

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 August 31, 2010 and February 28, 2011, and the related statements of income and retained earnings, changes in net assets, and cash flows for the nine-month period ended August 31, 2010 and the six-month period ended February 28, 2011, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BLife Investment Corporation at August 31, 2010 and February 28, 2011, and the results of its operations and its cash flows for the nine-month period ended August 31, 2010 and the six-month period ended February 28, 2011 in conformity with accounting principles generally accepted in Japan.

Supplementary Information

As described in Note 19, BLife Investment Corporation transferred the assets.

The U.S. dollar amounts in the accompanying financial statements with respect to the six-month period ended February 28, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

May 20, 2011

Ernst & Young Shin Nihon LLC

BLife Investment Corporation

Balance Sheets

As of August 31, 2010 and February 28, 2011

| | As of August 31, 2010 | As of February 28, 2011 | |
|---|--------------------------------------|--------------------------------|--|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Assets | | | |
| Current assets: | | | |
| Cash and bank deposits (including trust accounts) | ¥ 8,833,334 | ¥ 9,585,634 | \$ 117,312 |
| Rental receivables | 253,233 | 217,572 | 2,662 |
| Prepaid expenses | 307,412 | 238,796 | 2,922 |
| Deferred tax assets | 237 | — | — |
| Other current assets | 2,995 | 11,653 | 142 |
| Allowance for doubtful accounts | (89,902) | (54,343) | (665) |
| Total current assets | <u>9,307,312</u> | <u>9,999,312</u> | <u>122,375</u> |
| Property and equipment: | | | |
| Land | 22,227,020 | 22,227,020 | 272,023 |
| Buildings and structures | 28,236,532 | 28,246,022 | 345,686 |
| Machinery and equipment | 417,987 | 417,987 | 5,115 |
| Tools, furniture and fixtures | 650,917 | 651,534 | 7,973 |
| Land in trust | 73,852,746 | 70,332,856 | 860,761 |
| Construction in progress in trust | 3,759 | — | — |
| Buildings and structures in trust | 67,117,446 | 70,691,532 | 865,151 |
| Machinery and equipment in trust | 670,638 | 1,013,637 | 12,405 |
| Tools, furniture and fixtures in trust | 278,595 | 276,202 | 3,380 |
| Less – accumulated depreciation | (2,868,974) | (3,901,106) | (47,743) |
| Net property and equipment | <u>190,586,672</u> | <u>189,955,688</u> | <u>2,324,754</u> |
| Investments and other assets: | | | |
| Long-term prepaid expenses | 107,022 | 162,683 | 1,990 |
| Guarantee deposits | 20,212 | 10,000 | 122 |
| Leasehold rights in trust | 1,521,476 | 1,521,476 | 18,620 |
| Trademark rights | 2,756 | 2,471 | 30 |
| Lease and guarantee deposits in trust | — | 440,799 | 5,394 |
| Total investments and other assets | <u>1,651,466</u> | <u>2,137,430</u> | <u>26,158</u> |
| Total assets | <u><u>¥201,545,451</u></u> | <u><u>¥202,092,431</u></u> | <u><u>\$2,473,288</u></u> |

| | As of August 31, 2010 | As of February 28, 2011 | |
|---|--------------------------------------|--------------------------------|--|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Liabilities and net assets | | | |
| Current liabilities: | | | |
| Trade and other payables | ¥ 518,063 | ¥ 592,428 | \$ 7,250 |
| Current portion of long-term loans | 208,000 | 15,937,000 | 195,043 |
| Accrued expenses | 416,461 | 465,710 | 5,699 |
| Consumption taxes payable | 3,361 | 125,606 | 1,537 |
| Rent received in advance | 599,093 | 570,539 | 6,982 |
| Deposits received | 119,200 | 288,127 | 3,526 |
| Current portion of rehabilitation obligations | — | 16,019,513 | 196,053 |
| Total current liabilities | <u>1,864,180</u> | <u>33,998,925</u> | <u>416,092</u> |
| Long-term liabilities: | | | |
| Long-term loans | 28,352,000 | 23,019,000 | 281,715 |
| Tenant leasehold and security deposits | 320,796 | 309,164 | 3,783 |
| Tenant leasehold and security deposits in trust | 1,815,687 | 1,646,610 | 20,151 |
| Asset retirement obligations | — | 182,308 | 2,231 |
| Rehabilitation obligations | 96,030,245 | 68,349,850 | 836,493 |
| Total long-term liabilities | <u>126,518,729</u> | <u>93,506,935</u> | <u>1,144,375</u> |
| Total liabilities | <u>128,382,909</u> | <u>127,505,860</u> | <u>1,560,468</u> |
| Net assets: | | | |
| Unitholders' equity: | | | |
| Unitholders' capital: | | | |
| Units authorized: 2,000,000 | | | |
| Units issued and outstanding: 118,735 | 24,002,588 | 24,002,588 | 293,753 |
| Capital surplus | 28,241,587 | 28,241,587 | 345,631 |
| Retained earnings | 20,918,366 | 22,342,395 | 273,435 |
| Total unitholders' equity | <u>73,162,542</u> | <u>74,586,570</u> | <u>912,820</u> |
| Total net assets | <u>73,162,542</u> | <u>74,586,570</u> | <u>912,820</u> |
| Total liabilities and net assets | <u><u>¥201,545,451</u></u> | <u><u>¥202,092,431</u></u> | <u><u>\$2,473,288</u></u> |

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Income and Retained Earnings

For the period from December 1, 2009 to August 31, 2010
and for the period from September 1, 2010 to February 28, 2011

| | From December 1, 2009 to August 31, 2010 | From September 1, 2010 to February 28, 2011 | |
|--|---|--|--|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Operating revenues: | | | |
| Rental revenues | ¥6,491,457 | ¥6,731,489 | \$ 82,382 |
| Gain on sales of real estate properties | 22,966 | 1,062,372 | 13,001 |
| Total operating revenues | 6,514,424 | 7,793,862 | 95,384 |
| Operating expenses: | | | |
| Real estate rental expenses | 2,714,048 | 2,982,619 | 36,502 |
| Loss on sales of real estate properties | — | 305,960 | 3,744 |
| Asset management fees | 307,301 | 460,163 | 5,631 |
| Asset custodian and consignment fees | 20,340 | 20,120 | 246 |
| Administrative service and consignment fees | 86,347 | 65,923 | 806 |
| Directors' remuneration | 9,000 | 6,600 | 80 |
| Provision for doubtful accounts | 48,663 | — | — |
| Other operating expenses | 376,779 | 156,443 | 1,914 |
| Total operating expenses | 3,562,481 | 3,997,830 | 48,927 |
| Operating income | 2,951,942 | 3,796,031 | 46,457 |
| Non-operating income (expenses): | | | |
| Interest income | 1,422 | 782 | 9 |
| Interest expense | (889,974) | (880,074) | (10,770) |
| Reversal of allowance for doubtful accounts | — | 6,957 | 85 |
| Financing related expenses | (212,531) | (162,205) | (1,985) |
| Amortization of organization expenses | (5,881) | — | — |
| Other, net | 318 | (31) | (0) |
| Total non-operating income (expenses) | (1,106,647) | (1,034,570) | (12,661) |
| Ordinary income | 1,845,295 | 2,761,460 | 33,795 |
| Extraordinary income: | | | |
| Gain on retirement of rehabilitation obligations due to payments | — | 474,900 | 5,812 |
| Settlement received | — | 9,500 | 116 |
| Gain on negative goodwill | 19,009,252 | — | — |
| Other | 64,604 | 523 | 6 |
| Total extraordinary income | 19,073,856 | 484,924 | 5,934 |
| Income before income taxes | 20,919,151 | 3,246,384 | 39,730 |
| Income taxes: | | | |
| Current | 806 | 605 | 7 |
| Deferred | — | 237 | 2 |

| | | | |
|--|---------------------|---------------------|-------------------|
| Total income taxes | 806 | 842 | 10 |
| Net income | 20,918,345 | 3,245,541 | 39,720 |
| Retained earnings at beginning of period | 21 | 19,096,853 | 233,715 |
| Retained earnings at end of period | <u>¥ 20,918,366</u> | <u>¥ 22,342,395</u> | <u>\$ 273,435</u> |

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Changes in Net Assets

For the period from December 1, 2009 to August 31, 2010

| For the period from December 31, 2009 to August 31, 2010 | | | | | | |
|--|---------------------|-------------------------|--------------------|----------------------|---------------------------------|---------------------|
| | Net assets | | | | | |
| | Unitholders' equity | | | | | |
| | Number of units | Unitholders' capital | Capital surplus | Retained earnings | Total unitholders' equity | Total net assets |
| | (Thousands of yen) | | | | | |
| Balance as of November 30, 2009 | 49,260 | ¥24,002,588 | — | ¥ 436,563 | ¥24,439,151 | ¥24,439,151 |
| Changes during the fiscal period: | | | | | | |
| Increase by merger | 69,475 | — | ¥28,241,587 | — | 28,241,587 | 28,241,587 |
| Dividends from retained earnings | | — | — | (436,542) | (436,542) | (436,542) |
| Net income | | — | — | 20,918,345 | 20,918,345 | 20,918,345 |
| Total changes during the fiscal period | 69,475 | — | 28,241,587 | 20,481,803 | 48,723,390 | 48,723,390 |
| Balance as of August 31, 2010 | 118,735 | ¥24,002,588 | ¥28,241,587 | ¥20,918,366 | ¥73,162,542 | ¥73,162,542 |

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

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

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

| | For the period from September 1, 2010 to February 28, 2011 | | | | | |
|--|--|-------------------------|------------------------------------|----------------------|---------------------------------|---------------------|
| | Net assets | | | | | |
| | Unitholders' equity | | | | | |
| | Number of units | Unitholders' capital | Capital surplus | Retained earnings | Total unitholders' equity | Total net assets |
| | | | <i>(Thousands of U.S. dollars)</i> | | | |
| Balance as of August 31, 2010 | 118,735 | \$293,753 | \$345,631 | \$ 256,007 | \$895,392 | \$895,392 |
| Changes during the fiscal period: | | | | | | |
| Dividends from retained earnings | — | — | — | (22,292) | (22,292) | (22,292) |
| Net income | — | — | — | 39,720 | 39,720 | 39,720 |
| Total changes during the fiscal period | — | — | — | 17,427 | 17,427 | 17,427 |
| Balance as of February 28, 2011 | 118,735 | \$293,753 | \$345,631 | \$273,435 | \$912,820 | \$912,820 |

See accompanying notes to financial statements.

BLife Investment Corporation

Statements of Cash Flows

For the period from December 1, 2009 to August 31, 2010
and for the period from September 1, 2010 to February 28, 2011

| | From December 1, 2009 to August 31, 2010 | From September 1, 2010 to February 28, 2011 | |
|--|--|--|--------------------------------|
| | (Thousands of yen) | (Thousands of yen) | (Thousands of U.S. dollars) |
| Cash flows from operating activities | | | |
| Income before income taxes | ¥ 20,919,151 | ¥ 3,246,384 | \$ 39,730 |
| Depreciation and amortization | 1,072,736 | 1,146,885 | 14,036 |
| Gain on negative goodwill | (19,009,252) | — | — |
| Gain on retirement of rehabilitation obligations due to payments | — | (474,900) | (5,812) |
| Loss on retirement of noncurrent assets | — | 3,249 | 39 |
| Amortization of trademark rights | 280 | 285 | 3 |
| Amortization of organization expenses | 5,881 | — | — |
| Interest income | (1,422) | (782) | (9) |
| Interest expense | 889,974 | 880,074 | 10,770 |
| Change in rental receivables | 14,362 | 35,660 | 436 |
| Change in accounts receivable, other | 14,907 | 1,563 | 19 |
| Change in advance payments | (128,195) | 68,616 | 839 |
| Change in trade payables | 28,383 | 99,941 | 1,223 |
| Change in other payables | (27,368) | (30,901) | (378) |
| Change in accrued consumption taxes | 794 | 122,244 | 1,496 |
| Change in accrued expenses | 288,674 | 33,375 | 408 |
| Change in deposits received | 37,377 | 101,842 | 1,246 |
| Change in rent received in advance | 19,844 | (28,553) | (349) |
| Change in long-term prepaid expenses | 5,097 | (55,661) | (681) |
| Decrease in disposal of property and equipment in trust | 662,736 | 13,445,128 | 164,546 |
| Change in allowance for doubtful accounts | 33,539 | (35,558) | (435) |
| Change in guarantee deposits | — | 10,212 | 124 |
| Change in lease and guarantee deposits in trust | — | (440,799) | (5,394) |
| Other | (59,739) | (66,282) | (811) |
| Subtotal | 4,767,762 | 18,062,022 | 221,050 |
| Interest received | 1,422 | 782 | 9 |
| Interest paid | (1,018,707) | (864,201) | (10,576) |
| Income taxes (paid) refunded | (8,461) | 409 | 5 |
| Net cash provided by operating activities | 3,742,016 | 17,199,014 | 210,488 |
| Cash flows from investing activities | | | |
| Purchases of property and equipment | (102,768) | (10,106) | (123) |
| Purchases of property and equipment in trust | (2,877,628) | (13,773,141) | (168,561) |
| Proceeds from tenant leasehold and security deposits | 52,884 | 51,868 | 634 |
| Payment of tenant leasehold and security deposits | (18,261) | (15,125) | (185) |
| Proceeds from tenant leasehold and security deposits in trust | 204,408 | 304,669 | 3,728 |
| Payment of tenant leasehold and security deposits in trust | (138,659) | (398,307) | (4,874) |
| Net cash used in investing activities | (2,880,025) | (13,840,142) | (169,381) |
| Cash flows from financing activities | | | |
| Proceeds from long-term loans | 12,680,000 | 10,500,000 | 128,503 |
| Repayment of long-term loans | (12,794,000) | (104,000) | (1,272) |
| Repayment of rehabilitation obligations | (888,969) | (11,185,980) | (136,898) |
| Dividend payment | (436,799) | (1,816,591) | (22,232) |
| Net cash used in financing activities | (1,439,768) | (2,606,572) | (31,900) |
| Net (decrease) increase in cash and cash equivalents | (577,777) | 752,299 | 9,206 |
| Cash and cash equivalents at beginning of period | 2,460,517 | 8,833,334 | 108,105 |
| Increase in cash and cash equivalents resulting from merger | 6,950,594 | — | — |
| Cash and cash equivalents at end of period | ¥ 8,833,334 | ¥ 9,585,634 | \$ 117,312 |

See accompanying notes to financial statements.

BLife Investment Corporation

Notes to Financial Statements

For the period from December 1, 2009 to August 31, 2010
and for the period from September 1, 2010 to February 28, 2011

1. Organization and Basis of Presentation

(a) Organization

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

(b) Basis of presentation

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

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

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

1. Organization and Basis of Presentation (continued)

From December 1, 2009, the fiscal period-end dates changed from the last day of May and November to the last day of February and August. Accordingly, the previous fiscal period commenced on December 1, 2009 and ended on August 31, 2010, a period of nine months.

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 ¥81.71 = U.S.\$1.00, the rate of exchange prevailing on February 28, 2011. This translation should not be construed as a representation that yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

2. Summary of Significant Accounting Policies

(a) Cash and cash equivalents

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

(b) Property and equipment

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

| | From December 1, 2009 to August 31, 2010 | From September 1, 2010 to February 28, 2011 |
|-------------------------------|---|--|
| Buildings | 2 – 65 years | 2 – 65 years |
| Structures | 6 – 63 years | 6 – 63 years |
| Machinery and equipment | 11 – 29 years | 11 – 29 years |
| Tools, furniture and fixtures | 2 – 28 years | 2 – 28 years |

(c) 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. The taxes are determined in April to June each year and are paid in four installments during the year.

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

2. Summary of Significant Accounting Policies (continued)

(Changes in Accounting Policy)

Until the six-month period ended November 30, 2009, BLife had expensed the taxes imposed on properties as property-related expenses every calendar year when paid.

Effective the nine-month period ended August 31, 2010, BLife allocated the yearly property taxes assessed and imposed proportionally to the related period in which they are incurred and ensuing periods.

This change was made to present periodic profit and loss more properly because the variation of periodic profits and losses became larger after the change in BLife's accounting periods to those ending the last days of February and August, while there were no large variations when calculated for the prior accounting periods ending May and November.

Based on the adoption of this change, operating income, ordinary income, and income before income taxes for the nine months ended August 31, 2010 decreased by ¥100,397 thousand compared with the amounts that would have been recorded under the prior method.

(f) Income taxes

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

(g) Allowance for doubtful accounts

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

(h) Consumption taxes

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

(i) Trust beneficiary interests

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

(j) Derivatives and hedge accounting

BLife utilizes interest-rate 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. Changes in Accounting Policies

- (1) Effective the nine-month period ended August 31, 2010, BLife adopted “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).
- (2) Effective the six-month period ended February 28, 2011, BLife adopted “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008). This change had no significant impact on operating results of BLife for the period.

4. Changes in Methods of Presentation

(Statements of Income and Retained Earnings)

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

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

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

5. Cash and Cash Equivalents

A reconciliation of cash and bank deposits in the accompanying balance sheets at August 31, 2010 and February 28, 2011 cash and cash equivalents in the accompanying statements of cash flows is as follows:

| | As of August 31, 2010 | As of February 28, 2011 | |
|-------------------------------------|--------------------------------------|--------------------------------|--|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Cash and bank deposits | ¥4,075,448 | ¥4,873,568 | \$59,644 |
| Cash in trust and deposits in trust | 4,757,886 | 4,712,065 | 57,668 |
| Cash and cash equivalents | <u>¥8,833,334</u> | <u>¥9,585,634</u> | <u>\$117,312</u> |

For the period from December 1, 2009 to August 31, 2010

Significant Noncash Transactions

Details of assets and liabilities transferred to BLife from NCR as a result of the merger during this period are as follows. The increase in capital surplus from the merger was ¥28,241,587 thousand.

5. Cash and Cash Equivalents (continued)

| | As of August 31, 2010 |
|-----------------------|----------------------------------|
| | <i>(Thousands of yen)</i> |
| Current assets | ¥8,245,423 |
| Non-current assets | 139,422,181 |
| Total assets | 147,667,604 |
| Current liabilities | 1,164,050 |
| Long-term liabilities | 98,137,529 |
| Total liabilities | ¥99,301,579 |

6. Lease Transactions

Operating lease transactions as lessor at August 31, 2010 and February 28, 2011 are as follows:

| | As of August 31, 2010 | As of February 28, 2011 | |
|----------------------------------|--------------------------------------|--------------------------------|--|
| | <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 | ¥620,639 | ¥1,147,913 | \$14,048 |
| Due after one year | 718,988 | 640,430 | 7,837 |
| Total | ¥1,339,628 | ¥1,788,343 | \$21,886 |

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

Current portion of long-term loans and the long-term loans as of August 31, 2010 and February 28, 2011 consisted of the following:

| Lender | As of August 31, 2010 <i>(Thousands of yen)</i> | As of February 28, 2011 <i>(Thousands of yen)</i> | As of February 28, 2011 <i>(Thousands of U.S. dollars)</i> | Average interest rate (%) (1) | Due on | Use of funds | Note |
|---|--|--|---|-------------------------------------|--------------------|---|-----------|
| Current portion of long-term loans: | | | | | | | |
| Sumitomo Mitsui Banking Corporation | ¥27,800 | ¥3,795,250 | \$46,447 | | | | |
| The Chuo Mitsui Trust and Banking Co., Ltd. | 27,800 | 3,795,250 | 46,447 | | | | |
| Mizuho Bank, Ltd. | 27,800 | 3,795,250 | 46,447 | 1.46 | September 30, 2011 | Refinance or acquisition of real estate in trust | Secured |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 21,720 | 2,972,850 | 36,382 | | | | |
| The Sumitomo Trust and Banking Co., Ltd. | 10,880 | 1,486,400 | 18,191 | | | | |
| Sumitomo Mitsui Banking Corporation | 25,840 | 25,840 | 316 | | | | |
| The Chuo Mitsui Trust and Banking Co., Ltd. | 25,840 | 25,840 | 316 | 1.36 | July 31, 2012 | Refinance or acquisition of real estate in trust | Secured |
| Mizuho Bank, Ltd. | 25,840 | 25,840 | 316 | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 14,480 | 14,480 | 177 | | | | |
| Subtotal | 208,000 | 15,937,000 | 195,043 | — | — | — | — |
| Long-term loans: | | | | | | | |
| Sumitomo Mitsui Banking Corporation | 3,781,350 | — | — | | | | |
| The Chuo Mitsui Trust and Banking Co., Ltd. | 3,781,350 | — | — | 1.46 | September 30, 2011 | Refinance or acquisition of real estate in trust | Secured |
| Mizuho Bank, Ltd. | 3,781,350 | — | — | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2,961,990 | — | — | | | | |
| The Sumitomo Trust and Banking Co., Ltd. | 1,480,960 | — | — | | | | |
| Sumitomo Mitsui Banking Corporation | 3,527,700 | 3,514,780 | 43,015 | | | | |
| The Chuo Mitsui Trust and Banking Co., Ltd. | 3,527,700 | 3,514,780 | 43,015 | 1.36 | July 31, 2012 | Refinance or acquisition of real estate in trust | Secured |
| Mizuho Bank, Ltd. | 3,527,700 | 3,514,780 | 43,015 | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,981,900 | 1,974,660 | 24,166 | | | | |
| Sumitomo Mitsui Banking Corporation | — | 1,800,000 | 22,029 | | | Purchase of rehabilitation obligations (others), retirement of rehabilitation obligations (investment corporation bonds), and repayment of part of rehabilitation obligations (loans) | Unsecured |
| The Chuo Mitsui Trust and Banking Co., Ltd. | — | 1,800,000 | 22,029 | 1.14 | | | |
| Mizuho Corporate Bank, Ltd. | — | 1,800,000 | 22,029 | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | — | 1,800,000 | 22,029 | | December 28, 2015 | | |
| Mitsubishi UFJ Trust and Banking Co., Ltd. | — | 1,400,000 | 17,133 | | | | |
| Resona Bank, Ltd. | — | 1,400,000 | 17,133 | | | | |
| | — | 500,000 | 6,119 | | | | |
| Shinsei Bank, Limited. | | | | | | | |
| Subtotal | 28,352,000 | 23,019,000 | 281,715 | — | — | — | — |
| Total | ¥28,560,000 | ¥38,956,000 | \$476,759 | — | — | — | — |

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

8. Collateral Pledged and Secured Liabilities

| | As of August 31, 2010 | As of February 28, 2011 | |
|--|--------------------------------------|--------------------------------|--|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Pledged assets: | | | |
| Cash in trust and deposits in trust | ¥2,863,714 | ¥2,952,225 | \$36,130 |
| Buildings in trust | 36,375,894 | 37,374,810 | 457,408 |
| Structures in trust | 255,525 | 271,746 | 3,325 |
| Machinery and equipment in trust | 323,191 | 320,793 | 3,925 |
| Tools, furniture and fixtures in trust | 93,667 | 99,074 | 1,212 |
| Land in trust | 42,425,169 | 43,807,346 | 536,132 |
| Leasehold rights in trust | 954,737 | 954,737 | 11,684 |
| Total | <u>¥83,291,900</u> | <u>¥85,780,733</u> | <u>\$1,049,819</u> |

| | As of August 31, 2010 | As of February 28, 2011 | |
|---|--------------------------------------|--------------------------------|--|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Secured liabilities: | | | |
| Current portion of long-term loans | ¥ 208,000 | ¥ 15,937,000 | \$195,043 |
| Long-term loans | 28,352,000 | 12,519,000 | 153,212 |
| Rehabilitation obligations | 16,019,513 | — | — |
| Current portion of rehabilitation obligations | — | 16,019,513 | 196,053 |
| Total | <u>¥44,579,513</u> | <u>¥44,475,513</u> | <u>\$544,309</u> |

9. Details of Rental Revenues and Expenses

| | From December 1, 2009 to August 31, 2010 | From September 1, 2010 to February 28, 2011 | |
|-----------------------------------|---|--|--|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Real estate rental revenues: | | | |
| Rental income | ¥5,981,535 | ¥6,223,225 | \$76,162 |
| Common service fees | 124,888 | 156,636 | 1,916 |
| Subtotal | 6,106,424 | 6,379,861 | 78,079 |
| Other rental revenues: | | | |
| Facility charges | 154,795 | 162,093 | 1,983 |
| Incidental revenues | 31,737 | 27,258 | 333 |
| Other rental business revenues | 198,500 | 162,276 | 1,986 |
| Subtotal | 385,033 | 351,627 | 4,303 |
| Total rental revenues | 6,491,457 | 6,731,489 | 82,382 |
| Real estate rental expenses: | | | |
| Management fees | 748,557 | 807,438 | 9,881 |
| Utilities | 91,815 | 104,456 | 1,278 |
| Taxes and public dues | 383,582 | 322,956 | 3,952 |
| Repairs | 89,923 | 207,308 | 2,537 |
| Insurance premiums | 11,579 | 11,607 | 142 |
| Restoration costs | 157,827 | 193,478 | 2,367 |
| Custodian fees | 60,545 | 60,407 | 739 |
| Depreciation and amortization | 1,072,736 | 1,146,885 | 14,036 |
| Other operating expenses | 97,482 | 128,080 | 1,567 |
| Total real estate rental expenses | 2,714,048 | 2,982,619 | 36,502 |
| Rental income | ¥3,777,409 | ¥3,748,870 | \$45,880 |

Details of Gain on Sales of Real Estate Properties

| | From December 1, 2009 to August 31, 2010 | |
|----------------------------------|---|--|
| | <i>(Thousands of yen)</i> | |
| Park Terrace Shioyaki | | |
| Revenue from sale of real estate | ¥185,000 | |
| Cost of real estate sales | 158,479 | |
| Other sales expenses | 7,830 | |
| Gain on sales of real estate | 18,690 | |
| Park Terrace Horie | | |
| Revenue from sale of real estate | 125,000 | |
| Cost of real estate sales | 119,638 | |
| Other sales expenses | 3,675 | |
| Gain on sales of real estate | 1,686 | |
| LM Higashi Oume Daisan | | |
| Revenue from sale of real estate | 81,000 | |

| | |
|----------------------------------|---------|
| Cost of real estate sales | 77,588 |
| Other sales expenses | 2,448 |
| Gain on sales of real estate | 963 |
| New City Residence Shonan | |
| Revenue from sale of real estate | 318,000 |
| Cost of real estate sales | 307,030 |
| Other sales expenses | 9,344 |
| Gain on sales of real estate | 1,625 |

**From September 1, 2010
to February 28, 2011**

| | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
|----------------------------------|---------------------------|--|
| Catherina Mita Towersuite | | |
| Revenue from sale of real estate | ¥11,700,000 | \$143,189 |
| Cost of real estate sales | 10,321,215 | 126,315 |
| Other sales expenses | 332,100 | 4,064 |
| Gain on sales of real estate | 1,046,684 | 12,809 |
| New City Residence Nishi Ohori | | |
| Revenue from sale of real estate | 244,128 | 2,987 |
| Cost of real estate sales | 224,113 | 2,742 |
| Other sales expenses | 10,076 | 123 |
| Gain on sales of real estate | 9,938 | 121 |
| New City Residence Kakogawa | | |
| Revenue from sale of real estate | 255,000 | 3,120 |
| Cost of real estate sales | 238,760 | 2,922 |
| Other sales expenses | 10,490 | 128 |
| Gain on sales of real estate | 5,749 | 70 |
| New City Residence Negishi | | |
| Revenue from sale of real estate | 231,000 | 2,827 |
| Cost of real estate sales | 246,641 | 3,018 |
| Other sales expenses | 2,300 | 28 |
| Loss on sales of real estate | (17,941) | (219) |
| SH Motosumiyoshi | | |
| Revenue from sale of real estate | 789,951 | 9,667 |
| Cost of real estate sales | 890,055 | 10,892 |
| Other sales expenses | 3,000 | 36 |
| Loss on sales of real estate | (103,103) | (1,261) |
| LM Fuchinobe Honcho | | |
| Revenue from sale of real estate | 117,117 | 1,433 |
| Cost of real estate sales | 135,844 | 1,662 |
| Other sales expenses | 1,800 | 22 |
| Loss on sales of real estate | (20,527) | (251) |
| New City Residence Ohdori-koen | | |
| Revenue from sale of real estate | 434,866 | 5,322 |
| Cost of real estate sales | 484,746 | 5,932 |
| Other sales expenses | 2,300 | 28 |
| Loss on sales of real estate | (52,180) | (638) |
| Goshikiyama Heights | | |
| Revenue from sale of real estate | 400,000 | 4,895 |

| | | |
|----------------------------------|----------|---------|
| Cost of real estate sales | 481,094 | 5,887 |
| Other sales expenses | 3,000 | 36 |
| Loss on sales of real estate | (84,094) | (1,029) |
| New City Residence Nishikoen | | |
| Revenue from sale of real estate | 330,000 | 4,038 |
| Cost of real estate sales | 333,135 | 4,077 |
| Other sales expenses | 2,800 | 34 |
| Loss on sales of real estate | (5,935) | (72) |
| LM Maebashi Nishikataikai | | |
| Revenue from sale of real estate | 70,000 | 856 |
| Cost of real estate sales | 90,377 | 1,106 |
| Other sales expenses | 1,800 | 22 |
| Loss on sales of real estate | (22,177) | (271) |

Transactions with major unit holders

| | From December 1, 2009 to August 31, 2010 | From September 1, 2010 to February 28, 2011 | |
|----------------------|---|--|--|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Business transaction | | | |
| Real estate acquired | ¥2,730,000 | ¥5,770,000 | \$70,615 |

10. Business Combination

For the period from December 1, 2009 to August 31, 2010

1. Details of merger

(a) Name of the acquired company

New City Residence Investment Corporation (hereinafter referred to as “NCR”)

(b) Business type

Real estate property management

(c) Purpose of merger

After changing its main sponsor to Daiwa House Industry in December 2008, BLife has been able to consider various strategies, including expansion of its business through mergers and acquisitions. The regulatory environment, including accounting and taxation rules, with regard to mergers and acquisitions between investment corporations has been made clearer than ever before. BLife also anticipates that early expansion of asset size by supporting NCR’s rehabilitation through its acquisition will promote stabilization of its business and financial operations. And thus, BLife entered into a merger agreement with NCR on November 10, 2009.

10. Business Combination (continued)

(d) Date of merger

April 1, 2010

(e) Type of merger

This merger was an absorption-type merger, following which BLife became the surviving company, and NCR was dissolved.

(f) Name of new entity following merger

BLife Investment Corporation

(g) Background to merger

- (1) BLife and Daiwa House Industry have been supporting NCR to help NCR restructure and avoid bankruptcy.
- (2) BLife's directors shall continue to be appointed directors of the new investment corporation after the merger, with no changes. NCR's directors shall be replaced with those who will be appointed by Daiwa House Industry prior to the merger to ensure the control over NCR by BLife and Daiwa House Industry.
- (3) Daiwa House Industry has acquired the shares of NCR by undertaking an allocation of new shares to a third-party solely to help ensure a smooth rehabilitation of NCR.
- (4) Ostensibly, NCR has retained the largest ratio of voting rights. However, BLife has substantially led a series of capital increase schemes for NCR prior to the merger, and when deducting that capital increase by BLife, BLife's investors will hold a relatively larger ratio of voting rights than NCR, and Daiwa House Industry will become the largest holder of voting rights among shareholders.

2. Period of the acquired company's results included in the financial statements

From April 1, 2010 to August 31, 2010

3. Acquisition cost and breakdown of the acquired company

| | <i>(Thousands of yen)</i> |
|--|-------------------------------|
| Consideration for acquisition | |
| Fair value of BLife's investment units issued on the acquisition date | ¥28,241,587 |
| Expenses directly required for the acquisition | |
| Merger-related compensations | 1,115,185 |
| Acquisition cost | <u>¥29,356,773</u> |

10. Business Combination (continued)

4. Basis of merger ratio calculation

(a) Investment unit exchange ratio

BLife issued 0.23 of an investment unit for each NCR investment unit.

(b) Calculation basis

(1) The merger ratio was reviewed based primarily on the following valuations, including comparative company analysis, discounted cash flow (DCF) analysis, market net asset value analysis, and EPS accretion/dilution analysis.

(2) The merger ratio was mutually agreed upon by BLife and NCR, following consultations based on the report on merger ratio calculation submitted by the financial advisor, Morgan Stanley Japan Securities Co., Ltd., to BLife's asset management company, appointed by BLife and based on advice by Citi Group Global Markets Japan Inc., appointed by NCR as its financial advisor.

(c) Number of investment units issued

69,475 units

5. Distribution of acquisition cost

(a) Assets acquired and liabilities assumed as of the acquisition date

| | |
|-----------------------|---------------------------|
| | <i>(Thousands of yen)</i> |
| Current assets | ¥8,245,423 |
| Non-current assets | 139,422,181 |
| Total assets | <u>147,667,604</u> |
| Current liabilities | 1,164,050 |
| Long-term liabilities | 98,137,529 |
| Total liabilities | <u>¥99,301,579</u> |

(b) Amount, source, and accounting method of negative goodwill

Amount of negative goodwill
¥19,009,252 thousand

Source

The negative goodwill was attributable to the difference between the fair value of NCR's net assets on the acquisition date and the cost of acquisition.

Accounting method

Immediately recognized as an extraordinary income for this period

10. Business Combination (continued)

6. Approximate estimates of impact on the statement of income for the fiscal period ending August 31, 2010, assuming that the business combination had been completed on the first day of the fiscal period

| | |
|--------------------|--------------------------|
| | <i>(Millions of yen)</i> |
| Operating revenues | ¥3,538 |
| Ordinary income | 1,242 |
| Net income | 9,012 |

(Calculation method of the approximate estimates and material assumptions)

Approximate estimate of impact was calculated based on the difference between the approximate amounts of operating revenues and profit/loss accounts, assuming that the business combination had been completed on the first day of the fiscal period, and the actual amounts of operating revenues and profit/loss accounts stated in the acquired company's statement of income.

The approximate estimates of impact stated above have not been audited and certified.

11. Financial Instruments

1. Status of Financial Instruments

(a) Policy for the use of financial instruments

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

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

Surplus funds can be invested in securities or monetary claims, however, as a current policy of BLife, they are deposited in interest-bearing accounts.

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

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

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

11. Financial Instruments (continued)

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

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

(c) Supplementary explanation concerning fair value of financial instruments

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

2. Fair Value of Financial Instruments

The book value on the balance sheet, fair value and the difference as of August 31, 2010 and February 28, 2011 are as follows.

| | As of August 31, 2010 | | |
|--|--|------------|------------|
| | <i>(Thousands of yen)</i> | | |
| | Book Value | Fair Value | Difference |
| (1) Cash and bank deposits (including trust accounts) | ¥ 8,833,334 | ¥8,833,334 | — |
| (2) Current portion of long-term loans | 208,000 | 208,000 | — |
| (3) Long-term loans | 28,352,000 | 28,352,000 | — |
| (4) Rehabilitation obligations | 96,030,245 | 96,030,245 | — |

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

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

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

(2) Current portion of long-term loans

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

(3) Long-term loans

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

(4) Rehabilitation obligations

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

11. Financial Instruments (continued)

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

| | As of February 28, 2011 | | |
|--|------------------------------------|------------|------------|
| | <i>(Thousands of U.S. dollars)</i> | | |
| | Book Value | Fair Value | Difference |
| (1) Cash and bank deposits (including trust accounts) | \$117,312 | \$117,312 | — |
| (2) Current portion of long-term loans | 195,043 | 195,043 | — |
| (3) Current portion of rehabilitation obligations | 196,053 | 196,053 | — |
| (4) Long-term loans | 281,715 | 281,715 | — |
| (5) Rehabilitation obligations | 836,493 | 835,232 | \$1,260 |

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

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

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

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

(4) Long-term loans

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

(5) Rehabilitation obligations

Among rehabilitation obligations, those with variable interest rates have market values approximately equal to their book values, thus, the measurement is based on their book values. Also, those with fixed interest rates are measured based on a calculation method where the total principal is discounted at a reasonably estimated rate that would be applied if similar rehabilitation obligations (loans) were entered into.

11. Financial Instruments (continued)

(Note 2) Amount of redemption (scheduled) for monetary claims after August 31, 2010 and February 28, 2011 are as follows.

| | As of August 31, 2010 | As of February 28, 2011 | |
|--|------------------------------|--------------------------------|------------------------------------|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| | Within one year | | |
| Cash and bank deposits (including trust accounts) | ¥8,833,334 | ¥9,585,634 | \$117,312 |

(Note 3) Amount of redemption (scheduled) for long-term loans and rehabilitation obligations after August 31, 2010 and February 28, 2011 are as follows.

| | As of August 31, 2010 | | | | |
|------------------------------------|------------------------------|---------------------|---------------------|---------------------|---------------------|
| | <i>(Thousands of yen)</i> | | | | |
| | Within one year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years |
| Current portion of long-term loans | ¥208,000 | — | — | — | — |
| Long-term loans | — | ¥28,352,000 | — | — | — |
| Rehabilitation obligations | — | 16,019,513 | ¥26,669,677 | ¥26,669,677 | ¥26,671,376 |

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

11. Financial Instruments (continued)

| As of February 28, 2011 | | | | | |
|---|--------------------|--------------|--------------|--------------|--------------|
| <i>(Thousands of U.S. dollars)</i> | | | | | |
| | Within one year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years |
| Current portion of long-term loans | \$195,043 | — | — | — | — |
| Current portion of rehabilitation obligations | 196,053 | — | — | — | — |
| Long-term loans | — | \$153,212 | — | — | \$128,503 |
| Rehabilitation obligations | — | 278,825 | \$278,825 | \$278,842 | — |

(Additional Information)

Effective the nine-month period ended August 31, 2010, BLife adopted “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, March 10, 2008) and “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 10, 2008).

12. Asset Retirement Obligations

1. Details of applicable asset retirement obligations

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

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

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

3. Changes in applicable asset retirement obligations

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

| | Six-month period ended February 28, 2011 |
|------------------------------|---|
| | <i>(Millions of U.S. dollars)</i> |
| Balance at September 1, 2010 | — |

| | |
|--|-----|
| Increase due to purchase of property and equipment | \$2 |
| Accretion expense | 0 |
| Balance at February 28, 2011 | 2 |

13. Investment and Rental Properties

BLife owns residential housing for lease in Tokyo and other areas for the purpose of earning rental revenues. The book value on the balance sheet of these rental and other real estate properties, the fair value and the difference as of August 31, 2010 and February 28, 2011 are as follows.

| | As of August 31, 2010 <i>(Thousands of yen)</i> |
|-------------------------------|---|
| Book value on balance sheets | |
| Balance at November 30, 2009 | ¥51,453,488 |
| Change during the period | 140,654,659 |
| Balance at August 31, 2010 | 192,108,148 |
| Fair value at August 31, 2010 | 181,119,100 |

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

(Note 2) Change from prior period is mainly attributable to the increase resulting from the merger (¥139,518,577 thousand). Decrease from prior period (¥662,736 thousand) was primarily due to the sale of 4 properties.

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

The profit or loss regarding rental and other real estate properties for the fiscal period ended August 31, 2010 is as shown in “9. Details of Rental Revenues and Expenses.”

(Additional Information)

Effective the nine-month period ended August 31, 2010, BLife adopted the “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Statement No.20, November 28, 2008) and the “Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Guidance No.23, November 28, 2008).

| | As of February 28, 2011 | |
|---------------------------------|--|------------------------------------|
| | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Book value on balance sheets | | |
| Balance at August 31, 2010 | ¥192,108,148 | \$2,351,097 |
| Change during the period | (630,984) | (7,722) |
| Balance at February 28, 2011 | 191,477,164 | 2,343,374 |
| Fair value at February 28, 2011 | 180,575,000 | 2,209,949 |

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

(Note 2) Increase from prior period (¥13,770,851 thousand) (\$168,533 thousand) was primarily caused by the acquisition of 4 properties. Decrease from prior period (¥13,445,128 thousand) (\$164,546 thousand) was primarily due to the sale of 10 properties.

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

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

14. Segment Information,

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

1. Segment Information

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

2. Related Information

(1) Information about products and services

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

(2) Information about geographic areas

(a) Operating revenues

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

(b) Property and equipment

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

(3) Information about major customers

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

(Additional Information)

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

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

15. Deferred Income Taxes

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

| | As of August 31, 2010 <i>(Thousands of yen)</i> |
|--|--|
| Deferred tax assets - current: | |
| Allowance for doubtful accounts | ¥25,996 |
| Valuation difference from the time of merger (Bad debts expenses, etc.) | 6,230 |
| Others (Accrued amounts payable, etc.) | 23,295 |
| Subtotal-Deferred tax assets - current | 55,521 |
| Valuation reserve | 55,283 |
| Total deferred tax assets - current | ¥237 |
| Net deferred tax assets - current | ¥237 |
| Deferred tax assets - non-current: | |
| Valuation difference from the time of merger (Long-term prepaid expenses, etc.) | ¥9,390 |
| Valuation difference from the time of merger (Land, Buildings) | 2,648,458 |
| Loss carryforward assumed at the time of merger | 18,903,854 |
| Subtotal | 21,561,703 |
| Deferred tax liabilities - non-current: | |
| Valuation difference from the time of merger (other) | 252 |
| Valuation difference from the time of merger (Land, Buildings) | 2,691,744 |
| Subtotal | 2,691,996 |
| Valuation reserve | 18,869,706 |
| Total deferred tax assets - non-current | ¥0 |
| Net deferred tax assets - non-current | ¥0 |

15. Deferred Income Taxes (continued)

| | As of February 28, 2011 | |
|--|--------------------------------|------------------------------------|
| | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Deferred tax assets - current: | | |
| Allowance for doubtful accounts | ¥13,697 | \$167 |
| Others | 22,057 | 269 |
| Subtotal-Deferred tax assets - current | 35,755 | 437 |
| Valuation reserve | ¥35,755 | \$437 |
| Total deferred tax assets - current | — | — |
| Net deferred tax assets - current | — | — |
| Deferred tax assets - non-current: | | |
| Valuation difference from the time of merger (Long-term prepaid expenses, etc.) | ¥6,583 | \$80 |
| Valuation difference from the time of merger (Land, Buildings) | 2,324,348 | 28,446 |
| Loss carryforward assumed at the time of merger | 17,510,826 | 214,304 |
| Others | 71,702 | 877 |
| Subtotal | 19,913,460 | 243,708 |
| Deferred tax liabilities - non-current: | | |
| Valuation difference from the time of merger (Land, Buildings) | 2,407,146 | 29,459 |
| Others | 70,725 | 865 |
| Subtotal | 2,477,871 | 30,325 |
| Valuation reserve | ¥17,435,589 | \$213,383 |
| Total deferred tax assets - non-current | — | — |
| Net deferred tax assets - non-current | — | — |

- (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 December 1, 2009 to August 31, 2010 | From September 1, 2010 to February 28, 2011 |
|---|---|--|
| Statutory tax rate | 39.33% | 39.33% |
| (Adjustment) | | |
| Deduction of loss carryforward assumed at the time of merger | (0.84) | (38.48) |
| Gain on negative goodwill | (37.86) | — |
| Other | (0.63) | (0.85) |

Effective tax rates after applying deferred income
tax accounting

0.00%

0.00%

16. Related Party Transactions

(a) For the period from December 1, 2009 to August 31, 2010

1) Controlling investors and major corporate investors

| Attribute | Name | Location | Capital (Millions of yen) | Business type or occupation | Ownership percentage of investment units (Owned) | Type of relationship | | Transaction type | Transaction amount (Thousands of yen) | Line item | Balance at end of period (Thousands of yen) |
|---------------------|--------------------------------------|----------------------|---------------------------------|-----------------------------------|--|---|--------------------------|-------------------------------|--|-----------|--|
| | | | | | | Position of director(s) serving concurrently | Business relationship | | | | |
| Major unitholder | DAIWA HOUSE INDUSTRY Co., Ltd. | Osaka City, Osaka | ¥110,120 | Construction industry | 15.88 | — | Major unitholder | Acquisition of real estate | ¥2,730,000 | — | — |

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

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

2) Directors and major individual investors

Not applicable.

3) Subsidiaries

Not applicable.

4) Affiliates

| Attribute | Name | Location | Capital (Millions of yen) | Business type or occupation | Ownership percentage of investment units (Owned) | Type of relationship | | Transaction type | Transaction amount (Thousands of yen) | Line item | Balance at end of period (Thousands of yen) |
|------------|---|----------------------|---------------------------------|---------------------------------------|--|---|---|---|--|---|--|
| | | | | | | Position of director(s) serving concurrently | Business relationship | | | | |
| Affiliates | DAIWA HOUSE MORIMOTO ASSET MANAGEMENT Co., Ltd. | Chiyoda-ku, Tokyo | ¥300 | Asset management | — | — | Consigned asset- management operations | Asset- management compensation payment | ¥1,439,079 | Accrued operating expenses payable | ¥257,448 |
| | DAIWAROYAL CO., LTD. | Chiyoda-ku, Tokyo | ¥500 | Real estate property management | — | — | Consigned property lease management | Consignment of lease management | ¥3,616 | Accrued operating expenses payable | ¥437 |
| | DH Leasing LLC | Chiyoda-ku, Tokyo | ¥3 | Real estate property management | — | — | Property lease and management | Master lease fee | ¥942 | Trade and other payables | ¥927 |

(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.

16. Related Party Transactions (continued)

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

1) Controlling investors and major corporate investors

| Attribute | Name | Location | Capital (Millions of yen) (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 | | | | |
| Major unitholder | DAIWA HOUSE INDUSTRY Co., Ltd. | Osaka City, Osaka | ¥110,120 (\$1,347) | Construction industry | 15.88 | — | Major unitholder | Acquisition of real estate | ¥5,770,000 (\$70,615) | — | — (—) |

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

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

2) Directors and major individual investors

Not applicable.

3) Subsidiaries

Not applicable.

4) Affiliates

| Attribute | Name | Location | Capital (Millions of yen) (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. | Chiyoda-ku, Tokyo | ¥300 (\$3) | Asset management | — | — | Consigned asset-management operations | Asset-management compensation payment | ¥610,276 (\$7,468) | Accrued operating expenses payable | ¥293,517 (\$3,592) |
| | Royal Parks Toyosu K.K. | Chiyoda-ku, Tokyo | ¥100 (\$1) | Real estate acquisition, sale and leasing etc. | — | — | Property acquisition and sale | Acquisition of real estate | ¥7,360,000 (\$90,074) | — | — |
| | DAIWAROYAL CO., LTD. | Chiyoda-ku, Tokyo | ¥500 (\$6) | Real estate property management | — | — | Consigned property lease management | Consignment of lease management | ¥3,512 (\$42) | Accrued operating expenses payable | ¥427 (\$5) |
| | DAIWA LIVING Co., Ltd. | Chiyoda-ku, Tokyo | ¥140 (\$1) | Real estate property management | — | — | Property lease and management | Rent income | ¥210,535 (\$2,576) | — | — |
| | | | | | | | Consigned property lease management | Consignment of lease management | ¥17,465 (\$213) | Accrued operating expenses payable | ¥6,933 (\$84) |
| | DH Leasing LLC | Chiyoda-ku, Tokyo | ¥3 (\$0) | Real estate property management | — | — | Property lease and management | Master lease fee | ¥1,243 (\$15) | Trade and other payables | ¥1,004 (\$12) |

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

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

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

17. Per Unit Information

- (a) The following table summarizes information about net assets per unit at August 31, 2010 and net income per unit for the period from December 1, 2009 to August 31, 2010:

| | |
|---------------------|----------|
| Net assets per unit | ¥616,183 |
| Net income per unit | ¥237,562 |

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 February 28, 2011 and net income per unit for the period from September 1, 2010 to February 28, 2011:

| | | |
|---------------------|----------|---------|
| Net assets per unit | ¥628,176 | \$7,687 |
| Net income per unit | ¥27,334 | \$334 |

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

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

| | From December 1, 2009 to August 31, 2010 | From September 1, 2010 to February 28, 2011 | |
|---|---|--|--|
| | <i>(Thousands of yen)</i> | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Net income | ¥20,918,345 | ¥3,245,541 | \$39,720 |
| Amount not attributable to common unitholders | — | — | — |
| Net income attributable to common units | ¥20,918,345 | ¥3,245,541 | \$39,720 |
| Average number of investment units during the period (in units) | 88,054 | 118,735 | 118,735 |

18. Net Assets

BLife shall maintain net assets of at least ¥50,000 thousand (\$611 thousand) as required by Clause 4 of Article 67 of the Investment Trust Law.

19. Significant Subsequent Events

- (a) For the period from December 1, 2009 to August 31, 2010

Cash dividends

On October 15, 2010, BLife's Board of Directors approved a resolution for the payment of cash dividends of ¥15,341 per unit, aggregating to ¥1,821,513,635, to unitholders of record as of August 31, 2010.

(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.

For this fiscal period, BLife recognized a gain on negative goodwill resulting from the merger with NCR. And, since NCR's loss carryforward was transferred to BLife, the provision set forth under Article 67-15 of the Special Taxation Measures Law does not apply. Accordingly, as the maximum integral multiple of the 118,735 units issued, BLife set income available for distribution of dividends at ¥1,821,513,635, which is the amount of the unappropriated income at the end of this fiscal period less ¥19,009,252,032 gain on negative goodwill, ¥22,966,049 of gain on sale of real estate and ¥64,591,122 of gain on redemption of rehabilitation obligations.

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

BLife disposed of the following assets.

| | |
|--------------------------------|---|
| Property Name | New City Residence Kakogawa |
| Sales Price (Thousands of yen) | ¥255,000 |
| Book Value (Thousands of yen) | ¥238,986 (As of August 31, 2010) |
| Buyer | K.K. Kadoya Shokai |
| Asset Type | Beneficiary right in trust that places real estate in trust |
| Sales Date | September 7, 2010 |

| | |
|--------------------------------|---|
| Property Name | Catherina Mita Towersuite (New City Residence) |
| Sales Price (Thousands of yen) | ¥11,700,000 |
| Book Value (Thousands of yen) | ¥10,344,519 (As of August 31, 2010) |
| Buyer | TMK in Japan |
| Asset Type | Beneficiary right in trust that places real estate in trust |
| Sales Date | October 29, 2010 |

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

19. Significant Subsequent Events (continued)

BLife acquired the following assets on November 1, 2010.

| | |
|--------------------------------------|---|
| Property Name | Royal Parks Toyosu |
| Acquisition Price (Thousands of yen) | ¥7,360,000 |
| Asset Type | Beneficiary right in trust that places real estate in trust |
| Seller | Royal Parks Toyosu K.K. |
| Construction completion date | February 2007 |
| Structure | RC structure with flat roof |
| Usage | Condominium, childcare center and store |

| | |
|--------------------------------------|---|
| Property Name | IPSE Togoshi |
| Acquisition Price (Thousands of yen) | ¥1,770,000 |
| Asset Type | Beneficiary right in trust that places real estate in trust |
| Seller | Daiwa House Industry Co., Ltd. |
| Construction completion date | February 2008 |
| Structure | SRC structure with flat roof |
| Usage | Condominium, parking space, bicycle-parking space |

| | |
|--------------------------------------|---|
| Property Name | Big Tower Minami Sanjo |
| Acquisition Price (Thousands of yen) | ¥1,740,000 |
| Asset Type | Beneficiary right in trust that places real estate in trust |
| Seller | Daiwa House Industry Co., Ltd. |
| Construction completion date | September 2007 |
| Structure | RC structure with flat roof |
| Usage | Condominium |

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

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

Cash dividends

On April 14, 2011, BLife's Board of Directors approved a resolution for the payment of cash dividends of ¥16,880 (\$206) per unit, aggregating to ¥2,004,246,800 (\$24,528,782), to unitholders of record as of February 28, 2011.

(Method of calculation of cash dividends)

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

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

19. Significant Subsequent Events (continued)

Accordingly, as the maximum integral multiple of the 118,735 units issued, BLife set income available for distribution of dividends at ¥2,004,246,800 (\$24,528,782), which is the amount of the unappropriated income at the end of this fiscal period less previous period’s ¥19,009,252,032 (\$232,642,908) gain on negative goodwill, ¥22,966,049 (\$281,067) in gains on sales of real estate and ¥64,591,122 (\$790,492) in gains on retirement of rehabilitation obligations, and this period’s ¥756,412,328 (\$9,257,279) net gains on real estate sales and ¥484,924,027 (\$5,934,696) in extraordinary income, including gains on the retirement of rehabilitation obligations, etc. No cash distribution exceeding the income amount set forth in Section 37.1.2 of the bylaws of BLife shall be made.

In addition, in order to stabilize future distribution, BLife determined to put in reserve ¥20,338,145,558 (\$248,906,444), which has not been distributed as dividends for this or the previous period.

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

| | |
|--|---|
| Property Name | New City Residence Denenchofu |
| Sales Price (Thousands of yen) (Thousands of U.S. dollars) | ¥425,468 (\$5,207) |
| Book Value (Thousands of yen) (Thousands of U.S. dollars) | ¥423,577 (As of February 28, 2011) (\$5,183) |
| Buyer | Company engaged in general business in Japan |
| Asset Type | Beneficiary right in trust that places real estate in trust |
| Sales Date | March 30, 2011 |

| | |
|--|--|
| Property Name | New City Residence Minami Aoyama |
| Sales Price (Thousands of yen) (Thousands of U.S. dollars) | ¥2,175,135 (\$26,620) |
| Book Value (Thousands of yen) (Thousands of U.S. dollars) | ¥2,656,524 (As of February 28, 2011) (\$32,511) |
| Buyer | METRES CO., LTD. |
| Asset Type | Real estate |
| Sales Date | April 18, 2011 |

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

20. 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) |
| April 1, 2010 | Merger | 69,475 | 118,735 | 0 | ¥24,002 | (Note 5) |

(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.

(Note 5) BLife merger with NCR on April 1, 2010.

21. Other Supplementary Information

(a) For the period from December 1, 2009 to August 31, 2010

1) Detailed Schedule of Portfolio

Not applicable.

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

Not applicable.

3) General Overview of Detailed Schedule of Real Estate

(Thousands of yen)

| Type of asset | | Balance at end of prior period | Increase by merger | Increase during the period | Decrease during the period | Balance at end of the period | Less accumulated depreciation or accumulated amortization | | Net book value at end of the period |
|-------------------------|--|--------------------------------|--------------------|----------------------------|----------------------------|------------------------------|---|------------|-------------------------------------|
| | | | | | | | Depreciation or amortization for the period | | |
| Tangible fixed assets | Buildings | – | ¥27,993,990 | ¥5,167 | – | ¥27,999,157 | ¥ 227,417 | ¥227,417 | ¥27,771,739 |
| | Structures | – | 237,375 | – | – | 237,375 | 1,980 | 1,980 | 235,394 |
| | Machinery and equipment | – | 417,987 | – | – | 417,987 | 5,993 | 5,993 | 411,994 |
| | Tools, furniture and fixtures | – | 650,917 | – | – | 650,917 | 20,313 | 20,313 | 630,604 |
| | Land | – | 22,227,020 | – | – | 22,227,020 | – | – | 22,227,020 |
| | Buildings in trust | ¥22,954,983 | 42,474,255 | 1,423,574 | ¥286,493 | 66,566,319 | 2,480,414 | 774,659 | 64,085,905 |
| | Structures in trust | 26,112 | 500,590 | 29,285 | 4,862 | 551,126 | 9,915 | 5,867 | 541,211 |
| | Machinery and equipment in trust | 388,293 | 262,691 | 22,746 | 3,092 | 670,638 | 107,631 | 22,167 | 563,006 |
| | Tools, furniture and fixtures in trust | 3,881 | 270,867 | 4,845 | 998 | 278,595 | 15,306 | 14,336 | 263,289 |
| | Land in trust | 29,879,034 | 43,916,142 | 1,382,176 | 1,324,606 | 73,852,746 | – | – | 73,852,746 |
| | Construction in progress in trust | – | – | 3,759 | – | 3,759 | – | – | 3,759 |
| Total | | ¥53,252,305 | ¥138,951,839 | ¥2,871,555 | ¥1,620,053 | ¥193,455,646 | ¥2,868,974 | ¥1,072,736 | ¥190,586,672 |
| Intangible fixed assets | Leasehold rights in trust | – | ¥1,521,476 | – | – | ¥1,521,476 | – | – | ¥1,521,476 |
| | Trademark rights | ¥803 | 2,233 | – | – | 3,036 | – | ¥280 | 2,756 |
| | Total | ¥803 | ¥1,523,708 | – | – | ¥1,524,512 | – | ¥280 | ¥1,524,232 |

21. Other Supplementary Information (continued)

1. Increase in buildings in trust

(Thousands of yen)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|-------------------------------------|----------------------------------|---|------------|
| IPSE Ichigaya | Building work | Building in trust | ¥348,002 |
| IPSE Ichigaya | Electric facilities construction | Installation of equipment for building in trust | 29,962 |
| IPSE Ichigaya | Plumbing sanitary | Installation of equipment for building in trust | 41,305 |
| IPSE Ichigaya | Work on air conditioning | Installation of equipment for building in trust | 23,755 |
| IPSE Ichigaya | Elevating equipment work | Installation of equipment for building in trust | 10,658 |
| IPSE Nakanobu | Building work | Building in trust | 779,718 |
| IPSE Nakanobu | Electric facilities construction | Installation of equipment for building in trust | 47,102 |
| IPSE Nakanobu | Plumbing sanitary | Installation of equipment for building in trust | 74,034 |
| IPSE Nakanobu | Work on air conditioning | Installation of equipment for building in trust | 52,360 |
| New City Residence Funabashi Honcho | Restoration of waterproof roof | Building in trust | 2,230 |
| IPSE Azabujuban Shichimenzaka | Carpet replacement | Building in trust | 3,068 |
| Total | | | ¥1,412,199 |

2. Increase in structures in trust

(Thousands of yen)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|---------------------------|-----------------------|------------------------------|---------|
| IPSE Ichigaya | Exterior construction | Structures in trust | ¥13,923 |
| IPSE Nakanobu | Exterior construction | Structures in trust | 3,656 |
| New City Residence Meguro | Asphalt paving work | Structures in trust | 3,481 |
| New City Residence Meguro | Embankment planting | Structures in trust | 2,802 |
| New City Residence Meguro | Gate replacement | Structures in trust | 3,943 |
| Total | | | ¥27,807 |

21. Other Supplementary Information (continued)

3. Increase in machinery and equipment in trust

(Thousands of yen)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|------------------|--------------------|----------------------------------|---------|
| IPSE Ichigaya | Mechanical parking | Machinery and equipment in trust | ¥22,746 |
| Total | | | ¥22,746 |

4. Increase in tools, furniture and fixtures in trust

(Thousands of yen)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|------------------|--|--|--------|
| Crest Kusatsu | Installation for Digital Terrestrial Television Broadcasting | Tools, furniture and fixtures in trust | ¥2,502 |
| Total | | | ¥2,502 |

5. Increase in land in trust

(Thousands of yen)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|------------------|-----------------|------------------------------|------------|
| IPSE Ichigaya | Land | Land in trust | ¥506,890 |
| IPSE Nakanobu | Land | Land in trust | 875,285 |
| Total | | | ¥1,382,176 |

6. Increase in buildings

(Thousands of yen)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|----------------------------------|--------------------|-------------------------------|--------|
| New City Residence Minami Aoyama | Toilet replacement | Installing building equipment | ¥1,350 |
| Total | | | ¥1,350 |

4) Detailed Schedule of Other Specific Assets

Not applicable.

5) Detailed Schedule of Investment Corporation Bonds

Please refer to the following 7) Detailed Rehabilitation Obligations

21. Other Supplementary Information (continued)

6) Detailed Schedule of Loans

| Classification | Lender | Balance at end of prior period (Thousands of yen) | Increase during the period (Thousands of yen) | Decrease during the period (Thousands of yen) | Balance at end of the period (Thousands of yen) | Average interest rate (Note 1) | Repayment deadline | Purpose of use | Comments |
|------------------------------------|---|--|--|--|--|-----------------------------------|--------------------|----------------|--------------------------|
| Current portion of long-term loans | Sumitomo Mitsui Banking Corporation | ¥4,228,000 | – | ¥4,228,000 | – | 1.18% | March 31, 2010 | (Note 2) | Secured without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | 4,228,000 | – | 4,228,000 | – | | | | |
| | Mizuho Bank, Ltd. | 4,228,000 | – | 4,228,000 | – | | | | |
| | Sumitomo Mitsui Banking Corporation | 27,800 | ¥20,850 | 20,850 | ¥27,800 | 1.55% | September 30, 2011 | (Note 2) | Secured without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | 27,800 | 20,850 | 20,850 | 27,800 | | | | |
| | Mizuho Bank, Ltd. | 27,800 | 20,850 | 20,850 | 27,800 | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 21,720 | 16,290 | 16,290 | 21,720 | | | | |
| | The Sumitomo Trust and Banking Co., Ltd. | 10,880 | 8,160 | 8,160 | 10,880 | | | | |
| | Sumitomo Mitsui Banking Corporation | – | 32,300 | 6,460 | 25,840 | 1.42% | July 31, 2012 | (Note 2) | Secured without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | – | 32,300 | 6,460 | 25,840 | | | | |
| | Mizuho Bank, Ltd. | – | 32,300 | 6,460 | 25,840 | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | – | 18,100 | 3,620 | 14,480 | | | | |
| | Subtotal | 12,800,000 | 202,000 | 12,794,000 | 208,000 | – | – | – | – |
| Long-term loans | Sumitomo Mitsui Banking Corporation | 3,802,200 | – | 20,850 | 3,781,350 | 1.55% | September 30, 2011 | (Note 2) | Secured without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | 3,802,200 | – | 20,850 | 3,781,350 | | | | |
| | Mizuho Bank, Ltd. | 3,802,200 | – | 20,850 | 3,781,350 | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2,978,280 | – | 16,290 | 2,961,990 | | | | |
| | The Sumitomo Trust and Banking Co., Ltd. | 1,489,120 | – | 8,160 | 1,480,960 | | | | |
| | Sumitomo Mitsui Banking Corporation | – | 3,560,000 | 32,300 | 3,527,700 | 1.42% | July 31, 2012 | (Note 2) | Secured without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | – | 3,560,000 | 32,300 | 3,527,700 | | | | |
| | Mizuho Bank, Ltd. | – | 3,560,000 | 32,300 | 3,527,700 | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | – | 2,000,000 | 18,100 | 1,981,900 | | | | |
| | Subtotal | 15,874,000 | 12,680,000 | 202,000 | 28,352,000 | – | – | – | – |
| Total | | ¥28,674,000 | ¥12,882,000 | ¥12,996,000 | ¥28,560,000 | – | – | – | – |

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

(Note 2) To be used as acquisition funds for real estate properties in trust, or to refinance such funds.

(Note 3) Scheduled payment per year for long-term loans within a period of 5 years from the end of the fiscal period is as follows:

(Thousands of yen)

| Classification | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years |
|-----------------|--------------|--------------|--------------|--------------|
| Long-term loans | 28,352,000 | – | – | – |

21. Other Supplementary Information (continued)

7) Detailed Schedule of Rehabilitation Obligations

| Classification | | Date of modification of rights | Balance at end of prior period (Thousands of yen) | Increase during the period (Thousands of yen) | Decrease during the period (Note 2) (Thousands of yen) | Balance at end of the period (Thousands of yen) | Average interest rate (Note 3) | Repayment deadline | Purpose of use | Comments |
|--|--|--------------------------------|--|--|---|--|-----------------------------------|--------------------|----------------|----------------------------|
| Rehabilitation obligations with right of separate satisfaction | The Chuo Mitsui Trust and Banking Co., Ltd. | January 5, 2010 (Note 1) | — | ¥4,381,929 | ¥80,393 | ¥4,301,536 | 1.51% | January 31, 2012 | (Note 4) | Secured without warranty |
| | Aozora Bank, Ltd. | | — | 4,306,378 | 79,007 | 4,227,371 | | | | |
| | The Sumitomo Trust and Banking Co., Ltd. | | — | 2,342,065 | 42,968 | 2,299,096 | | | | |
| | Mitsubishi UFJ Trust and Banking Corporation | | — | 2,266,515 | 41,582 | 2,224,932 | | | | |
| | Resona Bank, Ltd. | | — | 2,266,515 | 41,582 | 2,224,932 | | | | |
| | The Hyakugo Bank | | — | 755,505 | 13,860 | 741,644 | | | | |
| | Subtotal | | — | 16,318,908 | 299,395 | 16,019,513 | — | — | — | — |
| Rehabilitation obligations (Loans) | The Norinchukin Bank | January 5, 2010 (Note 1) | — | 3,039,055 | — | 3,039,055 | 1.41% | January 31, 2013 | (Note 4) | Unsecured without warranty |
| | | | — | 3,039,055 | — | 3,039,055 | | January 31, 2014 | | |
| | | | — | 3,039,249 | — | 3,039,249 | | January 30, 2015 | | |
| | Aozora Bank, Ltd. | | — | 2,353,146 | — | 2,353,146 | 1.41% | January 31, 2013 | | |
| | | | — | 2,353,146 | — | 2,353,146 | | January 31, 2014 | | |
| | | | — | 2,353,296 | — | 2,353,296 | | January 30, 2015 | | |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | | — | 2,124,156 | — | 2,124,156 | 1.41% | January 31, 2013 | | |
| | | | — | 2,124,156 | — | 2,124,156 | | January 31, 2014 | | |
| | | | — | 2,124,291 | — | 2,124,291 | | January 30, 2015 | | |
| | Sumitomo Mitsui Banking Corporation | | — | 1,883,861 | — | 1,883,861 | 1.41% | January 31, 2013 | | |
| | | | — | 1,883,861 | — | 1,883,861 | | January 31, 2014 | | |
| | | | — | 1,883,981 | — | 1,883,981 | | January 30, 2015 | | |
| | Mizuho Bank, Ltd. | | — | 1,215,486 | — | 1,215,486 | 1.41% | January 31, 2013 | | |
| | | | — | 1,215,486 | — | 1,215,486 | | January 31, 2014 | | |
| | | | — | 1,215,563 | — | 1,215,563 | | January 30, 2015 | | |
| | The Sumitomo Trust and Banking Co., Ltd. | | — | 1,093,835 | — | 1,093,835 | 1.41% | January 31, 2013 | | |
| | | | — | 1,093,835 | — | 1,093,835 | | January 31, 2014 | | |
| | | | — | 1,093,905 | — | 1,093,905 | | January 30, 2015 | | |
| | Mizuho Trust & Banking Co., Ltd. | | — | 914,707 | — | 914,707 | 1.41% | January 31, 2013 | | |
| | | | — | 914,707 | — | 914,707 | | January 31, 2014 | | |
| | | | — | 914,765 | — | 914,765 | | January 30, 2015 | | |
| | Development Bank of Japan Inc. | | — | 516,666 | — | 516,666 | 1.41% | January 31, 2013 | | |
| | | | — | 516,666 | — | 516,666 | | January 31, 2014 | | |
| | | | — | 516,699 | — | 516,699 | | January 30, 2015 | | |
| | Mitsubishi UFJ Trust and Banking Corporation | | — | 455,817 | — | 455,817 | 1.41% | January 31, 2013 | | |
| | | | — | 455,817 | — | 455,817 | | January 31, 2014 | | |
| | | | — | 455,846 | — | 455,846 | | January 30, 2015 | | |

| Classification | | Date of modification of rights | Balance at end of prior period (Thousands of yen) | Increase during the period (Thousands of yen) | Decrease during the period (Note 2) (Thousands of yen) | Balance at end of the period (Thousands of yen) | Average interest rate (Note 3) | Repayment deadline | Purpose of use | Comments |
|--|--|--------------------------------------|---|---|--|---|---|-----------------------|-------------------|----------------------------------|
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | | — | 425,537 | — | 425,537 | 1.41% | January 31, 2013 | | |
| | | | — | 425,537 | — | 425,537 | | January 31, 2014 | | |
| | | | — | 425,564 | — | 425,564 | | January 30, 2015 | | |
| | Resona Bank, Ltd. | | — | 364,727 | — | 364,727 | 1.41% | January 31, 2013 | | |
| | | | — | 364,727 | — | 364,727 | | January 31, 2014 | | |
| | | | — | 364,751 | — | 364,751 | | January 30, 2015 | | |
| | Mitsui Sumitomo Insurance Company, Limited | | — | 303,883 | — | 303,883 | 1.41% | January 31, 2013 | | |
| | | | — | 303,883 | — | 303,883 | | January 31, 2014 | | |
| | | | — | 303,902 | — | 303,902 | | January 30, 2015 | | |
| | The Chiba Bank, Ltd. | | — | 303,879 | — | 303,879 | 1.41% | January 31, 2013 | | |
| | | | — | 303,879 | — | 303,879 | | January 31, 2014 | | |
| | | | — | 303,898 | — | 303,898 | | January 30, 2015 | | |
| | North Pacific Bank, Ltd. | | — | 151,949 | — | 151,949 | 1.41% | January 31, 2013 | | |
| | | | — | 151,949 | — | 151,949 | | January 31, 2014 | | |
| | | | — | 151,959 | — | 151,959 | | January 30, 2015 | | |
| | Shinsei Bank, Limited. | | — | 151,944 | — | 151,944 | 1.41% | January 31, 2013 | | |
| | | | — | 151,944 | — | 151,944 | | January 31, 2014 | | |
| | | | — | 151,954 | — | 151,954 | | January 30, 2015 | | |
| | Subtotal | | — | 45,896,945 | — | 45,896,945 | — | — | | |
| Rehabilitation obligations (Investment corporation bonds) | First Series Unsecured Investment Corporation Bonds (Note 5) | January 5, 2010 (Note 1) | — | 4,404,151 | — | 4,404,151 | 1.41% | January 31, 2013 | (Note 7) | Unsecured without warranty |
| | | | — | 4,404,151 | — | 4,404,151 | | January 31, 2014 | | |
| | | | — | 4,404,432 | — | 4,404,432 | | January 30, 2015 | | |
| | Second Series Unsecured Investment Corporation Bonds (Note 6) (Note 12) | | — | 3,800,668 | — | 3,800,668 | 1.41% | January 31, 2013 | (Note 8) | |
| | | | — | 3,800,668 | — | 3,800,668 | | January 31, 2014 | | |
| | | | — | 3,800,910 | — | 3,800,910 | | January 30, 2015 | | |
| | Third Series Unsecured Investment Corporation Bonds (Note 6) | | — | 1,586,460 | 158,646 | 1,427,814 | 1.41% | January 31, 2013 | | |
| | | | — | 1,586,460 | 158,646 | 1,427,814 | | January 31, 2014 | | |
| | | | — | 1,586,561 | 158,656 | 1,427,905 | | January 30, 2015 | | |
| | Subtotal | | — | 29,374,466 | 475,948 | 28,898,518 | — | — | — | |
| Rehabilitation obligations (Other obligations) | Ikebukuro TM LLC | January 5, 2010 (Note 1) | — | 1,738,385 | — | 1,738,385 | 1.41% | January 31, 2013 | — | Unsecured without warranty |
| | | | — | 1,738,385 | — | 1,738,385 | | January 31, 2014 | | |
| | | | — | 1,738,496 | — | 1,738,496 | | January 30, 2015 | | |
| | Cryxis (Note 9) | | — | 37,874 | 37,874 | — | 0.71% | January 31, 2013 | — | |
| | | | — | 37,874 | 37,874 | — | | January 31, 2014 | | |
| | | | — | 37,876 | 37,876 | — | | January 30, 2015 | | |
| | Subtotal | | — | 5,328,893 | 113,625 | 5,215,267 | — | — | — | |
| Total | | — | ¥96,919,214 | ¥888,969 | ¥96,030,245 | — | — | — | — | |

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

(Note 2) Rehabilitation obligations with rights of separate satisfaction have decreased as a result of repayments following the sales of collateral properties. The Third Series Unsecured Investment Corporation Bonds have been reduced through retirement by purchase, and other rehabilitation obligations have decreased as a result of mergers accompanied by debt factoring by BLife.

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

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

(Note 5) Limited only to qualified institutional investors, and with special pari passu conditions among specified BLife investment corporation bonds.

(Note 6) With special pari passu conditions among specified BLife investment corporation bonds.

(Note 7) These bonds were issued to finance funds for repayment of loans, and for purchase of real estate trust beneficiary rights.

(Note 8) These bonds were used as funds for repayment of short-term loans.

(Note 9) Former business name: CBRE Residential Management K.K.

(Note 10) With regard to each rehabilitation obligation, excluding those with rights of separate satisfaction, a fixed interest rate has been applied to the balance of the principal with a maturity of January 30, 2015 (¥26,671,376 thousand at end of the period). Also, though a floating interest rate is currently applied as of the end of this period for the unpaid principal balances with maturity dates of January 31, 2013, and January 31, 2014 (¥26,669,677 thousand for respective balance at the end of this period), BLife has the option to convert to a fixed interest rate without changing the spread.

(Note 11) Scheduled payment per year for rehabilitation obligations within a period of 5 years from the end of the fiscal period is as follows. (There are no balances for which the repayment is scheduled within one year.)

| <i>(Thousands of yen)</i> | | | | |
|---|--------------|--------------|--------------|--------------|
| Classification | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years |
| Rehabilitation obligations with rights of separate satisfaction | ¥16,019,513 | — | — | — |
| Rehabilitation obligations (loans) | — | ¥15,298,656 | ¥15,298,656 | ¥15,299,631 |
| Rehabilitation obligations (investment corporation bonds) | — | 9,632,635 | 9,632,635 | 9,633,248 |
| Rehabilitation obligations (others) | — | 1,738,385 | 1,738,385 | 1,738,496 |
| Total | ¥16,019,513 | ¥26,669,677 | ¥26,669,677 | ¥26,671,376 |

(Note 12) BLife redeemed some of the Second Series Unsecured Investment Corporation Bonds (¥95,018 thousand) on September 15, 2010, and some of the Third Series Unsecured Investment Corporation Bonds (¥475,948 thousand) on November 19, 2010.

21. Other Supplementary Information (continued)

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

1) Detailed Schedule of Portfolio

Not applicable.

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

Not applicable.

3) General Overview of Detailed Schedule of Real Estate

(Thousands of yen)

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

21. Other Supplementary Information (continued)

(Thousands of U.S. dollars)

| Type of asset | | Balance at end of prior period | Increase during the period | Decrease during the period | Balance at end of the period | Less accumulated depreciation or accumulated amortization | | Net book value at end of the period |
|-------------------------|--|--------------------------------|----------------------------|----------------------------|------------------------------|---|---|-------------------------------------|
| | | | | | | | Depreciation or amortization for the period | |
| Tangible fixed assets | Buildings | \$342,665 | \$88 | – | \$342,753 | \$ 6,190 | \$3,407 | \$336,563 |
| | Structures | 2,905 | 27 | – | 2,932 | 53 | 29 | 2,878 |
| | Machinery and equipment | 5,115 | – | – | 5,115 | 162 | 88 | 4,953 |
| | Tools, furniture and fixtures | 7,966 | 7 | – | 7,973 | 546 | 297 | 7,427 |
| | Land | 272,023 | – | – | 272,023 | – | – | 272,023 |
| | Buildings in trust | 814,665 | 143,426 | \$99,385 | 858,706 | 38,585 | 9,592 | 820,121 |
| | Structures in trust | 6,744 | 892 | 1,192 | 6,444 | 199 | 94 | 6,245 |
| | Machinery and equipment in trust | 8,207 | 4,827 | 629 | 12,405 | 1,623 | 320 | 10,781 |
| | Tools, furniture and fixtures in trust | 3,409 | 73 | 102 | 3,380 | 382 | 206 | 2,997 |
| | Land in trust | 903,839 | 21,614 | 64,692 | 860,761 | – | – | 860,761 |
| | Construction in progress in trust | 46 | – | 46 | – | – | – | – |
| | Total | \$2,367,588 | \$170,957 | \$166,048 | \$2,372,497 | \$47,743 | \$14,036 | \$2,324,754 |
| Intangible fixed assets | Leasehold rights in trust | \$18,620 | – | – | \$18,620 | – | – | \$18,620 |
| | Trademark rights | 33 | – | – | 33 | – | \$3 | 30 |
| | Total | \$18,654 | – | – | \$18,654 | – | \$3 | \$18,650 |

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

1. Increase in buildings

(Thousands of yen)

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

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|-------------------------------------|--------------------------|------------------------------|--------|
| New City Residence Hakataekihigashi | Border fence repair work | Structures | \$14 |
| Total | | | \$14 |

21. Other Supplementary Information (continued)

2. Increase in buildings in trust

(Thousands of yen)

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

21. Other Supplementary Information (continued)

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|--------------------------|----------------------------------|---|-----------|
| Royal Parks Toyosu | Building work | Building in trust | \$78,707 |
| Royal Parks Toyosu | Electric facilities construction | Installation of equipment for building in trust | 5,113 |
| Royal Parks Toyosu | Plumbing sanitary | Installation of equipment for building in trust | 4,635 |
| Royal Parks Toyosu | Work on air conditioning | Installation of equipment for building in trust | 2,686 |
| IPSE Togoshi | Building work | Building in trust | 10,158 |
| IPSE Togoshi | Electric facilities construction | Installation of equipment for building in trust | 719 |
| IPSE Togoshi | Plumbing sanitary | Installation of equipment for building in trust | 1,263 |
| IPSE Togoshi | Work on air conditioning | Installation of equipment for building in trust | 531 |
| Big Tower Minami Sanjo | Building work | Building in trust | 10,965 |
| Big Tower Minami Sanjo | Electric facilities construction | Installation of equipment for building in trust | 2,268 |
| Big Tower Minami Sanjo | Plumbing sanitary | Installation of equipment for building in trust | 2,441 |
| Big Tower Minami Sanjo | Work on air conditioning | Installation of equipment for building in trust | 1,252 |
| Lexington Square Fushimi | Building work | Building in trust | 14,483 |
| Lexington Square Fushimi | Electric facilities construction | Installation of equipment for building in trust | 1,419 |
| Lexington Square Fushimi | Plumbing sanitary | Installation of equipment for building in trust | 1,610 |
| Lexington Square Fushimi | Work on air conditioning | Installation of equipment for building in trust | 804 |
| Total | | | \$139,060 |

3. Increase in structures in trust

(Thousands of yen)

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

21. Other Supplementary Information (continued)

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|-------------------------------|-----------------------|------------------------------|--------|
| Royal Parks Toyosu | Exterior construction | Structures in trust | \$549 |
| IPSE Togoshi | Exterior construction | Structures in trust | 42 |
| Big Tower Minami Sanjo | Exterior construction | Structures in trust | 132 |
| Lexington Square Fushimi | Exterior construction | Structures in trust | 77 |
| New City Residence Sangubashi | Planting work | Structures in trust | 15 |
| Total | | | \$816 |

4. Increase in machinery and equipment in trust

(Thousands of yen)

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

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|--------------------------|--------------------|----------------------------------|---------|
| Royal Parks Toyosu | Mechanical parking | Machinery and equipment in trust | \$1,564 |
| IPSE Togoshi | Mechanical parking | Machinery and equipment in trust | 408 |
| Big Tower Minami Sanjo | Mechanical parking | Machinery and equipment in trust | 2,198 |
| Lexington Square Fushimi | Mechanical parking | Machinery and equipment in trust | 656 |
| Total | | | \$4,827 |

5. Increase in tools, furniture and fixtures in trust

(Thousands of yen)

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

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|-------------------------------------|----------------------------------|--|--------|
| New City Residence Honjo Azumabashi | Installation of security cameras | Tools, furniture and fixtures in trust | \$14 |
| Total | | | \$14 |

21. Other Supplementary Information (continued)

6. Increase in land in trust

(Thousands of yen)

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

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|--------------------------|-----------------|------------------------------|---------|
| IPSE Togoshi | Land | Land in trust | \$9,173 |
| Big Tower Minami Sanjo | Land | Land in trust | 2,878 |
| Lexington Square Fushimi | Land | Land in trust | 9,563 |
| Total | | | ¥21,614 |

7. Decrease in buildings in trust

(Thousands of yen)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|--------------------------------|----------------------------------|---|------------|
| Catherina Mita Towersuite | Framework construction, etc. | Building in trust | ¥5,217,778 |
| Catherina Mita Towersuite | Electric and plumbing work, etc. | Installation of equipment for building in trust | 1,328,685 |
| New City Residence Negishi | Framework construction, etc. | Building in trust | 84,616 |
| New City Residence Negishi | Electric and plumbing work, etc. | Installation of equipment for building in trust | 20,641 |
| SH Motosumiyoshi | Framework construction, etc. | Building in trust | 298,011 |
| SH Motosumiyoshi | Electric and plumbing work, etc. | Installation of equipment for building in trust | 39,870 |
| LM Fuchinobe Honcho | Framework construction, etc. | Building in trust | 60,297 |
| LM Fuchinobe Honcho | Electric and plumbing work, etc. | Installation of equipment for building in trust | 8,425 |
| New City Residence Ohdori-koen | Framework construction, etc. | Building in trust | 283,760 |
| New City Residence Ohdori-koen | Electric and plumbing work, etc. | Installation of equipment for building in trust | 52,696 |
| Goshikiyama Heights | Framework construction, etc. | Building in trust | 184,260 |
| Goshikiyama Heights | Electric and plumbing work, etc. | Installation of equipment for building in trust | 60,429 |
| New City Residence Nishikoen | Framework construction, etc. | Building in trust | 158,840 |

| | | | |
|-------------------------------|----------------------------------|---|------------|
| New City Residence Nishikoen | Electric and plumbing work, etc. | Installation of equipment for building in trust | 31,507 |
| New City Residence Nishi Oori | Framework construction, etc. | Building in trust | 88,555 |
| New City Residence Nishi Oori | Electric and plumbing work, etc. | Installation of equipment for building in trust | 17,980 |
| New City Residence Kakogawa | Framework construction, etc. | Building in trust | 94,810 |
| New City Residence Kakogawa | Electric and plumbing work, etc. | Installation of equipment for building in trust | 15,298 |
| LM Maebashi Nishikatahai | Framework construction, etc. | Building in trust | 62,660 |
| LM Maebashi Nishikatahai | Electric and plumbing work, etc. | Installation of equipment for building in trust | 8,274 |
| Total | | | ¥8,117,392 |

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|--------------------------------|----------------------------------|---|----------|
| Catherina Mita Towersuite | Framework construction, etc. | Building in trust | \$63,857 |
| Catherina Mita Towersuite | Electric and plumbing work, etc. | Installation of equipment for building in trust | 16,260 |
| New City Residence Negishi | Framework construction, etc. | Building in trust | 1,035 |
| New City Residence Negishi | Electric and plumbing work, etc. | Installation of equipment for building in trust | 252 |
| SH Motosumiyoshi | Framework construction, etc. | Building in trust | 3,647 |
| SH Motosumiyoshi | Electric and plumbing work, etc. | Installation of equipment for building in trust | 487 |
| LM Fuchinobe Honcho | Framework construction, etc. | Building in trust | 737 |
| LM Fuchinobe Honcho | Electric and plumbing work, etc. | Installation of equipment for building in trust | 103 |
| New City Residence Ohdori-koen | Framework construction, etc. | Building in trust | 3,472 |
| New City Residence Ohdori-koen | Electric and plumbing work, etc. | Installation of equipment for building in trust | 644 |
| Goshikiyama Heights | Framework construction, etc. | Building in trust | 2,255 |
| Goshikiyama Heights | Electric and plumbing work, etc. | Installation of equipment for building in trust | 739 |
| New City Residence Nishikoen | Framework construction, etc. | Building in trust | 1,943 |
| New City Residence Nishikoen | Electric and plumbing work, etc. | Installation of equipment for building in trust | 385 |
| New City Residence Nishi Oori | Framework construction, | Building in trust | 1,083 |

| | | | |
|-----------------------------------|-------------------------------------|--|----------|
| | etc. | | |
| New City Residence Nishi Otori | Electric and plumbing work, etc. | Installation of equipment for building in trust | 220 |
| New City Residence Kakogawa | Framework construction, etc. | Building in trust | 1,160 |
| New City Residence Kakogawa | Electric and plumbing work, etc. | Installation of equipment for building in trust | 187 |
| LM Maebashi Nishikataai | Framework construction, etc. | Building in trust | 766 |
| LM Maebashi Nishikataai | Electric and plumbing work, etc. | Installation of equipment for building in trust | 101 |
| Total | | | \$99,343 |

8. Decrease in structures in trust

(Thousands of yen)

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

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|-----------------------------------|-----------------------|------------------------------|---------|
| Catherina Mita Towersuite | Exterior construction | Structures in trust | \$680 |
| SH Motosumiyoshi | Exterior construction | Structures in trust | 40 |
| New City Residence Ohdori-koen | Exterior construction | Structures in trust | 47 |
| Goshikiyama Heights | Exterior construction | Structures in trust | 269 |
| New City Residence Nishikoen | Exterior construction | Structures in trust | 37 |
| New City Residence Nishi Otori | Exterior construction | Structures in trust | 26 |
| New City Residence Kakogawa | Exterior construction | Structures in trust | 59 |
| Total | | | \$1,162 |

21. Other Supplementary Information (continued)

9. Decrease in machinery and equipment in trust

(Thousands of yen)

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

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|---------------------------|--------------------|----------------------------------|--------|
| Catherina Mita Towersuite | Mechanical parking | Machinery and equipment in trust | \$608 |
| Total | | | \$608 |

10. Decrease in land in trust

(Thousands of yen)

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

(Thousands of U.S. dollars)

| Name of property | Name of project | Type of tangible fixed asset | Amount |
|--------------------------------|-----------------|------------------------------|----------|
| Catherina Mita Towersuite | Land | Land in trust | \$45,827 |
| New City Residence Negishi | Land | Land in trust | 1,748 |
| SH Motosumiyoshi | Land | Land in trust | 6,795 |
| LM Fuchinobe Honcho | Land | Land in trust | 816 |
| New City Residence Ohdori-koen | Land | Land in trust | 1,823 |
| Goshikiyama Heights | Land | Land in trust | 2,719 |
| New City Residence Nishikoen | Land | Land in trust | 1,758 |
| New City Residence Nishi Ohori | Land | Land in trust | 1,436 |
| New City Residence Kakogawa | Land | Land in trust | 1,526 |
| LM Maebashi Nishikatahai | Land | Land in trust | 239 |
| Total | | | \$64,692 |

21. Other Supplementary Information (continued)

4) Detailed Schedule of Other Specific Assets

Not applicable.

5) Detailed Schedule of Investment Corporation Bonds

Please refer to the following 7) Detailed Rehabilitation Obligations.

6) Detailed Schedule of Loans

| Classification | Lender | Balance at end of prior period (Thousands of yen) (Thousands of U.S. dollars) | Increase during the period (Thousands of yen) (Thousands of U.S. dollars) | Decrease during the period (Thousands of yen) (Thousands of U.S. dollars) | Balance at end of the period (Thousands of yen) (Thousands of U.S. dollars) | Average interest rate (Note 1) | Repayment deadline | Purpose of use | Comments |
|------------------------------------|---|---|---|---|---|-----------------------------------|--------------------|----------------|--------------------------|
| Current portion of long-term loans | Sumitomo Mitsui Banking Corporation | ¥27,800 (\$340) | ¥3,781,350 (\$46,277) | ¥13,900 (\$170) | ¥3,795,250 (\$46,447) | 1.46% | September 30, 2011 | (Note 3) | Secured without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | 27,800 (340) | 3,781,350 (46,277) | 13,900 (170) | 3,795,250 (46,447) | | | | |
| | Mizuho Bank, Ltd. (Note 2) | 27,800 (340) | 3,781,350 (46,277) | 13,900 (170) | 3,795,250 (46,447) | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 21,720 (265) | 2,961,990 (36,250) | 10,860 (132) | 2,972,850 (36,382) | | | | |
| | The Sumitomo Trust and Banking Co., Ltd. | 10,880 (133) | 1,480,960 (18,124) | 5,440 (66) | 1,486,400 (18,191) | | | | |
| | Sumitomo Mitsui Banking Corporation | 25,840 (316) | 12,920 (158) | 12,920 (158) | 25,840 (316) | 1.36% | July 31, 2012 | (Note 3) | Secured without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | 25,840 (316) | 12,920 (158) | 12,920 (158) | 25,840 (316) | | | | |
| | Mizuho Bank, Ltd. (Note 2) | 25,840 (316) | 12,920 (158) | 12,920 (158) | 25,840 (316) | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 14,480 (177) | 7,240 (88) | 7,240 (88) | 14,480 (177) | | | | |
| | Subtotal | 208,000 (2,545) | 15,833,000 (193,770) | 104,000 (1,272) | 15,937,000 (195,043) | — | — | — | — |
| Long-term loans | Sumitomo Mitsui Banking Corporation | 3,781,350 (46,277) | — | 3,781,350 (46,277) | — | 1.46% | September 30, 2011 | (Note 3) | Secured without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | 3,781,350 (46,277) | — | 3,781,350 (46,277) | — | | | | |
| | Mizuho Bank, Ltd. (Note 2) | 3,781,350 (46,277) | — | 3,781,350 (46,277) | — | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2,961,990 (36,250) | — | 2,961,990 (36,250) | — | | | | |
| | The Sumitomo Trust and Banking Co., Ltd. | 1,480,960 (18,124) | — | 1,480,960 (18,124) | — | | | | |
| | Sumitomo Mitsui Banking Corporation | 3,527,700 (43,173) | — | 12,920 (158) | 3,514,780 (43,015) | 1.36% | July 31, 2012 | (Note 3) | Secured without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | 3,527,700 (43,173) | — | 12,920 (158) | 3,514,780 (43,015) | | | | |
| | Mizuho Bank, Ltd. (Note 2) | 3,527,700 (43,173) | — | 12,920 (158) | 3,514,780 (43,015) | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,981,900 (24,255) | — | 7,240 (88) | 1,974,660 (24,166) | | | | |
| | Sumitomo Mitsui | — | 1,800,000 | — | 1,800,000 | 1.14% | December | (Note 4) | Unsecured |

| 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 |
|----------------|---|---|---|---|---|-----------------------------------|--------------------|----------------|------------------|
| | Banking Corporation | | (22,029) | | (22,029) | | 28, 2015 | | without warranty |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | – | 1,800,000 (22,029) | – | 1,800,000 (22,029) | | | | |
| | Mizuho Corporate Bank, Ltd. | – | 1,800,000 (22,029) | – | 1,800,000 (22,029) | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | – | 1,800,000 (22,029) | – | 1,800,000 (22,029) | | | | |
| | Mitsubishi UFJ Trust and Banking Co., Ltd. | – | 1,400,000 (17,133) | – | 1,400,000 (17,133) | | | | |
| | Resona Bank, Ltd. | – | 1,400,000 (17,133) | – | 1,400,000 (17,133) | | | | |
| | Shinsei Bank, Limited. | – | 500,000 (6,119) | – | 500,000 (6,119) | | | | |
| | Subtotal | 28,352,000 (346,983) | 10,500,000 (128,503) | 15,833,000 (193,770) | 23,019,000 (281,715) | – | – | – | – |
| Total | | ¥28,560,000 (\$349,528) | ¥26,333,000 (\$322,273) | ¥15,937,000 (\$195,043) | ¥38,956,000 (\$476,759) | – | – | – | – |

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

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

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

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

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

(Thousands of yen)

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

(Thousands of U.S. dollars)

| Classification | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years |
|-----------------|--------------|--------------|--------------|--------------|
| Long-term loans | \$153,212 | – | – | \$128,503 |

21. Other Supplementary Information (continued)

7) Detailed Schedule of Rehabilitation Obligations

| Classification | | Date of modification of rights | Balance at end of prior period (Thousands of yen) (Thousands of U.S. dollars) | Increase during the period (Thousands of yen) (Thousands of U.S. dollars) | Decrease during the period (Note 2) (Thousands of yen) (Thousands of U.S. dollars) | Balance at end of the period (Thousands of yen) (Thousands of U.S. dollars) | Average interest rate (Note 3) | Repayment deadline | Purpose of use | Comments |
|--|--|--------------------------------------|---|---|--|---|---|-----------------------|-------------------|----------------------------------|
| Current portion of rehabilitation obligations with right of separate satisfaction | The Chuo Mitsui Trust and Banking Co., Ltd. | January 5, 2010 (Note 1) | — | ¥4,301,536 (\$52,643) | — | ¥4,301,536 (\$52,643) | 1.46% | January 31, 2012 | (Note 4) | Secured without warranty |
| | Aozora Bank, Ltd. | | — | 4,227,371 (51,736) | — | 4,227,371 (51,736) | | | | |
| | The Sumitomo Trust and Banking Co., Ltd. | | — | 2,299,096 (28,137) | — | 2,299,096 (28,137) | | | | |
| | Mitsubishi UFJ Trust and Banking Corporation | | — | 2,224,932 (27,229) | — | 2,224,932 (27,229) | | | | |
| | Resona Bank, Ltd. | | — | 2,224,932 (27,229) | — | 2,224,932 (27,229) | | | | |
| | The Hyakugo Bank | | — | 741,644 (9,076) | — | 741,644 (9,076) | | | | |
| | Total | | — | ¥16,019,513 (\$196,053) | — | ¥16,019,513 (\$196,053) | — | — | — | — |
| Rehabilitation obligations with right of separate satisfaction | The Chuo Mitsui Trust and Banking Co., Ltd. | January 5, 2010 (Note 1) | ¥4,301,536 (\$52,643) | — | ¥4,301,536 (\$52,643) | — | 1.46% | January 31, 2012 | (Note 4) | Secured without warranty |
| | Aozora Bank, Ltd. | | 4,227,371 (51,736) | — | 4,227,371 (51,736) | — | | | | |
| | The Sumitomo Trust and Banking Co., Ltd. | | 2,299,096 (28,137) | — | 2,299,096 (28,137) | — | | | | |
| | Mitsubishi UFJ Trust and Banking Corporation | | 2,224,932 (27,229) | — | 2,224,932 (27,229) | — | | | | |
| | Resona Bank, Ltd. | | 2,224,932 (27,229) | — | 2,224,932 (27,229) | — | | | | |
| | The Hyakugo Bank | | 741,644 (9,076) | — | 741,644 (9,076) | — | | | | |
| | Subtotal | | 16,019,513 (196,053) | — | 16,019,513 (196,053) | — | | | | |
| Rehabilitation obligations (Loans) | The Norinchukin Bank | January 5, 2010 (Note 1) | 3,039,055 (37,193) | — | — | 3,039,055 (37,193) | 1.45% | January 31, 2013 | (Note 4) | Unsecured without warranty |
| | | | 3,039,055 (37,193) | — | — | 3,039,055 (37,193) | | January 31, 2014 | | |
| | | | 3,039,249 (37,195) | — | — | 3,039,249 (37,195) | | January 30, 2015 | | |
| | Aozora Bank, Ltd. | | 2,353,146 (28,798) | — | — | 2,353,146 (28,798) | 1.45% | January 31, 2013 | | |
| | | | 2,353,146 (28,798) | — | — | 2,353,146 (28,798) | | January 31, 2014 | | |
| | | | 2,353,296 (28,800) | — | — | 2,353,296 (28,800) | | January 30, 2015 | | |
| | The Chuo Mitsui Trust and Banking Co., Ltd. | | 2,124,156 (25,996) | — | — | 2,124,156 (25,996) | 1.45% | January 31, 2013 | | |
| | | | 2,124,156 (25,996) | — | — | 2,124,156 (25,996) | | January 31, 2014 | | |
| | | | 2,124,291 (25,997) | — | — | 2,124,291 (25,997) | | January 30, 2015 | | |
| | Sumitomo Mitsui Banking Corporation | | 1,883,861 (23,055) | — | — | 1,883,861 (23,055) | 1.45% | January 31, 2013 | | |
| | | | 1,883,861 (23,055) | — | — | 1,883,861 (23,055) | | January 31, 2014 | | |
| | | | 1,883,981 (23,056) | — | — | 1,883,981 (23,056) | | January 30, 2015 | | |
| | Mizuho Bank, Ltd. (Note 5) | | 1,215,486 (14,875) | — | — | 1,215,486 (14,875) | 1.45% | January 31, 2013 | | |
| | | | 1,215,486 (14,875) | — | — | 1,215,486 (14,875) | | January 31, 2014 | | |

| Classification | | Date of modification of rights | Balance at end of prior period (Thousands of yen) (Thousands of U.S. dollars) | Increase during the period (Thousands of yen) (Thousands of U.S. dollars) | Decrease during the period (Note 2) (Thousands of yen) (Thousands of U.S. dollars) | Balance at end of the period (Thousands of yen) (Thousands of U.S. dollars) | Average interest rate (Note 3) | Repayment deadline | Purpose of use | Comments |
|----------------|--|--------------------------------------|---|---|--|---|---|-----------------------|-------------------|----------|
| | | | 1,215,563 (14,876) | — | — | 1,215,563 (14,876) | 1.45% | January 30, 2015 | | |
| | The Sumitomo Trust and Banking Co., Ltd. | | 1,093,835 (13,386) | — | — | 1,093,835 (13,386) | | January 31, 2013 | | |
| | | | 1,093,835 (13,386) | — | — | 1,093,835 (13,386) | | January 31, 2014 | | |
| | | | 1,093,905 (13,387) | — | — | 1,093,905 (13,387) | | January 30, 2015 | | |
| | | | Mizuho Trust & Banking Co., Ltd. | 914,707 (11,194) | — | — | 914,707 (11,194) | 1.45% | | |
| | 914,707 (11,194) | | | — | — | 914,707 (11,194) | January 31, 2014 | | | |
| | 914,765 (11,195) | | | — | — | 914,765 (11,195) | January 30, 2015 | | | |
| | Development Bank of Japan Inc. | | 516,666 (6,323) | — | — | 516,666 (6,323) | 1.45% | January 31, 2013 | | |
| | | | 516,666 (6,323) | — | — | 516,666 (6,323) | | January 31, 2014 | | |
| | | | 516,699 (6,323) | — | — | 516,699 (6,323) | | January 30, 2015 | | |
| | Mitsubishi UFJ Trust and Banking Corporation | | 455,817 (5,578) | — | — | 455,817 (5,578) | 1.45% | January 31, 2013 | | |
| | | | 455,817 (5,578) | — | — | 455,817 (5,578) | | January 31, 2014 | | |
| | | | 455,846 (5,578) | — | — | 455,846 (5,578) | | January 30, 2015 | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | | 425,537 (5,207) | — | — | 425,537 (5,207) | 1.45% | January 31, 2013 | | |
| | | | 425,537 (5,207) | — | — | 425,537 (5,207) | | January 31, 2014 | | |
| | | | 425,564 (5,208) | — | — | 425,564 (5,208) | | January 30, 2015 | | |
| | Resona Bank, Ltd. | | 364,727 (4,463) | — | — | 364,727 (4,463) | 1.45% | January 31, 2013 | | |
| | | | 364,727 (4,463) | — | — | 364,727 (4,463) | | January 31, 2014 | | |
| | | | 364,751 (4,463) | — | — | 364,751 (4,463) | | January 30, 2015 | | |
| | Mitsui Sumitomo Insurance Company, Limited | | 303,883 (3,719) | — | — | 303,883 (3,719) | 1.45% | January 31, 2013 | | |
| | | | 303,883 (3,719) | — | — | 303,883 (3,719) | | January 31, 2014 | | |
| | | | 303,902 (3,719) | — | — | 303,902 (3,719) | | January 30, 2015 | | |
| | The Chiba Bank, Ltd. | | 303,879 (3,718) | — | — | 303,879 (3,718) | 1.45% | January 31, 2013 | | |
| | | | 303,879 (3,718) | — | — | 303,879 (3,718) | | January 31, 2014 | | |
| | | | 303,898 (3,719) | — | — | 303,898 (3,719) | | January 30, 2015 | | |
| | North Pacific Bank, Ltd. | | 151,949 (1,859) | — | — | 151,949 (1,859) | 1.45% | January 31, 2013 | | |
| | | | 151,949 (1,859) | — | — | 151,949 (1,859) | | January 31, 2014 | | |
| | | | 151,959 (1,859) | — | — | 151,959 (1,859) | | January 30, 2015 | | |
| | Shinsei Bank, Limited. | | 151,944 (1,859) | — | 151,944 (1,859) | — | 1.45% | January 31, 2013 | | |
| | | | 151,944 (1,859) | — | 151,944 (1,859) | — | | January 31, 2014 | | |
| | | | 151,954 (1,859) | — | 151,954 (1,859) | — | | January 30, 2015 | | |
| Subtotal | | | 45,896,945 (561,705) | — | 455,843 (5,578) | 45,441,101 (556,126) | — | — | — | — |

| Classification | | Date of modification of rights | Balance at end of prior period (Thousands of yen) (Thousands of U.S. dollars) | Increase during the period (Thousands of yen) (Thousands of U.S. dollars) | Decrease during the period (Note 2) (Thousands of yen) (Thousands of U.S. dollars) | Balance at end of the period (Thousands of yen) (Thousands of U.S. dollars) | Average interest rate (Note 3) | Repayment deadline | Purpose of use | Comments |
|--|--|--------------------------------------|---|---|--|---|---|-----------------------|-------------------|----------------------------------|
| Rehabilitation obligations (Investment corporation bonds) | First Series Unsecured Investment Corporation Bonds (Note 6) | January 5, 2010 (Note 1) | 4,404,151 (53,899) | — | — | 4,404,151 (53,899) | 1.45% | January 31, 2013 | (Note 8) | Unsecured without warranty |
| | | | 4,404,151 (53,899) | — | — | 4,404,151 (53,899) | | January 31, 2014 | | |
| | | | 4,404,432 (53,903) | — | — | 4,404,432 (53,903) | | January 30, 2015 | | |
| | Second Series Unsecured Investment Corporation Bonds (Note 7) | | 3,800,668 (46,514) | — | 1,330,234 (16,279) | 2,470,434 (30,234) | 1.45% | January 31, 2013 | (Note 9) | |
| | | | 3,800,668 (46,514) | — | 1,330,234 (16,279) | 2,470,434 (30,234) | | January 31, 2014 | | |
| | | | 3,800,910 (46,517) | — | 1,330,318 (16,280) | 2,470,592 (30,236) | | January 30, 2015 | | |
| | Third Series Unsecured Investment Corporation Bonds (Note 7) | | 1,427,814 (17,474) | — | 666,313 (8,154) | 761,500 (9,319) | 1.45% | January 31, 2013 | | |
| | | | 1,427,814 (17,474) | — | 666,313 (8,154) | 761,500 (9,319) | | January 31, 2014 | | |
| | | | 1,427,905 (17,475) | — | 666,355 (8,155) | 761,549 (9,320) | | January 30, 2015 | | |
| | Subtotal | | 28,898,518 (353,671) | — | 5,989,769 (73,305) | 22,908,748 (280,366) | — | — | — | — |
| Rehabilitation obligations (Other obligations) | Ikebukuro TM LLC | January 5, 2010 (Note 1) | 1,738,385 (21,275) | — | 1,738,385 (21,275) | — | 1.45% | January 31, 2013 | — | Unsecured without warranty |
| | | | 1,738,385 (21,275) | — | 1,738,385 (21,275) | — | | January 31, 2014 | | |
| | | | 1,738,496 (21,276) | — | 1,738,496 (21,276) | — | | January 30, 2015 | | |
| | Subtotal | | 5,215,267 (63,826) | — | 5,215,267 (63,826) | — | — | — | — | — |
| Total | | | ¥96,030,245 (\$1,175,256) | — | ¥27,680,394 (\$338,763) | ¥68,349,850 (\$836,493) | — | — | — | — |
| Total rehabilitation obligations | | | ¥96,030,245 (\$1,175,256) | ¥16,019,513 (\$196,053) | ¥27,680,394 (\$338,763) | ¥84,369,364 (\$1,032,546) | — | — | — | — |

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

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

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

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

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

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

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

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

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

(Note 10) With regard to each rehabilitation obligation, excluding those with rights of separate satisfaction, a fixed interest rate has been applied to the balance of the principal with a maturity of January 30, 2015 (¥22,784,251 thousand at end of the period) (\$278,842 thousand). Also, though a floating interest rate is currently applied as of the end of this period for the unpaid principal balances with maturity dates of January 31, 2013, and January 31, 2014 (¥22,782,799 thousand for respective balance at the end of this period) (\$278,825 thousand), BLife has the option to convert to a fixed interest rate without changing

the spread.

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

(Thousands of yen)

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

(Thousands of U.S. dollars)

| Classification | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years |
|---|--------------|--------------|--------------|--------------|
| Rehabilitation obligations (loans) | \$185,371 | \$185,371 | \$185,383 | — |
| Rehabilitation obligations (investment corporation bonds) | 93,453 | 93,453 | 93,459 | — |
| Total | \$278,825 | \$278,825 | \$278,842 | — |