minami Sanjo	Building work	Building in trust	895,955
Big Tower Minami Sanjo	Electric facilities construction	Installation of equipment for building in trust	185,351
Big Tower Minami Sanjo	Plumbing sanitary	Installation of equipment for building in trust	199,470
Big Tower Minami Sanjo	Work on air conditioning	Installation of equipment for building in trust	102,328
Lexington Square Fushimi	Building work	Building in trust	1,183,449
Lexington Square Fushimi	Electric facilities construction	Installation of equipment for building in trust	116,014
Lexington Square Fushimi	Plumbing sanitary	Installation of equipment for building in trust	131,563
Lexington Square Fushimi	Work on air conditioning	Installation of equipment for building in trust	65,722
Total			¥11,362,648

21. Other Supplementary Information (continued)

3. Increase in structures in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Royal Parks Toyosu	Exterior construction	Structures in trust	¥44,883
IPSE Togoshi	Exterior construction	Structures in trust	3,443
Big Tower Minami Sanjo	Exterior construction	Structures in trust	10,822
Lexington Square Fushimi	Exterior construction	Structures in trust	6,298
New City Residence Sangubashi	Planting work	Structures in trust	1,256
Total			¥66,702

4. Increase in machinery and equipment in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Royal Parks Toyosu	Mechanical parking	Machinery and equipment in trust	¥127,829
IPSE Togoshi	Mechanical parking	Machinery and equipment in trust	33,410
Big Tower Minami Sanjo	Mechanical parking	Machinery and equipment in trust	179,621
Lexington Square Fushimi	Mechanical parking	Machinery and equipment in trust	53,605
Total			¥394,465

5. Increase in tools, furniture and fixtures in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
New City Residence Honjo Azumabashi	Installation of security cameras	Tools, furniture and fixtures in trust	¥1,223
Total			¥1,223

6. Increase in land in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
IPSE Togoshi	Land	Land in trust	¥749,527
Big Tower Minami Sanjo	Land	Land in trust	235,165
Lexington Square Fushimi	Land	Land in trust	781,413
Total			¥1,766,105

21. Other Supplementary Information (continued)

7. Decrease in buildings in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Catherina Mita Towersuite	Framework construction, etc.	Building in trust	¥5,217,778
Catherina Mita Towersuite	Electric and plumbing work, etc.	Installation of equipment for building in trust	1,328,685
New City Residence Negishi	Framework construction, etc.	Building in trust	84,616
New City Residence Negishi	Electric and plumbing work, etc.	Installation of equipment for building in trust	20,641
SH Motosumiyoshi	Framework construction, etc.	Building in trust	298,011
SH Motosumiyoshi	Electric and plumbing work, etc.	Installation of equipment for building in trust	39,870
LM Fuchinobe Honcho	Framework construction, etc.	Building in trust	60,297
LM Fuchinobe Honcho	Electric and plumbing work, etc.	Installation of equipment for building in trust	8,425
New City Residence Ohdori-koen	Framework construction, etc.	Building in trust	283,760
New City Residence Ohdori-koen	Electric and plumbing work, etc.	Installation of equipment for building in trust	52,696
Goshikiyama Heights	Framework construction, etc.	Building in trust	184,260
Goshikiyama Heights	Electric and plumbing work, etc.	Installation of equipment for building in trust	60,429
New City Residence Nishikoen	Framework construction, etc.	Building in trust	158,840
New City Residence Nishikoen	Electric and plumbing work, etc.	Installation of equipment for building in trust	31,507
New City Residence Nishi Oori	Framework construction, etc.	Building in trust	88,555
New City Residence Nishi Oori	Electric and plumbing work, etc.	Installation of equipment for building in trust	17,980
New City Residence Kakogawa	Framework construction, etc.	Building in trust	94,810
New City Residence Kakogawa	Electric and plumbing work, etc.	Installation of equipment for building in trust	15,298
LM Maebashi Nishikatahai	Framework construction, etc.	Building in trust	62,660
LM Maebashi Nishikatahai	Electric and plumbing work, etc.	Installation of equipment for building in trust	8,274
Total			¥8,117,392

21. Other Supplementary Information (continued)

8. Decrease in structures in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Catherina Mita Towersuite	Exterior construction	Structures in trust	¥55,601
SH Motosumiyoshi	Exterior construction	Structures in trust	3,334
New City Residence Ohdori-koen	Exterior construction	Structures in trust	3,893
Goshikiyama Heights	Exterior construction	Structures in trust	22,025
New City Residence Nishikoen	Exterior construction	Structures in trust	3,034
New City Residence Nishi Oori	Exterior construction	Structures in trust	2,174
New City Residence Kakogawa	Exterior construction	Structures in trust	4,902
Total			¥94,963

9. Decrease in machinery and equipment in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Catherina Mita Towersuite	Mechanical parking	Machinery and equipment in trust	¥49,688
Total			¥49,688

10. Decrease in land in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Catherina Mita Towersuite	Land	Land in trust	¥3,744,546
New City Residence Negishi	Land	Land in trust	142,838
SH Motosumiyoshi	Land	Land in trust	555,289
LM Fuchinobe Honcho	Land	Land in trust	66,694
New City Residence Ohdori-koen	Land	Land in trust	149,023
Goshikiyama Heights	Land	Land in trust	222,221
New City Residence Nishikoen	Land	Land in trust	143,670
New City Residence Nishi Oori	Land	Land in trust	117,356
New City Residence Kakogawa	Land	Land in trust	124,759
LM Maebashi Nishikataai	Land	Land in trust	19,595
Total			¥5,285,991

4) Detailed Schedule of Other Specific Assets

Not applicable.

5) Detailed Schedule of Investment Corporation Bonds

Please refer to the following 7) Detailed Rehabilitation Obligations.

21. Other Supplementary Information (continued)

6) Detailed Schedule of Loans

Classification	Lender	Balance at end of prior period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Thousands of yen)	Balance at end of the period (Thousands of yen)	Average interest rate (Note 1)	Repayment deadline	Purpose of use	Comments
Current portion of long-term loans	Sumitomo Mitsui Banking Corporation	¥27,800	¥3,781,350	¥13,900	¥3,795,250	1.46%	September 30, 2011	(Note 3)	Secured without warranty
	The Chuo Mitsui Trust and Banking Co., Ltd.	27,800	3,781,350	13,900	3,795,250				
	Mizuho Bank, Ltd. (Note 2)	27,800	3,781,350	13,900	3,795,250				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	21,720	2,961,990	10,860	2,972,850				
	The Sumitomo Trust and Banking Co., Ltd.	10,880	1,480,960	5,440	1,486,400				
	Sumitomo Mitsui Banking Corporation	25,840	12,920	12,920	25,840	1.36%	July 31, 2012	(Note 3)	Secured without warranty
	The Chuo Mitsui Trust and Banking Co., Ltd.	25,840	12,920	12,920	25,840				
	Mizuho Bank, Ltd. (Note 2)	25,840	12,920	12,920	25,840				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	14,480	7,240	7,240	14,480				
	Subtotal	208,000	15,833,000	104,000	15,937,000	—	—	—	—
Long-term loans	Sumitomo Mitsui Banking Corporation	3,781,350	—	3,781,350	—	1.46%	September 30, 2011	(Note 3)	Secured without warranty
	The Chuo Mitsui Trust and Banking Co., Ltd.	3,781,350	—	3,781,350	—				
	Mizuho Bank, Ltd. (Note 2)	3,781,350	—	3,781,350	—				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,961,990	—	2,961,990	—				
	The Sumitomo Trust and Banking Co., Ltd.	1,480,960	—	1,480,960	—				
	Sumitomo Mitsui Banking Corporation	3,527,700	—	12,920	3,514,780	1.36%	July 31, 2012	(Note 3)	Secured without warranty
	The Chuo Mitsui Trust and Banking Co., Ltd.	3,527,700	—	12,920	3,514,780				
	Mizuho Bank, Ltd. (Note 2)	3,527,700	—	12,920	3,514,780				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,981,900	—	7,240	1,974,660				
	Sumitomo Mitsui Banking Corporation	—	1,800,000	—	1,800,000	1.14%	December 28, 2015	(Note 4)	Unsecured without warranty
	The Chuo Mitsui Trust and Banking Co., Ltd.	—	1,800,000	—	1,800,000				
	Mizuho Corporate Bank, Ltd.	—	1,800,000	—	1,800,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	—	1,800,000	—	1,800,000				
	Mitsubishi UFJ Trust and Banking Co., Ltd.	—	1,400,000	—	1,400,000				
	Resona Bank, Ltd.	—	1,400,000	—	1,400,000				
	Shinsei Bank, Limited.	—	500,000	—	500,000				
	Subtotal	28,352,000	10,500,000	15,833,000	23,019,000	—	—	—	—
Total		¥28,560,000	¥26,333,000	¥15,937,000	¥38,956,000	—	—	—	—

(Note 1) Average interest rates are loan interest rates (weighted average during the applicable term) of the corresponding lenders, and are rounded off to the nearest second decimal place.

(Note 2) Due to the assignment of obligation, the lender has changed, effective as of Mar. 31, 2011, from Mizuho Bank, Ltd. to Mizuho Corporate Bank, Ltd.

(Note 3) To be used as acquisition funds for real estate properties in trust, or to refinance such funds;

(Note 4) To be used as fund to purchase rehabilitation obligations (others), retire rehabilitation obligations (investment corporation bonds), and return part of rehabilitation obligations (loans)

(Note 5) Scheduled payment per year for long-term loans within a period of 5 years from the end of the fiscal period is as follows:

(Thousands of yen)

Classification	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Long-term loans	¥12,519,000	—	—	¥10,500,000

7) Detailed Schedule of Rehabilitation Obligations

Classification		Date of modification of rights	Balance at end of prior period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Note 2) (Thousands of yen)	Balance at end of the period (Thousands of yen)	Average interest rate (Note 3)	Repayment deadline	Purpose of use	Comments
Current portion of rehabilitation obligations with right of separate satisfaction	The Chuo Mitsui Trust and Banking Co., Ltd.	January 5, 2010 (Note 1)	—	¥4,301,536	—	¥4,301,536	1.46%	January 31, 2012	(Note 4)	Secured without warranty
	Aozora Bank, Ltd.		—	4,227,371	—	4,227,371				
	The Sumitomo Trust and Banking Co., Ltd.		—	2,299,096	—	2,299,096				
	Mitsubishi UFJ Trust and Banking Corporation		—	2,224,932	—	2,224,932				
	Resona Bank, Ltd.		—	2,224,932	—	2,224,932				
	The Hyakugo Bank		—	741,644	—	741,644				
	Total		—	¥16,019,513	—	¥16,019,513	—	—	—	—
Rehabilitation obligations with right of separate satisfaction	The Chuo Mitsui Trust and Banking Co., Ltd.	January 5, 2010 (Note 1)	¥4,301,536	—	¥4,301,536	—	1.46%	January 31, 2012	(Note 4)	Secured without warranty
	Aozora Bank, Ltd.		4,227,371	—	4,227,371	—				
	The Sumitomo Trust and Banking Co., Ltd.		2,299,096	—	2,299,096	—				
	Mitsubishi UFJ Trust and Banking Corporation		2,224,932	—	2,224,932	—				
	Resona Bank, Ltd.		2,224,932	—	2,224,932	—				
	The Hyakugo Bank		741,644	—	741,644	—				
	Subtotal		16,019,513	—	16,019,513	—				
Rehabilitation obligations (Loans)	The Norinchukin Bank	January 5, 2010 (Note 1)	3,039,055	—	—	3,039,055	1.45%	January 31, 2013	(Note 4)	Unsecured without warranty
			3,039,055	—	—	3,039,055		January 31, 2014		
			3,039,249	—	—	3,039,249		January 30, 2015		
	Aozora Bank, Ltd.		2,353,146	—	—	2,353,146	1.45%	January 31, 2013		
			2,353,146	—	—	2,353,146		January 31, 2014		
			2,353,296	—	—	2,353,296		January 30, 2015		
	The Chuo Mitsui Trust and Banking Co., Ltd.		2,124,156	—	—	2,124,156	1.45%	January 31, 2013		
			2,124,156	—	—	2,124,156		January 31, 2014		
			2,124,291	—	—	2,124,291		January 30, 2015		
	Sumitomo Mitsui			1,883,861	—	—	1,883,861	1.45%		

Classification		Date of modification of rights	Balance at end of prior period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Note 2) (Thousands of yen)	Balance at end of the period (Thousands of yen)	Average interest rate (Note 3)	Repayment deadline	Purpose of use	Comments
	Banking Corporation		1,883,861	—	—	1,883,861		January 31, 2014		
			1,883,981	—	—	1,883,981		January 30, 2015		
	Mizuho Bank, Ltd. (Note 5)		1,215,486	—	—	1,215,486	1.45%	January 31, 2013		
			1,215,486	—	—	1,215,486		January 31, 2014		
			1,215,563	—	—	1,215,563		January 30, 2015		
	The Sumitomo Trust and Banking Co., Ltd.		1,093,835	—	—	1,093,835	1.45%	January 31, 2013		
			1,093,835	—	—	1,093,835		January 31, 2014		
			1,093,905	—	—	1,093,905		January 30, 2015		
	Mizuho Trust & Banking Co., Ltd.		914,707	—	—	914,707	1.45%	January 31, 2013		
			914,707	—	—	914,707		January 31, 2014		
			914,765	—	—	914,765		January 30, 2015		
	Development Bank of Japan Inc.		516,666	—	—	516,666	1.45%	January 31, 2013		
			516,666	—	—	516,666		January 31, 2014		
			516,699	—	—	516,699		January 30, 2015		
	Mitsubishi UFJ Trust and Banking Corporation		455,817	—	—	455,817	1.45%	January 31, 2013		
			455,817	—	—	455,817		January 31, 2014		
			455,846	—	—	455,846		January 30, 2015		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		425,537	—	—	425,537	1.45%	January 31, 2013		
			425,537	—	—	425,537		January 31, 2014		
			425,564	—	—	425,564		January 30, 2015		
	Resona Bank, Ltd.		364,727	—	—	364,727	1.45%	January 31, 2013		
			364,727	—	—	364,727		January 31, 2014		
			364,751	—	—	364,751		January 30, 2015		
	Mitsui Sumitomo Insurance Company, Limited		303,883	—	—	303,883	1.45%	January 31, 2013		
			303,883	—	—	303,883		January 31, 2014		
			303,902	—	—	303,902		January 30, 2015		
	The Chiba Bank, Ltd.		303,879	—	—	303,879	1.45%	January 31, 2013		
			303,879	—	—	303,879		January 31, 2014		
			303,898	—	—	303,898		January 30, 2015		
	North Pacific Bank, Ltd.		151,949	—	—	151,949	1.45%	January 31, 2013		
			151,949	—	—	151,949		January 31, 2014		
			151,959	—	—	151,959		January 30, 2015		
	Shinsei Bank, Limited.		151,944	—	151,944	—	1.45%	January 31, 2013		
			151,944	—	151,944	—		January 31, 2014		
			151,954	—	151,954	—		January 30, 2015		
	Subtotal			45,896,945	—	455,843	45,441,101	—		

Classification		Date of modification of rights	Balance at end of prior period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Note 2) (Thousands of yen)	Balance at end of the period (Thousands of yen)	Average interest rate (Note 3)	Repayment deadline	Purpose of use	Comments
Rehabilitation obligations (Investment corporation bonds)	First Series Unsecured Investment Corporation Bonds (Note 6)	January 5, 2010 (Note 1)	4,404,151	—	—	4,404,151	1.45%	January 31, 2013	(Note 8)	Unsecured without warranty
			4,404,151	—	—	4,404,151		January 31, 2014		
			4,404,432	—	—	4,404,432		January 30, 2015		
	Second Series Unsecured Investment Corporation Bonds (Note 7)		3,800,668	—	1,330,234	2,470,434	1.45%	January 31, 2013	(Note 9)	
			3,800,668	—	1,330,234	2,470,434		January 31, 2014		
			3,800,910	—	1,330,318	2,470,592		January 30, 2015		
	Third Series Unsecured Investment Corporation Bonds (Note 7)		1,427,814	—	666,313	761,500	1.45%	January 31, 2013		
			1,427,814	—	666,313	761,500		January 31, 2014		
			1,427,905	—	666,355	761,549		January 30, 2015		
	Subtotal			28,898,518	—	5,989,769	22,908,748	—	—	—
Rehabilitation obligations (Other obligations)	Ikebukuro TM LLC	January 5, 2010 (Note 1)	1,738,385	—	1,738,385	—	1.45%	January 31, 2013	—	Unsecured without warranty
			1,738,385	—	1,738,385	—		January 31, 2014		
			1,738,496	—	1,738,496	—		January 30, 2015		
	Subtotal			5,215,267	—	5,215,267	—	—	—	—
Total			¥96,030,245	—	¥27,680,394	¥68,349,850	—	—	—	—
Total rehabilitation obligations			¥96,030,245	¥16,019,513	¥27,680,394	¥84,369,364	—	—	—	—

(Note 1) NCR's rehabilitation plan (hereinafter referred to as "Rehabilitation Plan") filed at the Tokyo District Court as of November 9, 2009 was also approved at the creditors' meeting held on December 9, 2009. Approval by the Tokyo District Court was received as of the same day, and the order of confirmation of the Rehabilitation Plan became final and binding on January 5, 2010. Under the Rehabilitation Plan, terms and conditions for rehabilitation obligations with rights of separate satisfaction have been amended based on the agreement on rights of separate satisfaction made on October 13, 2009, and for other rehabilitation obligations, terms and conditions have been amended pursuant to the provisions stipulated in the Rehabilitation Plan.

(Note 2) Rehabilitation obligations--loans, investment corporation bonds, and others--have been decreasing, respectively, by payment before maturity, through retirement by purchasing, and by mixing associated with BLife's purchasing of obligations.

(Note 3) Average interest rates are loan interest rates (weighted average during the applicable term) of the corresponding lenders or investment corporation bonds, and are rounded off to the nearest second decimal place.

(Note 4) The loan was made for use in funding repayment of loans, or to purchase real estates and real estate trust beneficiary rights.

(Note 5) Due to the assignment of obligation, the lender has changed, effective as of March 31, 2011, from Mizuho Bank, Ltd. to Mizuho Corporate Bank, Ltd.

(Note 6) Limited only to qualified institutional investors, and with special pari passu conditions among specified BLife investment corporation bonds.

(Note 7) With special pari passu conditions among specified BLife investment corporation bonds.

(Note 8) These bonds were issued to finance funds for repayment of loans, and for purchase of real estate trust beneficiary rights.

(Note 9) These bonds were used as funds for repayment of short-term loans.

(Note 10) With regard to each rehabilitation obligation, excluding those with rights of separate satisfaction, a fixed interest rate has been applied to the balance of the principal with a maturity of January 30, 2015 (¥22,784,251 thousand at end of the period). Also, though a floating interest rate is currently applied as of the end of this period for the unpaid principal balances with maturity dates of January 31, 2013, and January 31, 2014 (¥22,782,799 thousand for respective balance at the end of this period), BLife has the option to convert to a fixed interest rate without changing the spread.

(Note 11) Scheduled payments per year for rehabilitation obligation within a period of 5 years from the end of the fiscal period is as follows.

21. Other Supplementary Information (continued)

(Thousands of yen)

Classification	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Rehabilitation obligations (loans)	¥15,146,712	¥15,146,712	¥15,147,677	—
Rehabilitation obligations (investment corporation bonds)	7,636,087	7,636,087	7,636,573	—
Total	¥22,782,799	¥22,782,799	¥22,784,251	—

(b) For the period from March 1, 2011 to August 31, 2011

1) Detailed Schedule of Portfolio

Not applicable.

2) Table of Contract Amounts and Market Value of Futures Trades of Marketable Portfolio and Foreign Exchange Contract Amounts and Their Values

(Thousands of yen)

Category	Type	Contract amount, etc.		Fair value
			Due after one year	
Over-the-counter transaction	Interest-rate swap agreements	¥10,500,000	¥10,500,000	—
Total		¥10,500,000	¥10,500,000	—

(Thousands of U.S. dollars)

Category	Type	Contract amount, etc.		Fair value
			Due after one year	
Over-the-counter transaction	Interest-rate swap agreements	\$136,825	\$136,825	—
Total		\$136,825	\$136,825	—

(Note 1) Contract amount, etc. is based on notional principal amount.

(Note 2) Interest rate swap agreements are subject to special accounting treatment. (Please see “10. Financial Instruments” for details.)

3) General Overview of Detailed Schedule of Real Estate

(Thousands of yen)

Type of asset		Balance at end of prior period	Increase during the period	Decrease during the period	Balance at end of the period	Less accumulated depreciation or accumulated amortization		Net book value at end of the period
							Depreciation or amortization for the period	
Tangible fixed assets	Buildings	¥28,006,405	¥596,852	¥986,757	¥27,616,500	¥ 758,619	¥275,867	¥26,857,881
	Structures	239,617	2,057	7,971	233,703	6,672	2,432	227,031
	Machinery and equipment	417,987	—	—	417,987	20,483	7,245	397,504
	Tools, furniture and fixtures	651,534	899	9,265	643,168	67,106	23,964	576,062
	Land	22,227,020	667,432	1,971,108	20,923,344	—	—	20,923,344
	Buildings in trust	70,164,944	1,542,261	94,091	71,613,114	3,960,458	810,062	67,652,656
	Structures in trust	526,587	28,458	19,599	535,446	23,892	8,145	511,554
	Machinery and equipment in trust	1,013,637	19,214	2,321	1,030,530	164,141	31,633	866,388
	Tools, furniture and fixtures in trust	276,202	5,613	3	281,813	48,061	16,813	233,751
	Land in trust	70,332,856	838,867	327,540	70,844,184	—	—	70,844,184
Total		¥193,856,794	¥3,701,657	¥3,418,657	¥194,139,794	¥5,049,435	¥1,176,164	¥189,090,358

Intangible fixed assets	Leasehold rights in trust	¥1,521,476	–	–	¥1,521,476	–	–	¥1,521,476
	Trademark rights	2,756	–	–	2,756	570	¥285	2,186
	Total	¥1,524,232	–	–	¥1,524,232	¥570	¥285	¥1,523,662

(Thousands of U.S. dollars)

Type of asset		Balance at end of prior period	Increase during the period	Decrease during the period	Balance at end of the period	Less accumulated depreciation or accumulated amortization		Net book value at end of the period
							Depreciation or amortization for the period	
Tangible fixed assets	Buildings	\$364,951	\$7,777	\$12,858	\$359,870	\$ 9,885	\$3,594	\$349,985
	Structures	3,122	26	103	3,045	86	31	2,958
	Machinery and equipment	5,446	–	–	5,446	266	94	5,179
	Tools, furniture and fixtures	8,490	11	120	8,381	874	312	7,506
	Land	289,640	8,697	25,685	272,652	–	–	272,652
	Buildings in trust	914,320	20,097	1,226	933,191	51,608	10,555	881,582
	Structures in trust	6,861	370	255	6,977	311	106	6,666
	Machinery and equipment in trust	13,208	250	30	13,428	2,138	412	11,289
	Tools, furniture and fixtures in trust	3,599	73	0	3,672	626	219	3,046
	Land in trust	916,508	10,931	4,268	923,171	–	–	923,171
	Total	\$2,526,150	\$48,236	\$44,548	\$2,529,838	\$65,799	\$15,326	\$2,464,039
Intangible fixed assets	Leasehold rights in trust	\$19,826	–	–	\$19,826	–	–	\$19,826
	Trademark rights	35	–	–	35	\$7	\$3	28
	Total	\$19,862	–	–	\$19,862	\$7	\$3	\$19,854

(Note) Details of the increase (decrease) during the period are shown below.

21. Other Supplementary Information (continued)

1. Increase in buildings

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Belle Face Oimachi Ark	Building work	Building	¥445,842
Belle Face Oimachi Ark	Electric facilities construction	Installation of equipment for building	38,154
Belle Face Oimachi Ark	Plumbing sanitary	Installation of equipment for building	64,990
Belle Face Oimachi Ark	Work on air conditioning	Installation of equipment for building	26,453
Belle Face Oimachi Ark	Lifting-carrier equipment work	Installation of equipment for building	15,643
Total			¥591,084

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
Belle Face Oimachi Ark	Building work	Building	\$5,809
Belle Face Oimachi Ark	Electric facilities construction	Installation of equipment for building	497
Belle Face Oimachi Ark	Plumbing sanitary	Installation of equipment for building	846
Belle Face Oimachi Ark	Work on air conditioning	Installation of equipment for building	344
Belle Face Oimachi Ark	Lifting-carrier equipment work	Installation of equipment for building	203
Total			\$7,702

2. Increase in structures

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Belle Face Oimachi Ark	Exterior construction	Structures	¥1,271
Total			¥1,271

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
Belle Face Oimachi Ark	Exterior construction	Structures	\$16
Total			\$16

3. Increase in land

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Belle Face Oimachi Ark	Land	Land	¥667,432
Total			¥667,432

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
Belle Face Oimachi Ark	Land	Land	\$8,697
Total			\$8,697

4. Increase in buildings in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
My Atria Omori	Building work	Buildings in trust	¥928,117
My Atria Omori	Electric facilities construction	Installation of equipment for building in trust	31,521
My Atria Omori	Plumbing sanitary	Installation of equipment for building in trust	40,730
My Atria Omori	Work on air conditioning	Installation of equipment for building in trust	18,328
Belle Face Nagoyaekimae	Building work	Building in trust	391,883
Belle Face Nagoyaekimae	Electric facilities construction	Installation of equipment for building in trust	19,831
Belle Face Nagoyaekimae	Plumbing sanitary	Installation of equipment for building in trust	38,516
Belle Face Nagoyaekimae	Work on air conditioning	Installation of equipment for building in trust	14,807
Belle Face Nagoyaekimae	Lifting-carrier equipment work	Installation of equipment for building in trust	11,396
NCR Takanawa	Renewal work	Installation of equipment for building in trust	8,479
NCR Shinagawa Seaside Tower	Renewal work	Installation of equipment for building in trust	8,963
NCR Funabashi Honcho	Waterproofing work, etc.	Buildings in trust	10,004
Total			¥1,522,581

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
My Atria Omori	Building work	Buildings in trust	\$12,094
My Atria Omori	Electric facilities construction	Installation of equipment for building in trust	410
My Atria Omori	Plumbing sanitary	Installation of equipment for building in trust	530
My Atria Omori	Work on air conditioning	Installation of equipment for building in trust	238
Belle Face Nagoyaekimae	Building work	Building in trust	5,106
Belle Face Nagoyaekimae	Electric facilities construction	Installation of equipment for building in trust	258
Belle Face Nagoyaekimae	Plumbing sanitary	Installation of equipment for building in trust	501
Belle Face Nagoyaekimae	Work on air conditioning	Installation of equipment for building in trust	192
Belle Face Nagoyaekimae	Lifting-carrier equipment work	Installation of equipment for building in trust	148
NCR Takanawa	Renewal work	Installation of equipment for building in trust	110

NCR Shinagawa Seaside Tower	Renewal work	Installation of equipment for building in trust	116
NCR Funabashi Honcho	Waterproofing work, etc.	Buildings in trust	130
Total			\$19,840

5. Increase in machinery and equipment in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
My Atria Omori	Transport equipment work	Machinery and equipment in trust	¥19,214
Total			¥19,214

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
My Atria Omori	Transport equipment work	Machinery and equipment in trust	\$250
Total			\$250

6. Increase in tools, furniture and fixtures in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Takanawa	Renewal work	Tools, furniture and fixtures in trust	¥3,377
Total			¥3,377

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Takanawa	Renewal work	Tools, furniture and fixtures in trust	\$44
Total			\$44

7. Increase in structures in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Shinagawa Seaside Tower	Open space improvement	Structures in trust	¥14,473
My Atria Omori	Exterior construction	Structures in trust	1,561
Belle Face Nagoyaekimae	Exterior construction	Structures in trust	1,748
NCR Todoroki	Planting work	Structures in trust	4,787
NCR Takanawa	Bollard installation work	Structures in trust	2,779
Total			¥25,348

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Shinagawa Seaside Tower	Open space improvement	Structures in trust	\$188
My Atria Omori	Exterior construction	Structures in trust	20
Belle Face Nagoyaekimae	Exterior construction	Structures in trust	22
NCR Todoroki	Planting work	Structures in trust	62
NCR Takanawa	Bollard installation work	Structures in trust	36
Total			\$330

21. Other Supplementary Information (continued)

8. Increase in land in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
My Atria Omori	Land	Land in trust	¥561,614
Belle Face Nagoyaekimae	Land	Land in trust	277,253
Total			¥838,867

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
My Atria Omori	Land	Land in trust	\$7,318
Belle Face Nagoyaekimae	Land	Land in trust	3,612
Total			\$10,931

9. Decrease in buildings

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Minami Aoyama	Framework construction, etc.	Building	¥676,740
NCR Minami Aoyama	Electric work, etc.	Installation of equipment for building	113,510
NCR Otedori	Framework construction, etc.	Building	146,110
NCR Otedori	Electric work, etc.	Installation of equipment for building	50,396
Total			¥986,757

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Minami Aoyama	Framework construction, etc.	Building	\$8,818
NCR Minami Aoyama	Electric work, etc.	Installation of equipment for building	1,479
NCR Otedori	Framework construction, etc.	Building	1,903
NCR Otedori	Electric work, etc.	Installation of equipment for building	656
Total			\$12,858

10. Decrease in structures

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Minami Aoyama	Paving work, etc.	Structures	¥7,242
Total			¥7,242

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Minami Aoyama	Paving work, etc.	Structures	\$94

Total			\$94
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11. Decrease in tools, furniture and fixtures

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Minami Aoyama	Installation of security cameras	Tools, furniture and fixtures	¥3,488
NCR Otedori	Intercom-related work	Tools, furniture and fixtures	5,776
Total			¥9,265

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Minami Aoyama	Installation of security cameras	Tools, furniture and fixtures	\$45
NCR Otedori	Intercom-related work	Tools, furniture and fixtures	75
Total			\$120

12. Decrease in land

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Minami Aoyama	Land	Land	¥1,873,402
NCR Otedori	Land	Land	97,706
Total			¥1,971,108

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Minami Aoyama	Land	Land	\$24,412
NCR Otedori	Land	Land	1,273
Total			\$25,685

13. Decrease in buildings in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Denenchofu	Framework construction, etc.	Buildings in trust	¥79,686
NCR Denenchofu	Electric work, etc.	Installation of equipment for building in trust	14,404
Total			¥94,091

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Denenchofu	Framework construction, etc.	Buildings in trust	\$1,038
NCR Denenchofu	Electric work, etc.	Installation of equipment for building in trust	187
Total			\$1,226

14. Decrease in structures in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Shinagawa Seaside Tower	Exterior construction	Structures in trust	¥17,565

NCR Denenchofu	Paving work, etc.	Structures in trust	2,034
Total			¥19,599

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Shinagawa Seaside Tower	Exterior construction	Structures in trust	\$228
NCR Denenchofu	Paving work, etc.	Structures in trust	26
Total			\$255

15. Decrease in machinery and equipment in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Denenchofu	Mechanical parking	Machinery and equipment in trust	¥2,321
Total			¥2,321

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Denenchofu	Mechanical parking	Machinery and equipment in trust	\$30
Total			\$30

16. Decrease in land in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Denenchofu	Land	Land in trust	¥327,540
Total			¥327,540

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
NCR Denenchofu	Land	Land in trust	\$4,268
Total			\$4,268

4) Detailed Schedule of Other Specific Assets

Not applicable.

5) Detailed Schedule of Investment Corporation Bonds

Please refer to the following 7) Detailed Schedule of Rehabilitation Obligations.

21. Other Supplementary Information (continued)

6) Detailed Schedule of Loans

Classification	Lender	Balance at end of prior period (Thousands of yen) (Thousands of U.S. dollars)	Increase during the period (Thousands of yen) (Thousands of U.S. dollars)	Decrease during the period (Thousands of yen) (Thousands of U.S. dollars)	Balance at end of the period (Thousands of yen) (Thousands of U.S. dollars)	Average interest rate (Note 1)	Repayment deadline	Purpose of use	Comments
Current portion of long-term loans	Sumitomo Mitsui Banking Corporation	¥3,795,250 (\$49,455)	—	¥13,900 (\$181)	¥3,781,350 (\$49,274)	1.44%	September 30, 2011	(Note 3)	Secured without warranty (Note 6)
	The Chuo Mitsui Trust and Banking Co., Ltd.	3,795,250 (49,455)	—	13,900 (181)	3,781,350 (49,274)				
	Mizuho Corporate Bank, Ltd. (Note 2)	3,795,250 (49,455)	—	13,900 (181)	3,781,350 (49,274)				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,972,850 (38,739)	—	10,860 (141)	2,961,990 (38,597)				
	The Sumitomo Trust and Banking Co., Ltd.	1,486,400 (19,369)	—	5,440 (70)	1,480,960 (19,298)				
	Sumitomo Mitsui Banking Corporation	25,840 (336)	¥3,514,780 (\$45,801)	12,920 (168)	3,527,700 (45,969)	1.34%	July 31, 2012	(Note 3)	Secured without warranty (Note 7)
	The Chuo Mitsui Trust and Banking Co., Ltd.	25,840 (336)	3,514,780 (45,801)	12,920 (168)	3,527,700 (45,969)				
	Mizuho Corporate Bank, Ltd. (Note 2)	25,840 (336)	3,514,780 (45,801)	12,920 (168)	3,527,700 (45,969)				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	14,480 (188)	1,974,660 (25,731)	7,240 (94)	1,981,900 (25,826)				
	Subtotal	15,937,000 (207,675)	12,519,000 (163,135)	104,000 (1,355)	28,352,000 (369,455)	—	—	—	—
Long-term loans	Sumitomo Mitsui Banking Corporation	3,514,780 (45,801)	—	3,514,780 (45,801)	—	1.34%	July 31, 2012	(Note 3)	Secured without warranty (Note 7)
	The Chuo Mitsui Trust and Banking Co., Ltd.	3,514,780 (45,801)	—	3,514,780 (45,801)	—				
	Mizuho Corporate Bank, Ltd. (Note 2)	3,514,780 (45,801)	—	3,514,780 (45,801)	—				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,974,660 (25,731)	—	1,974,660 (25,731)	—				
	Sumitomo Mitsui Banking Corporation	1,800,000 (23,455)	—	—	1,800,000 (23,455)	1.36% (Note 4)	December 28, 2015	(Note 5)	Unsecured without warranty
	The Chuo Mitsui Trust and Banking Co., Ltd.	1,800,000 (23,455)	—	—	1,800,000 (23,455)				
	Mizuho Corporate Bank, Ltd.	1,800,000 (23,455)	—	—	1,800,000 (23,455)				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,800,000 (23,455)	—	—	1,800,000 (23,455)				
	Mitsubishi UFJ Trust and Banking Co., Ltd.	1,400,000 (18,243)	—	—	1,400,000 (18,243)				
	Resona Bank, Ltd.	1,400,000 (18,243)	—	—	1,400,000 (18,243)				
	Shinsei Bank, Limited.	500,000 (6,515)	—	—	500,000 (6,515)				
	Subtotal	23,019,000 (299,960)	—	12,519,000 (163,135)	10,500,000 (136,825)	—	—	—	—
Total		¥38,956,000 (\$507,636)	¥12,519,000 (\$163,135)	¥12,623,000 (\$164,490)	¥38,852,000 (\$506,280)	—	—	—	—

(Note 1) Average interest rates are loan interest rates (weighted average during the applicable term) of the corresponding lenders, and are rounded off to the nearest second decimal place.

(Note 2) Due to the assignment of obligation, the lender has changed, effective as of March. 31, 2011, from Mizuho Bank, Ltd. to Mizuho Corporate Bank, Ltd.

(Note 3) To be used as acquisition funds for real estate properties in trust, or to refinance such funds.

- (Note 4) Floating interest rate was applied from March 1, 2011 to March 30, 2011. On and after March 31, 2011, interest rate is substantially fixed at an annual rate of 1.40% based on interest-rate swap agreement dated on March 23, 2011.
- (Note 5) To be used as fund to purchase rehabilitation obligations (others), retire rehabilitation obligations (investment corporation bonds), and return part of rehabilitation obligations (loans)
- (Note 6) BLife refinanced, and made an unsecured loan agreement on September 30, 2011.
- (Note 7) On October 4, 2011, BLife changed conditions for taking out an unsecured, non-guaranteed loan. As of October 4, 2011, based on the refinance described above (Note 6) and on page 58 (Note 5) and the above change in conditions, BLife released all collaterals and guarantees from interest-bearing liabilities.
- (Note 8) Scheduled payment per year for long-term loans within a period of 5 years from the end of the fiscal period is as follows:

(Thousands of yen)

Classification	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Long-term loans	—	—	—	¥10,500,000

(Thousands of U.S. dollars)

Classification	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Long-term loans	—	—	—	\$136,825

7) Detailed Schedule of Rehabilitation Obligations

Classification		Date of modification of rights	Balance at end of prior period (Thousands of yen) (Thousands of U.S. dollars)	Increase during the period (Thousands of yen) (Thousands of U.S. dollars)	Decrease during the period (Note 2) (Thousands of yen) (Thousands of U.S. dollars)	Balance at end of the period (Thousands of yen) (Thousands of U.S. dollars)	Average interest rate (Note 3)	Repayment deadline	Purpose of use	Comments
Current portion of rehabilitation obligations with right of separate satisfaction	The Chuo Mitsui Trust and Banking Co., Ltd.	January 5, 2010 (Note 1)	¥4,301,536 (\$56,053)	—	—	¥4,301,536 (\$56,053)	1.44%	January 31, 2012	(Note 4)	Secured without warranty (Note 5)
	Aozora Bank, Ltd.		4,227,371 (55,086)	—	—	4,227,371 (55,086)				
	The Sumitomo Trust and Banking Co., Ltd.		2,299,096 (29,959)	—	—	2,299,096 (29,959)				
	Mitsubishi UFJ Trust and Banking Corporation		2,224,932 (28,993)	—	—	2,224,932 (28,993)				
	Resona Bank, Ltd.		2,224,932 (28,993)	—	—	2,224,932 (28,993)				
	The Hyakugo Bank		741,644 (9,664)	—	—	741,644 (9,664)				
	Total		¥16,019,513 (\$208,750)	—	—	¥16,019,513 (\$208,750)	—	—	—	—
Rehabilitation obligations (Loans)	The Norinchukin Bank	January 5, 2010 (Note 1)	3,039,055 (39,601)	—	—	3,039,055 (39,601)	1.44%	January 31, 2013	(Note 4)	Unsecured without warranty
			3,039,055 (39,601)	—	—	3,039,055 (39,601)		January 31, 2014		
			3,039,249 (39,604)	—	—	3,039,249 (39,604)		January 30, 2015		
	Aozora Bank, Ltd.		2,353,146 (30,663)	—	—	2,353,146 (30,663)	1.44%	January 31, 2013		
			2,353,146 (30,663)	—	—	2,353,146 (30,663)		January 31, 2014		
			2,353,296 (30,665)	—	—	2,353,296 (30,665)		January 30, 2015		
	The Chuo Mitsui Trust and Banking Co., Ltd.		2,124,156 (27,679)	—	—	2,124,156 (27,679)	1.44%	January 31, 2013		
			2,124,156 (27,679)	—	—	2,124,156 (27,679)		January 31, 2014		
			2,124,291 (27,681)	—	—	2,124,291 (27,681)		January 30, 2015		
	Sumitomo Mitsui Banking Corporation		1,883,861 (24,548)	—	—	1,883,861 (24,548)	1.44%	January 31, 2013		
			1,883,861	—	—	1,883,861		January 31, 2014		

Classification		Date of modification of rights	Balance at end of prior period (Thousands of yen) (Thousands of U.S. dollars)	Increase during the period (Thousands of yen) (Thousands of U.S. dollars)	Decrease during the period (Note 2) (Thousands of yen) (Thousands of U.S. dollars)	Balance at end of the period (Thousands of yen) (Thousands of U.S. dollars)	Average interest rate (Note 3)	Repayment deadline	Purpose of use	Comments	
			(24,548)			(24,548)					
			1,883,981 (24,550)	—	—	1,883,981 (24,550)		January 30, 2015			
	Mizuho Corporate Bank, Ltd. (Note 6)		1,215,486 (15,839)	—	—	1,215,486 (15,839)	1.44%	January 31, 2013			
			1,215,486 (15,839)	—	—	1,215,486 (15,839)		January 31, 2014			
			1,215,563 (15,840)	—	—	1,215,563 (15,840)		January 30, 2015			
			The Sumitomo Trust and Banking Co., Ltd.		1,093,835 (14,253)	—		—			1,093,835 (14,253)
	1,093,835 (14,253)				—	—	1,093,835 (14,253)	January 31, 2014			
	1,093,905 (14,254)				—	—	1,093,905 (14,254)	January 30, 2015			
	Mizuho Trust & Banking Co., Ltd.		914,707 (11,919)	—	—	914,707 (11,919)	1.44%	January 31, 2013			
			914,707 (11,919)	—	—	914,707 (11,919)		January 31, 2014			
			914,765 (11,920)	—	—	914,765 (11,920)		January 30, 2015			
	Development Bank of Japan Inc.		516,666 (6,732)	—	—	516,666 (6,732)	1.44%	January 31, 2013			
			516,666 (6,732)	—	—	516,666 (6,732)		January 31, 2014			
			516,699 (6,733)	—	—	516,699 (6,733)		January 30, 2015			
	Mitsubishi UFJ Trust and Banking Corporation		455,817 (5,939)	—	—	455,817 (5,939)	1.44%	January 31, 2013			
			455,817 (5,939)	—	—	455,817 (5,939)		January 31, 2014			
			455,846 (5,940)	—	—	455,846 (5,940)		January 30, 2015			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		425,537 (5,545)	—	—	425,537 (5,545)	1.44%	January 31, 2013			
			425,537 (5,545)	—	—	425,537 (5,545)		January 31, 2014			
			425,564 (5,545)	—	—	425,564 (5,545)		January 30, 2015			
	Resona Bank, Ltd.		364,727 (4,752)	—	—	364,727 (4,752)	1.44%	January 31, 2013			
			364,727 (4,752)	—	—	364,727 (4,752)		January 31, 2014			
			364,751 (4,753)	—	—	364,751 (4,753)		January 30, 2015			
	Mitsui Sumitomo Insurance Company, Limited		303,883 (3,959)	—	—	303,883 (3,959)	1.44%	January 31, 2013			
			303,883 (3,959)	—	—	303,883 (3,959)		January 31, 2014			
			303,902 (3,960)	—	—	303,902 (3,960)		January 30, 2015			
	The Chiba Bank, Ltd.		303,879 (3,959)	—	—	303,879 (3,959)	1.44%	January 31, 2013			
			303,879 (3,959)	—	—	303,879 (3,959)		January 31, 2014			
			303,898 (3,960)	—	—	303,898 (3,960)		January 30, 2015			
	North Pacific Bank, Ltd.		151,949 (1,980)	—	—	151,949 (1,980)	1.44%	January 31, 2013			
			151,949 (1,980)	—	—	151,949 (1,980)		January 31, 2014			
			151,959 (1,980)	—	—	151,959 (1,980)		January 30, 2015			

Classification		Date of modification of rights	Balance at end of prior period (Thousands of yen) (Thousands of U.S. dollars)	Increase during the period (Thousands of yen) (Thousands of U.S. dollars)	Decrease during the period (Note 2) (Thousands of yen) (Thousands of U.S. dollars)	Balance at end of the period (Thousands of yen) (Thousands of U.S. dollars)	Average interest rate (Note 3)	Repayment deadline	Purpose of use	Comments
	Subtotal		45,441,101 (592,143)	—	—	45,441,101 (592,143)	—	—	—	—
Rehabilitation obligations (investment corporation bonds)	First Series Unsecured Investment Corporation Bonds (Note 7) (Note 12)	January 5, 2010 (Note 1)	4,404,151 (57,390)	—	94,374 (1,229)	4,309,777 (56,160)	1.44%	January 31, 2013	(Note 9)	Unsecured without warranty
			4,404,151 (57,390)	—	94,374 (1,229)	4,309,777 (56,160)		January 31, 2014		
			4,404,432 (57,394)	—	94,380 (1,229)	4,310,051 (56,164)		January 30, 2015		
	Second Series Unsecured Investment Corporation Bonds (Note 8)		2,470,434 (32,192)	—	95,016 (1,238)	2,375,418 (30,954)	1.44%	January 31, 2013	(Note 10)	
			2,470,434 (32,192)	—	95,016 (1,238)	2,375,418 (30,954)		January 31, 2014		
			2,470,592 (32,194)	—	95,022 (1,238)	2,375,569 (30,956)		January 30, 2015		
	Third Series Unsecured Investment Corporation Bonds (Note 8) (Note 12)		761,500 (9,923)	—	—	761,500 (9,923)	1.44%	January 31, 2013		
			761,500 (9,923)	—	—	761,500 (9,923)		January 31, 2014		
			761,549 (9,923)	—	—	761,549 (9,923)		January 30, 2015		
	Subtotal	—	22,908,748 (298,524)	—	568,186 (7,404)	22,340,562 (291,120)	—	—	—	—
Total		—	68,349,850 (890,667)	—	568,186 (7,404)	67,781,664 (883,263)	—	—	—	—
Total rehabilitation obligations		—	84,369,364 (1,099,418)	—	568,186 (7,404)	83,801,178 (1,092,014)	—	—	—	—

(Note 1) NCR's rehabilitation plan (hereinafter referred to as "Rehabilitation Plan") filed at the Tokyo District Court as of November 9, 2009 was also approved at the creditors' meeting held on December 9, 2009. Approval by the Tokyo District Court was received as of the same day, and the order of confirmation of the Rehabilitation Plan became final and binding on January 5, 2010. Under the Rehabilitation Plan, terms and conditions for rehabilitation obligations with rights of separate satisfaction have been amended based on the agreement on rights of separate satisfaction made on October 13, 2009, and for other rehabilitation obligations, terms and conditions have been amended pursuant to the provisions stipulated in the Rehabilitation Plan.

(Note 2) Rehabilitation obligations (investment corporation bonds) have been decreasing through retirement by purchase.

(Note 3) Average interest rates are loan interest rates (weighted average during the applicable term) of the corresponding lenders or investment corporation bonds, and are rounded off to the nearest second decimal place.

(Note 4) The loan was made for use in funding repayment of loans, or to purchase real estates and real estate trust beneficiary rights.

(Note 5) BLife refinanced, and made an unsecured loan agreement on September 30, 2011.

(Note 6) Due to the assignment of obligation, the lender has changed, effective as of March 31, 2011, from Mizuho Bank, Ltd. to Mizuho Corporate Bank, Ltd.

(Note 7) Limited only to qualified institutional investors, and with special pari passu conditions among specified BLife investment corporation bonds.

(Note 8) With special pari passu conditions among specified BLife investment corporation bonds.

(Note 9) These bonds were issued to finance funds for repayment of short-term loans, and for purchase of real estate trust beneficiary rights.

(Note 10) These bonds were used as funds for repayment of short-term loans.

(Note 11) With regard to each rehabilitation obligation, excluding those with rights of separate satisfaction, a fixed interest rate has been applied to the balance of the principal with a maturity of January 30, 2015 (¥22,594,847 thousand at end of the period) (\$294,433 thousand). Also, though a floating interest rate is currently applied as of the end of this period for the unpaid principal balances with maturity dates of January 31, 2013, and January 31, 2014 (¥22,593,408 thousand for respective balance at the end of this period) (\$294,415 thousand), BLife has the option to convert to a fixed interest rate without changing the spread.

(Note 12) As of October 25, 2011, BLife purchased and retired ¥94,376 thousand (\$1,229 thousand) from the 1st investment corporation bonds and ¥380,758 thousand (\$4,961 thousand) from the 3rd investment corporation bonds.

(Note 13) Scheduled payments per year for rehabilitation obligation within a period of 5 years from the end of the fiscal period are as follows.

(Thousands of yen)

Classification	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Rehabilitation obligations (loans)	¥15,146,712	¥15,146,712	¥15,147,677	—
Rehabilitation obligations (investment corporation bonds)	7,446,696	7,446,696	7,447,170	—
Total	¥22,593,408	¥22,593,408	¥22,594,847	—

(Thousands of U.S. dollars)

Classification	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Rehabilitation obligations (loans)	\$197,377	\$197,377	\$197,389	—
Rehabilitation obligations (investment corporation bonds)	97,037	97,037	97,044	—
Total	\$294,415	\$294,415	\$294,433	—