

BLife Investment Corporation Presentation Material for the Sixth Fiscal Period (June 1, 2008 - November 30, 2008)



January 22, 2009

(Asset Management Company)
MORIMOTO ASSET MANAGEMENT Co., Ltd.
(Name to be changed to DAIWA HOUSE MORIMOTO ASSET MANAGEMENT Co., Ltd. as of February 1, 2009)
Financial Instruments Dealer, Kanto Financial Bureau Director (Kin-sho) No. 409
Member of The Investment Trusts Association, Japan



BLife Investment Corporation



MORIMOTO ASSET MANAGEMENT CO., Ltd

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All photos used in this material are photos of properties managed by BLife Investment Corporation except for the **property built by Daiwa House Industry** on page 35.

Overview of BLife Investment Corporation

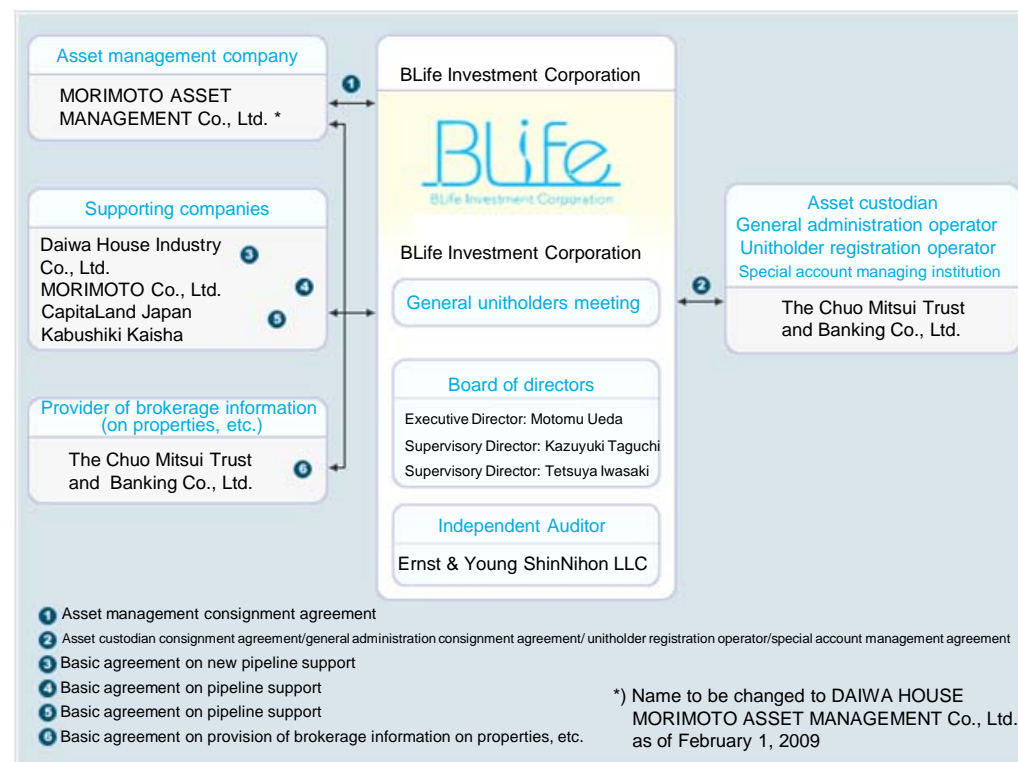


A diversified REIT that invests in stable residential properties and profitable retail properties that are rented out to generate revenue.

The name BLife is derived from “Beautiful Life and Home,” our wish for our tenants.

IPO	March 22, 2006
Fiscal Periods	6 months through May and November
Sponsors	Daiwa House Industry, MORIMOTO
Portfolio Size (Properties) *	24 (22 residential, 2 retail)
Portfolio Size (Acquisition Price) *	51,139 million yen
Number of Investment Units *	49,260

*) As of the date of this material



Sixth Fiscal Period Highlights

Distribution per Unit for the Sixth Fiscal Period

- (1) Actual distribution per unit: 12,434 yen
- (2) Distribution exceeding the 12,300 yen forecasted distribution per unit announced on July 16, 2008 to be effectuated; after IPO, maintained the stable distributions of 12,000 yen or more

Internal Growth

- (1) Average occupancy rate in the sixth fiscal period was 94.4% (residential properties 95.1%, retail properties 88.9%)
- (2) Increased rent upon conclusion of new contracts (tenant replacement) ⇒ Successful at 69 units (target: 115 units)
- (3) Maintained the favorable level of NOI: 5.47% for the fifth fiscal period, 5.45% for the sixth fiscal period

Financial Strategy

- (1) Partial repayment of loans in the amount of 803 million yen in September 2008; end of period LTV of 52.5% (0.6% improvement compared to end of previous fiscal period)
- (2) Lack of loan maturity dates until end of September 2009 ensures stable financial base
- (3) Good relations maintained with five large financial institutions, mainly three banks among them which are shareholders of the asset management company

Changing the Asset Management Company's Main Sponsor to Strengthen the Operating Base

- (1) An examination of operating base fortification measures that would make external growth possible resulted in the decision to change to a management structure with Daiwa House Industry Co., Ltd. as main sponsor
- (2) Reformulation of BLife's growth strategy based on the know-how Daiwa House possesses with respect to developing and operating residential and retail properties, the strong relationship of trust with financial institutions founded on a sound financial base, among others
- (3) Daiwa House's acquisition of 5,060 of BLife's investment units (10.3% ownership ratio) makes it the top unitholder, in addition to that of the asset management company
- (4) Change of the asset management company's name to "DAIWA HOUSE MORIMOTO ASSET MANAGEMENT Co., Ltd." (as of February 1, 2009)

Summary of Sixth Fiscal Period Financial Results

	Second Fiscal Period* (Ended November 2006)	Third Fiscal Period (Ended May 2007)	Fourth Fiscal Period (Ended November 2007)	Fifth Fiscal Period (Ended May 2008)	Sixth Fiscal Period (Ended November 2008)	Period-on-period Comparison	
						Variation	Variation rate
Operating revenue	1,597 mn yen	1,315 mn yen	1,551 mn yen	1,658 mn yen	1,675 mn yen	16 mn yen	1.0%
Operating income	1,048 mn yen	852 mn yen	909 mn yen	977 mn yen	949 mn yen	-27 mn yen	-2.8%
Ordinary income	732 mn yen	721 mn yen	637 mn yen	654 mn yen	619 mn yen	-34 mn yen	-5.2%
Net income	730 mn yen	720 mn yen	637 mn yen	653 mn yen	612 mn yen	-40 mn yen	-6.3%
Distribution per unit	17,337 yen	14,619 yen	12,936 yen	13,262 yen	12,434 yen	-828 yen	-6.2%
(after deducting gains on real estate sales)	(17,337 yen)	(10,413 yen)	(12,813 yen)	(13,262 yen)	(12,434 yen)	(-)	-
Outstanding investment units issued at end of fiscal period	41,260 units	49,260 units	49,260 units	49,260 units	49,260 units	-	-
Management period	273 days	182 days	183 days	183 days	183 days	-	-

*) The calculation period for the second fiscal period of BLife Investment Corporation is 365 days from December 1, 2005 to November 30, 2006. However, the figure was set at 273 days as a result of the weighted average (on an acquisition price basis) of 254 days for the management of the 2 properties that started operation on December 20, 2005 (total acquisition price: 6,420 million yen) and the 12 properties that started operation on March 22, 2006 (same: 25,598 million yen).

Profit on sales of property	-	207 mn yen	6 mn yen	-	-	-	-
Real estate lease business revenue	1,597 mn yen	1,108 mn yen	1,545 mn yen	1,658 mn yen	1,675 mn yen	16 mn yen	1.0%
Real estate expenses related to rent business	465 mn yen	342 mn yen	509 mn yen	529 mn yen	550 mn yen	20 mn yen	3.8%
Real estate lease business income	1,131 mn yen	765 mn yen	1,035 mn yen	1,128 mn yen	1,125 mn yen	-3 mn yen	-0.3%
Rent NOI	1,410 mn yen	953 mn yen	1,307 mn yen	1,401 mn yen	1,398 mn yen	-3 mn yen	-0.2%
NOI yield*	5.89%	5.38%	5.10%	5.47%	5.45%	-0.01%	-

*) NOI yield is calculated by subtracting the rent NOI (lease business revenue + other lease business expenses – real estate expenses related to rent business+ depreciation and amortization), pro rata over 365 days, from the total end of period acquisition price.

<Portfolio at end of fiscal period>

Number of owned properties	14	15	24	24	24	-	-
Total acquisition price*	32,018 mn yen	35,511 mn yen	51,139 mn yen	51,139 mn yen	51,139 mn yen	-	-
Leasable units	896 units (Store: 17 units)	938 units (Store: 26 units)	1,350 units (Store: 30 units)	1,350 units (Store: 30 units)	1,350 units (Store: 30 units)	-	-
Properties acquired in the fiscal period *	14/32,018 mn yen	3/4,820 mn yen	10/16,078 mn yen	-	-	-	-
Properties sold in the fiscal period *	-	2/1,645 mn yen	1/480 mn yen	-	-	-	-
Average occupancy rate in the fiscal period	94.0%	96.2%	95.9%	96.1%	94.4%	-1.7%	-
Occupancy rate at end of fiscal period	96.6%	95.8%	96.7%	95.4%	93.7%	-1.7%	-

*) Figures indicate the number of properties and total acquisition price or sale price. Expenses related to acquisition or sale, settlement of taxes and public charges and consumption taxes are excluded.

Variation between Forecasts (announced on July 16, 2008) and Actual Results for Sixth Fiscal Period

	Forecasts for Sixth Fiscal Period	Actual Results for Sixth Fiscal Period (Ended November 2008)	Variation	Factors of Variation
Operating revenue	1,679 mn yen	1,675 mn yen	-4 mn yen	<ol style="list-style-type: none"> Operating revenue roughly as forecasted due to the followings: <ol style="list-style-type: none"> Occupancy rate did not attain forecast (forecast: 95.3%; actual: 94.4%) Number of tenant withdrawals lower than expected (cancellation rate forecast: 31.3%; actual: 26.3%) Rent -9 million yen Key money -8 million yen, restoration fee revenue -4 million yen Cancellation penalties 12 million yen Others +5 million yen
Operating expenses	746 mn yen	725 mn yen	-21 mn yen	<ol style="list-style-type: none"> Expenses related to rent business -21 million yen <ol style="list-style-type: none"> Brokerage fees -13 million yen Restoration cost -8 million yen Others ±0 million yen (strategic repair of 9 million yen was implemented as planned) Lease business net income +17 million yen (a) General and administrative expenses +1 million yen (b) <p>Allowance for doubtful accounts of 13 million yen and structural recalculation DD expense of 9 million yen absorbed by allocated contingencies and by reducing expenses</p>
Operating income	933 mn yen	949 mn yen	16 mn yen	<ol style="list-style-type: none"> Operating income +16 million yen (= (a)-(b)) (exceeding the forecast)
Ordinary income	606 mn yen	619 mn yen	13 mn yen	<ol style="list-style-type: none"> Non-operating income and expenses -4 million yen Increase in borrowing related expenses of 8 million yen, incurred due to the early repayment of 803 million yen loans and allocated over the term from the repayment date to the maturity date, were written off in a lump-sum Other non-operating income and expenses +4 million yen
Net income	605 mn yen	612 mn yen	7 mn yen	<ol style="list-style-type: none"> Income taxes up 6 million yen due to taxable depreciation
Distribution per unit	12,300 yen	12,434 yen	134 yen	

Seventh Fiscal Period Forecasts

	Actual Results for Sixth Fiscal Period (Ended November 2008)	Forecasts for Seventh Fiscal Period (Ending May 2009)	Variation
Operating revenue	1,675 mn yen	1,600 mn yen	-75 mn yen
Operating income	949 mn yen	856 mn yen	-93 mn yen
Ordinary income	619 mn yen	543 mn yen	-76 mn yen
Net income	612 mn yen	541 mn yen	-70 mn yen
Distribution per unit	12,434 yen	11,000 yen	-1,434 yen

<Preconditions of Forecasts for Seventh Fiscal Period>

- Assets under management: There will be no changes (such as acquisition of new properties and sale of existing properties) through the end of the seventh fiscal period concerning the 24 properties held as of the end of the sixth fiscal period
- Average occupancy rate in the seventh fiscal period: 94.1%
- Total outstanding investment units issued: There will be no change to the total outstanding investment units issued (49,260 units as of the end of the sixth fiscal period) through the end of the seventh fiscal period
- Balance of loans: No changes in the current 28,685 million yen balance of loans as of the end of the sixth fiscal period will arise until the end of the seventh fiscal period
- Depreciation and amortization planned for the seventh fiscal period: 273 million yen

Selected Financial Data

	Second Fiscal Period (Ended November 2006)	Third Fiscal Period (Ended May 2007)	Fourth Fiscal Period (Ended November 2007)	Fifth Fiscal Period (Ended May 2008)	Sixth Fiscal Period (Ended November 2008)	Period-on-period Comparison
Management period	273 days *1	182 days	183 days	183 days	183 days	—
Total assets	35,338 mn yen	39,064 mn yen	55,534 mn yen	55,546 mn yen	54,618 mn yen	-927 mn yen
Net assets	20,684 mn yen	24,725 mn yen	24,642 mn yen	24,667 mn yen	24,615 mn yen	-51 mn yen
Unitholders' capital	19,968 mn yen	24,002 mn yen	24,002 mn yen	24,002 mn yen	24,002 mn yen	—
Total outstanding investment units issued	41,260 units	49,260 units	49,260 units	49,260 units	49,260 units	—
Net assets per unit	501,314 yen	501,940 yen	500,247 yen	500,752 yen	499,712 yen	-1,040 yen
Distribution per unit	17,337 yen	14,619 yen	12,936 yen	13,262 yen	12,434 yen	-828 yen
Return on assets (ROA) *2	4.1%	3.9%	2.7%	2.3%	2.2%	-0.1%
Return on equity (ROE) *3	7.0%	6.4%	5.1%	5.3%	5.0%	-0.3%
Net asset ratio at end of fiscal period *4	58.5%	63.3%	44.4%	44.4%	45.1%	0.7%
Number of properties	14	15	24	24	24	—
Leasable units	896 units (Store: 17 units)	938 units (Store: 26 units)	1,350 units (Store: 30 units)	1,350 units (Store: 30 units)	1,350 units (Store: 30 units)	— (—)
Leasable area *5	34,350.24m ² (Store: 3,374.54m ²)	40,872.16m ² (Store: 7,420.24m ²)	57,656.70m ² (Store: 10,450.47m ²)	57,657.42m ² (Store: 10,450.47m ²)	57,660.40m ² (Store: 10,450.47m ²)	2.98 m ² (—)
Average occupancy rate in the fiscal period	94.0%	96.2%	95.9%	96.1%	94.4%	-1.7%
Occupancy rate at end of fiscal period	96.6%	95.8%	96.7%	95.4%	93.7%	-1.7%
Current depreciation and amortization	278 mn yen	187 mn yen	271 mn yen	272 mn yen	272 mn yen	0 mn yen
Rent NOI *6	1,410 mn yen	953 mn yen	1,307 mn yen	1,401 mn yen	1,398 mn yen	-3 mn yen
FFO per unit *7	24,597 yen	14,340 yen	18,450 yen	18,916 yen	18,095 yen	-820 yen
Debt service coverage ratio *8	9.3x	12.1x	6.2x	5.3x	4.7x	-0.6x
Total interest-bearing liabilities	13,900 mn yen	13,241 mn yen	29,495 mn yen	29,488 mn yen	28,685 mn yen	-803 mn yen
LTV (interest-bearing liabilities/total assets)	39.3%	33.9%	53.1%	53.1%	52.5%	-0.6%

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*2) Return on assets (ROA) = Ordinary income/((total assets at beginning of fiscal period + total assets at end of fiscal period)/2) x 100, annualized based on management period

*3) Return on equity (ROE) = Net income/(net assets at beginning of fiscal period + net assets at end of fiscal period)/2) x 100, annualized based on management period

*4) Net asset ratio at end of fiscal period = Net assets at end of fiscal period/total assets at end of fiscal period

*5) The leasable area of S-2 INAGEYA Yokohama Nishigaoka, which was acquired in the fourth fiscal period and is continually owned at the end of the sixth fiscal period is larger than the total floor area of 2,221.32m² under the Real Estate Registration Law, as the lease agreement was concluded to include the space below the floors and other areas that were not calculated in the total floor area.

*6) Rent NOI = Lease business revenue + other lease business expenses – real estate expenses related to rent business+ depreciation and amortization

*7) FFO per unit = (Net income + depreciation and amortization + other amortization expenses – real estate capital gains)/total outstanding investment units issued

*8) Debt service coverage ratio = Net income before interest amortization/interest expenses

Change of Main Sponsor

Change in Asset Management Company Equity

- (1) Daiwa House Industry, MORIMOTO and CapitaLand Japan agreed on November 27, 2008 that, from the perspective of strengthening BLife's operating base, Daiwa House shall manage the asset management company as its main sponsor
- (2) 3,612 shares of the asset management company held by MORIMOTO and the 4,008 shares of same held by CapitaLand Japan transferred to Daiwa House on December 19, 2008

Shareholders in the Asset Management Company

Before Change

(unit: share)

	Number of Shares Held	Percentage of Shares
MORIMOTO Co., Ltd.	6,012	50.1%
CapitaLand Japan Kabushiki Kaisha	4,008	33.4%
Daiwa House Industry Co., Ltd.	1,200	10.0%
Morgan Stanley Capital K.K.	240	2.0%
Mizuho Bank, Ltd.	180	1.5%
The Chuo Mitsui Trust and Banking Co., Ltd.	180	1.5%
Sumitomo Mitsui Banking Corporation	180	1.5%
Total	12,000	100.0%

After Change

(unit: share)

	Number of Shares Held	Percentage of Shares
Daiwa House Industry Co., Ltd.	8,820	73.5%
MORIMOTO Co., Ltd.	2,400	20.0%
Morgan Stanley Capital K.K.	240	2.0%
Mizuho Bank, Ltd.	180	1.5%
The Chuo Mitsui Trust and Banking Co., Ltd.	180	1.5%
Sumitomo Mitsui Banking Corporation	180	1.5%
Total	12,000	100.0%

Change in the investment units of BLife

- (1) 5,060 investment units (10.3% ownership ratio) of BLife held by MORIMOTO transferred to Daiwa House on December 19, 2008
- (2) Daiwa House, becoming the top unitholder of BLife, is committed to the management of BLife from the perspective of an unitholder

Change of Main Sponsor

Pipeline Support Agreements

(1) Basic agreement on new pipeline support with Daiwa House (concluded on January 16, 2009)

Daiwa House will:

- Provide information and preferential negotiation rights on all residential properties and retail properties which expected sale price is 2 billion yen or less per property
- Provide know-how and advice* on property operations and management, and support BLife's acquisitions of properties
- *) Advice on acquisition and operation of properties, property management, renewal of properties, construction management, sale and disposal of properties, warehousing and redevelopments of properties, etc.
- Provide warehousing function
- Support redevelopments of properties
- Dispatch personnel
- Maintain the capital tie with BLife (holds 8,820 shares of the asset management company, ownership ratio is 73.5%)

(2) Basic agreement on pipeline support with MORIMOTO

- As before, MORIMOTO will provide all information on its owned target properties preferentially to BLife ahead of any third party
- MORIMOTO will provide know-how and advice on operations
- MORIMOTO will dispatch personnel

(3) Basic agreement on pipeline support with CapitaLand Japan

- As before, CapitaLand Japan will provide all information on its owned residential properties preferentially to BLife ahead of any third party
- CapitaLand Japan will provide a variety of support and advices concerning REIT markets including IR activities, management of REITs in general, acquisition and operation of properties, and operation, sale and disposal of properties of the CapitaLand Group

Portfolio of BLife Investment Corporation

Area	Property No.	Type	Name	Address	Leasable Area (m ²)	Leasable Units (units)	Acquisition Price (million yen)	Investment Ratio (%)
1	J-1	D	Meguro Kamurozaka Residencia	4-31-23 Nishi Gotanda, Shinagawa Ward, Tokyo	4,967.97	125	4,500	8.8%
	J-3	D	Qiz Ebisu	4-3-1 Ebisu, Shibuya Ward, Tokyo	5,249.98 (Store: 1,954.05)	93 (Store: 10)	7,650	15.0%
	J-4	D	IPSE Azabujuban Shichimenzaka	2-7-5 Azabu Juban, Minato Ward, Tokyo	3,493.83 (Store: 212.55)	96 (Store: 1)	4,500	8.8%
	J-5	D	IPSE Shibakoen	3-32-10 Shiba, Minato Ward, Tokyo	2,707.51	75	2,630	5.1%
	J-6	D	IPSE Ginza	1-14-13 Ginza, Chuo Ward, Tokyo	2,226.42	67	2,520	4.9%
	J-7	D	Next Form Nishiazabu	3-13-3 Nishi Azabu, Minato Ward, Tokyo	1,627.06 (Store: 738.95)	22 (Store: 1)	2,220	4.3%
	J-8	D	IPSE Nihonbashi	11-2 Nihonbashi Kabutocho, Chuo Ward, Tokyo	1,458.73 (Store: 40.14)	51 (Store: 1)	1,200	2.3%
	J-10	D	IPSE Toritsudaigaku	1-4-1 Midorigaoka, Meguro Ward, Tokyo	863.70	30	648	1.3%
	J-15	D	IPSE Tokyo East	3-27-5 Hatchobori, Chuo Ward, Tokyo	2,969.57	59	2,300	4.5%
	J-16	D	IPSE Yukigaya	2-13-3 Higashi Yukigaya, Ota Ward, Tokyo	1,542.30 (Store: 194.88)	52 (Store: 1)	1,110	2.2%
	J-17	D	IPSE Azabujuban	2-10-1 Azabu Juban, Minato Ward, Tokyo	2,400.00	51	2,910	5.7%
	J-18	D	IPSE AzabujubanDUO	2-21-2 Azabu Juban, Minato Ward, Tokyo	2,094.58	66	2,690	5.3%
	J-19	D	IPSE Shinjuku Natsumezaka	10 Kikuicho, Shinjuku Ward, Tokyo	1,917.62 (Store: 395.22)	41 (Store: 1)	1,865	3.6%
	J-20	S	UNIROYAL Ginza	1-23-4 Ginza, Chuo Ward, Tokyo	1,817.56	61	1,800	3.5%
2	J-21	D	IPSE Yutenji	2-14-21 Yutenji, Meguro Ward, Tokyo	1,380.35 (Store: 291.75)	29 (Store: 2)	1,450	2.8%
	J-22	D	IPSE Shibuya Tiers	29-21 Sakuragaokacho, Shibuya Ward, Tokyo	1,123.80	30	1,400	2.7%
	J-2	S	Fourteen Hills East Tower	1-11-29 Shin Sakae, Naka Ward, Nagoya City, Aichi Prefecture	3,548.48 (Store: 257.40)	131 (Store: 1)	1,920	3.8%
	J-13	F	Cosmo Heim Musashikosugi	2-8 Kizuki Isecho, Nakahara Ward, Kawasaki City, Kanagawa Prefecture	4,208.83	59	1,674	3.3%
	J-14	S	Comfort Time Otsuka	2-19-7 Kita Otsuka, Toshima Ward, Tokyo	1,204.61	55	779	1.5%
	J-23	S	IPSE Otsuka	3-17-4 Minami Otsuka, Toshima Ward, Tokyo	1,871.70	70	1,480	2.9%
	J-24	D	IPSE Kikugawa	2-1-12 Kikugawa, Sumida Ward, Tokyo	1,168.18	43	817	1.6%
	J-25	D	IPSE Tsurumi	3-5-10 Tsurumi Chuo, Tsurumi Ward, Yokohama City, Kanagawa Prefecture	1,452.09	32	666	1.3%
Total of Residential Properties					51,294.87 (Store: 4,084.94)	1,338 (Store: 18)	48,729	95.3%
4	S-1	—	FOLEO TOWN Tsutsui	531-1 Tsutsuimachi, Yamato Koriyama City, Nara Prefecture	4,022.27 (Store: 4,022.27)	11 (Store: 11)	1,410	2.8%
2	S-2	—	INAGEYA Yokohama Nishigaoka	1-2-1 Nishigaoka, Izumi Ward, Yokohama City, Kanagawa Prefecture	2,343.26 (Store: 2,343.26)	1 (Store: 1)	1,000	2.0%
Total of Retail Properties					6,365.53 (Store: 6,365.53)	12 (Store: 12)	2,410	4.7%
Total Owned Assets					57,660.40 (Store: 10,450.47)	1,350 (Store: 30)	51,139	100.0%

*1) "Area 1" indicated in the Area column means Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward, Shinjuku Ward, Meguro Ward, Shinagawa Ward, Setagaya Ward and Ota Ward of Tokyo. "Area 2" means the 23 wards of Tokyo excluding Area 1 and Yokohama City, Kawasaki City, Osaka City, Nagoya City, Fukuoka City and their surrounding areas. "Area 4" means other cities (areas with a population of around 100,000) excluding Area 1, Area 2, the Tokyo Metropolitan Area (Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture but excluding Area 1 and Area 2), government-designated cities, cities where prefectural offices are located, cities with a population of around 300,000 and similar areas.

*2) The Investment Ratio column indicates the ratio of each acquisition price against the total acquisition price. The figures are rounded to the first decimal place.

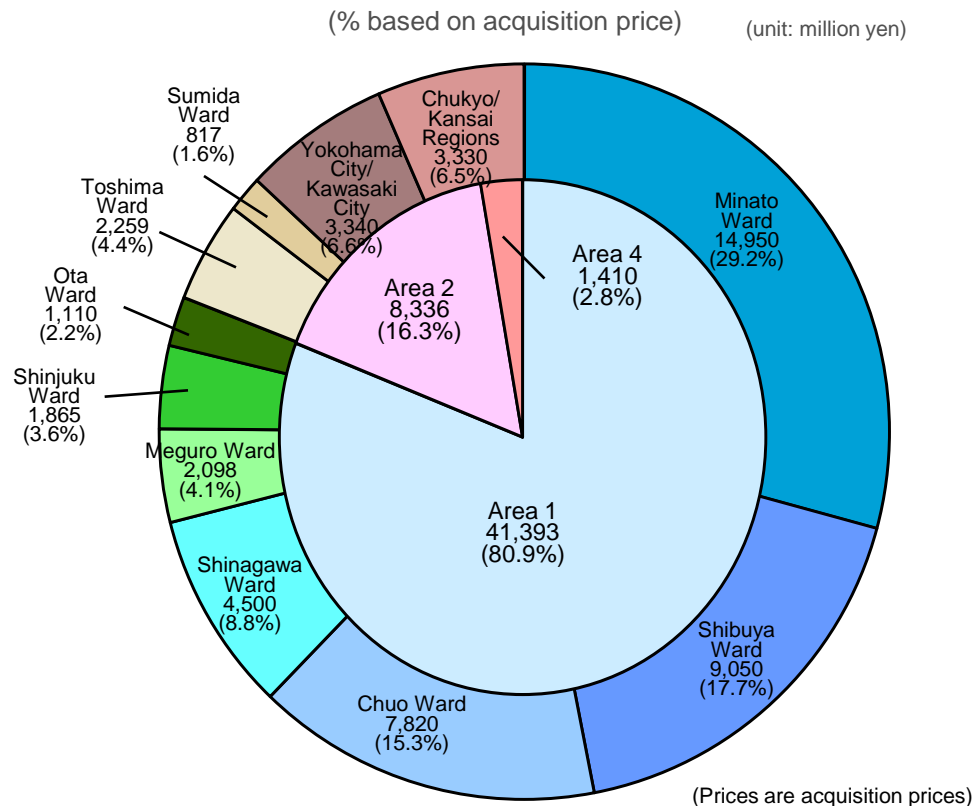
*3) The leasable area of S-2 INAGEYA Yokohama Nishigaoka is larger than the total floor area of 2,221.32m² under the Real Estate Registration Law, as the lease agreement was concluded to include the space below the floors and other areas that were not calculated in the total floor area.

Portfolio Diversification

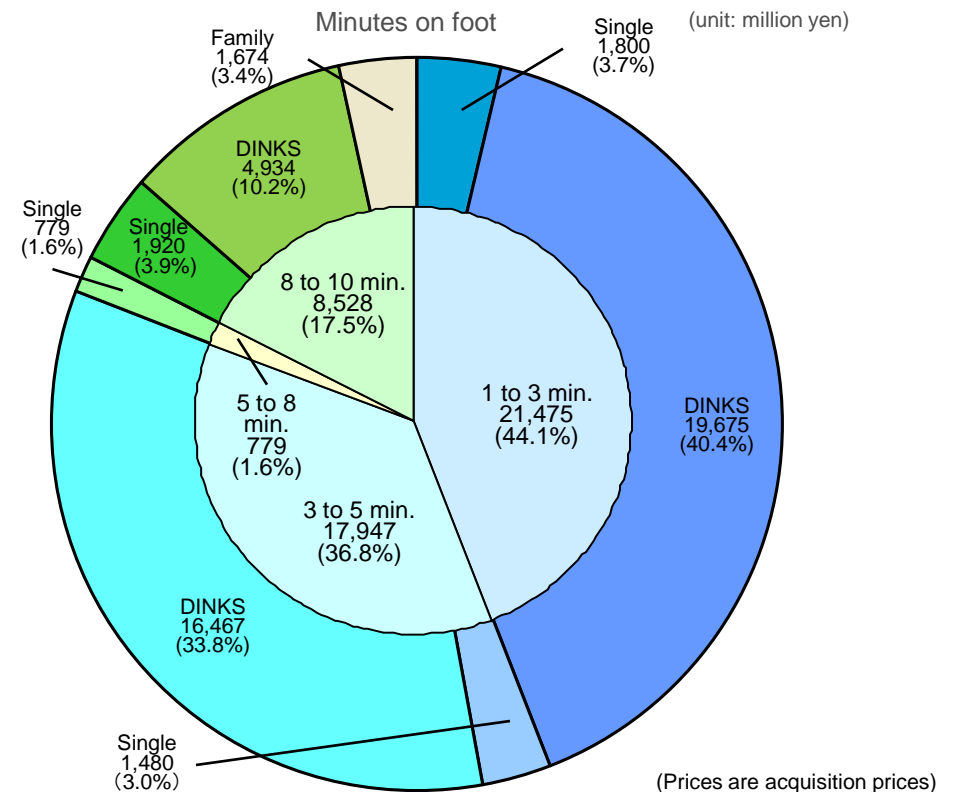
The Strength of the BLife Portfolio (as of November 30, 2008)

- About 80.9% of the properties boast excellent locations in Area 1 (the nine major wards of Tokyo)
- The average age of the properties is approx. 4.4 years
- The properties have great transportation accessibility with an average walking distance to the nearest train station of approx. 4.1 minutes
- The PML* for the portfolio is 5.3% *) Probable Maximum Loss

Portfolio Breakdown by Area



Minutes on Foot to Nearest Train Station and Condominium Unit Type (Residential Properties)



Portfolio Diversification

Rent Level per Tsubo (Average per Property) and Distribution of Leasable Areas

Red signifies increases in rent per Tsubo (level), blue signifies decreases (unit: m²)

Rent per Tsubo *1	End of Fourth Fiscal Period	End of Fifth Fiscal Period	End of Sixth Fiscal Period	Subject Properties at End of Sixth Fiscal Period
25,000 yen level		5,247.00	5,249.98	J-3 Qiz Ebisu(★)
24,000 yen level	5,247.00			
23,000 yen level			1,627.06	J-7 Next Form Nishiazabu(★)
22,000 yen level	1,627.06	1,627.06		
21,000 yen level				
20,000 yen level		1,123.80		
19,000 yen level	4,617.63	3,493.83	5,120.86	J-4 IPSE Azabujuban Shichimenzaka(★)・J-22 IPSE Shibuya Tiers
18,000 yen level	4,321.00	5,701.35	5,701.35	J-18 IPSE Azabujuban DUO・J-6 IPSE Ginza・J-21 IPSE Yutenji(★)
17,000 yen level	3,780.35	2,400.00	2,400.00	J-17 IPSE Azabujuban
16,000 yen level	3,735.18	1,817.56	1,817.56	J-20 UNIROYAL Ginza
15,000 yen level	4,166.24	6,947.56	6,947.56	J-5 IPSE Shibakoen・J-8 IPSE Nihonbashi(★)・J-10 IPSE Toritsudaigaku・J-19 IPSE Shinjuku Natsumezaka(★)
14,000 yen level	5,831.67	4,967.97	4,967.97	J-1 Meguro Kamurozaka Residencia
13,000 yen level	7,214.06	7,214.06	7,214.06	J-14 Comfort Time Otsuka・J-15 IPSE Tokyo East・J-23 IPSE Otsuka・J-24 IPSE Kikugawa
12,000 yen level	1,542.30	1,542.30	1,542.30	J-16 IPSE Yukigaya(★)
11,000 yen level				
10,000 yen level				
9,000 yen level	5,000.57	5,000.57	5,000.57	J-2 Fourteen Hills East Tower(★)・J-25 IPSE Tsurumi
8,000 yen level	2,343.26	2,343.26	2,343.26	S-2 INAGEYA Yokohama Nishigaoka
7,000 yen level	4,022.27	4,022.27	8,231.10	J-13 Cosmo Heim Musashikosugi・S-1 FOLEO TOWN Tsutsui
6,000 yen level	4,208.83	4,208.83		
Total	40,872.88	57,657.42	57,660.40	

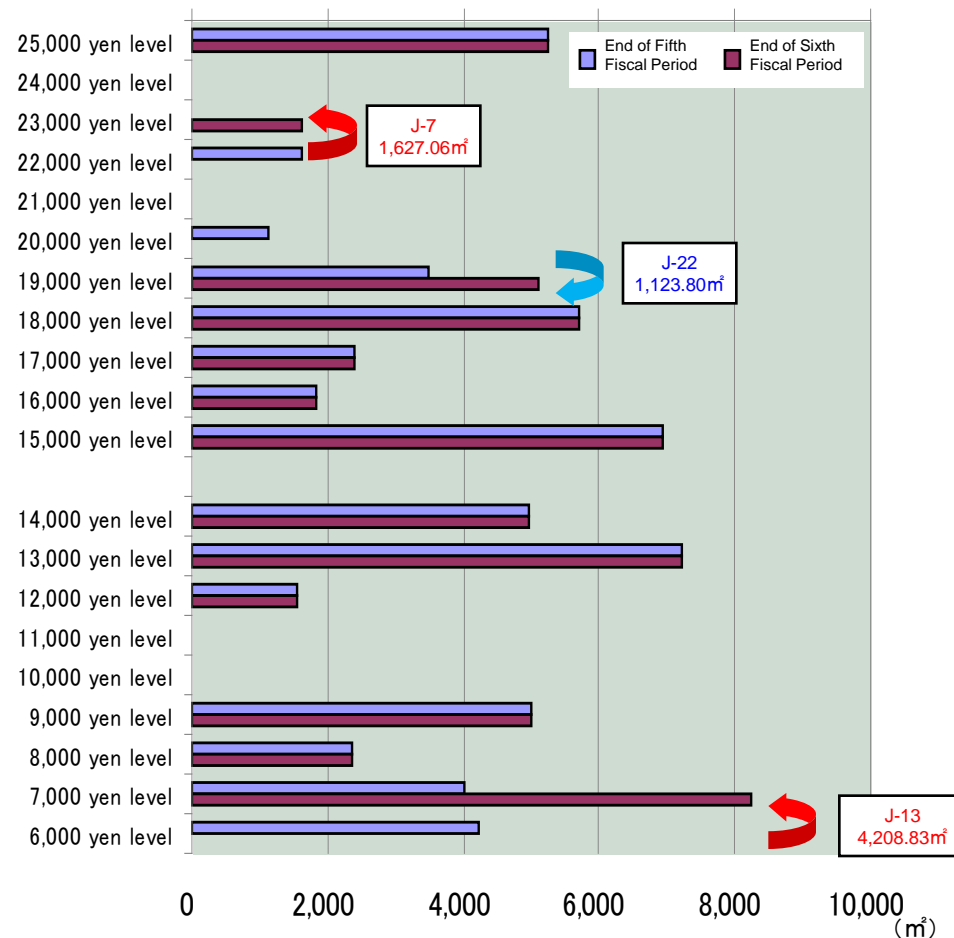
*1)Tsubo:unit area commonly used in Japan(1 tsubo≒3.3m²)

*2) Calculated by the formula: Total monthly rent (including common service fees)/leasable area at end of fiscal period.

★···Multi-use properties located in Area 1 (residential properties with retail stores in the lower floors and residences in the middle to upper floors: same for below)

☆···Multi-use properties located in Area 2

Rent Level per Tsubo (Average per Property) and Distribution of Leasable Areas in the Fifth and Sixth Fiscal Periods



Real Estate Appraisal Values

Owned Assets Resulted in 1,764 million yen (3.4%) of Unrealized Gains Compared with Acquisition Price

(unit: million yen / % (appraisal rate))

Area	Property No.	Property Name (Owned Properties as of November 30, 2008)	Appraiser	Acquisition Price	Book Value as of November 30, 2008	Appraisal Value		Comparison to Acquisition Price	Comparison to Book Value	Comparison to End of Previous Fiscal Period
						Appraisal Value as of May 31, 2008	Appraisal Value as of November 30, 2008			
				(1)	(2)	(3)	(4)	(4) - (1)	(4) - (2)	(4) - (2)
1	J-1	Meguro Kamurozaka Residencia	Daiwa	4,500	4,503	4,530	4,400	-100	-103	-130
	J-3	Qiz Ebisu	Tanizawa	7,650	7,697	9,210	9,110	1,460	1,413	-100
	J-4	IPSE Azabujuban Shichimenzaka	Chuo	4,500	4,549	5,030	4,890	390	341	-140
	J-5	IPSE Shibakoen	Tanizawa	2,630	2,662	2,740	2,610	-20	-52	-130
	J-6	IPSE Ginza	Tanizawa	2,520	2,554	2,650	2,530	10	-24	-120
	J-7	Next Form Nishiazabu	Tanizawa	2,220	2,236	2,490	2,400	180	164	-90
	J-8	IPSE Nihonbashi	Tanizawa	1,200	1,214	1,330	1,290	90	76	-40
	J-10	IPSE Toritsudaigaku	Chuo	648	650	651	635	-13	-15	-16
	J-15	IPSE Tokyo East	Tanizawa	2,300	2,358	2,440	2,390	90	32	-50
	J-16	IPSE Yukigaya	Tanizawa	1,110	1,132	1,170	1,110	0	-22	-60
	J-17	IPSE Azabujuban	Chuo	2,910	2,979	2,940	2,910	0	-69	-30
	J-18	IPSE Azabujuban DUO	Chuo	2,690	2,755	2,710	2,660	-30	-95	-50
	J-19	IPSE Shinjuku Natsumezaka	Chuo	1,865	1,903	1,870	1,830	-35	-73	-40
	J-20	UNIROYAL Ginza	Tanizawa	1,800	1,847	1,860	1,770	-30	-77	-90
	J-21	IPSE Yutenji	Chuo	1,450	1,480	1,470	1,430	-20	-50	-40
	J-22	IPSE Shibuya Tiers	Tanizawa	1,400	1,437	1,470	1,400	0	-37	-70
Total of Residential Properties in Area 1				41,393	41,954	44,561	43,365	1,972	1,411	-1,196
2	J-2	Fourteen Hills East Tower	Chuo	1,920	1,953	1,970	1,850	-70	-103	-120
	J-13	Cosmo Heim Musashikosugi	Chuo	1,674	1,691	1,680	1,630	-44	-61	-50
	J-14	Comfort Time Otsuka	Tanizawa	779	791	935	895	116	104	-40
	J-23	IPSE Otsuka	Chuo	1,480	1,518	1,480	1,440	-40	-78	-40
	J-24	IPSE Kikugawa	Tanizawa	817	840	875	813	-4	-27	-62
	J-25	IPSE Tsurumi	Chuo	666	688	694	674	8	-14	-20
Total of Residential Properties in Area 2				7,336	7,481	7,634	7,302	-34	-179	-332
4	S-1	FOLEO TOWN Tsutsui	Daiwa	1,410	1,444	1,410	1,310	-100	-134	-100
2	S-2	INAGEYA Yokohama Nishigaoka	JREI	1,000	1,059	976	926	-74	-133	-50
Total of Retail Properties				2,410	2,502	2,386	2,236	-174	-266	-150
Total Owned Assets				51,139	51,937	54,581	52,903	1,764	966	-1,678

Appraisal Rate					
As of May 31, 2008			As of November 30, 2008		
Direct Capitalization Method	DCF Method		Direct Capitalization Method	DCF Method	
CR	DR	TCR	CR	DR	TCR
4.6	4.4	4.8	4.7	4.5	4.9
4.5	4.7	4.8	4.6	4.8	4.9
4.4	4.1	4.7	4.5	4.2	4.8
4.8	5.0	5.1	4.9	5.1	5.2
4.7	4.7	5.0	4.9	4.9	5.2
4.5	(*)1	4.8	4.7	(*)2	5.0
4.9	5.0	5.2	5.0	5.1	5.3
5.7	5.4	6.2	5.8	5.5	6.3
4.9	5.0	5.2	5.0	5.1	5.3
4.9	5.0	5.2	5.1	5.2	5.4
4.4	4.1	4.7	4.5	4.2	4.8
4.3	4.0	4.6	4.4	4.1	4.7
4.7	4.4	5.2	4.8	4.5	5.3
4.7	4.8	5.0	4.9	5.0	5.2
4.6	4.3	5.2	4.7	4.4	5.3
4.5	4.7	4.8	4.7	4.9	5.0
5.4	5.1	5.9	5.7	5.4	6.2
5.6	5.3	6.1	5.8	5.5	6.3
5.0	5.1	5.3	5.2	5.3	5.5
4.8	4.5	5.3	4.9	4.6	5.4
4.9	4.9	5.2	5.2	5.2	5.5
5.6	5.3	6.1	5.8	5.5	6.3
6.2	5.9	6.7	6.3	6.1	6.8
5.4	5.0	5.5	5.7	5.3	5.8

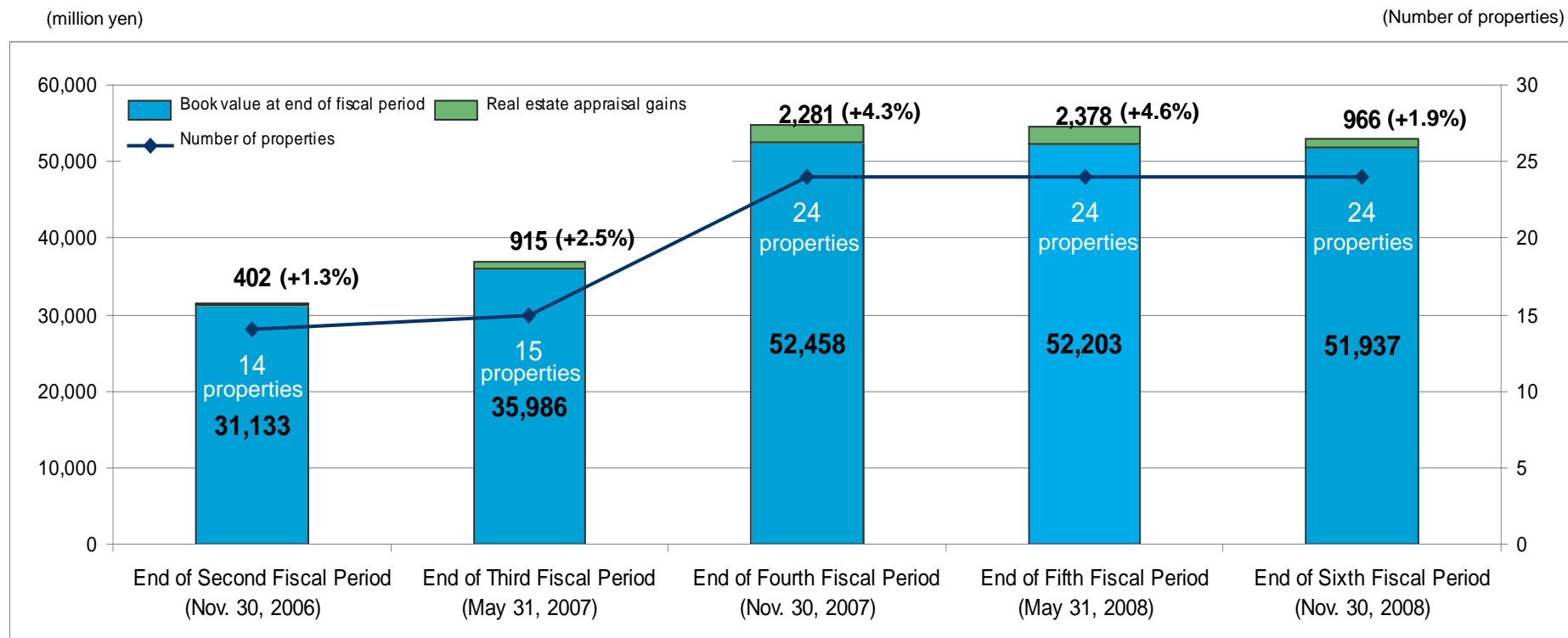
CR: Cap Rate DR: Discount Rate TCR: Terminal Cap Rate

(*)1 5.0 for initial year, 4.7 for second year and after

(*)2 5.4 for initial year, 4.9 for second year and after

Unrealized Gains from Real Estate Appraisals

Unrealized Gains of 966 Million Yen (up 1.9%) Compared with Book Value at the End of the Sixth Fiscal Period



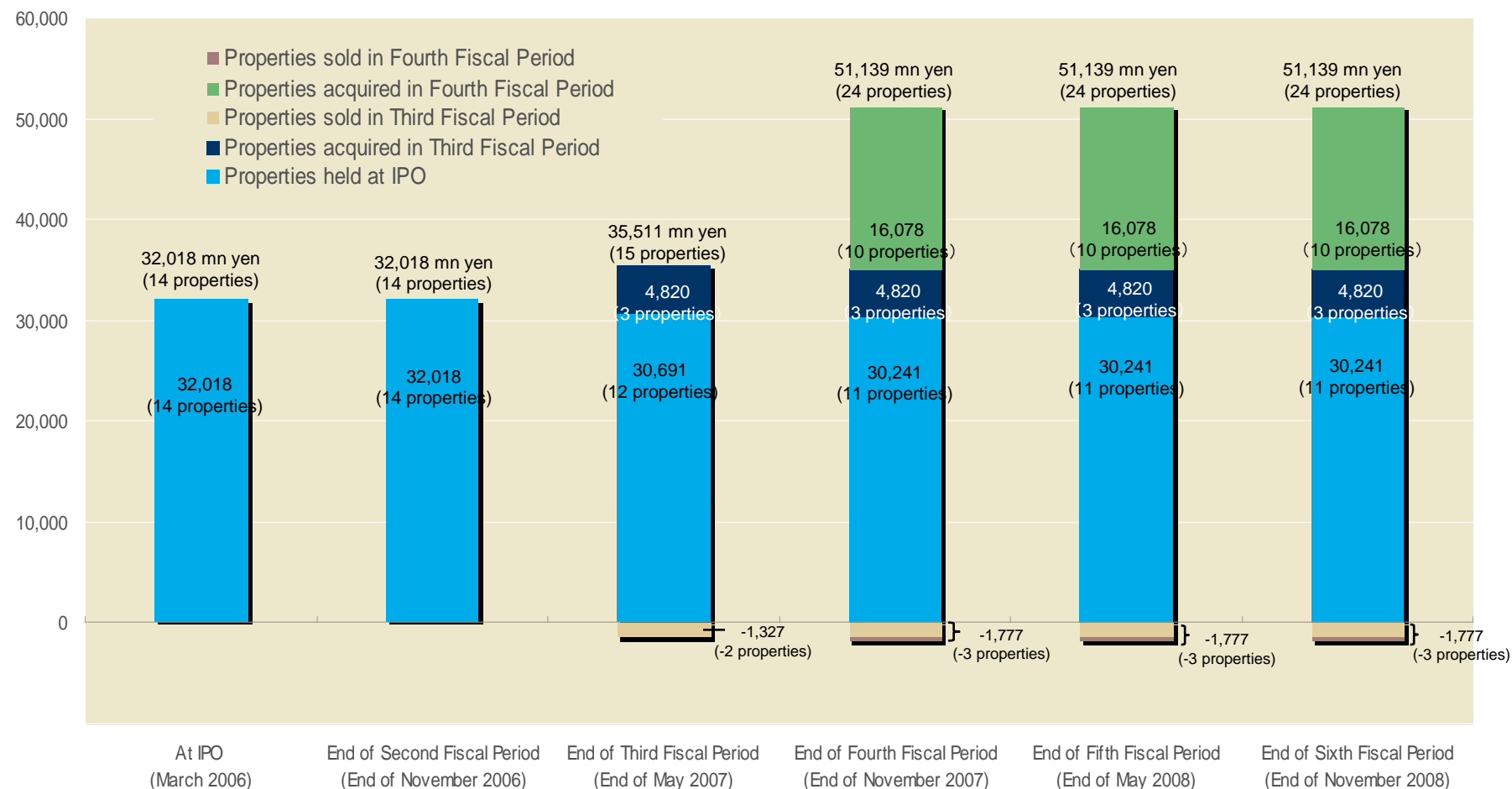
*) Comparisons made on properties owned at the end of each fiscal period, excluding the three properties already sold.

The real estate appraisal gains is the figure obtained by using the formula "real estate appraisal value – book value at end of fiscal period" as of the end of each fiscal period.

External Growth

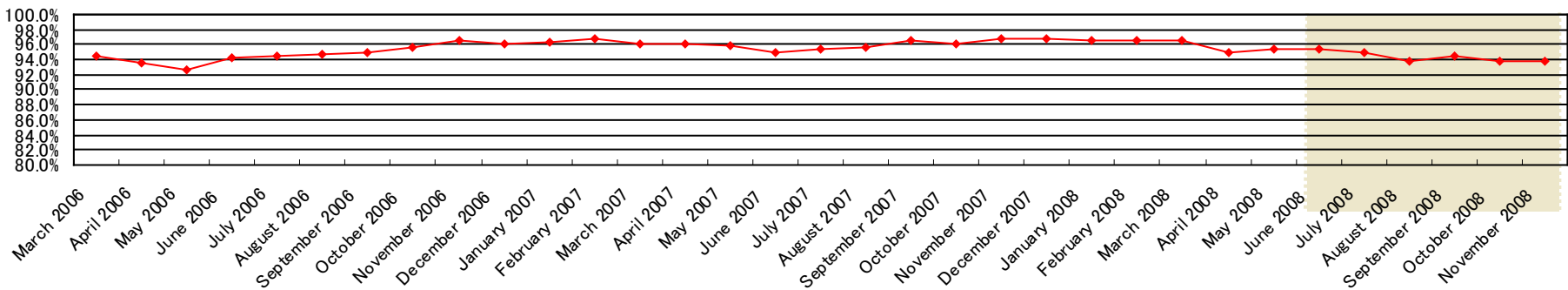
History of External Growth

(million yen)

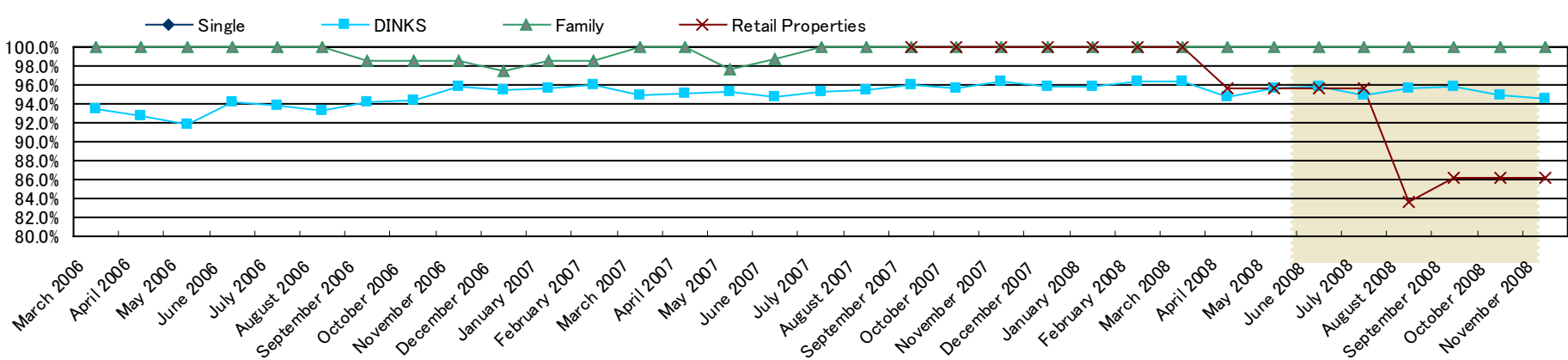


Transition of Occupancy Rate

Transition of Portfolio Occupancy Rate



Transition of Occupancy Rate by Residential Property (Type) and Retail Property



*) Occupancy rate by unit type by classifying each residential property into "single", "DINKS" and "family".

Efforts to Achieve Internal Growth

Status of Rent Revisions upon Conclusion of New Contracts (tenant replacements)

【Target in the sixth fiscal period: 115 units】

Rent increase 60.0%・69 units		Rent unchanged 19.1% 22 units	Rent decrease 20.9% 24 units
Area 1 54 units	Area 2 15 units		

【Target in the fifth fiscal period: 132 units】

Rent increase 50.0%・66 units		Rent unchanged 34.1% 45 units	Rent decrease 15.9% 21 units
Area 1 49 units	Area 2 17 units		

<Main examples of rent increases>

Area 1	IPSE Azabujuban Shichimenzaka
Area 1	Qiz Ebisu
Area 1	IPSE Azabujuban
Area 1	Meguro Kamurozaka Residencia
Area 1	IPSE Shibakoen
Area 1	IPSE Azabujuban DUO
Area 2	IPSE Otsuka
Area 2	Comfort Time Otsuka

Sixth Fiscal Period	Fifth Fiscal Period
8 units	8 units
7 units	4 units
7 units	1 units
7 units	1 units
4 units	4 units
4 units	4 units
5 units	7 units
4 units	—

*) Analysis was made after excluding 70 units for fifth fiscal period and 45 units for sixth fiscal period that have different rent types in the lease agreement concluded before and after replacement.

Example of Improvement in Profitability and Increase in Asset Value

In addition to the above, the monthly rent for “J-13 Cosmo Heim Musashikosugi” increased 5% (420 thousand yen per month) in June 2008. This property, which is completely leased to a company for use as a dormitory, was due for its first large-scale repairs since its construction based on the engineering report, therefore, negotiations for a rent increase were made at the same time as the renovations resulting in its approval. This is an example of a measure that simultaneously resulted in the improvement in profitability, increase in asset value as a result of the renewal of a property and enhanced tenant satisfaction.

【Before】



Waterproofing
on entrance
rooftop

【After】



Waterproofing
on entrance
rooftop



Entrance



Exterior

Efforts to Achieve Internal Growth

Efforts to Improve Operating Claims

■ Allowances for accounts receivable-trade

Accounts receivable-trade in the sixth fiscal period increased significantly following the bankruptcy of re-plus inc.* (23,243 thousand yen in accounts receivable relating to re-plus) and, of the 48,648 thousand yen in accounts receivable-trade, 22,374 thousand yen in funds not guarantees by security deposits, etc. require an actual provision to allowances. Therefore, 13,147 thousand yen in allowance for doubtful accounts (of which 8,224 thousand yen is taxable) is actually fully covered if taking the tax effect into consideration. *) Rent guarantee insurance company (unit: thousand yen)

	Accounts receivable-trade (Before write-off) (1)	Losses in bad debt (2)	Accounts receivable-trade (After write-off) (1) – (2)	Of which, debts difficult to collect (3)	Allowance for doubtful accounts (Specific allowances) (4)	Allowance for doubtful accounts (General allowances) (5)	Allowance for doubtful accounts Total (4) + (5)
End of Second Fiscal Period (Ended November 2006)	25,480	810	24,670	—	—	1,456	1,456
End of Third Fiscal Period (Ended May 2007)	16,673	232	16,441	1,744	1,744	502	2,246
End of Fourth Fiscal Period (Ended November 2007)	22,753	692	22,060	343	343	979	1,323
End of Fifth Fiscal Period (Ended May 2008)	23,465	132	23,333	345	345	440	785
End of Sixth Fiscal Period (Ended November 2008)	48,656	8	48,648	12,564	12,564	583	13,147

Efforts to Improve of Customer Satisfaction

Efforts to improve customer satisfaction include the introduction of the following services and facilities and effectuating renewals, which have the effect of maintaining and improving occupancy rates.

■ Introduction of free Internet connection for all units

After its introduction in two properties during the fifth fiscal period, this service will also be introduced during the sixth fiscal period in “J-3 Qiz Ebisu” (93 leasable units), “J-5 IPSE Shibakoen” (75 leasable units) and “J-22 IPSE Shibuya Tiers” (30 leasable units)

■ Security reinforcement through installment of additional security cameras

After its introduction in “J-13 Cosmo Heim Musashikosugi” during the fifth fiscal period, this service will also be introduced during the sixth fiscal period in “J-5 IPSE Shiba Shibakoen”. LCD security monitors were also installed in “J-5 IPSE Shiba Shibakoen”.

■ Renewal of entrance areas

In the sixth fiscal period, the interior and exterior of entrances of six properties including “J-3 Qiz Ebisu”, “J-16 IPSE Yukigaya” (52 leasable units) and “J-19 IPSE Shinjuku Natsumezaka” (41 leasable units) were renewed. Also a power breaker system was introduced in “J-5 Shibakoen” and “J-15 IPSE Tokyo East” (59 leasable units) to realize reductions in electric utility fees and energy-savings from the fifth fiscal period. Annual energy savings of approx. 350KWs and annual electric utility fee reduction of 400 thousand yen can be expected

Financial Stability

Financial Strategy

- Keep interest rate risk at a minimum as a general rule, and control LTV between 40% to 60%
- In addition to cash management with a focus on managing surplus funds, controls will be conservatively implemented emphasizing prolongation, diversification and LTV
- Building a strong banking structure through good relations with existing bank partners and the creditworthiness of sponsors

Status of Loans

- In the sixth fiscal period, the end of period LTV decreased to 52.5% due to the partial repayment of loans
- Procurement of necessary funds from five major banks, some of which are shareholders of the asset management company
- The next scheduled refinancing will occur in September 2009 (eighth fiscal period) and March 2010 (ninth fiscal period)

Status of Loans

(unit: million yen)

No.	Lenders	Balance as of end of November 2008		Interest Rate	Loan Date	Maturity	Description
No.1	▶ Mizuho Bank	12,684	4,228	1.45167% (December 31, 2008– March 31, 2009)	March 31, 2008	March 31, 2010	Secured loan
	▶ Chuo Mitsui Trust & Banking		4,228				
	▶ Sumitomo Mitsui Banking		4,228				
No.2	▶ Mizuho Bank	16,001	4,037	1.60167% (December 31, 2008– March 31, 2009)	March 31, 2008	September 30, 2009	Secured loan
	▶ Chuo Mitsui Trust & Banking		4,037				
	▶ Sumitomo Mitsui Banking		4,037				
	Shinsei Bank		1,945				
	Bank of Tokyo-Mitsubishi UFJ		1,945				
Total		28,685					

*1) ▶ indicates a bank that is also a shareholder of the asset management company

*2) By purchasing an interest rate cap, the practical ceilings of interest rate were limited to 2.20% per annum on 10,000 million yen of Loan 1, and 2.35% per annum on 5,000 million yen of Loan 2

Transition of LTV

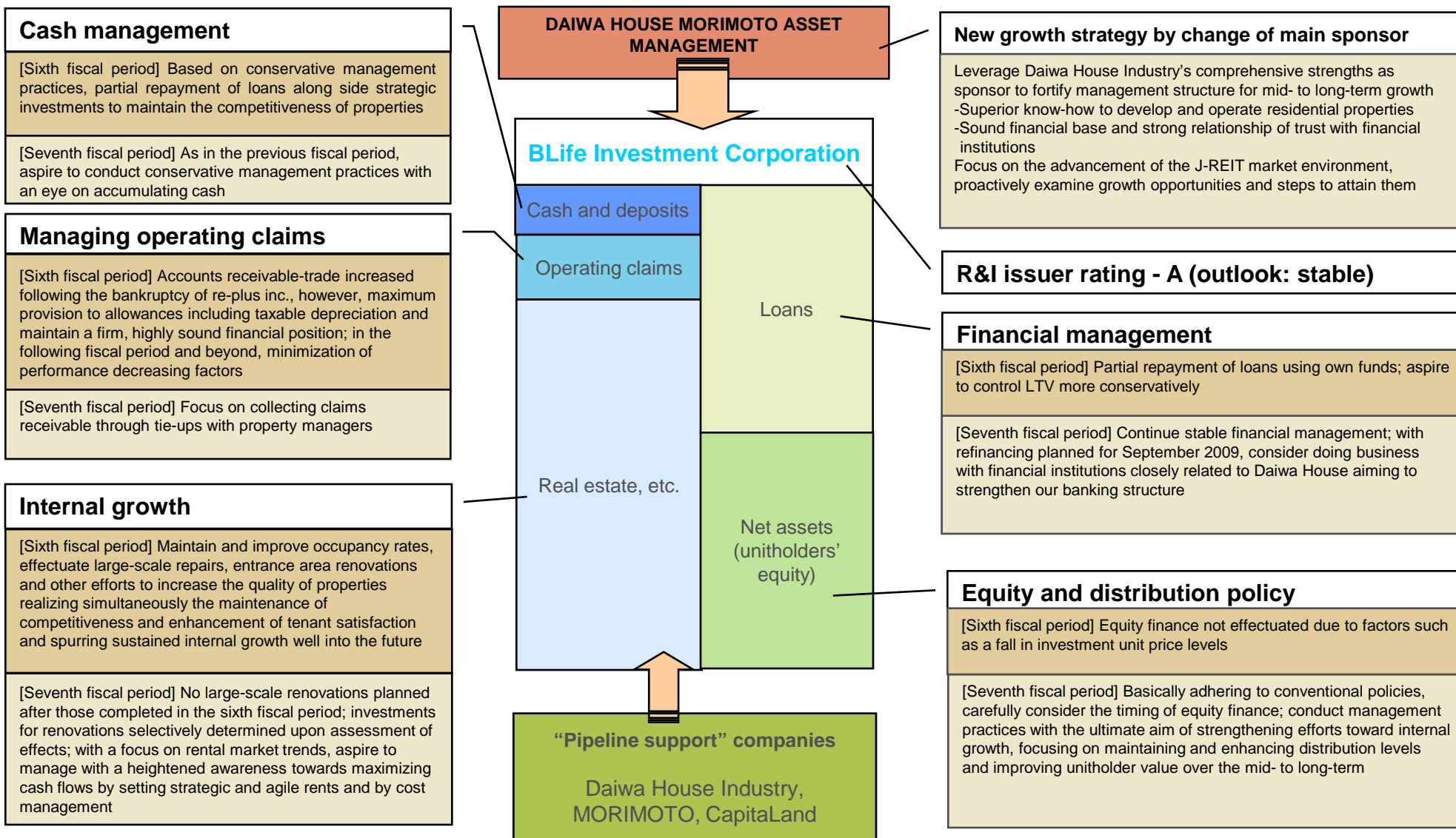
	Second Fiscal Period	Third Fiscal Period	Fourth Fiscal Period	Fifth Fiscal Period	Sixth Fiscal Period
LTV	39.3%	33.9%	53.1%	53.1%	52.5%

Part of loans 803 million yen has been repaid in the sixth fiscal period

Status of issuer ratings

Rating Agency	Type	Rating	Outlook	Announcement date
Rating and Investment Information, Inc. (R&I)	Issuer rating	A	Stable	February 18, 2008

General Overview of Sixth Fiscal Period / Vision for Seventh Fiscal Period and Beyond



Portfolio: Photos and Profiles



J-1
Meguro Kamurozaka Residencia
Address: 4-31-23 Nishi Gotanda, Shinagawa Ward, Tokyo
Access: 3-minute walk to Fudomae Station
on the Tokyu Meguro Line
Floors: 14
Completed: January 25, 2005
Leasable Units: 125



J-2
Fourteen Hills East Tower
Address: 1-11-29 Shin Sakae, Naka Ward, Nagoya City,
Aichi Prefecture
Access: 8-minute walk to Sakae Station
on the Higashiyama Line
Floors: 14
Completed: May 25, 2004
Leasable Units: 131 (of which 1 is a store)



J-3
Qiz Ebisu
Address: 4-3-1 Ebisu, Shibuya Ward, Tokyo
Access: 1-minute walk to Ebisu Station
on the JR Yamanote Line
Floors: 10 (and 1 basement floor)
Completed: February 28, 2005
Leasable Units: 93 (of which 10 are stores)



J-4
IPSE Azabujuban Shichimenzaka
Address: 2-7-5 Azabu Juban, Minato Ward, Tokyo
Access: 4-minute walk to Azabu-juban Station
on the Nanboku Line
Floors: 13 (and 1 basement floor)
Completed: January 5, 2005
Leasable Units: 96 (of which 1 is a store)



J-5
IPSE Shibakoen
Address: 3-32-10 Shiba, Minato Ward, Tokyo
Access: 4-minute walk to Mita Station
on the Toei Mita Line
Floors: 11 (and 1 basement floor)
Completed: November 10, 2004
Leasable Units: 75



J-6
IPSE Ginza
Address: 1-14-13 Ginza, Chuo Ward, Tokyo
Access: 2-minute walk to Ginza 1-chome Station
on the Yurakucho Line
Floors: 13 (and 1 basement floor)
Completed: January 5, 2005
Leasable units: 67



J-7
Next Form Nishiazabu
Address: 3-13-3 Nishi Azabu, Minato Ward, Tokyo
Access: 8-minute walk to Hiroo Station
on the Hibiya Line
Floors: 10 (and 1 basement floor)
Completed: March 6, 2004
Leasable Units: 22 (of which 1 is a store)



J-8
IPSE Nihonbashi
Address: 11-2 Nihonbashi Kabutocho, Chuo Ward, Tokyo
Access: 2-minute walk to Kayabacho Station
on the Tozai Line
Floors: 15 (and 1 basement floor)
Completed: November 3, 2004
Leasable Units: 51 (of which 1 is a store)



J-10
IPSE Toritsudaigaku
Address: 1-4-1 Midorigaoka, Meguro Ward, Tokyo
Access: 9-minute walk to Toritsudaigaku Station
on the Tokyu Toyoko Line
Floors: 6
Completed: September 17, 1968
Renovated: January 27, 2005
Leasable Units: 30



J-13
Cosmo Heim Musashikosugi
Address: 2-6 Kizuki Isemachi, Nakahara Ward, Kawasaki City,
Kanagawa Prefecture
Access: 8-minute walk to Motosumiyoshi Station
on the Tokyu Toyoko Line
Floors: 5
Completed: February 28, 1997
Leasable Units: 59



J-14
Comfort Time Otsuka
Address: 2-19-7 Kita Otsuka, Toshima Ward, Tokyo
Access: 5-minute walk to Otsuka Station
on the JR Yamanote Line
Floors: 12
Completed: January 7, 2005
Leasable Units: 55



J-15
IPSE Tokyo East
Address: 3-27-5 Hatchobori, Chuo Ward, Tokyo
Access: 1-minute walk to Hatchobori Station
on the JR Keiyo Line
Floors: 10 (and 1 basement floor)
Completed: January 20, 2006
Leasable Units: 59

Portfolio: Photos and Profiles



J-16
IPSE Yukigaya
 Address: 2-13-3 Higashi Yukigaya, Ota Ward, Tokyo
 Access: 3-minute walk to Ishikawadai Station on the Tokyu Ikegami Line
 Floors: 9
 Completed: February 10, 2006
 Leasable Units: 52 (of which 1 is a store)



J-17
IPSE Azabujuban
 Address: 2-10-1 Azabu Juban, Minato Ward, Tokyo
 Access: 3-minute walk from Azabujuban Station on the Nanboku Line
 Floors: 7 (and 2 basement floors)
 Completed: September 2, 2005
 Leasable Units: 51



J-18
IPSE Azabujuban DUO
 Address: 2-21-2 Azabu Juban, Minato Ward, Tokyo
 Access: 1-minute walk from Azabujuban Station on the Nanboku Line
 Floors: 14
 Completed: March 8, 2006
 Leasable Units: 66



J-19
IPSE Shinjuku Natsumezaka
 Address: 10 Kikucho, Shinjuku Ward, Tokyo
 Access: 2-minute walk from Waseda Station on the Tozai Line
 Floors: 7
 Completed: February 10, 2006
 Leasable Units: 41 (of which 1 is a store)



J-20
UNIROYAL Ginza
 Address: 1-23-4 Ginza, Chuo Ward, Tokyo
 Access: 2-minute walk from Shintomicho Station on the Yurakucho Line
 Floors: 10
 Completed: December 2, 2005
 Leasable Units: 61



J-21
IPSE Yutenji
 Address: 2-14-21 Yutenji, Meguro Ward, Tokyo
 Access: 1-minute walk from Yutenji Station on the Tokyu Toyoko Line
 Floors: 7
 Completed: March 3, 2006
 Leasable Units: 29 (of which 2 are stores)



J-22
IPSE Shibuya Tiers
 Address: 29-21 Sakuragaokacho, Shibuya Ward, Tokyo
 Access: 8-minute walk from Shibuya Station on the JR Yamanote Line
 Floors: 8
 Completed: March 28, 2007
 Leasable Units: 30



J-23
IPSE Otsuka
 Address: 3-17-4 Minami Otsuka, Toshima Ward, Tokyo
 Access: 4-minute walk from Shin Otsuka Station on the Marunouchi Line
 Floors: 11
 Completed: January 11, 2006
 Leasable Units: 70



J-24
IPSE Kikukawa
 Address: 2-1-12 Kikukawa, Sumida Ward, Tokyo
 Access: 3-minute walk from Kikukawa Station on the Toei Shinjuku Line
 Floors: 7
 Completed: March 3, 2006
 Leasable Units: 43



J-25
IPSE Tsurumi
 Address: 3-5-10 Tsurumi Chu, Tsurumi Ward, Yokohama City, Kanagawa Prefecture
 Access: 9-minute walk from Keikyu Tsurumi Station on the Keikyu Line
 Floors: 6
 Completed: February 20, 2006
 Leasable Units: 32



S-1
FOLEO TOWN Tsutsui
 Address: 531-1 Tsutsuimachi, Yamato Koriyama City, Nara Prefecture
 Access: 5-minute walk to Tsutsui Station on the Kintetsu Kashiwara Line
 Floors: 1 (2 floors in some areas)
 Completed: October 2-16, 2006
 Leasable Units: 11 (of which all are stores)



S-2
INAGEYA Yokohama Nishigaoka
 Address: 1-2-1 Nishigaoka, Izumi Ward, Yokohama City, Kanagawa Prefecture
 Access: 10-minute walk to Yayoi Station on the Sotetsu Izumino Line
 Floors: 3
 Completed: February 14, 1994
 Leasable Units: 1 (of which 1 is a store)

APPENDIX



Investment Policy: Portfolio Diversification by Property Type and Area

- The portfolio investment ratio is 70-100% for residential and 0-30% for retail

Investment Ratio by Type of Residential Property

Type	Single	DINKS *)	Family	Executive
Ratio	0~30%	40~100%	0~20%	0~10%

*) DINKS means Double-Income-No-Kids

Investment Ratio by Type of Retail Property

Type	Station Front	Urban	Suburban	Rural
Size (floor area)	500m ² ~	3,000m ² ~	5,000m ² ~	10,000m ² ~
Trade area/population	~50km/about 2 million	~30km/about 1 million	~10km/about 0.2 million	~10km/about 0.05 million
Ratio	0-40%	0-40%	60-100%	0-20%

Ratio by Area

Area 1	9 main wards of Tokyo (Chiyoda, Chuo, Minato, Shibuya, Shinjuku, Meguro, Shinagawa, Setagaya and Ota Wards)	Portfolio Ratio	Residential: 40~80% Retail: 0~40%
Area 2	Other wards of Tokyo excluding Area 1 and Yokohama, Kawasaki, Osaka, Nagoya, Fukuoka Cities and surrounding areas	Portfolio Ratio	Residential: 20~60% Retail: 0~40%
Area 3	Tokyo Metropolitan area (Tokyo, Kanagawa, Saitama and Chiba Prefectures excluding Area 1, 2), government-designated cities (excluding Area 2), prefectural capitals, cities with populations of approx. 300,000 and similar areas	Portfolio Ratio	Residential: 0~30% Retail: 60~100%
Area 4	Other cities with populations of approx. 100,000	Portfolio Ratio	Residential: 0~10% Retail: 0~20%

Building Portfolio: Strengths of BLife Portfolio

- Investment is focused on the Tokyo Metropolitan area where population is expected to continue growing
- Investment is made on properties meant for singles and DINKs of which the number of households is expected to increase

Transition of Population in Major Areas of Tokyo (including forecasts)

	May 2002	May 2003	May 2004	May 2005	May 2006	May 2007	May 2008	May 2010 (forecast)	2015 (forecast)
9 major wards	2,863,476	2,888,594	2,914,913	2,942,050	2,986,070	3,019,939	3,053,026	3,080,925	3,127,884
Other 14 wards	5,481,109	5,516,756	5,551,207	5,576,025	5,610,590	5,657,153	5,712,705	5,729,617	5,792,382
23 wards	8,344,585	8,405,350	8,466,120	8,518,075	8,596,660	8,677,092	8,765,731	8,810,542	8,920,266
Tokyo	12,300,500	12,393,703	12,489,982	12,568,036	12,670,435	12,777,001	12,892,168	12,955,421	13,075,022

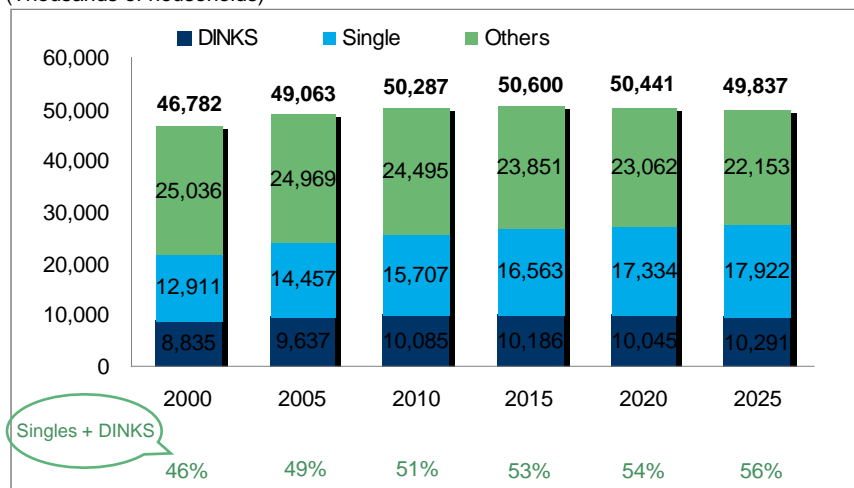
(unit: people)

(Source) Households and Population Based on Basic Resident Registration Card by Statistics Division, Bureau of General Affairs, Tokyo Metropolitan Government

*) The above chart represents the transition of population as of May 1 each year between 2002 and 2015 in the 9 major wards (Chiyoda, Chuo, Minato, Shibuya, Shinjuku, Meguro, Shinagawa, Setagaya and Ota), other 14 wards of Tokyo, 23 wards of Tokyo and Tokyo Prefecture, based on the Households and Population Based on Basic Resident Registration Card by Statistics Division Bureau of General Affairs, the Tokyo Metropolitan Government (population, the number of households and registered foreigners on the basic resident registration cards as of the first day of every month.)

Future transition of the Number of Households (including forecast)

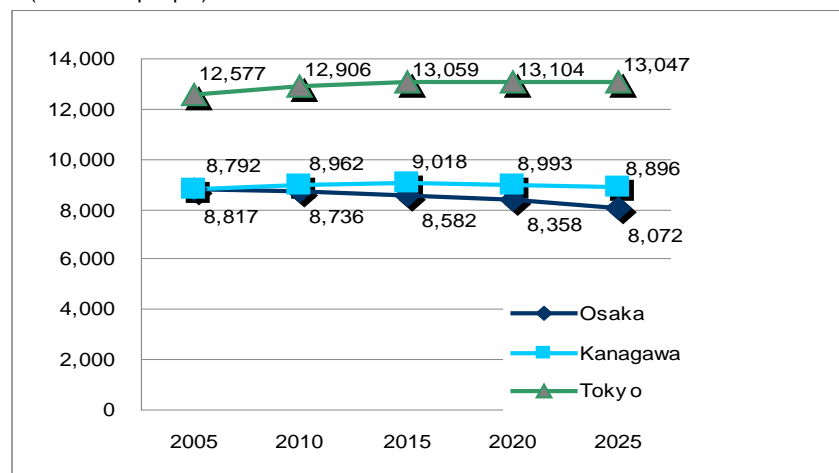
(Thousands of households)



(Source) National Institute of Population and Social Security Research, "Future Change in Households in Japan" (March 2008)

Estimated Population Transition by Prefecture (Osaka, Kanagawa and Tokyo)

(Thousand people)

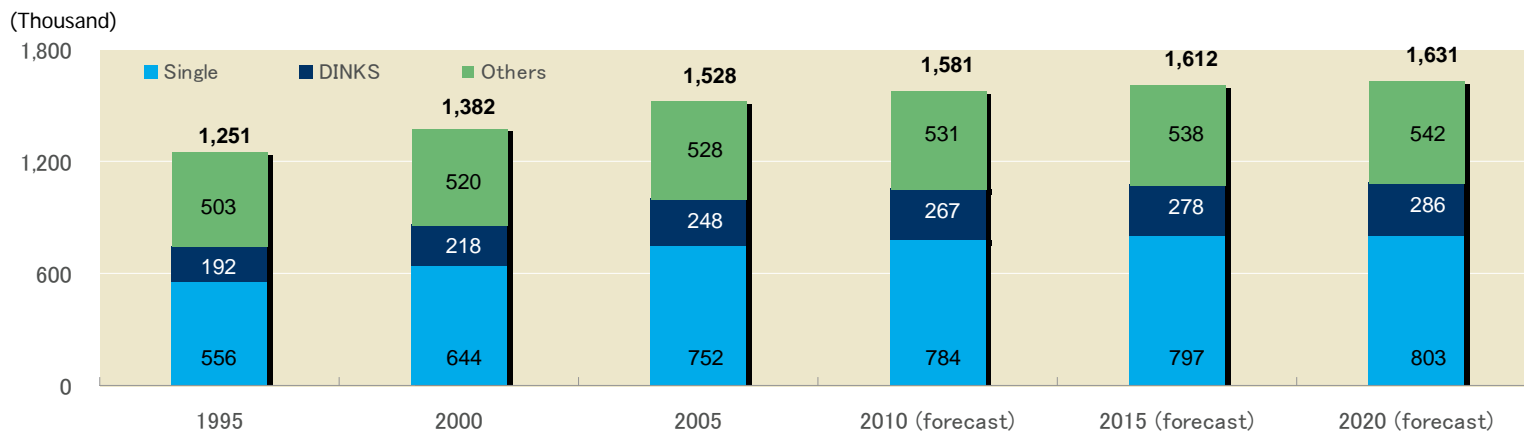


(Source) National Institute of Population and Social Security Research, "Estimated Population Changes by Prefecture"

The average personal income in target investment areas of BLife is 4,778,000 yen in Tokyo, 3,204,000 yen in Kanagawa, and 3,048,000 yen in Osaka in fiscal 2005. The figure for Tokyo, which is the major investment area for BLife, is far greater than the national average of 3,043,000 yen. (Source: Personal Income by Prefecture per Capita by the Cabinet Office, announced on February 5, 2008)

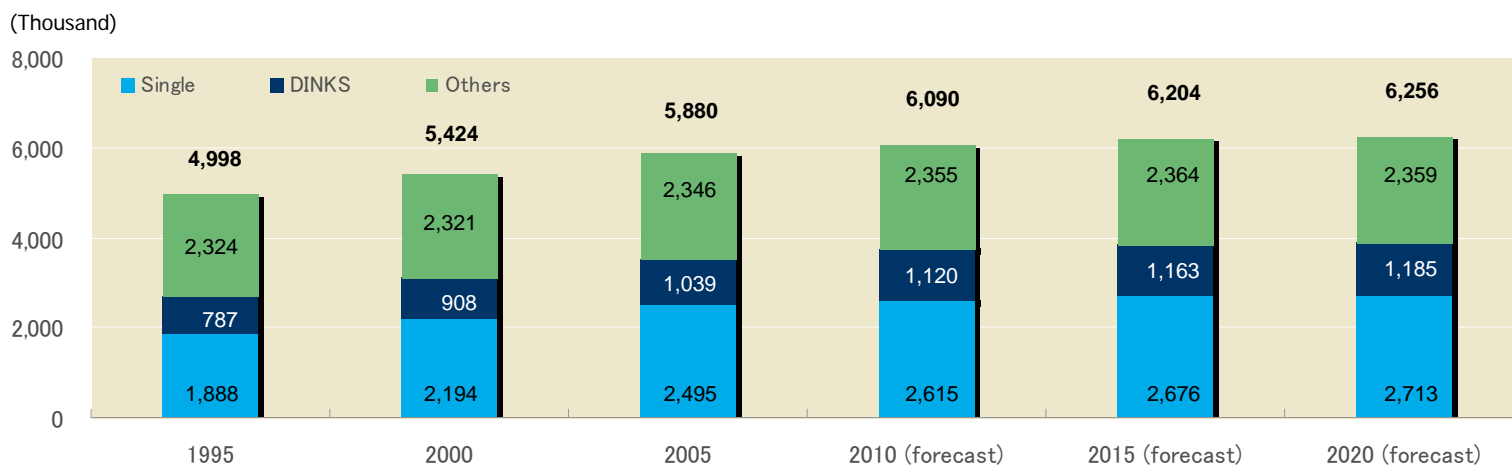
Building Portfolio: Strengths of BLife Portfolio

Transition of the Number of Households (9 major wards of Tokyo)



(Source) Statistics Division, Bureau of General Affairs, Tokyo Metropolitan Government, "Forecast of Number of Households in Tokyo" (March 2006)

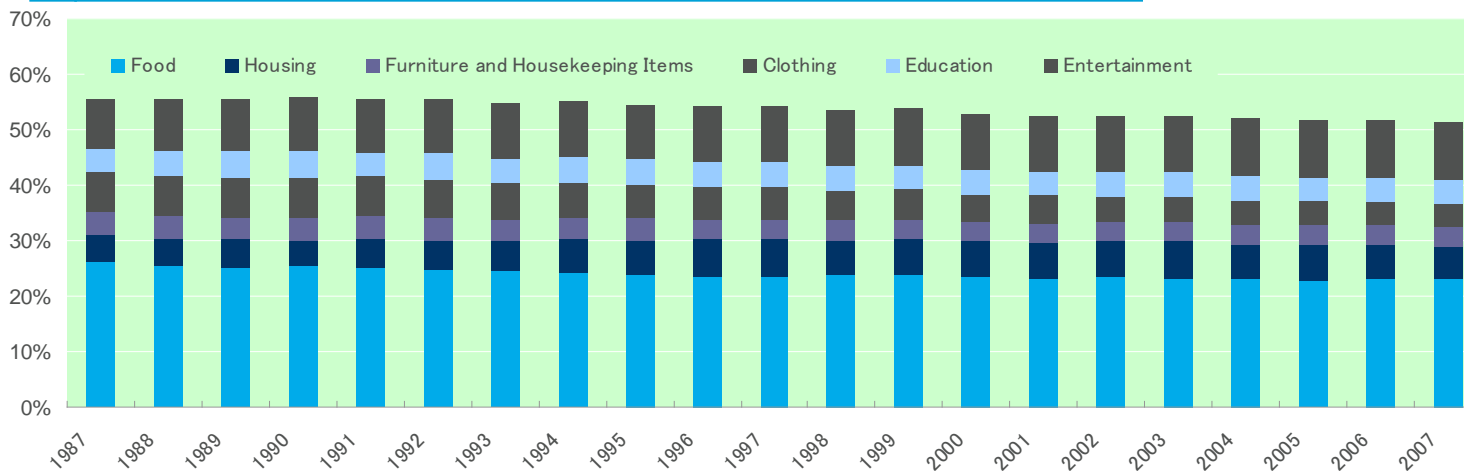
Transition of the Number of Households (Tokyo)



(Source) Statistics Division, Bureau of General Affairs, Tokyo Metropolitan Government, "Forecast of Number of Households in Tokyo" (March 2006)

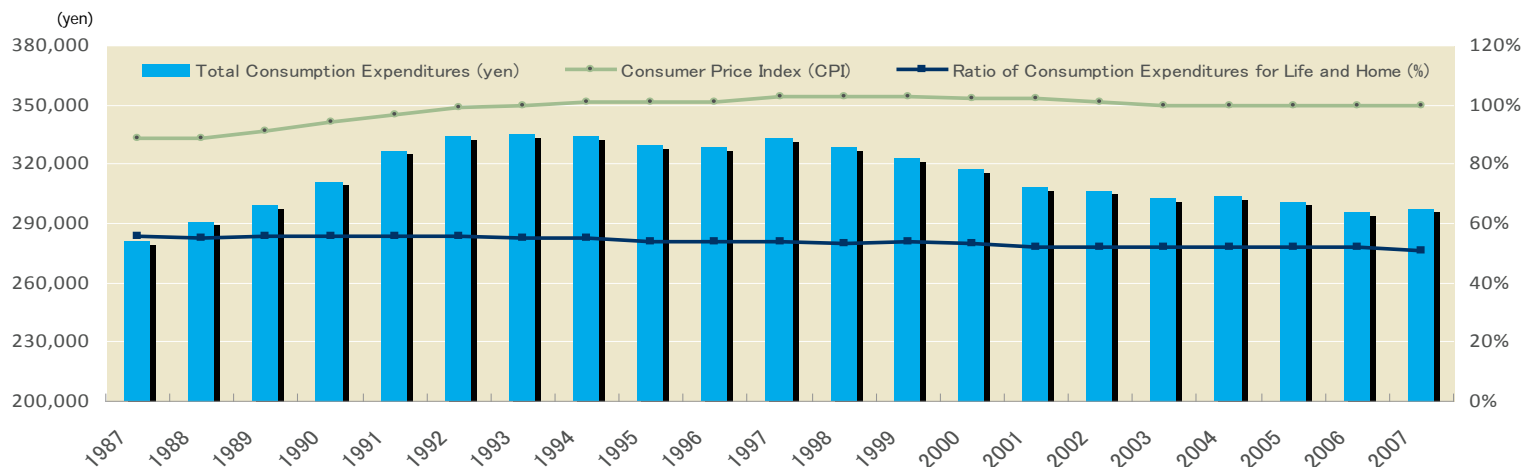
Building Portfolio: Strengths of BLife Portfolio

Transition of Consumption Expenditures (Ratio) for “Life and Home”



(Source) Family Income and Expenditure Survey by Statistics Bureau, Ministry of Internal Affairs and Communications, “Average of Monthly Receipts and Disbursements per Household” (2007)

Ratio of Consumption Expenditures for “Life and Home”



(Source) Family Income and Expenditure Survey by Statistics Bureau, Ministry of Internal Affairs and Communications, “Average of Monthly Receipts and Disbursements per Household” (2007)
The Consumer Price Index (CPI) is calculated by 2005 as 100.

Land Price Fluctuation in the Three Major Metropolitan Areas

(unit: %)

	Residential Land			Commercial Land		
	2006 July 1, 2005 - July 1, 2006	2007 July 1, 2006 - July 1, 2007	2008 July 1, 2007 - July 1, 2008	2006 July 1, 2005 - July 1, 2006	2007 July 1, 2006 - July 1, 2007	2008 July 1, 2007 - July 1, 2008
Tokyo Prefecture	3.6	10.2	1.9	6.9	17.6	4.7
Tokyo wards	6.4	13.1	1.5	8.3	20.0	5.0
Central wards *1	10.9	19.7	0.9	10.6	24.2	6.0
Southwest wards *1	5.1	12.9	1.2	6.2	17.1	3.7
Northeast wards *1	6.0	9.9	2.4	6.0	14.9	4.6
Kanagawa Prefecture	-0.7	3.3	2.7	0.3	6.8	4.2
Yokohama City	0.2	5.4	3.3	1.2	9.2	5.1
Kawasaki City	2.3	7.0	3.5	3.2	10.9	4.9
Tokyo Metropolitan Area	0.7	4.8	1.6	3.9	12.1	4.0
Aichi Prefecture	0.5	3.0	1.9	3.5	8.3	2.1
Nagoya City	4.4	8.1	3.4	9.6	17.5	4.0
Nagoya Metropolitan Area	-0.1	2.4	1.5	2.4	7.2	1.9
Osaka Prefecture	0.0	2.8	0.8	4.7	10.4	4.4
Osaka City	1.1	2.9	0.6	7.3	14.0	5.4
Central 6 wards *2	3.1	4.9	0.6	11.6	19.3	7.5
Hyogo Prefecture	0.7	4.4	1.9	1.4	6.2	2.2
Kobe City	-0.7	3.4	0.9	1.5	8.6	2.0
Eastern 4 wards *3	2.9	10.3	2.9	4.1	14.1	3.3
Kyoto Prefecture	0.1	2.5	0.6	6.5	8.0	1.2
Kyoto City	1.7	3.8	0.6	10.4	11.0	1.7
Central 5 wards *4	3.3	4.6	1.3	15.6	13.2	1.8
Osaka Metropolitan Area	0.0	2.9	1.0	3.6	8.0	2.8

(Source) Land and Water bureau, Ministry of Land, Infrastructure, Transport and Tourism, "2007 Survey of Prefectural Land Prices" and "2008 Survey of Prefectural Land Prices"

* 1) Central wards are Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Bunkyo Ward, Taito Ward, Shibuya Ward and Toshima Ward. Southwest wards are Shinagawa Ward, Meguro Ward, Ota Ward, Setagaya Ward, Nakano Ward, Suginami Ward and Nerima Ward. Northeast wards are Sumida Ward, Koto Ward, Kita Ward, Arakawa Ward, Itabashi Ward, Adachi Ward, Katsushika Ward and Edogawa Ward.

* 2) Central 6 wards of Osaka City are Fukushima Ward, Nishi Ward, Tennoji Ward, Naniwa Ward, Kita Ward and Chuo Ward.

* 3) Eastern 4 wards of Kobe City are Higashinada Ward, Nada Ward, Hyogo Ward and Chuo Ward.

* 4) Central 5 wards of Kyoto are Kita Ward, Kamigyo Ward, Sagyo Ward, Nakagyo Ward and Shimogyo Ward.

Development of Multi-Use Properties (Residential and Retail)

Multi-use Properties (residential and retail)

Scale of assets Residential: 22 properties, 48,729 mn yen (acquisition price basis)

Number of units 1,338 units (1,320 residential, 18 retail)

- Many of the properties have both residential and retail sections (8 of 22)

- Retail percentage: 8.0% (area base); 14.5% (income base)

- Average rent increased due to excellent property locations and high grade of the units

Case study by J-3 Qiz Ebisu

- Residential portion 20,273 yen per tsubo
- Retail portion 32,953 yen per tsubo
- Overall monthly unit rent 25,180 yen per tsubo

*1) Tsubo: unit area commonly used in Japan (1 tsubo \approx 3.3m²)

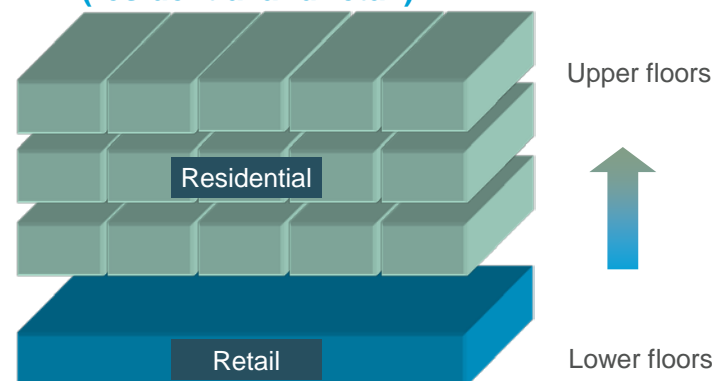
*2) The above figures are as of the end of November 2008.

- (Reference) Average rent of condominiums in the Ebisu station area (June to November 2008)

- Monthly unit rent approx. 15,250 to 17,900 yen per tsubo

(Source) at home web, "Numerical real estate data"

3D Image of Multi-Use Properties (residential and retail)



Retail: The most popular location is on the lower floors where the number of pedestrians is high, making the rent per unit on the lower floors the highest.

Residential: The popularity of the lower floors are low due to security and view issues and the rent per unit is high on the upper floors.

Successful Multi-Use properties combine retail on the lower floors and residences on the upper floors!

Example of Multi-Use Properties

Winner of the Good Design Award

Qiz Ebisu



- Winner of the Good Design Award 2005.
- Functions as landmark for East Exit area of Ebisu Station providing upscale residences and popular retail and dining destinations in one of the most popular districts of Tokyo.
- An open street mall-type layout that enables visitors to enter the stores as if they were roadside stores. Positioned the residence entry separate from that for retail to enhance privacy.
- Arranged gardens in the basement area and on the rooftop balcony and used wood for the common area hallway floors to realize a welcoming living environment.

Address	4-3-1 Ebisu, Shibuya Ward, Tokyo
Access	1-minute walk to Ebisu Station on the JR Yamanote Line
Floors	10 (and 1 basement floor)
Completed	February 28, 2005
Leasable Units	93 (of which 10 are stores)

Overview of the Asset Management Company

- The part-time directors and employees of the asset management company, primarily dispatched from Daiwa House, MORIMOTO and Chuo Mitsui Trust and Banking, are experts in real estate development, investments, asset finance, REIT management and compliance.
- BLife has concluded a basic agreement on pipeline support with Daiwa House, MORIMOTO and CapitaLand Group. The three companies have established a strong backup system for BLife.

Shareholders in the Asset Management Company

(unit: share)

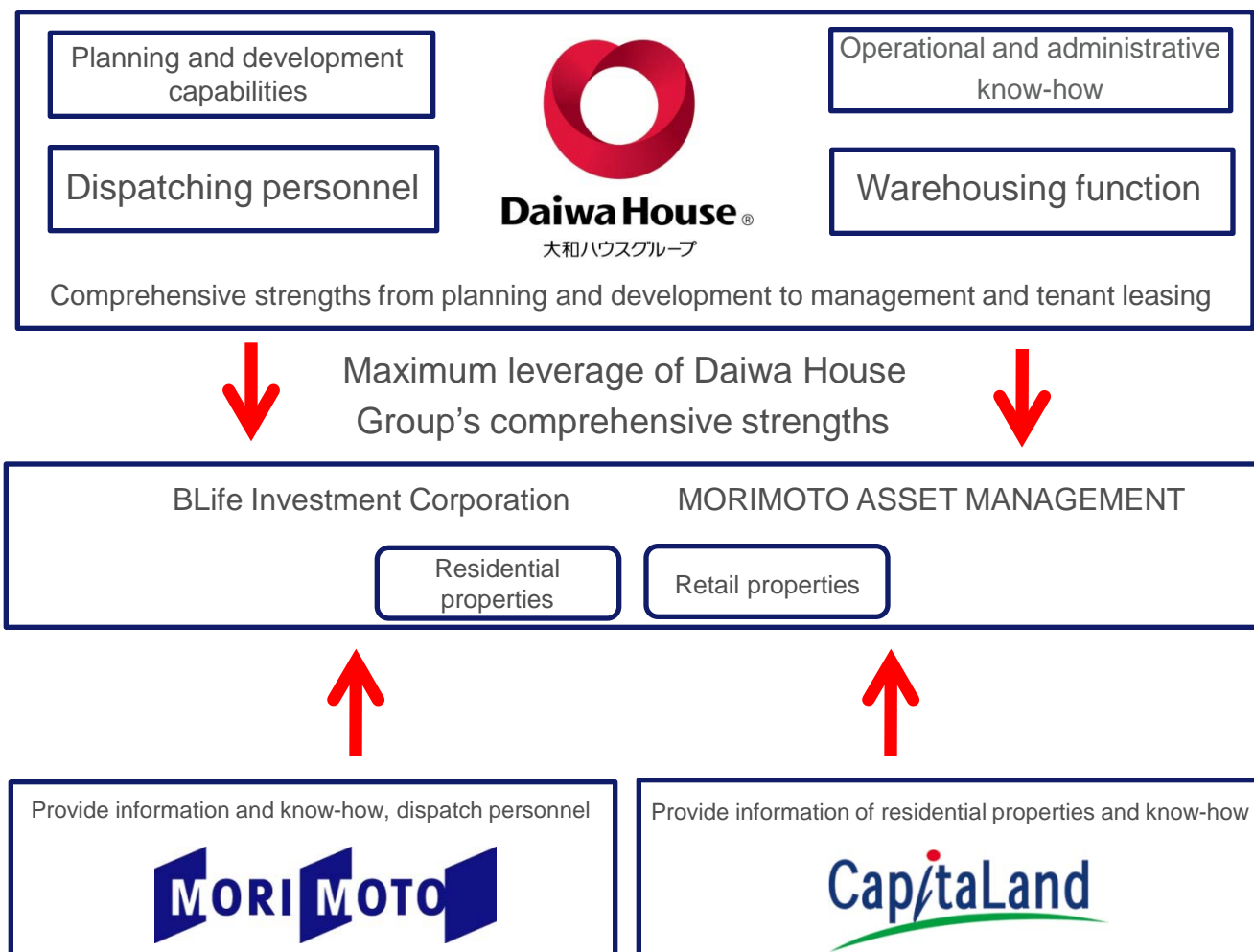
	Number of Shares Held	Percentage of Shares
Daiwa House Industry Co., Ltd.	8,820	73.5%
MORIMOTO Co., Ltd.	2,400	20.0%
Morgan Stanley Capital K. K.	240	2.0%
Mizuho Bank, Ltd.	180	1.5%
The Chuo Mitsui Trust and Banking Co., Ltd.	180	1.5%
Sumitomo Mitsui Banking Corporation	180	1.5%
Total	12,000	100.0%

(as of the date of this material)

Organization of the Asset Management Company



Sponsors and Supporting Company



Overview of Sponsors: Daiwa House Group

Creating Together, Supporting Each Other – A Group Co-creating Value for Individuals, Communities, and People's Lifestyles

- The Daiwa House Group consists of five segments: Residential Business, Commercial Construction Business, Resort Hotels and Sports Life Business, Home Center Business and Other Businesses, covering three areas of “Housing,” “Business” and “Life”.
- The Group conducts business by leveraging a wide spectrum of fields as a group that co-creates value for individuals, communities, and people's lifestyles.

Profile of Daiwa House

- Company Name: Daiwa House Industry Co., Ltd.
- Head Office: 3-3-5 Umeda, Kita Ward, Osaka City
- Established: April 5, 1955 (Founded: March 4, 1947)
- Paid-in capital: 110,120,483,981 yen

Selected Financial Data (consolidated basis)

	Fiscal year ended March 2006 (unit: million yen)	Fiscal year ended March 2007 (unit: million yen)	Fiscal year ended March 2008 (unit: million yen)	Second quarter ended September 2008 (unit: million yen)
Net sales	1,528,983	1,618,450	1,709,254	821,690
Operating income	80,072	85,678	89,120	35,107
Ordinary income	103,073	89,356	61,290	35,263
Net income	45,184	46,393	13,079	17,912
Total assets	1,475,197	1,630,022	1,791,052	1,859,944

Example of Daiwa House's rental housing



Location: Toyosu, Koto Ward, Tokyo
 Total units: 267
 Structure/size: Reinforced concrete/14 floors
 (and 1 basement floor)
 Dedicated residential area: 40.56m² to 149.35m²
 Floor plan: 1K, 1LDK, 2LDK, 2LDK (two-story residence), 3LDK

Overview of Sponsors: MORIMOTO Group

Business and Performance of MORIMOTO Group

- MORIMOTO was established in 1983, with an aim to provide customers with a beautiful life.
- MORIMOTO Group conducts real estate service business including the sale of properties centering on the Crescent Series, development of lease properties centering on the IPSE series, and leasing and sales management operations.
- MORIMOTO Group develops superior design condominiums that conform to the ever-changing landscape of cities and at the same time enhances the value of their locations, with a focus on the center of Tokyo, Jonan area and the Yokohama and Kawasaki areas. The Group won the Good Design Award for its eight properties in 2008.



- MORIMOTO has concluded a pipeline support agreement with preferential negotiation rights with BLife and the asset management company.
- MORIMOTO dispatches personnel to the asset management company.

Selected Financial Data (consolidated basis)

	Fiscal year ended March 2007 (unit: million yen)	Fiscal year ended March 2008 (unit: million yen)
Sales	95,607	117,636
Operating income	13,359	18,383
Ordinary income	10,921	18,336
Net Income	6,077	9,852
Total assets	197,195	228,635

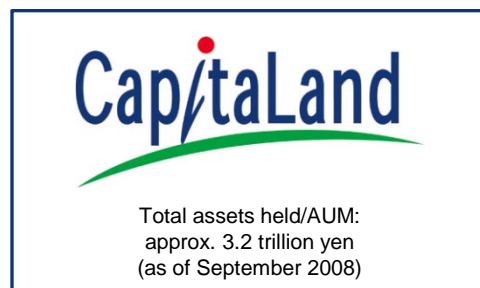
Overview of Supporting Company: CapitaLand Group

One of the largest real estate companies in Asia, conducting business in more than 120 cities in 20 countries around the world

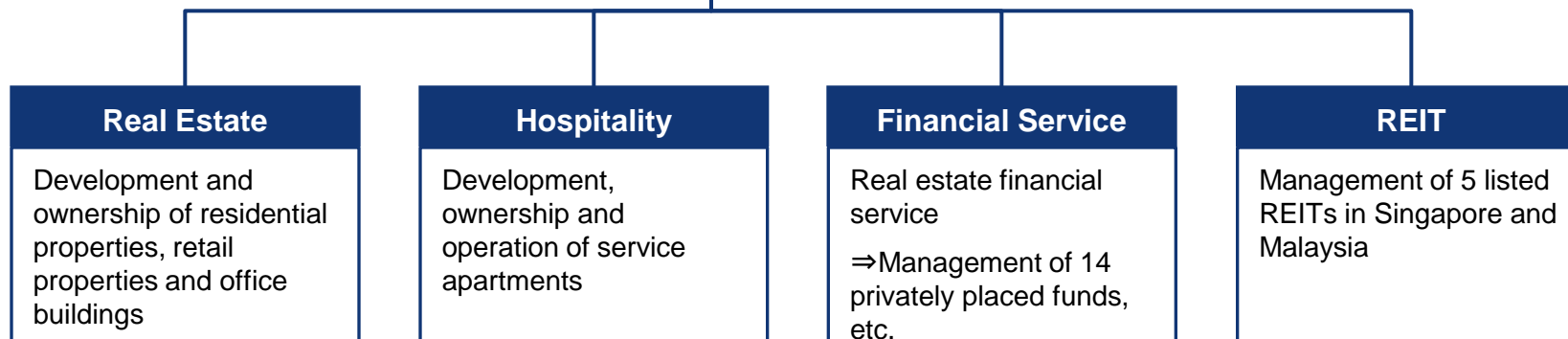
Listed on the Singapore Exchange (SGX), with a total Group market capitalization of about 826.3 billion yen (as of November 2008)

CapitaLand Japan, a Japanese subsidiary of the CapitaLand Group, has concluded a basic agreement on pipeline support, which allows BLife to preferentially obtain property information ahead of any third party when the CapitaLand Group sells residential properties the Group owns or develops in Japan

Manages residential property funds and retail property funds in Japan



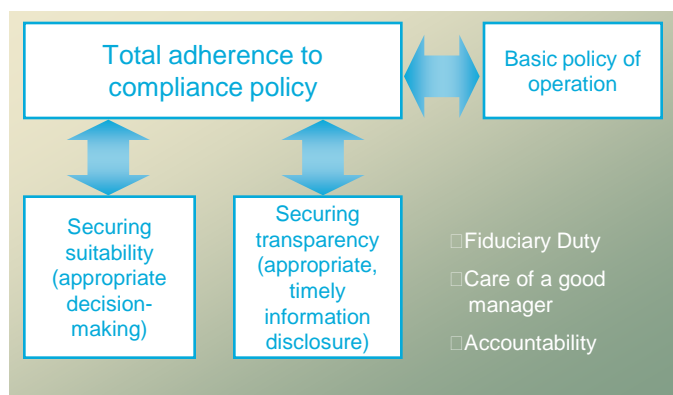
Selected Financial Data (consolidated basis)	Fiscal year ended December 2007
Revenue	3,792 million S\$
Profit from continuing operations	2,311 million S\$
Profit before taxation from continuing operations	3,420 million S\$
Profit for the year	3,152 million S\$
Total assets	25,841 million S\$
Net assets	11,865 million S\$



Compliance

BLife and MORIMOTO ASSET MANAGEMENT Both Consider Total Adherence to Compliance Policy to be a Basic Policy of Operation and have Established Strict Flows for Decision-making to Prevent Conflicts of Interest

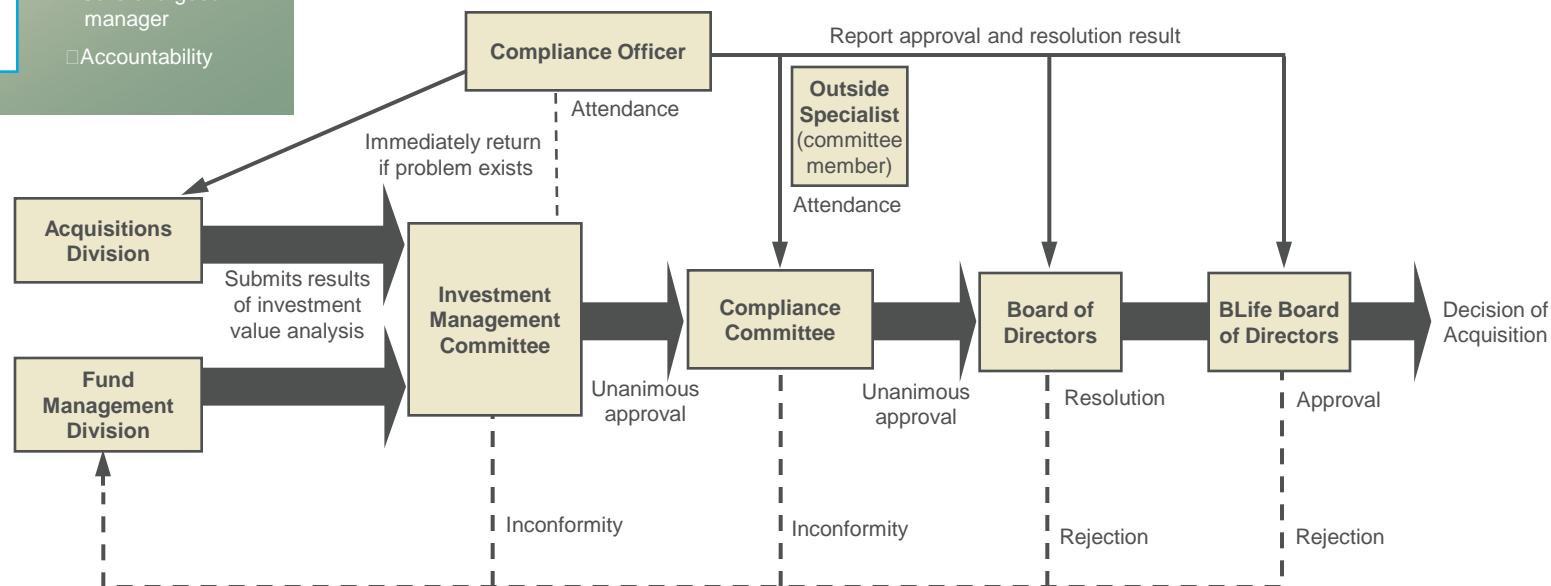
Compliance



Interested Parties

- A material compliance issue for J-REITs is preventing conflicts of interest with interested parties

- BLife (MORIMOTO ASSET) has clear, strict corporate governance rules pertaining to deals with interested parties



Sales of Properties

Conducted Sales with 348 Million Yen Increase Compared with Acquisition Price (up 19.6%)

■ Sold Properties

Real Estate Appraisal Value

(unit: million yen)

	Property Name	Appraiser	Book Value as of November 30, 2006	Acquisition Price (1)	Appraisal Value as of December 1, 2005	Appraisal Value as of November 30, 2006 (2)	Sales Price (3)	Comparison to Acquisition Price (3) - (1)	Comparison to End of Previous Fiscal Period (3) - (2)	Notes
J-12	Noblesse Ikedayama	Tanizawa	391	375	439	462	495	120	33	Acquired on March 22, 2006 Sold on March 9, 2007
J- 9	Comfort Time Omori	Tanizawa	995	952	952	1,050	1,150	198	100	Acquired on March 22, 2006 Sold on April 25, 2007
J-11	Elsol Kifunezaka	Daiwa	468	450	451	457	480	30	23	Acquired on March 22, 2006 Sold on July 25, 2007
	Total	—	1,854	1,777	1,842	1,969	2,125	348	156	

Balance Sheets

Assets

(unit: thousand yen)

Category	Fifth Fiscal Period (as of May 31, 2008)		Sixth Fiscal Period (as of November 30, 2008)		Variation
	Amount	Share (%)	Amount	Share (%)	
Assets					
Current assets					
Cash and deposits	886,310		415,203		(471,106)
Cash and deposits in trust	2,120,335		2,032,614		(87,720)
Accounts receivable-trade	23,333		48,648		25,314
Prepaid expenses	176,931		148,700		(28,230)
Deferred tax assets	10		199		188
Derivatives	-		97		97
Other	374		-		(374)
Allowance for doubtful accounts	(785)		(13,147)		(12,361)
Total current assets	3,206,510	5.8	2,632,316	4.8	(574,193)
Noncurrent assets					
Property, plant and equipment					
Buildings in trust	22,891,638		22,894,913		3,274
Accumulated depreciation	(925,626)		(1,185,879)		(260,253)
Buildings in trust, net	21,966,012		21,709,033		(256,978)
Structures in trust	21,807		22,468		660
Accumulated depreciation	(1,625)		(2,415)		(790)
Structures in trust, net	20,182		20,052		(129)
Machinery and equipment in trust	388,293		388,293		-
Accumulated depreciation	(50,431)		(62,127)		(11,695)
Machinery and equipment in trust, net	337,861		326,166		(11,695)
Tools, furniture and fixtures in trust	855		3,406		2,550
Accumulated depreciation	(150)		(367)		(216)
Tools, furniture and fixtures in trust, net	704		3,038		2,334
Land in trust	29,879,034		29,879,034		-
Total property, plant and equipment	52,203,795	94.0	51,937,325	95.1	(266,470)
Intangible assets					
Right of trademark	994		931		(63)
Total intangible assets	994	0.0	931	0.0	(63)
Investments and other assets					
Long-term prepaid expenses	82,944		19,444		(63,499)
Derivatives	18,439		1,154		(17,284)
Guarantee deposits	10,000		10,000		-
Total investments and other assets	111,383	0.2	30,599	0.1	(80,784)
Total noncurrent assets	52,316,173	94.2	51,968,855	95.1	(347,318)
Deferred assets					
Deferred organization expenses	23,524		17,643		(5,881)
Total deferred assets	23,524	0.0	17,643	0.0	(5,881)
Total assets	55,546,208	100.0	54,618,815	100.0	(927,392)

Balance Sheets

Liabilities and Net Assets

(unit: thousand yen)

Category	Fifth Fiscal Period (as of May 31, 2008)		Sixth Fiscal Period (as of November 30, 2008)		Variation
	Amount	Share (%)	Amount	Share (%)	
Liabilities					
Current liabilities					
Accounts payable	51,672		58,839		7,166
Current portion of long-term loans payable	803,000		16,001,000		15,198,000
Accounts payable-other	3,596		4,576		978
Accrued expenses	152,717		148,102		(4,614)
Income taxes payable	632		7,134		6,501
Accrued consumption taxes	11,415		8,202		(3,212)
Advances received	142,186		127,203		(14,982)
Deposits received	11,553		8,067		(3,485)
Total current liabilities	1,176,773	2.1	16,363,125	30.0	15,186,351
Noncurrent liabilities					
Long-term loans payable	28,685,000		12,684,000		(16,001,000)
Deferred tax liabilities	7,263		454		(6,809)
Leasehold and security deposits received in trust	1,010,109		955,378		(54,730)
Total noncurrent liabilities	29,702,372	53.5	13,639,832	25.0	(16,062,539)
Total liabilities	30,879,145	55.6	30,002,958	54.9	(876,187)
Net assets					
Unitholders' equity					
Unitholders' capital	24,002,588		24,002,588		-
Surplus					
Unappropriated retained earnings (undisposed loss)	653,298		612,508		(40,789)
Total surplus	653,298		612,508		(40,789)
Total unitholders' equity	24,655,886	44.4	24,615,096	45.1	(40,789)
Valuation and translation adjustments					
Deferred gains or losses on hedges	11,175		759		(10,416)
Total valuation and translation adjustments	11,175	0.0	759	0.0	(10,416)
Total net assets	24,667,062	44.4	24,615,856	45.1	(51,205)
Total liabilities and net assets	55,546,208	100.0	54,618,815	100.0	(927,392)

Notes and Remarks

(unit: million yen)

1. Cash and deposits	
Investment corporation title	415
Trust bank title	2,032
(of which, equivalent to deposit)	955
Balance	1,492
2. Interest-bearing liabilities	
Total interest-bearing liabilities	28,685
3. Allowance for doubtful accounts	
Total allowance for doubtful accounts	13
4. Change in unitholders' capital	
Total unitholders' capital	24,002
June 2005: Established with private offering	300
December 2005: Increase capital through third party allotment	1,430
March 2006: Increase capital through public offering	18,238
March 2007: Increase capital through third party allotment	4,034

Unitholders' Capital and Total Outstanding Investment Units Issued

Date	Unitholders' capital (yen)	Total unitholders' capital (yen)	Total investment units issued (unit)	Total outstanding investment units issued (unit)
June 7, 2005*	300,000,000	300,000,000	600	600
December 19, 2005	1,430,000,000	1,730,000,000	2,860	3,460
March 20, 2006	18,238,500,000	19,968,500,000	37,800	41,260
March 2, 2007	4,034,088,000	24,002,588,000	8,000	49,260

*) BLife Investment Corporation was established on June 7, 2005.

Statements of Income

(unit: thousand yen)

Category	Fifth Fiscal Period (December 1, 2007 – May 31, 2008) Amount	Sixth Fiscal Period (June 1, 2008 – November 30, 2008) Amount	Variation
Operating revenue			
Lease business revenue	1,501,990	1,478,499	(23,491)
Other lease business revenue	156,583	196,971	40,388
Total operating revenue	1,658,574	1,675,471	16,896
Operating expenses			
Expenses related to rent business	529,803	550,127	20,324
Asset management fee	64,858	64,177	(681)
Asset custody fee	5,530	5,487	(42)
Administrative service fees	26,543	26,420	(123)
Directors' compensations	4,800	4,800	-
Provision of allowance for doubtful accounts	-	13,147	13,147
Other operating expenses	49,938	61,476	11,537
Total operating expenses	681,474	725,637	44,162
Operating income	977,099	949,833	(27,265)
Non-operating income			
Interest income	2,831	2,940	109
Other	8,807	827	(7,980)
Total non-operating income	11,639	3,768	(7,870)
Non-operating expenses			
Interest expenses	217,136	239,565	22,428
Borrowing related expenses	102,870	88,163	(14,706)
Amortization of deferred organization expenses	5,881	5,881	-
Other	8,551	-	(8,551)
Total non-operating expenses	334,439	333,609	(829)
Ordinary income	654,299	619,992	(34,306)
Income before income taxes	654,299	619,992	(34,306)
Income taxes-current	824	7,722	6,898
Income taxes-deferred	179	(226)	(406)
Total income taxes	1,004	7,495	6,491
Net income	653,295	612,496	(40,798)
Retained earnings brought forward	2	12	9
Unappropriated retained earnings (undisposed loss)	653,298	612,508	(40,789)

(unit: yen)

Category	Fifth Fiscal Period (December 1, 2007 – May 31, 2008)	Sixth Fiscal Period (June 1, 2008 – November 30, 2008)
I. Unappropriated retained earnings	653,298,224	612,508,997
II. Distribution amount (Distribution per investment unit)	653,286,120 (13,262)	612,498,840 (12,434)
III. Retained earnings carried forward	12,104	10,157

Statements of Income

Breakdown of Real Estate Lease Business Revenue and Expenses

(unit: thousand yen)

Category	Fifth Fiscal Period (December 1, 2007 – May 31, 2008)	Sixth Fiscal Period (June 1, 2008 – November 30, 2008)
A. Real estate lease business revenue		
Lease business revenue		
Rent income	1,477,110	1,453,753
Common service fees	24,880	24,745
Subtotal	1,501,990	1,478,499
Other lease business revenue		
Facility charges	50,080	48,756
Incidental revenue	13,402	16,533
Other lease business revenue	93,100	131,681
Subtotal	156,583	196,971
Total real estate lease business revenue	1,658,574	1,675,471
B. Real estate expenses related to rent business		
Expenses related to rent business		
Management fees	140,248	146,780
Utility expenses	24,441	26,360
Tax and public charges	32,820	41,244
Repair expenses	7,406	11,291
Insurance expenses	3,098	3,164
Restoration cost	25,052	21,637
Custodian fees	13,889	14,535
Depreciation and amortization	272,562	272,955
Other operating expenses	10,282	12,157
Total real estate expenses related to rent business	529,803	550,127
C. Real estate lease business income (A-B)	1,128,771	1,125,343

Statements of Cash Flows

(unit: thousand yen)

Category	Fifth Fiscal Period (December 1, 2007 – May 31, 2008)	Sixth Fiscal Period (June 1, 2008 – November 30, 2008)
Net cash provided by (used in) operating activities		
Income before income taxes	654,299	619,992
Depreciation and amortization	272,562	272,955
Amortization of trademark rights	63	63
Amortization of organization expenses	5,881	5,881
Interest income	(2,831)	(2,940)
Interest expenses	217,136	239,565
Decrease (increase) in rental receivables	(1,273)	(25,314)
Decrease (increase) in accounts receivable-other	538	265
Decrease (increase) in consumption taxes refund receivable	20,889	-
Decrease (increase) in prepaid expenses	(108,874)	28,230
Increase (decrease) in operating accounts payable	5,178	7,166
Increase (decrease) in accounts payable-other	(10,074)	-
Increase (decrease) in accrued consumption taxes	11,415	(3,212)
Increase (decrease) in accrued expenses	9,875	(1,082)
Increase (decrease) in deposits received	1,871	(186)
Increase (decrease) in advances received	(25,095)	(14,982)
Decrease (increase) in long-term prepaid expenses	(82,944)	63,499
Increase (decrease) in allowance for doubtful accounts	(537)	12,361
Other, net	(30,376)	(83,311)
Subtotal	937,704	1,118,952
Interest income received	2,831	2,940
Interest expenses paid	(203,135)	(243,097)
Income taxes paid	(1,171)	(1,112)
Net cash provided by (used in) operating activities	736,228	956,740

(unit: thousand yen)

Category	Fifth Fiscal Period (December 1, 2007 – May 31, 2008)	Sixth Fiscal Period (June 1, 2008 – November 30, 2008)
Net cash provided by (used in) investment activities		
Expenditure for acquisition of property, plant and equipment in trust	(17,733)	(6,485)
Revenue from deposit and security payment in trust	53,150	64,292
Expenditure for deposit and security funds in trust	(41,966)	(39,010)
Net cash provided by (used in) investment activities	(6,550)	18,796
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	(16,455,934)	-
Proceeds from long-term loans payable	29,488,000	-
Repayment of long-term loans payable	(13,039,782)	(803,000)
Dividends paid	(636,967)	(652,307)
Net cash provided by (used in) financing activities	(644,684)	(1,455,307)
Net increase (decrease) in cash and cash equivalents	84,993	(558,827)
Cash and cash equivalents at beginning of period	2,921,652	3,006,645
Cash and cash equivalents at end of period	3,006,645	2,447,817

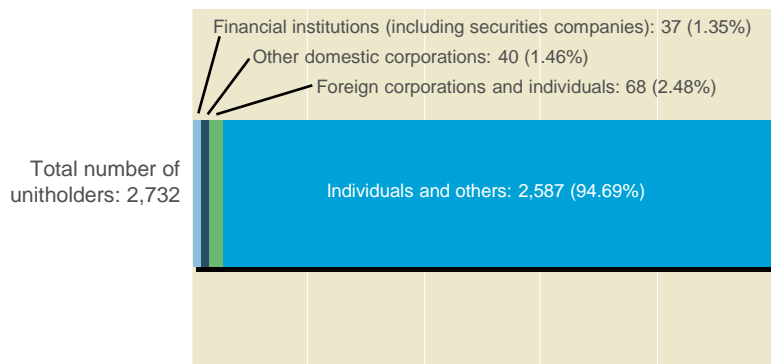
Major Unitholders

(as of November 30, 2008)

Name	Number of Units Held	Percentage of Total
MORIMOTO Co., Ltd.*	5,060	10.27
Goldman Sachs International	4,121	8.36
NikkoCiti Trust and Banking Corporation (investment account)	4,118	8.35
CapitaLand Nippon Investments Private Limited	3,999	8.11
Japan Trustee Services Bank, Ltd. (investment account)	2,906	5.89
UBS AG London Account IPP Segregated Client Account	2,848	5.78
UBS AG London Asia Equities	2,517	5.10
CapitaLand Japan Investments Private Limited Japan Branch	2,401	4.87
The Minami-Nippon Bank, Ltd.	1,750	3.55
BNP Paribas Securities Services Luxembourg Jasdec Securities	1,385	2.81

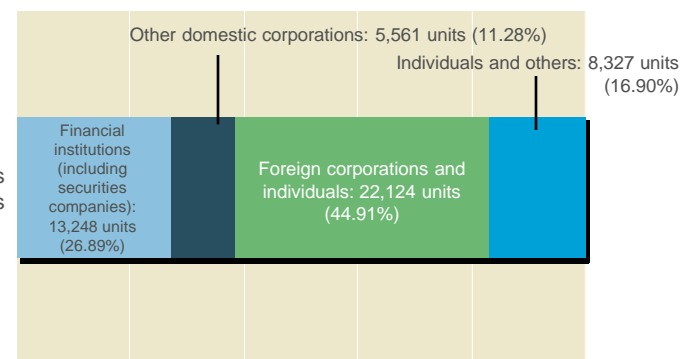
*) MORIMOTO has transferred all of 5,060 investment units to Daiwa House Industry as of December 19, 2008.

Number of Unitholders

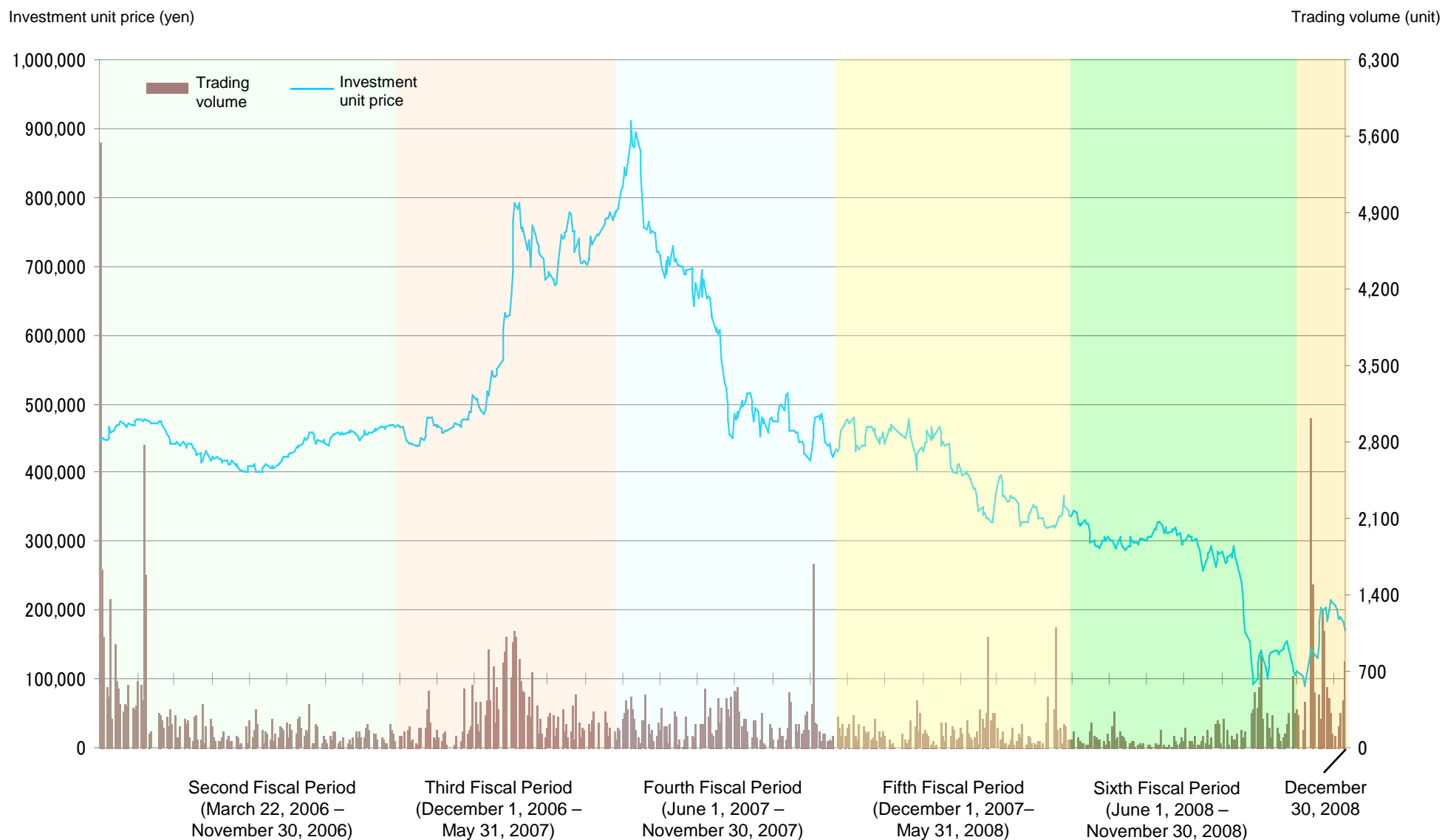


Number of Investment Units

Outstanding investment units issued: 49,260 units



Investment Unit Price Range and Trading Volume



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