

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 November 30, 2007 and May 31, 2008, and the related statements of income and retained earnings, changes in net assets, and cash flows for the six-month periods then ended, 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 November 30, 2007 and May 31, 2008, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying financial statements with respect to the six-month period ended May 31, 2008 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.

August 18, 2008

Ernst & Young Shin Nihon LLC

BLife Investment Corporation

Balance Sheets

As of November 30, 2007 and May 31, 2008

	As of November 30, 2007	As of May 31, 2008	
	<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)	¥ 2,921,652	¥ 3,006,645	\$ 28,431
Rental receivables	22,060	23,333	220
Prepaid expenses	68,056	176,931	1,673
Deferred tax assets	—	10	0
Consumption taxes refundable	20,889	—	—
Derivative assets	3,847	—	—
Other current assets	538	374	3
Allowance for doubtful accounts	(1,323)	(785)	(7)
Total current assets	<u>3,035,721</u>	<u>3,206,510</u>	<u>30,321</u>
Property and equipment:			
Land	942,818	—	—
Building and structure	114,004	—	—
Land in trust	28,926,889	29,879,034	282,544
Buildings and structures in trust	22,791,034	22,913,446	216,675
Machinery and equipment in trust	388,293	388,293	3,671
Tools, furniture and fixtures in trust	855	855	8
Less – accumulated depreciation	(705,272)	(977,834)	(9,246)
Net property and equipment	<u>52,458,623</u>	<u>52,203,795</u>	<u>493,652</u>
Investments and other assets:			
Long-term prepaid expenses	—	82,944	784
Derivative assets	—	18,439	174
Security deposit	10,000	10,000	94
Trademark rights	1,058	994	9
Organization expenses	29,405	23,524	222
Total investments and other assets	<u>40,463</u>	<u>135,902</u>	<u>1,285</u>
Total assets	<u><u>¥55,534,808</u></u>	<u><u>¥55,546,208</u></u>	<u><u>\$525,259</u></u>

	As of November 30, 2007	As of May 31, 2008	
	<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	¥ 60,509	¥ 55,901	\$ 528
Short-term loans	16,455,934	—	—
Current portion of long-term loans	13,039,782	803,000	7,593
Accrued expenses	128,841	152,717	1,444
Consumption taxes payable	—	11,415	107
Rent received in advance	167,281	142,186	1,344
Deposits received	9,681	11,553	109
Deferred tax liabilities	1,325	—	—
Total current liabilities	29,863,355	1,176,773	11,127
Long-term liabilities:			
Long-term loans	—	28,685,000	271,252
Deferred tax liabilities	—	7,263	68
Leasehold and security deposits received	1,029,302	1,010,109	9,551
Total long-term liabilities	1,029,302	29,702,372	280,873
Total liabilities	30,892,658	30,879,145	292,001
Net assets:			
Unitholders' equity:			
Unitholders' capital:			
Units authorized: 2,000,000 units			
Units issued and outstanding: 49,260	24,002,588	24,002,588	226,974
Retained earnings	637,230	653,298	6,177
Total unitholders' equity	24,639,818	24,655,886	233,152
Valuation and translation adjustments:			
Unrealized gain on deferred hedge transactions	2,332	11,175	105
Total valuation and translation adjustments	2,332	11,175	105
Total net assets	24,642,150	24,667,062	233,258
Total liabilities and net assets	¥55,534,808	¥55,546,208	\$525,259

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Income and Retained Earnings

For the period from June 1, 2007 to November 30, 2007
and for the period from December 1, 2007 to May 31, 2008

	From June 1, 2007 to November 30, 2007	From December 1, 2007 to May 31, 2008	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Operating revenues:			
Rental revenues	¥1,545,192	¥1,658,574	\$ 15,683
Profit on sales of real estate	6,032	—	—
Total operating revenues	<u>1,551,225</u>	<u>1,658,574</u>	<u>15,683</u>
Operating expenses:			
Real estate rental expenses	509,749	529,803	5,009
Asset management fees	47,178	64,858	613
Asset custodian and consignment fees	5,490	5,530	52
Administrative service and consignment fees	26,611	26,543	251
Directors' remuneration	4,800	4,800	45
Loss on bad debts	8	—	—
Other operating expenses	48,038	49,938	472
Total operating expenses	<u>641,877</u>	<u>681,474</u>	<u>6,444</u>
Operating income	<u>909,347</u>	<u>977,099</u>	<u>9,239</u>
Non-operating income (expenses):			
Interest income	2,691	2,831	26
Interest expense	(174,964)	(217,136)	(2,053)
Financing related expenses	(92,456)	(102,870)	(972)
Amortization of organization expenses	(5,881)	(5,881)	(55)
Other, net	1,125	256	2
Income before income taxes	<u>637,862</u>	<u>654,299</u>	<u>6,187</u>
Income taxes:			
Current	605	824	7
Deferred	48	179	1
Net income	<u>637,209</u>	<u>653,295</u>	<u>6,177</u>
Retained earnings at beginning of period	<u>20</u>	<u>2</u>	<u>0</u>
Retained earnings at end of period	<u>¥ 637,230</u>	<u>¥ 653,298</u>	<u>\$ 6,177</u>

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Changes in Net Assets

For the period from June 1, 2007 to November 30, 2007

	For the period from June 1, 2007 to November 30, 2007						
	Net assets						
	Unitholders' equity				Valuation and translation adjustments		
	Number of units	Unitholders' capital	Retained earnings	Total unitholders' equity	Unrealized gain on deferred hedge transactions	Total valuation and translation adjustments	Total net assets
	(Thousands of yen)						
Balance as of May 31, 2007	49,260	¥24,002,588	¥ 720,152	¥24,722,740	¥2,829	¥2,829	¥24,725,570
Changes during the fiscal period:							
Dividends from retained earnings		—	(720,131)	(720,131)	—	—	(720,131)
Net income		—	637,209	637,209	—	—	637,209
Change in unrealized gain on deferred hedge transactions		—	—	—	(497)	(497)	(497)
Total changes during the fiscal period	—	—	(82,922)	(82,922)	(497)	(497)	(83,419)
Balance as of November 30, 2007	49,260	¥24,002,588	¥ 637,230	¥24,639,818	¥2,332	¥2,332	¥24,642,150

For the period from December 1, 2007 to May 31, 2008

	For the period from December 31, 2007 to May 31, 2008						
	Net assets						
	Unitholders' equity				Valuation and translation adjustments		
	Number of units	Unitholders' capital	Retained earnings	Total unitholders' equity	Unrealized gain on deferred hedge transactions	Total valuation and translation adjustments	Total net assets
	<i>(Thousands of yen)</i>						
Balance as of November 30, 2007	49,260	¥24,002,588	¥ 637,230	¥24,639,818	¥2,332	¥2,332	¥24,642,150
Changes during the fiscal period:							
Dividends from retained earnings		—	(637,227)	(637,227)	—	—	(637,227)
Net income		—	653,295	653,295	—	—	653,295
Change in unrealized gain on deferred hedge transactions		—	—	—	8,843	8,843	8,843
Total changes during the fiscal period	—	—	16,067	16,067	8,843	8,843	24,911
Balance as of May 31, 2008	49,260	¥24,002,588	¥653,298	¥24,655,886	¥11,175	¥11,175	¥24,667,062

For the period from December 1, 2007 to May 31, 2008

	For the period from December 31, 2007 to May 31, 2008						
	Net assets						
	Unitholders' equity				Valuation and translation adjustments		
	Number of units	Unitholders' capital	Retained earnings	Total unitholders' equity	Unrealized gain on deferred hedge transactions	Total valuation and translation adjustments	Total net assets
	<i>(Thousands of U.S. dollars)</i>						
Balance as of November 30, 2007	49,260	\$226,974	\$ 6,025	\$233,000	\$22	\$22	\$233,022
Changes during the fiscal period:							
Dividends from retained earnings		—	(6,025)	(6,025)	—	—	(6,025)
Net income		—	6,177	6,177	—	—	6,177
Change in unrealized gain on deferred hedge transactions		—	—	—	83	83	83
Total changes during the fiscal period	—	—	151	151	83	83	235
Balance as of May 31, 2008	49,260	\$226,974	\$ 6,177	\$233,152	\$105	\$105	\$233,258

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Cash Flows

For the period from June 1, 2007 to November 30, 2007
and for the period from December 1, 2007 to May 31, 2008

	From June 1, 2007 to November 30, 2007	From December 1, 2007 to May 31, 2008	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Cash flows from operating activities			
Income before income taxes	¥ 637,862	¥ 654,299	\$ 6,187
Depreciation and amortization	271,705	272,562	2,577
Loss on bad debts	8	—	—
Amortization of trademark rights	63	63	0
Amortization of organization expenses	5,881	5,881	55
Interest income	(2,691)	(2,831)	(26)
Interest expense	176,964	217,136	2,053
Change in rental receivables	(5,627)	(1,273)	(12)
Change in accounts receivable, other	3	538	5
Change in consumption taxes refundable	(20,889)	20,889	197
Change in advance payments	(18,733)	(108,874)	(1,029)
Change in trade payables	17,971	5,178	48
Change in other payables	2,972	(10,074)	(95)
Change in accrued consumption taxes	(31,190)	11,415	107
Change in accrued expenses	10,183	9,875	93
Change in deposits received	(9,948)	1,871	17
Change in rent received in advance	33,741	(25,095)	(237)
Decrease in disposal of property and equipment in trust	466,660	—	—
Change in long-term prepaid expenses	—	(82,944)	(784)
Change in allowance for doubtful accounts	(923)	(537)	(5)
Change in other current assets	1,215	—	—
Other	—	(30,376)	(287)
Subtotal	1,535,230	937,704	8,867
Interest received	2,691	2,831	26
Interest paid	(137,238)	(203,135)	(1,920)
Income taxes paid	(1,255)	(1,171)	(11)
Net cash provided by operating activities	1,399,427	736,228	6,961
Cash flows from investing activities			
Expenditure for acquisition of property and equipment in trust	(15,693,127)	(17,733)	(167)
Expenditure for acquisition of intangible fixed assets	(1,056,822)	—	—
Revenues from deposit and security payments	91,439	—	—
Revenues from deposit and security payments in trust	198,986	53,150	502
Expenditure for deposit and security funds in trust	(46,603)	(41,966)	(396)
Net cash used in investing activities	(16,506,127)	(6,550)	(61)
Cash flows from financing activities			
Proceeds from short-term loans	16,600,000	—	—
Repayment of short-term loans	(144,065)	(16,455,934)	(155,611)
Proceeds from long-term loans	—	29,488,000	278,846
Repayment of long-term loans	(201,879)	(13,039,782)	(123,307)
Dividend payment	(721,138)	(636,967)	(6,023)
Net cash provided by (used in) financing activities	15,532,915	(644,684)	(6,096)
Net increase in cash and cash equivalents	426,216	84,993	803
Cash and cash equivalents at beginning of period	2,495,435	2,921,652	27,627
Cash and cash equivalents at end of period	¥ 2,921,652	¥ 3,006,645	\$ 28,431

See accompanying notes to financial statements.

BLife Investment Corporation

Notes to Financial Statements

For the period from June 1, 2007 to November 30, 2007
and for the period from December 1, 2007 to May 31, 2008

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 by MORIMOTO Co., Ltd. (hereinafter referred to as “MORIMOTO”) 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, MORIMOTO 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.

On June 21, 2007, BLife acquired 9 properties with an aggregate purchase price of ¥15,078 million, the majority of which had been planned and developed by MORIMOTO.

Meanwhile, BLife sold a residential property with selling price of ¥480 million, on July 25, 2007.

On September 27, 2007, BLife acquired a retail property with purchase price of ¥1,000 million, with additional debt proceeds of ¥800 million.

Consequently, at May 31, 2008, BLife owned a portfolio of 24 properties with acquisition costs of ¥51,139 million with a potential rental area of 57,657.42 square meters (of which 10,450.47 square meters were for retail outlets). The occupancy ratio was 95.4%. 10 properties are located in the central area of metropolitan Tokyo.

(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 May or November of each year. BLife has not prepared consolidated financial statements as it has no subsidiaries.

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 ¥105.75 = U.S.\$1.00, the rate of exchange prevailing on May 31, 2008. 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 June 1, 2007 to November 30, 2007	From December 1, 2007 to May 31, 2008
Buildings	3 – 60 years	3 – 60 years
Structures	9 – 20 years	9 – 20 years
Machinery and equipment	13 – 29 years	13 – 29 years
Tools, furniture and fixtures	5 years	5 years

(c) Organization expenses

Organization expenses are amortized over a period of five years with an equal amount in each fiscal period.

(d) Revenue recognition

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

(e) 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.

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. BLife expenses the taxes imposed on such properties as property-related expenses every calendar year when the assessments and determinations are notified, if the purchaser has owned the properties since January 1 of the calendar year.

2. Summary of Significant Accounting Policies (continued)

(f) 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.

(g) Allowance for doubtful accounts

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

(h) 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.

(i) 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.

(j) Derivatives and hedge accounting

BLife utilizes interest-rate swap (fixed rate payables and floating rate receivables) and cap agreements as derivative financial instruments solely for the purpose of hedging its exposure to fluctuation in interest rates. BLife deferred recognition of gains and losses resulting from changes in the fair value of interest-rate swaps and caps because its interest-rate agreements met the criteria for deferred hedge accounting.

3. Cash and Cash Equivalents

A reconciliation of cash and bank deposits in the accompanying balance sheets and cash and cash equivalents in the accompanying statements of cash flows at November 30, 2007 and May 31, 2008 is as follows:

	As of November 30, 2007	As of May 31, 2008	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Cash and bank deposits	¥ 918,955	¥ 886,310	\$ 8,381
Cash in trust and deposits in trust	2,002,696	2,120,335	20,050
Cash and cash equivalents	<u>¥2,921,652</u>	<u>¥3,006,645</u>	<u>\$28,431</u>

4. Short-Term Loans, Current Portion of Long-Term Loans and Long-Term Loans

Short-term loans, the current portion of long-term loans, and the long-term loans as of May 31, 2008 consisted of the following:

Lender	As of November 30, 2007	As of May 31, 2008	As of May 31, 2008	Average interest rate (%) (1)	Due on	Use of funds	Note
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>				
Short-term loans:							
Mizuho Bank, Ltd.	¥ 4,558,056	—	—				
Sumitomo Mitsui Banking Corporation	4,558,056	—	—	1.36612	March 31, 2008	Acquisition of real estate in trust	Secured
The Chuo Mitsui Trust and Banking Co., Ltd.	4,558,056	—	—				
The Sumitomo Trust & Banking Co., Ltd.	1,981,763	—	—				
The Bank of Tokyo -Mitsubishi UFJ, Ltd.	800,000	—	—	1.36000	September 27, 2008	Acquisition of real estate	Secured
Subtotal	16,455,934	—	—	—	—	—	—
Current portion of long-term loans:							
Mizuho Bank, Ltd.	2,814,341	—	—				
Sumitomo Mitsui Banking Corporation	2,814,341	—	—	1.35956	March 31, 2008	Acquisition of real estate in trust	Secured
The Chuo Mitsui Trust and Banking Co., Ltd.	2,814,341	—	—				
Aozora Bank, Ltd.	1,782,416	—	—				
Shinsei Bank, Ltd.	1,782,416	—	—				
The Sumitomo Trust & Banking Co., Ltd.	1,031,925	—	—				
Mizuho Bank, Ltd.	—	¥ 118,000	\$ 1,115				
Sumitomo Mitsui Banking Corporation	—	118,000	1,115	1.58521	September 30, 2008	Refinance	Secured
The Chuo Mitsui Trust and Banking Co., Ltd.	—	118,000	1,115				
Mizuho Bank, Ltd.	—	113,000	1,068				
Sumitomo Mitsui Banking Corporation	—	113,000	1,068	1.71503	September 30, 2008	Refinance	Secured
The Chuo Mitsui Trust and Banking Co., Ltd.	—	113,000	1,068				

The Bank of Tokyo-Mitsubishi UFJ, Ltd.	–	55,000	520				
Shinsei Bank, Ltd.	–	55,000	520				
Subtotal	13,039,782	803,000	7,593	–	–	–	–
Long-term loans:							
Mizuho Bank, Ltd.	–	4,228,000	39,981				
Sumitomo Mitsui Banking Corporation	–	4,228,000	39,981	1.58521	March 31, 2010	Refinance	Secured
The Chuo Mitsui Trust and Banking Co., Ltd.	–	4,228,000	39,981				
Mizuho Bank, Ltd.	–	4,037,000	38,174				
Sumitomo Mitsui Banking Corporation	–	4,037,000	38,174	1.71503	September 30, 2009	Refinance	Secured
The Chuo Mitsui Trust and Banking Co., Ltd.	–	4,037,000	38,174				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	–	1,945,000	18,392				
Shinsei Bank, Ltd.	–	1,945,000	18,392				
Subtotal	–	28,685,000	271,252	–	–	–	–
Total	¥29,495,717	¥29,488,000	\$278,846	–	–	–	–

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

5. Collateral Pledged and Secured Liabilities

	As of November 30, 2007	As of May 31, 2008	
	<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	¥2,002,696	¥2,120,335	\$20,050
Buildings	102,846	–	–
Structures	9,464	–	–
Land	942,818	–	–
Buildings in trust	22,114,866	21,966,012	207,716
Structures in trust	11,399	20,182	190
Machinery and equipment in trust	349,557	337,861	3,194
Tools, furniture and fixtures in trust	781	704	6
Land in trust	28,926,889	29,879,034	282,544
Total	¥54,461,320	¥54,324,130	\$513,703

	As of November 30, 2007	As of May 31, 2008	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Secured liabilities:			
Short-term loans	¥16,455,934	–	–
Long-term loans		¥ 28,685,000	\$271,252
Current portion of long-term loans	13,039,782	803,000	7,593
Total	¥29,495,717	¥29,488,000	\$278,846

6. Details of Rental Revenues and Expenses

	From June 1, 2007 to November 30, 2007	From December 1, 2007 to May 31, 2008	
	(Thousands of yen)	(Thousands of yen)	(Thousands of U.S. dollars)
Real estate rental revenues:			
Rental income	¥1,399,890	¥1,477,110	\$13,967
Common service fees	23,557	24,880	235
Subtotal	1,423,447	1,501,990	14,203
Other rental revenues:			
Facility charges	49,953	50,080	473
Incidental revenues	15,967	13,402	126
Other rental business revenues	55,823	93,100	880
Subtotal	121,744	156,583	1,480
Total rental revenues	1,545,192	1,658,574	15,683
Real estate rental expenses:			
Management fees	134,150	140,248	1,326
Utilities	24,567	24,441	231
Taxes and public dues	21,450	32,820	310
Repairs	6,009	7,406	70
Insurance premiums	2,924	3,098	29
Restoration costs	26,578	25,052	236
Custodian fees	13,843	13,889	131
Depreciation and amortization	271,705	272,562	2,577
Other operating expenses	8,521	10,282	97
Total real estate rental expenses	509,749	529,803	5,009
Rental income	¥1,035,442	¥1,128,771	\$10,673

7. Details of Profit on Sales of Real Estate

For the period from June 1, 2007 to November 30, 2007

	(Thousands of yen)
Elsol Kifunezaka:	
Revenue from property sale	¥ 480,933
Cost of property sale	466,660
Other cost of sale	8,240
Gain on property sale	¥ 6,032

8. Deferred Income Taxes

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

	As of November 30, 2007	
	<i>(Thousands of yen)</i>	
Deferred tax assets:		
Current assets:		
Allowance for doubtful accounts	¥ 190	
Total deferred tax assets	¥ 190	
Deferred tax liabilities:		
Current liabilities:		
Unrealized gain on deferred hedge transactions	¥1,515	
Total deferred tax liabilities	1,515	
Net deferred tax liabilities – current	¥1,325	
	As of May 31, 2008	
	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Deferred tax assets:		
Current assets:		
Accrued enterprise taxes	¥10	\$0
Total deferred tax assets	¥10	\$0
Deferred tax liabilities:		
Long-term liabilities:		
Unrealized gain on deferred hedge transactions	¥7,263	\$68
Total deferred tax liabilities	7,263	68
Net deferred tax assets – current	¥10	\$0
Net deferred tax liabilities – long-term	¥7,263	\$68

(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 June 1, 2007 to November 30, 2007	From December 1, 2007 to May 31, 2008
Statutory tax rate	39.39%	39.39%
(Adjustment)		
Tax-deductible dividends paid	(39.32)	(39.33)
Other	0.03	0.09
Effective tax rates after applying deferred income tax accounting	0.10%	0.15%

9. Related Party Transactions

(a) For the period from June 1, 2007 to November 30, 2007

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				
Controlling investors	MORIMOTO Co., Ltd.	Shibuya-ku, Tokyo	¥890	Real Estate Developer	10.27%	—	Property lease	Acquisition of beneficiary interests	¥1,400,000	—	—
								Property lease	¥26,680	Rent received in advance	¥434

(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.

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	MORIMOTO ASSET MANAGEMENT Co., Ltd.	Shibuya-ku, Tokyo	¥300	Asset management for investment corporations	—	—	Consigned asset- management operations	Asset- management compensation payment	¥119,330	Accrued operating expenses payable	¥29,763
	OM Service Co., Ltd.	Shibuya-ku, Tokyo	¥100	Real estate property management	—	—	Consigned property lease management	Consignment of lease management	¥139,991	Accrued operating expenses payable	¥22,441

(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.

(b) For the period from December 1, 2007 to May 31, 2008

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	MORIMOTO ASSET MANAGEMENT Co., Ltd.	Shibuya-ku, Tokyo	¥300 (\$2)	Asset management	—	—	Consigned asset- management operations	Asset- management compensation payment	¥64,858 (\$613)	Accrued operating expenses payable	¥39,442 (\$372)
	OM Service Co., Ltd.	Shibuya-ku, Tokyo	¥100 (\$0)	Real estate property management	—	—	Consigned property lease management	Consignment of lease management	¥145,708 (\$1,377)	Accrued operating expenses payable	¥32,152 (\$304)

(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.

10. Per Unit Information

- (a) The following table summarizes information about net assets per unit at November 30, 2007 and net income per unit for the period from June 1, 2007 to November 30, 2007:

Net assets per unit	¥500,247
Net income per unit	¥12,936

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 May 31, 2008 and net income per unit for the period from December 1, 2007 to May 31, 2008:

Net assets per unit	¥500,752	\$4,735
Net income per unit	¥13,262	\$125

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 June 1, 2007 to November 30, 2007	From December 1, 2007 to May 31, 2008	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Net income	¥637,209	¥653,295	\$6,177
Amount not attributable to common unitholders	—	—	—
Current net income attributable to common units	¥637,209	¥653,295	\$6,177
Average number of investment units during the period (in units)	49,260	49,260	49,260

11. Net Assets

BLife shall maintain net assets of at least ¥50,000 thousand (\$472 thousand) as required by Clause 4 of Article 67 of the Investment Trust Law.

12. Significant Subsequent Events

- (a) For the period from June 1, 2007 to November 30, 2007

Cash dividends

On January 18, 2008, BLife's Board of Directors approved a resolution for the payment of cash dividends of ¥12,936 per unit, aggregating to ¥637,227,360, to unitholders of record as of November 30, 2007.

(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.

On January 18, 2008, BLife set income available for distributions of dividends at ¥637,227,360, the maximum integral multiple of the 49,260 units issued not exceeding unappropriated income at November 30, 2007.

No cash distribution exceeding the income amount set forth in Section 37.1.2 of the bylaws of this investment corporation shall be made.

- (b) For the period from December 1, 2007 to May 31, 2008

Cash dividends

On July 16, 2008, BLife's Board of Directors approved a resolution for the payment of cash dividends of ¥13,262 per unit, aggregating to ¥653,286,120 (\$6,177,646), to unitholders of record as of May 31, 2008.

(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.

On July 16, 2008, BLife set income available for distributions of dividends at ¥653,286,120 (\$6,177,646), the maximum integral multiple of the 49,260 units issued not exceeding unappropriated income at May 31, 2008.

No cash distribution exceeding the income amount set forth in Section 37.1.2 of the bylaws of this investment corporation shall be made.

13. Changes in Investment Units Issued

The quantity of investment units issued and the changes in total unitholders' capital for the current and previous periods 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	
June 7, 2005	Inaugural private offering	600	600	¥ 300	¥ 300	(Note 1)
December 19, 2005	Third-party allotment	2,860	3,460	¥ 1,430	¥ 1,730	(Note 2)
March 20, 2006	Capital increase by public offering	37,800	41,260	¥18,238	¥19,968	(Note 3)
March 2, 2007	Third-party allotment	8,000	49,260	¥ 4,034	¥24,002	(Note 4)

(Note 1) BLife was established with an issue price of ¥500,000 per unit.

(Note 2) Additional units were issued at an issue price of ¥500,000 per unit to obtain funds for acquiring new properties, and BLife commenced its asset-management operations.

(Note 3) Investment units were issued at ¥500,000 per unit (underwriting value of ¥482,500) to obtain property acquisition funds by public offering.

(Note 4) Additional units were issued at an issue price of ¥504,261 per unit to obtain funds for acquiring new properties.

14. Other Supplementary Information

(a) For the period from June 1, 2007 to November 30, 2007

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		Market value
			Of those, over one year	
Transactions other than market transactions	Interest-rate swap transactions, floating/received, fixed/paid	¥6,950,000	—	¥3,847
Total		¥6,950,000	—	¥3,847

(Note 1) Contract amounts of interest-rate swap transactions are presented based on the notional principals.

(Note 2) Valued at the amounts calculated by the counterparties to the transaction contracts based on the prevailing market rate.

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	Comments
						Depreciation or amortization for the period		
Tangible fixed assets	Building	—	¥104,294	—	¥104,294	¥1,448	¥1,448	¥102,846 (Note)
	Structures	—	9,709	—	9,709	244	244	9,464
	Land	—	942,818	—	942,818	—	—	942,818 (Note)
	Buildings in trust	¥16,010,554	6,949,559	¥181,083	22,779,030	664,163	257,894	22,114,866 (Note)
	Structures in trust	5,147	6,857	—	12,004	604	283	11,399
	Machinery and equipment in trust	345,179	46,083	2,969	388,293	38,736	11,784	349,557
	Tools, furniture and fixtures in trust	236	619	—	855	73	49	781
	Land in trust	20,534,579	8,683,622	291,311	28,926,889	—	—	28,926,889 (Note)
	Total	¥36,895,696	¥16,743,564	¥475,364	¥53,163,895	¥705,272	¥271,705	¥52,458,623
Intangible fixed assets	Trademark rights	¥1,122	—	—	¥1,122	—	¥63	¥1,058
	Total	¥1,122	—	—	¥1,122	—	¥63	¥1,058

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

14. Other Supplementary Information (continued)

(a) For the period from June 1, 2007 to November 30, 2007 (continued)

1. Increase in buildings (increased as a result of purchases and sales)

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Building	¥104
Total			¥104

2. Increase in land (increased as a result of purchases and sales)

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Land	¥942
Total			¥942

3. Increase in buildings in trust (increased as a result of purchases and sales)

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
IPSE Azabujuban	Minato-ku, Tokyo	Building in trust	¥1,077
IPSE Azabujuban Duo	Minato-ku, Tokyo	Building in trust	1,164
IPSE Shinjyuku Natsumezaka	Shinjyuku-ku, Tokyo	Building in trust	688
Uniroyal Ginza	Chuo-ku, Tokyo	Building in trust	931
IPSE Yutenji	Meguro-ku, Tokyo	Building in trust	755
IPSE Shibuya Tiers	Shibuya-ku, Tokyo	Building in trust	365
IPSE Otsuka	Toshima-ku, Tokyo	Building in trust	923
IPSE Kikukawa	Sumida-ku, Tokyo	Building in trust	544
IPSE Tsurumi	Yokohama-shi, Kanagawa	Building in trust	498
Total			¥6,949

4. Increase in land in trust (increased as a result of purchases and sales)

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
IPSE Azabujuban	Minato-ku, Tokyo	Land in trust	¥1,935
IPSE Azabujuban Duo	Minato-ku, Tokyo	Land in trust	1,624
IPSE Shinjyuku Natsumezaka	Shinjyuku-ku, Tokyo	Land in trust	1,237
Uniroyal Ginza	Chuo-ku, Tokyo	Land in trust	946
IPSE Yutenji	Meguro-ku, Tokyo	Land in trust	749
IPSE Shibuya Tiers	Shibuya-ku, Tokyo	Land in trust	1,054
IPSE Otsuka	Toshima-ku, Tokyo	Land in trust	623
IPSE Kikukawa	Sumida-ku, Tokyo	Land in trust	306
IPSE Tsurumi	Yokohama-shi, Kanagawa	Land in trust	205
Total			¥8,683

14. Other Supplementary Information (continued)

(a) For the period from June 1, 2007 to November 30, 2007 (continued)

5. Decrease in premises in trust (decreased as a result of purchases and sales)

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
Elsol Kifunezaka	Ota-ku, Tokyo	Building in trust	¥181
Total			¥181

6. Decrease in land in trust (decreased as a result of purchases and sales)

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
Elsol Kifunezaka	Ota-ku, Tokyo	Land in trust	¥291
Total			¥291

4) Detailed Schedule of Other Specific Assets

Not applicable.

5) Detailed Schedule of Investment Corporation Bonds

Not applicable.

14. Other Supplementary Information (continued)

(a) For the period from June 1, 2007 to November 30, 2007 (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
Short-term loans	Mizuho Bank, Ltd.	–	¥ 4,600,000	¥ 41,943	¥ 4,558,056	1.27951%	March 31, 2008	(Note 3)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	–	4,600,000	41,943	4,558,056				
	The Chuo Mitsui Trust and Banking Co., Ltd.	–	4,600,000	41,943	4,558,056				
	The Sumitomo Trust & Banking Co., Ltd.	–	2,000,000	18,236	1,981,763				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	–	800,000	–	800,000	1.36000%	September 27, 2008	(Note 4)	Secured without warranty
	Subtotal	–	16,600,000	144,065	16,455,934	–	–	–	
Current portion of long-term loans	Mizuho Bank, Ltd.	¥ 2,857,912	–	43,571	2,814,341	1.30793% (Note 2)	March 31, 2008	(Note 3)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	2,857,912	–	43,571	2,814,341				
	The Chuo Mitsui Trust and Banking Co., Ltd.	2,857,912	–	43,571	2,814,341				
	Aozora Bank, Ltd.	1,810,011	–	27,595	1,782,416				
	Shinsei Bank, Ltd.	1,810,011	–	27,595	1,782,416				
	The Sumitomo Trust & Banking Co., Ltd.	1,047,901	–	15,976	1,031,925				
	Subtotal	13,241,662	–	201,879	13,039,782	–	–	–	
Total		¥13,241,662	¥16,600,000	¥345,945	¥29,495,717	–	–	–	

(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 fifth decimal place.

(Note 2) The amounts include the outcome of the interest-rate swap contract with floating/received, fixed/paid with Mizuho Bank, Ltd. (notional principal: ¥6.95 billion, maturity: March 31, 2008, fixed rate payable: 1.31000%)

(Note 3) To be used as acquisition funds for real estate properties in trust.

(Note 4) To be used as acquisition funds for real estate property.

(Note 5) There are no applicable long-term loans (excluding those scheduled to be paid off within one year).

14. Other Supplementary Information (continued)

(b) For the period from December 1, 2007 to May 31, 2008

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		Market value
			Of those, over one year	
Transactions other than market transactions	Interest-rate cap transactions	¥15,000,000	¥15,000,000	¥18,439
Total		¥15,000,000	¥15,000,000	¥18,439

(Thousands of U.S. dollars)

Category	Type	Contract amount		Market value
			Of those, over one year	
Transactions other than market transactions	Interest-rate cap transactions	\$141,843	\$141,843	\$174
Total		\$141,843	\$141,843	\$174

(Note 1) Contract amounts of interest-rate cap transactions are presented based on the notional principals.

(Note 2) Valued at the amounts calculated by the counterparties to the transaction contracts based on the prevailing market rate.

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	Comments
							Depreciation or amortization for the period		
Tangible fixed assets	Building	¥104,294	—	¥104,294	—	—	—	—	(Note)
	Structures	9,709	—	9,709	—	—	—	—	
	Land	942,818	—	942,818	—	—	—	—	(Note)
	Buildings in trust	22,779,030	¥112,608	—	¥22,891,638	¥925,626	¥260,014	¥21,966,012	(Note)
	Structures in trust	12,004	9,802	—	21,807	1,625	775	20,182	
	Machinery and equipment in trust	388,293	—	—	388,293	50,431	11,695	337,861	
	Tools, furniture and fixtures in trust	855	—	—	855	150	77	704	
	Land in trust	28,926,889	952,144	—	29,879,034	—	—	29,879,034	(Note)
	Total	¥53,163,895	¥1,074,556	¥1,056,822	¥53,181,629	¥977,834	¥272,562	¥52,203,795	
Intangible fixed assets	Trademark rights	¥1,058	—	—	¥1,058	—	¥63	¥994	
	Total	¥1,058	—	—	¥1,058	—	¥63	¥994	

14. Other Supplementary Information (continued)

(b) For the period from December 1, 2007 to May 31, 2008 (continued)

(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	Comments
						Depreciation or amortization for the period		
Tangible fixed assets	Building	\$986	—	\$986	—	—	—	(Note)
	Structures	91	—	91	—	—	—	
	Land	8,915	—	8,915	—	—	—	(Note)
	Buildings in trust	215,404	\$1,064	—	\$216,469	\$8,752	\$2,458	(Note)
	Structures in trust	113	92	—	206	15	7	190
	Machinery and equipment in trust	3,671	—	—	3,671	476	110	3,194
	Tools, furniture and fixtures in trust	8	—	—	8	1	0	6
	Land in trust	273,540	9,003	—	282,544	—	—	282,544
	Total	\$502,731	\$10,161	\$9,993	\$502,899	\$9,246	\$2,577	\$493,652
Intangible fixed assets	Trademark rights	\$10	—	—	\$10	—	\$0	\$9
	Total	\$10	—	—	\$10	—	\$0	\$9

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

1. Increase in buildings in trust

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Building in trust	¥105
Qiz EBISU	Shibuya-ku, Tokyo	Building in trust	7
Total			¥112

(Millions of U.S. dollars)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Building in trust	\$0
Qiz EBISU	Shibuya-ku, Tokyo	Building in trust	0
Total			\$1

2. Increase in land in trust

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Land in trust	¥952
Total			¥952

(Millions of U.S. dollars)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Land in trust	\$ 9
Total			\$ 9

14. Other Supplementary Information (continued)

(b) For the period from December 1, 2007 to May 31, 2008 (continued)

3. Decrease in buildings

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Building	¥104
Total			¥104

(Millions of U.S. dollars)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Building	\$ 0
Total			\$ 0

4. Decrease in land

(Millions of yen)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Land	¥942
Total			¥942

(Millions of U.S. dollars)

Name of property	Location	Type of tangible fixed asset	Amount
INAGEYA Yokohama Nishigaoka	Yokohama-shi, Kanagawa	Land	\$8
Total			\$8

4) Detailed Schedule of Other Specific Assets

Not applicable.

5) Detailed Schedule of Investment Corporation Bonds

Not applicable.

14. Other Supplementary Information (continued)

(b) For the period from December 1, 2007 to May 31, 2008 (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
Short-term loans	Mizuho Bank, Ltd.	¥ 4,558,056 (\$43,102)	—	¥ 4,558,056 (\$43,102)	—	1.36612%	March 31, 2008	(Note 6)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	4,558,056 (43,102)	—	4,558,056 (43,102)	—				
	The Chuo Mitsui Trust and Banking Co., Ltd.	4,558,056 (43,102)	—	4,558,056 (43,102)	—				
	The Sumitomo Trust & Banking Co., Ltd.	1,981,763 (18,740)	—	1,981,763 (18,740)	—	1.36000%	September 27, 2008 (Note 5)	(Note 7)	Secured without warranty
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	800,000 (7,565)	—	800,000 (7,565)	—				
	Subtotal	16,455,934 (155,611)	—	16,455,934 (155,611)	—	—	—	—	—
Current portion of long-term loans	Mizuho Bank, Ltd.	2,814,341 (26,613)	—	2,814,341 (26,613)	—	1.35956% (Note 2)	March 31, 2008	(Note 6)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	2,814,341 (26,613)	—	2,814,341 (26,613)	—				
	The Chuo Mitsui Trust and Banking Co., Ltd.	2,814,341 (26,613)	—	2,814,341 (26,613)	—				
	Aozora Bank, Ltd.	1,782,416 (16,855)	—	1,782,416 (16,855)	—				
	Shinsei Bank, Ltd.	1,782,416 (16,855)	—	1,782,416 (16,855)	—				
	The Sumitomo Trust & Banking Co., Ltd.	1,031,925 (9,758)	—	1,031,925 (9,758)	—	1.58521% (Note 3)	September 30, 2008	(Note 8)	Secured without warranty
	Mizuho Bank, Ltd.	—	¥ 118,000 (\$1,115)	—	¥ 118,000 (\$1,115)				
	Sumitomo Mitsui Banking Corporation	—	118,000 (1,115)	—	118,000 (1,115)				
	The Chuo Mitsui Trust and Banking Co., Ltd.	—	118,000 (1,115)	—	118,000 (1,115)	1.71503% (Note 4)	September 30, 2008	(Note 8)	Secured without warranty
	Mizuho Bank, Ltd.	—	113,000 (1,068)	—	113,000 (1,068)				
	Sumitomo Mitsui Banking Corporation	—	113,000 (1,068)	—	113,000 (1,068)				
	The Chuo Mitsui Trust and Banking Co., Ltd.	—	113,000 (1,068)	—	113,000 (1,068)				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	—	55,000 (520)	—	55,000 (520)				
	Shinsei Bank, Ltd.	—	55,000 (520)	—	55,000 (520)	—	—	—	—
	Subtotal	13,039,782 (123,307)	803,000 (7,593)	13,039,782 (123,307)	803,000 (7,593)				
Long-term loans	Mizuho Bank, Ltd.	—	4,228,000 (39,981)	—	4,228,000 (39,981)	1.58521% (Note 3)	March 31, 2010	(Note 8)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	—	4,228,000 (39,981)	—	4,228,000 (39,981)				
	The Chuo Mitsui Trust and Banking Co., Ltd.	—	4,228,000 (39,981)	—	4,228,000 (39,981)				
	Mizuho Bank, Ltd.	—	4,037,000 (38,174)	—	4,037,000 (38,174)	1.71503% (Note 4)	September 30, 2009	(Note 8)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	—	4,037,000 (38,174)	—	4,037,000 (38,174)				
	The Chuo Mitsui	—	4,037,000	—	4,037,000				

	Trust and Banking Co., Ltd.		(38,174)		(38,174)				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	—	1,945,000 (18,392)	—	1,945,000 (18,392)				
	Shinsei Bank, Ltd.	—	1,945,000 (18,392)	—	1,945,000 (18,392)				
	Subtotal	—	28,685,000 (271,252)	—	28,685,000 (271,252)	—	—	—	—
	Total	¥29,495,717 (\$278,919)	¥29,488,000 (\$278,846)	¥29,495,717 (\$278,919)	¥29,488,000 (\$278,846)	—	—	—	—

(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 fifth decimal place.

(Note 2) The amounts include the outcome of the interest-rate swap contract with floating/received, fixed/paid with Mizuho Bank, Ltd. (notional principal: ¥6.95 billion, maturity: March 31, 2008, fixed rate payable: 1.31000%)

(Note 3) BLife purchased an interest-rate cap contract from the Bank of Tokyo-Mitsubishi UFJ, Ltd. (notional principal: ¥10,000 million, maturity: March 31, 2010) for the purpose of hedging interest-rate risk. Through this contract, the ceiling of interest rate (Three-month Japanese Yen TIBOR) is set to 1.50000%.

(Note 4) BLife purchased an interest-rate cap contract from the Bank of Tokyo-Mitsubishi UFJ, Ltd. (notional principal: ¥5,000 million, maturity: September 30, 2009) for the purpose of hedging interest-rate risk. Through this contract, the ceiling of interest rate (Three-month Japanese Yen TIBOR) is set to 1.50000%.

(Note 5) Repayment of ¥800,000 thousand was made before due date on March 31, 2008.

(Note 6) To be used as acquisition funds for real estate properties in trust.

(Note 7) To be used as acquisition funds for real estate property.

(Note 8) To be used as refinance of short-term loans and current portion of long-term loans.

(Note 9) Scheduled payment per year for long-term loans (excluding those scheduled to be paid off within one year) within a period of 5 years from the end of the fiscal period is as follows:

(Thousands of yen)

Classification	2nd year	3rd year	4th year	5th year
Long-term loans	28,685,000	—	—	—

(Thousands of U.S. dollars)

Classification	2nd year	3rd year	4th year	5th year
Long-term loans	271,252	—	—	—