

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, 2008 and May 31, 2009, 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, 2008 and May 31, 2009, 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, 2009 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, 2009

Ernst & Young Shin Nihon LLC

BLife Investment Corporation

Balance Sheets

As of November 30, 2008 and May 31, 2009

	As of November 30, 2008	As of May 31, 2009	
	<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)	¥ 2,447,817	¥ 2,609,307	\$ 27,045
Rental receivables	48,648	42,027	435
Prepaid expenses	148,700	94,886	983
Deferred tax assets	199	204	2
Derivative assets	97	85	0
Other current assets	–	1,459	15
Allowance for doubtful accounts	(13,147)	(13,433)	(139)
Total current assets	<u>2,632,316</u>	<u>2,734,536</u>	<u>28,343</u>
Property and equipment:			
Land in trust	29,879,034	29,879,034	309,691
Buildings and structures in trust	22,917,381	22,953,223	237,906
Machinery and equipment in trust	388,293	388,293	4,024
Tools, furniture and fixtures in trust	3,406	3,881	40
Less – accumulated depreciation	(1,250,790)	(1,524,667)	(15,802)
Net property and equipment	<u>51,937,325</u>	<u>51,699,765</u>	<u>535,859</u>
Investments and other assets:			
Long-term prepaid expenses	19,444	–	–
Derivative assets	1,154	–	–
Security deposit	10,000	10,000	103
Trademark rights	931	867	8
Organization expenses	17,643	11,762	121
Total investments and other assets	<u>49,173</u>	<u>22,629</u>	<u>234</u>
Total assets	<u><u>¥54,618,815</u></u>	<u><u>¥54,456,931</u></u>	<u><u>\$564,437</u></u>

	As of November 30, 2008	As of May 31, 2009	
	<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	¥ 70,548	¥ 53,416	\$ 553
Current portion of long-term loans	16,001,000	28,685,000	297,315
Accrued expenses	148,102	136,417	1,413
Consumption taxes payable	8,202	9,522	98
Rent received in advance	127,203	117,647	1,219
Deposits received	8,067	35,960	372
Total current liabilities	16,363,125	29,037,965	300,973
Long-term liabilities:			
Long-term loans	12,684,000	—	—
Deferred tax liabilities	454	—	—
Leasehold and security deposits received	955,378	867,647	8,993
Total long-term liabilities	13,639,832	867,647	8,993
Total liabilities	30,002,958	29,905,612	309,966
Net assets:			
Unitholders' equity:			
Unitholders' capital:			
Units authorized: 2,000,000 units			
Units issued and outstanding: 49,260	24,002,588	24,002,588	248,783
Retained earnings	612,508	548,679	5,686
Total unitholders' equity	24,615,096	24,551,267	254,470
Valuation and translation adjustments:			
Unrealized gain on deferred hedge transactions	759	51	0
Total valuation and translation adjustments	759	51	0
Total net assets	24,615,856	24,551,319	254,470
Total liabilities and net assets	¥54,618,815	¥54,456,931	\$564,437

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Income and Retained Earnings

For the period from June 1, 2008 to November 30, 2008
and for the period from December 1, 2008 to May 31, 2009

	From June 1, 2008 to November 30, 2008	From December 1, 2008 to May 31, 2009	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Operating revenues:			
Rental revenues	¥1,675,471	¥1,558,996	\$ 16,158
Total operating revenues	1,675,471	1,558,996	16,158
Operating expenses:			
Real estate rental expenses	550,127	542,883	5,626
Asset management fees	64,177	61,127	633
Asset custodian and consignment fees	5,487	5,425	56
Administrative service and consignment fees	26,420	27,435	284
Directors' remuneration	4,800	4,800	49
Loss on bad debts	—	145	1
Provision for doubtful accounts	13,147	1,781	18
Other operating expenses	61,476	60,782	630
Total operating expenses	725,637	704,381	7,300
Operating income	949,833	854,615	8,857
Non-operating income (expenses):			
Interest income	2,940	1,653	17
Interest expense	(239,565)	(217,943)	(2,258)
Financing related expenses	(88,163)	(82,913)	(859)
Amortization of organization expenses	(5,881)	(5,881)	(60)
Other, net	827	(256)	(2)
Income before income taxes	619,992	549,274	5,693
Income taxes:			
Current	7,722	605	6
Deferred	(226)	—	—
Net income	612,496	548,669	5,686
Retained earnings at beginning of period	12	10	0
Retained earnings at end of period	¥ 612,508	¥ 548,679	\$ 5,686

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Changes in Net Assets

For the period from June 1, 2008 to November 30, 2008

	For the period from June 1, 2008 to November 30, 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 May 31, 2008	49,260	¥24,002,588	¥ 653,298	¥24,655,886	¥11,175	¥11,175	¥24,667,062
Changes during the fiscal period:							
Dividends from retained earnings		—	(653,286)	(653,286)	—	—	(653,286)
Net income		—	612,496	612,496	—	—	612,496
Change in unrealized gain on deferred hedge transactions		—	—	—	(10,416)	(10,416)	(10,416)
Total changes during the fiscal period	—	—	(40,789)	(40,789)	(10,416)	(10,416)	(51,205)
Balance as of November 30, 2008	49,260	¥24,002,588	¥612,508	¥24,615,096	¥759	¥759	¥24,615,856

For the period from December 1, 2008 to May 31, 2009

	For the period from December 31, 2008 to May 31, 2009						
	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, 2008	49,260	¥24,002,588	¥ 612,508	¥24,615,096	¥759	¥759	¥24,615,856
Changes during the fiscal period:							
Dividends from retained earnings		—	(612,498)	(612,498)	—	—	(612,498)
Net income		—	548,669	548,669	—	—	548,669
Change in unrealized gain on deferred hedge transactions		—	—	—	(708)	(708)	(708)
Total changes during the fiscal period	—	—	(63,829)	(63,829)	(708)	(708)	(64,537)
Balance as of May 31, 2009	49,260	¥24,002,588	¥548,679	¥24,551,267	¥51	¥51	¥24,551,319

For the period from December 1, 2008 to May 31, 2009

	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 U.S. dollars)						
Balance as of November 30, 2008	49,260	\$248,783	\$ 6,348	\$255,131	\$7	\$7	\$255,139
Changes during the fiscal period:							
Dividends from retained earnings		—	(6,348)	(6,348)	—	—	(6,348)
Net income		—	5,686	5,686	—	—	5,686
Change in unrealized gain on deferred hedge transactions		—	—	—	(7)	(7)	(7)
Total changes during the fiscal period	—	—	(661)	(661)	(7)	(7)	(668)
Balance as of May 31, 2009	49,260	\$248,783	\$5,686	\$254,470	\$0	\$0	\$254,470

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Cash Flows

For the period from June 1, 2008 to November 30, 2008
and for the period from December 1, 2008 to May 31, 2009

	From June 1, 2008 to November 30, 2008	From December 1, 2008 to May 31, 2009	
	<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	¥ 619,992	¥ 549,274	\$ 5,693
Depreciation and amortization	272,955	273,876	2,838
Loss on bad debts	—	145	1
Amortization of trademark rights	63	63	0
Amortization of organization expenses	5,881	5,881	60
Interest income	(2,940)	(1,653)	(17)
Interest expense	239,565	217,943	2,258
Change in rental receivables	(25,314)	6,475	67
Change in accounts receivable, other	265	—	—
Change in advance payments	28,230	53,814	557
Change in trade payables	7,166	(11,366)	(117)
Change in accrued consumption taxes	(3,212)	1,319	13
Change in accrued expenses	(1,082)	(2,336)	(24)
Change in deposits received	(186)	(1,921)	(19)
Change in rent received in advance	(14,982)	(9,555)	(99)
Change in long-term prepaid expenses	63,499	19,444	201
Change in allowance for doubtful accounts	12,361	285	2
Other	(83,311)	(64,868)	(672)
Subtotal	1,118,952	1,036,821	10,746
Interest received	2,940	1,653	17
Interest paid	(243,097)	(227,291)	(2,355)
Income taxes paid	(1,112)	(7,465)	(77)
Net cash provided by operating activities	877,683	803,718	8,330
Cash flows from investing activities			
Expenditure for acquisition of property and equipment in trust	(6,485)	(36,316)	(376)
Revenues from deposit and security payments in trust	64,292	38,106	394
Expenditure for deposit and security funds in trust	(39,010)	(32,284)	(334)
Net cash provided by (used in) investing activities	18,796	(30,494)	(316)
Cash flows from financing activities			
Repayment of long-term loans	(803,000)	—	—
Dividend payment	(652,307)	(611,734)	(6,340)
Net cash used in financing activities	(1,455,307)	(611,734)	(6,340)
Net increase in cash and cash equivalents	(558,827)	161,489	1,673
Cash and cash equivalents at beginning of period	3,006,645	2,447,817	25,371
Cash and cash equivalents at end of period	¥ 2,447,817	¥ 2,609,307	\$ 27,045

See accompanying notes to financial statements.

BLife Investment Corporation

Notes to Financial Statements

For the period from June 1, 2008 to November 30, 2008
and for the period from December 1, 2008 to May 31, 2009

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, Daiwa House Morimoto Asset Management Co., Ltd. (former 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.

Daiwa House Industry Co., Ltd. (“Daiwa House Industry”), MORIMOTO, and CapitaLand Japan Kabushiki Kaisha (“CapitaLand Japan”) agreed on November 27, 2008 that, from the perspective of rebuilding BLife’s operating base, Daiwa House Industry shall serve as the main sponsor to manage the asset management company, and 3,612 shares of the asset management company held by MORIMOTO and 4,008 shares of same held by CapitaLand Japan were transferred to Daiwa House Industry on December 19, 2008. As a result, Daiwa House Industry’s equity stake in the asset management company has increased to 8,820 shares (73.5% of total shares issued and outstanding), resulting in the change of parent company of the asset management company from MORIMOTO to Daiwa House Industry.

5,060 units of BLife held by MORIMOTO were transferred to Daiwa House Industry on December 19, 2008.

At May 31, 2009, BLife owned a portfolio of 24 properties with acquisition costs of ¥51,139 million with a potential rental area of 57,660.40 square meters (of which 10,450.47 square meters were for retail outlets). The occupancy ratio was 88.0%. 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 ¥96.48 = U.S.\$1.00, the rate of exchange prevailing on May 31, 2009. 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, 2008 to November 30, 2008	From December 1, 2008 to May 31, 2009
Buildings	3 – 60 years	3 – 60 years
Structures	9 – 45 years	9 – 45 years
Machinery and equipment	13 – 29 years	13 – 29 years
Tools, furniture and fixtures	5 years	5 – 6 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) Change in accounting policy

Effective June 1, 2008, BLife adopted “Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan (ASBJ), Statement No.13, revised March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Implementation Guidance No.16, revised March 30, 2007). This adoption has no effect on profits or losses in the financial statements for the period ended November 30, 2008.

(j) 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.

(k) Derivatives and hedge accounting

BLife utilizes interest-rate 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 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, 2008 and May 31, 2009 is as follows:

	As of November 30, 2008	As of May 31, 2009	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Cash and bank deposits	¥415,203	¥610,057	\$6,323
Cash in trust and deposits in trust	2,032,614	1,999,249	20,721
Cash and cash equivalents	<u>¥2,447,817</u>	<u>¥2,609,307</u>	<u>\$27,045</u>

4. Lease Transactions

Operating lease transactions as lessor at November 30, 2008 and May 31, 2009 is as follows:

	As of November 30, 2008	As of May 31, 2009	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Future lease payment equivalents			
Due within one year	¥524,483	¥452,432	\$4,689
Due after one year	249,463	246,095	2,550
Total	<u>¥773,947</u>	<u>¥698,528</u>	<u>\$7,240</u>

5. Current Portion of Long-Term Loans and Long-Term Loans

Current portion of long-term loans and the long-term loans as of May 31, 2009 consisted of the following:

Lender	As of November 30, 2008 <i>(Thousands of yen)</i>	As of May 31, 2009 <i>(Thousands of yen)</i>	As of May 31, 2009 <i>(Thousands of U.S. dollars)</i>	Average interest rate (%) (1)	Due on	Use of funds	Note
Current portion of long-term loans:							
Mizuho Bank, Ltd.	¥ 4,037,000	¥ 4,037,000	\$41,842				
Sumitomo Mitsui Banking Corporation	4,037,000	4,037,000	41,842	1.59006	September 30, 2009	Refinance or acquisition of real estate in trust	Secured
The Chuo Mitsui Trust and Banking Co., Ltd.	4,037,000	4,037,000	41,842				
The Bank of Tokyo -Mitsubishi UFJ, Ltd.	1,945,000	1,945,000	20,159				
Shinsei Bank, Ltd.	1,945,000	1,945,000	20,159				
Mizuho Bank, Ltd.	—	4,228,000	43,822	1.44006	March 31, 2010	Refinance or acquisition of real estate in trust	Secured
Sumitomo Mitsui Banking Corporation	—	4,228,000	43,822				
The Chuo Mitsui Trust and Banking Co., Ltd.	—	4,228,000	43,822				
Subtotal	16,001,000	28,685,000	297,315	—	—	—	—
Long-term loans:							
Mizuho Bank, Ltd.	4,228,000	—	—				
Sumitomo Mitsui Banking Corporation	4,228,000	—	—	1.44006	March 31, 2010	Refinance or acquisition of real estate in trust	Secured
The Chuo Mitsui Trust and Banking Co., Ltd.	4,228,000	—	—				
Subtotal	12,684,000	—	—	—	—	—	—
Total	¥28,685,000	¥28,685,000	\$297,315	—	—	—	—

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

6. Collateral Pledged and Secured Liabilities

	As of November 30, 2008	As of May 31, 2009	
	<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	¥2,032,614	¥1,999,249	\$20,721
Buildings in trust	21,709,033	21,483,828	222,676
Structures in trust	20,052	19,260	199
Machinery and equipment in trust	326,166	314,470	3,259
Tools, furniture and fixtures in trust	3,038	3,171	32
Land in trust	29,879,034	29,879,034	309,691
Total	<u>¥53,969,939</u>	<u>¥53,699,015</u>	<u>\$556,581</u>

	As of November 30, 2008	As of May 31, 2009	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Secured liabilities:			
Current portion of long-term loans	¥ 16,001,000	¥28,685,000	\$297,315
Long-term loans	12,684,000	—	—
Total	<u>¥28,685,000</u>	<u>¥28,685,000</u>	<u>\$297,315</u>

7. Details of Rental Revenues and Expenses

	From June 1, 2008 to November 30, 2008	From December 1, 2008 to May 31, 2009	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Real estate rental revenues:			
Rental income	¥1,453,753	¥1,373,460	\$14,235
Common service fees	24,745	23,896	247
Subtotal	1,478,499	1,397,357	14,483
Other rental revenues:			
Facility charges	48,756	46,907	486
Incidental revenues	16,533	12,727	131
Other rental business revenues	131,681	102,004	1,057
Subtotal	196,971	161,639	1,675
Total rental revenues	1,675,471	1,558,996	16,158
Real estate rental expenses:			
Management fees	146,780	128,852	1,335
Utilities	26,360	25,854	267
Taxes and public dues	41,244	52,653	545
Repairs	11,291	4,087	42
Insurance premiums	3,164	3,089	32
Restoration costs	21,637	26,701	276
Custodian fees	14,535	14,385	149
Depreciation and amortization	272,955	273,876	2,838
Other operating expenses	12,157	13,382	138
Total real estate rental expenses	550,127	542,883	5,626
Rental income	¥1,125,343	¥1,016,113	\$10,531

8. Deferred Income Taxes

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

	As of
	November 30,
	2008
	<i>(Thousands of yen)</i>
Deferred tax assets:	
Current assets:	
Accrued enterprise taxes	¥565
Allowance for doubtful accounts	3,234
Subtotal	3,799
Valuation reserve	(3,561)
Total deferred tax assets	<u>¥237</u>
Deferred tax liabilities:	
Current liabilities:	
Unrealized gain on deferred hedge transactions	¥38
Subtotal	38
Long-term liabilities:	
Unrealized gain on deferred hedge transactions	454
Subtotal	454
Total deferred tax liabilities	<u>492</u>
Net deferred tax assets – current	<u>¥199</u>
Net deferred tax liabilities – long-term	<u>¥454</u>

	As of May 31, 2009	
	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Deferred tax assets:		
Current assets:		
Allowance for doubtful accounts	¥3,103	\$32
Subtotal	3,103	32
Valuation reserve	(2,865)	(29)
Total deferred tax assets	<u>¥237</u>	<u>\$2</u>
Deferred tax liabilities:		
Current liabilities:		
Unrealized gain on deferred hedge transactions	¥33	\$0
Total deferred tax liabilities	33	0
Net deferred tax assets – current	<u>¥204</u>	<u>\$2</u>

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

	From June 1, 2008 to November 30, 2008	From December 1, 2008 to May 31, 2009
Statutory tax rate	39.39%	39.33%
(Adjustment)		
Tax-deductible dividends paid	(38.91)	(39.20)
Other	0.73	(0.02)
Effective tax rates after applying deferred income tax accounting	<u>1.21%</u>	<u>0.11%</u>

- (c) Changes in deferred tax assets and liabilities due to the corresponding income tax changes

For the period from June 1, 2008 to November 30, 2008

In connection with the Act on Temporary Measures concerning Special Local Corporation Tax (Act No. 25 of 2008) issued on April 30, 2008, the statutory tax rate applied in the deferred income tax accounting has been changed from 39.39% to 39.33%. The effect of the enacted change in the tax rate was insignificant.

9. Related Party Transactions

(a) For the period from June 1, 2008 to November 30, 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)	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	—	—	Consigned asset- management operations	Asset- management compensation payment	¥64,177	Accrued operating expenses payable	¥38,495
	MORIMOTO QUALITY Co., Ltd.	Shibuya-ku, Tokyo	¥100	Real estate property management	—	—	Consigned property lease management	Consignment of lease management	¥144,588	Accrued operating expenses payable	¥26,410

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

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

(Note 3) Morimoto Asset Management Co., Ltd. has changed its name to Daiwa House Morimoto Asset Management Co., Ltd. effective from February 1, 2009. Same applies hereinafter

(b) For the period from December 1, 2008 to May 31, 2009

1) Controlling investors and major corporate investors

Not applicable.

2) Directors and major individual investors

Not applicable.

3) Subsidiaries

Not applicable.

4) Affiliates

Attribute	Name	Location	Capital (Millions of yen) (Millions of U.S. dollars)	Business type or occupation	Ownership percentage of investment units (Owned)	Type of relationship		Transaction type	Transaction amount (Thousands of yen) (Thousands of U.S. dollars)	Line item	Balance at end of period (Thousands of yen) (Thousands of U.S. dollars)
						Position of director(s) serving concurrently	Business relationship				
Affiliates	DAIWA HOUSE MORIMOTO ASSET MANAGEMENT Co., Ltd.	Shibuya-ku, Tokyo	¥300 (\$3)	Asset management	—	—	Consigned asset- management operations	Asset- management compensation payment	¥61,127 (\$633)	Accrued operating expenses payable	¥36,790 (\$381)
	MORIMOTO QUALITY Co., Ltd.	Shibuya-ku, Tokyo	¥100 (\$1)	Real estate property management	—	—	Consigned property lease management	Consignment of lease management	¥16,118 (\$167)	Accrued operating expenses payable	¥16,924 (\$175)
	DAIWAROYAL CO., LTD	Taito-ku, Tokyo	¥500 (\$5)	Real estate property management	—	—	Consigned property lease management	Consignment of lease management	¥1,912 (\$19)	Accrued operating expenses payable	¥361 (\$3)

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

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

(Note 3) MORIMOTO QUALITY Co., Ltd. has no longer been a BLife's related party due to the change of its leading sponsor on December 19, 2008. The transaction amount and balance at the end of the fiscal period listed above are those as of December 18, 2008.

(Note 4) Transaction amount with Daiwa Royal Co., Ltd. has been recorded as those as BLife's related party since the change of its leading sponsor on December 19, 2008.

10. Per Unit Information

- (a) The following table summarizes information about net assets per unit at November 30, 2008 and net income per unit for the period from June 1, 2008 to November 30, 2008:

Net assets per unit	¥499,712
Net income per unit	¥12,433

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, 2009 and net income per unit for the period from December 1, 2008 to May 31, 2009:

Net assets per unit	¥498,402	\$5,165
Net income per unit	¥11,138	\$115

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, 2008 to November 30, 2008	From December 1, 2008 to May 31, 2009	
	<i>(Thousands of yen)</i>	<i>(Thousands of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Net income	¥612,496	¥548,669	\$5,686
Amount not attributable to common unitholders	—	—	—
Current net income attributable to common units	¥612,496	¥548,669	\$5,686
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 (\$518 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, 2008 to November 30, 2008

1) Change in Asset Management Company Equity:

① Daiwa House Industry, MORIMOTO, and CapitaLand Japan agreed on November 27, 2008 that, from the perspective of rebuilding BLife's operating base, Daiwa House Industry shall serve as the main sponsor to manage the asset management company, and 3,612 shares of the asset management company held by MORIMOTO and 4,008 shares of same held by CapitaLand Japan were transferred to Daiwa House Industry on December 19, 2008. As a result, Daiwa House Industry's equity stake in the asset management company has increased to 8,820 shares (73.5% of total shares issued and outstanding), resulting in the change of parent company of the asset management company from MORIMOTO to Daiwa House Industry.

② Company Profile of Daiwa House Industry

Company name:	Daiwa House Industry Co., Ltd.
Head office:	3-3-5, Umeda, Kita-ku, Osaka City, Osaka Prefecture
Representative:	Kenji Murakami, President
Major business activities:	Residential, commercial construction, resort hotels and sport facilities, and home centers
Principal shareholders and % of total shares held (as of September 30, 2008):	Japan Trustee Services Bank, Ltd. (trust account) 4.87% The Master Trust Bank of Japan, Ltd. (trust account) 4.28%

2) Cash dividends

On January 16, 2009, BLife's Board of Directors approved a resolution for the payment of cash dividends of ¥12,434 per unit, aggregating to ¥612,498,840, to unitholders of record as of November 30, 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 January 16, 2009, BLife set income available for distributions of dividends at ¥612,498,840, the maximum integral multiple of the 49,260 units issued not exceeding unappropriated income at November 30, 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.

- (b) For the period from December 1, 2008 to May 31, 2009

Cash dividends

On July 15, 2009, BLife's Board of Directors approved a resolution for the payment of cash dividends of ¥11,138 per unit, aggregating to ¥548,657,880 (\$5,686,752), to unitholders of record as of May 31, 2009.

(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 15, 2009, BLife set income available for distributions of dividends at ¥548,657,880 (\$5,686,752), the maximum integral multiple of the 49,260 units issued not exceeding unappropriated income at May 31, 2009.

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, 2008 to November 30, 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	¥10,000,000	¥1,252
Total		¥15,000,000	¥10,000,000	¥1,252

(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	Buildings in trust	¥22,891,637	¥3,274	–	¥22,894,913	¥1,185,879	¥260,253	¥21,709,033 (Note)
	Structures in trust	21,807	660	–	22,468	2,415	790	20,052 (Note)
	Machinery and equipment in trust	388,293	–	–	388,293	62,127	11,695	326,166
	Tools, furniture and fixtures in trust	855	2,550	–	3,406	367	216	3,038 (Note)
	Land in trust	29,879,034	–	–	29,879,034	–	–	29,879,034
	Total	¥53,181,629	¥6,485	–	¥53,188,115	¥1,250,790	¥272,955	¥51,937,325
Intangible fixed assets	Trademark rights	¥994	–	–	¥994	–	¥63	¥931
	Total	¥994	–	–	¥994	–	¥63	¥931

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

14. Other Supplementary Information (continued)

(a) For the period from June 1, 2008 to November 30, 2008 (continued)

1. Increase in buildings in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
IPSE Shibakoen	Back door replacement	Building in trust	¥441
IPSE Shibakoen	Power breaker installation	Building in trust	540
Next Form Nishiazabu	Sewage pump replacement	Building in trust	907
IPSE Toritsudaigaku	Renovation of entrance hall	Building in trust	843
IPSE Tokyo EAST	Power breaker installation	Building in trust	540
Total			¥3,274

2. Increase in structures in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
IPSE Shibakoen	Installation of garbage bins	Structures in trust	¥314
Cosmo Heim Musashikosugi	Replacement of parking stoppers	Structures in trust	346
Total			¥660

3. Increase in tools, furniture and fixtures in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
IPSE Shibakoen	Installation of monitors in public spaces, expansion of security cameras	Tools, furniture and fixtures in trust	¥896
Cosmo Heim Musashikosugi	Installation of monitoring cameras	Tools, furniture and fixtures in trust	1,654
Total			¥ 2,550

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, 2008 to November 30, 2008 (continued)

6) Detailed Schedule of Loans

Classification	Lender	Balance at end of prior period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Thousands of yen)	Balance at end of the period (Thousands of yen)	Average interest rate (Note 1)	Repayment deadline	Purpose of use	Comments
Current portion of long-term loans	Mizuho Bank, Ltd.	¥ 118,000	—	¥ 118,000	—	1.54786% (Note 2)	September 30, 2008 (Note 4)	(Note 5)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	118,000	—	118,000	—				
	The Chuo Mitsui Trust and Banking Co., Ltd.	118,000	—	118,000	—				
	Mizuho Bank, Ltd.	113,000	—	113,000	—	1.69786% (Note 3)	September 30, 2008 (Note 4)	(Note 5)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	113,000	—	113,000	—				
	The Chuo Mitsui Trust and Banking Co., Ltd.	113,000	—	113,000	—				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	55,000	—	55,000	—				
	Shinsei Bank, Ltd.	55,000	—	55,000	—				
	Mizuho Bank, Ltd.	—	¥4,037,000	—	¥4,037,000	1.70163% (Note 3)	September 30, 2009	(Note 5)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	—	4,037,000	—	4,037,000				
	The Chuo Mitsui Trust and Banking Co., Ltd.	—	4,037,000	—	4,037,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	—	1,945,000	—	1,945,000				
	Shinsei Bank, Ltd.	—	1,945,000	—	1,945,000				
	Subtotal	803,000	16,001,000	803,000	16,001,000	—	—	—	—
Long-term loans	Mizuho Bank, Ltd.	4,228,000	—	—	4,228,000	1.55163% (Note 2)	March 31, 2010	(Note 5)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	4,228,000	—	—	4,228,000				
	The Chuo Mitsui Trust and Banking Co., Ltd.	4,228,000	—	—	4,228,000				
	Mizuho Bank, Ltd.	4,037,000	—	4,037,000	—	1.70163% (Note 3)	September 30, 2009	(Note 5)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	4,037,000	—	4,037,000	—				
	The Chuo Mitsui Trust and Banking Co., Ltd.	4,037,000	—	4,037,000	—				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,945,000	—	1,945,000	—				
	Shinsei Bank, Ltd.	1,945,000	—	1,945,000	—				
	Subtotal	28,685,000	—	16,001,000	12,684,000	—	—	—	—
Total		¥29,488,000	¥16,001,000	¥16,804,000	¥28,685,000	—	—	—	—

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

(Note 2) 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 3) 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 4) Repayment of 803,000 thousand yen was made on time on September 30, 2008.

(Note 5) To be used as acquisition funds for real estate properties in trust, or to refinance such funds.

(Note 6) 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	12,684,000	—	—	—

(b) For the period from December 1, 2008 to May 31, 2009

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	—	¥85
Total		¥15,000,000	—	¥85

(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	\$155,472	—	\$0
Total		\$155,472	—	\$0

(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	Buildings in trust	¥22,894,913	¥35,842	—	¥22,930,755	¥1,446,927	¥261,047	¥21,483,828	(Note)
	Structures in trust	22,468	—	—	22,468	3,207	791	19,260	
	Machinery and equipment in trust	388,293	—	—	388,293	73,822	11,695	314,470	
	Tools, furniture and fixtures in trust	3,406	474	—	3,881	709	342	3,171	(Note)
	Land in trust	29,879,034	—	—	29,879,034	—	—	29,879,034	
	Total	¥53,188,115	¥36,316	—	¥53,224,432	¥1,524,667	¥273,876	¥51,699,765	
Intangible fixed assets	Trademark rights	¥931	—	—	¥931	—	¥63	¥867	
	Total	¥931	—	—	¥931	—	¥63	¥867	

14. Other Supplementary Information (continued)

(b) For the period from December 1, 2008 to May 31, 2009 (continued)

3) General Overview of Detailed Schedule of Real Estate

(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	Buildings in trust	\$237,302	\$371	–	\$237,673	\$14,997	\$2,705	\$222,676 (Note)
	Structures in trust	232	–	–	232	33	8	199
	Machinery and equipment in trust	4,024	–	–	4,024	765	121	3,259
	Tools, furniture and fixtures in trust	35	4	–	40	7	3	32 (Note)
	Land in trust	309,691	–	–	309,691	–	–	309,691
	Total	\$551,286	\$376	–	\$551,662	\$15,802	\$2,838	\$535,859
Intangible fixed assets	Trademark rights	\$9	–	–	\$9	–	\$0	\$8
	Total	\$9	–	–	\$9	–	\$0	\$8

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

1. Increase in buildings in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Cosmo Heim Musashikosugi	Waterproofing contract	Building in trust	¥25,796
Fourteen Hills East Tower	Inert gas fire extinguishing equipment (gas cylinder)	Building in trust	5,790
Fourteen Hills East Tower	Inert gas fire extinguishing equipment (control panel)	Building in trust	2,130
Inageya Yokohama Nishigaoka	Air conditioner replacement (Sushi cooking room)	Building in trust	1,006
Inageya Yokohama Nishigaoka	Air conditioner replacement (Bakery)	Building in trust	1,118
Total			¥35,842

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
Cosmo Heim Musashikosugi	Waterproofing contract	Building in trust	\$267
Fourteen Hills East Tower	Inert gas fire extinguishing equipment (gas cylinder)	Building in trust	60
Fourteen Hills East Tower	Inert gas fire extinguishing equipment (control panel)	Building in trust	22
Inageya Yokohama Nishigaoka	Air conditioner replacement (Sushi cooking room)	Building in trust	10
Inageya Yokohama Nishigaoka	Air conditioner replacement (Bakery)	Building in trust	11
Total			\$371

2. Increase in tools, furniture and fixtures in trust

(Thousands of yen)

Name of property	Name of project	Type of tangible fixed asset	Amount
Inageya Yokohama Nishigaoka	Air conditioner replacement (inspection room)	Tools, furniture and fixtures in trust	¥224
Inageya Yokohama Nishigaoka	Air conditioner replacement (manager's room)	Tools, furniture and fixtures in trust	249
Total			¥474

(Thousands of U.S. dollars)

Name of property	Name of project	Type of tangible fixed asset	Amount
Inageya Yokohama Nishigaoka	Air conditioner replacement (inspection room)	Tools, furniture and fixtures in trust	\$2
Inageya Yokohama Nishigaoka	Air conditioner replacement (manager's room)	Tools, furniture and fixtures in trust	2
Total			\$4

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, 2008 to May 31, 2009 (continued)

6) Detailed Schedule of Loans

Classification	Lender	Balance at end of prior period (Thousands of yen) (Thousands of U.S. dollars)	Increase during the period (Thousands of yen) (Thousands of U.S. dollars)	Decrease during the period (Thousands of yen) (Thousands of U.S. dollars)	Balance at end of the period (Thousands of yen) (Thousands of U.S. dollars)	Average interest rate (Note 1)	Repayment deadline	Purpose of use	Comments
Current portion of long-term loans	Mizuho Bank, Ltd.	¥4,037,000 (\$41,842)	—	—	¥4,037,000 (\$41,842)	1.59006% (Note 3)	September 30, 2009	(Note 4)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	4,037,000 (41,842)	—	—	4,037,000 (41,842)				
	The Chuo Mitsui Trust and Banking Co., Ltd.	4,037,000 (41,842)	—	—	4,037,000 (41,842)				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,945,000 (20,159)	—	—	1,945,000 (20,159)				
	Shinsei Bank, Ltd.	1,945,000 (20,159)	—	—	1,945,000 (20,159)				
	Mizuho Bank, Ltd.	—	¥4,228,000 (\$43,822)	—	4,228,000 (43,822)	1.44006% (Note 2)	March 31, 2010	(Note 4)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	—	4,228,000 (43,822)	—	4,228,000 (43,822)				
	The Chuo Mitsui Trust and Banking Co., Ltd.	—	4,228,000 (43,822)	—	4,228,000 (43,822)				
	Subtotal	16,001,000 (165,847)	12,684,000 (131,467)	—	28,685,000 (297,315)	—	—	—	—
Long-term loans	Mizuho Bank, Ltd.	4,228,000 (43,822)	—	¥4,228,000 (\$43,822)	—	1.44006% (Note 2)	March 31, 2010	(Note 4)	Secured without warranty
	Sumitomo Mitsui Banking Corporation	4,228,000 (43,822)	—	4,228,000 (43,822)	—				
	The Chuo Mitsui Trust and Banking Co., Ltd.	4,228,000 (43,822)	—	4,228,000 (43,822)	—				
	Subtotal	12,684,000 (131,467)	—	12,684,000 (131,467)	—	—	—	—	—
Total		¥28,685,000 (\$297,315)	¥12,684,000 (\$131,467)	¥12,684,000 (\$131,467)	¥28,685,000 (\$297,315)	—	—	—	—

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