



**BLife**  
BLife Investment Corporation



  
**Daiwa Asset Mgt.**  
Daiwa House Group



**BLife Investment Corporation**  
**Presentation Material for the 11th Fiscal Period**  
**(March 1, 2011 – August 31, 2011)**

(Asset Management Company)

**DAIWA HOUSE**  
**ASSET MANAGEMENT Co., Ltd.**

Financial Instruments Dealer, Kanto Financial Bureau  
Director (Kin-sho) No. 409  
Member of The Investment Trusts Association, Japan



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\*) All photos used in this material are photos of properties managed by BLife Investment Corporation except for the property photos on pages 26.



# Eleventh Fiscal Period (ended August 2011) Highlights

## Replacing Assets. Internal Growth Realized and Financial Stability Enhanced

- 1) Enhanced portfolio quality by replacing assets
- 2) Realized internal growth by increasing occupancy rate and improvement of book value in contrast with real estate appraisal value
- 3) Reduced interest-bearing liabilities and booked gains after purchasing and retiring rehabilitation obligations (investment corporation bonds, etc.)

### Enhanced Portfolio Quality

- 3 properties sold with a total value of ¥3,385 million (acquisition price basis) and sales loss of ¥501 million booked
- 3 properties purchased with a total value of ¥3,401 million (acquisition basis), enhancing the quality of the portfolio

	Age of Property	NOI yield (%)
Properties Acquired	4.0	5.9
Properties Sold	9.2	5.1

- Since the merger, we have sold 17 properties and purchased 9, achieving external growth of ¥1,655 million (acquisition basis)

As of April 1, 2010	As of August 31, 2011
129 properties	121 properties
¥190,537 million	¥192,192 million

### Internal Growth

- Increased occupancy rates and a slower decline in rent per unit ⇒ Stable profitability

Occupancy rate at end-Feb. 2011 (Average)	Occupancy rate at end-Aug. 2011 (Average)
96.0% (95.2%)	96.2% (95.7%)

- Due to a stop of decline of real estate appraisal value, difference between appraisal value and book value reduced

	Period ended Feb. 2011	Period ended Aug. 2011
Real Estate Appraisal Values (A)	¥180,575 million	¥181,039 million
Book Values (B)	¥191,477 million	¥190,611 million
Differences (A)-(B)	(¥10,902 million)	(¥9,572 million)

Improvement of ¥1,329 million

### Reduced interest-bearing liabilities and booked gains on retirement by purchase of rehabilitation obligations

- BLife purchased and retired a total of ¥568 million in rehabilitation obligations at a discount and recorded gains on retirement by purchase of ¥22 million
- Reduced interest-bearing liabilities in eleventh fiscal period: ¥672 million (total of ¥568 million in rehabilitation obligations, ¥104 million in contractual repayment for Term Loan I and Term Loan II)



- Reduced liabilities (lowered the LTV level) and lowered future interest expenses at the same time
- Since the merger to August 2011, BLife has purchased and retired a total of ¥12,362 million in rehabilitation obligations and booked total gains on retirement by purchase of rehabilitation obligations of ¥562 million



Although there were negative impacts of losses on the real estate sales of ¥501 million and earthquake related extraordinary losses of ¥57 million, due to reversal of retained earnings of ¥535 million, actual distribution per unit was **¥16,320** compared with the original estimates of ¥15,500





# Eleventh Fiscal Period Forecasts and Actual Results

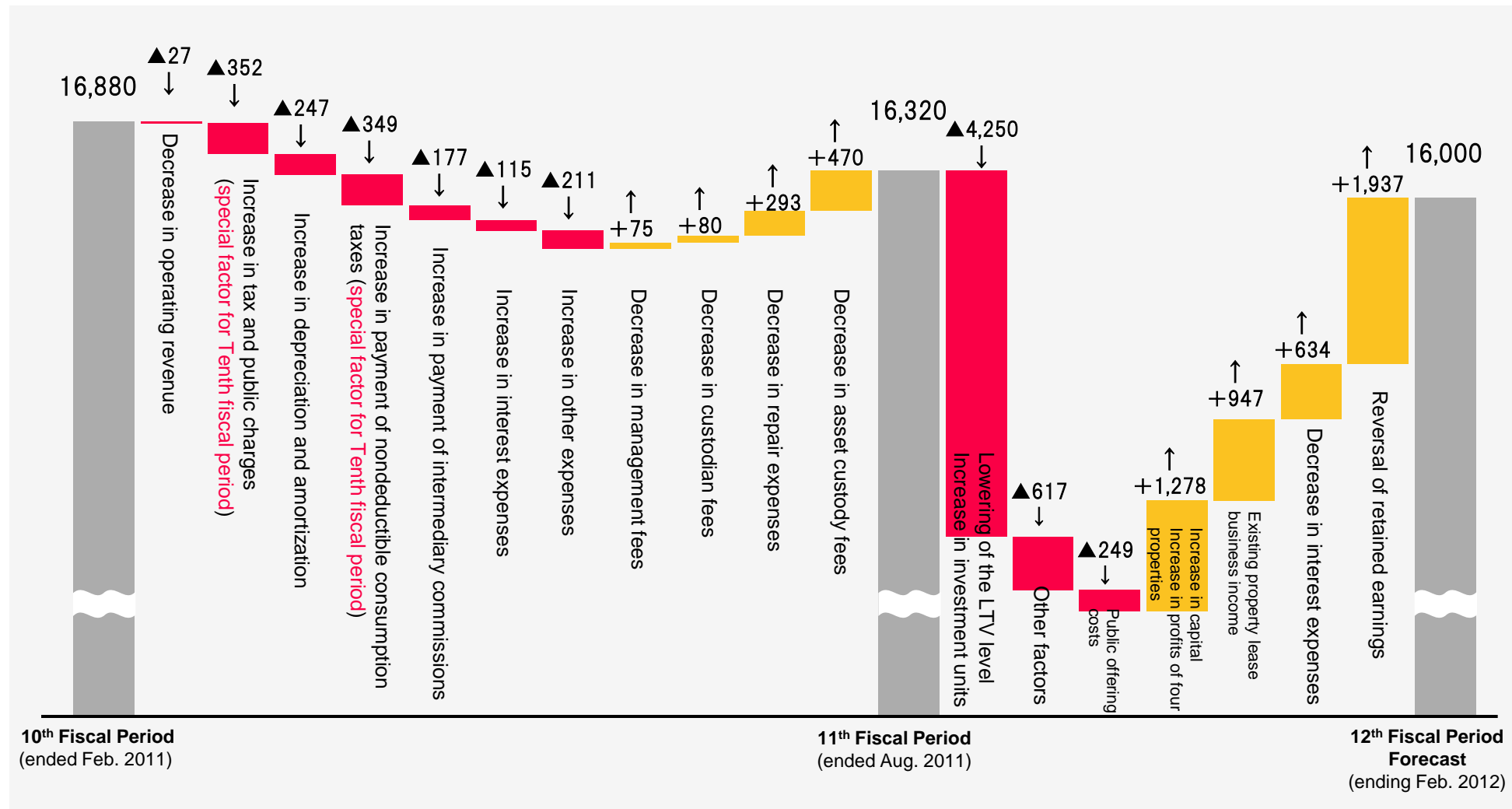
	Tenth Fiscal Period Actual Results (ended Feb. 2011)	Eleventh Fiscal Period Forecasts (ended Aug. 2011)	Eleventh Fiscal Period Actual Results (ended Aug. 2011)	Differences between Tenth and Eleventh Fiscal Period	
<b>Management Period</b>	181 days	184 days	184 days	—	
<b>Operating Revenue</b> [excl. gains on real estate sales] [of which, gains on real estate sales]	7,793 mn yen [6,731 mn yen] [1,062 mn yen]	6,641 mn yen [6,641 mn yen] [0.6 mn yen]	6,728 mn yen [6,728 mn yen] [0.6 mn yen]	(1,064 mn yen) [(3 mn yen)] [(1,061 mn yen)]	Operating revenue (¥1,064 million) ①+②+③=(A) Revenue from rental business (¥3 million) ①+②=(B) Rental income (¥82 million) ① Other revenue from rental business + ¥79 million (revenue from restoring work to original state + ¥52 million) ② Gains on real estate sales (¥1,061 million) ③
<b>Operating Income</b> [excl. gains and losses on real estate sales] [of which, losses on real estate sales]	3,796 mn yen [3,039 mn yen] [305 mn yen] Of which Capital expenditures: ¥199million + repair expenses of ¥207 million	2,492 mn yen [2,991 mn yen] [500 mn yen] Of which Capital expenditures: ¥40 million + repair expenses of ¥177 million	2,478 mn yen [2,979 mn yen] [501 mn yen] Of which Capital expenditures: ¥85million + repair expenses of ¥172 million	(1,317 mn yen) [(60 mn yen)] [195 mn yen]	Operating income (¥1,317 million) (A)-(E) -⑥ =(C) [(¥60 million)] (B)-(E)=(D) Operating expenses (excl. losses on real estate sales) ¥56 million ④+⑤=(E) Real estate expenses related to rent business +¥71 million ④ Intermediary commissions + ¥21 million, tax and public charges + ¥41 million and repair expenses (¥34 million), Restoration cost + ¥26 million and depreciation and amortization + ¥29 million Selling, general and administrative expenses (excl. losses on real estate sales) (¥14 million) ⑤ Nondeductible consumption taxes + ¥41 million (reaction of sale of properties in the 10th fiscal period) Asset custody fee (linked to profits) (¥57 million) Losses on real estate sales + ¥195 million ⑥
<b>Ordinary Income</b> [excl. gains and losses on real estate sales]	2,761 mn yen [2,005 mn yen]	1,400 mn yen [1,899 mn yen]	1,437 mn yen [1,938 mn yen]	(1,324 mn yen) [(66 mn yen)]	Ordinary income (¥1,324 million) (C)+(H)=(F) [(¥66 million)] (D)+(H)=(G) Non-operating gains (¥6 million) ⑦-⑧=(H), Non-operating income +¥4 million ⑦ Non-operating expenses +¥11 million ⑧ Interest expenses (¥3 million) (retirement by purchase of rehabilitation obligations (¥51 million), TL III +¥39 million and swap +¥6 million) Borrowing related expenses ¥17 million (new borrowings carried out)
<b>Net Income</b> [excl. gains and losses on real estate sales and gains on retirement by purchase of rehabilitation obligations] [of which, gains and losses on real estate sales and gains on retirement by purchase of rehabilitation obligations]	3,245 mn yen [2,004 mn yen] [1,241 mn yen]	1,362 mn yen [1,899 mn yen] [(536 mn yen)]	1,401 mn yen [1,937 mn yen] [(535 mn yen)]	(1,843 mn yen) [(66 mn yen)] [(1,777 mn yen)]	Net income (¥1,843 million) (F)+(J)-(K)-(income taxes) [(¥66 million)] (G)-(income taxes)=(I) Extraordinary income (¥461 million) (increase in gains on retirement by purchase of rehabilitation obligations) (J) Extraordinary losses + ¥57 million (loss on disaster) (K) [(¥1,777 million)] ③-⑥+(J)-(K)
<b>Retained Earnings</b>	1,241 mn yen	(536 mn yen)	(535 mn yen)	(1,777 mn yen)	Actual retained earnings of (¥535 million) is the total of losses on the real estate sales of (¥501 million), gains on retirement by purchase of rehabilitation obligations of ¥22 million and loss on disaster of (¥57 million)
<b>Total Distributions</b>	2,004 mn yen	1,899 mn yen	1,937 mn yen	(66 mn yen)	The decreased amount of distribution was equivalent to the decreased amount excl. extraordinary gains / losses (I)
<b>Distribution per Unit</b> [outstanding investment units issued at end of fiscal period]	16,880 yen [118,735 units]	16,000 yen [118,735 units]	16,320 yen [118,735 units]	(560 yen) [—]	



# Fluctuation Factors of Distribution per Unit

## ■ Analysis on fluctuation factors of distribution per unit

(unit: yen)



\*) The above graph excludes gains and losses on real estate sales, gains on retirement by purchase of rehabilitation obligations and earthquake related expenses.



# Impact of Great East Japan Earthquake

## ■ Our response since the earthquake

### Status of repair

With regard to the 101 properties owned by BLife in and north of the Kanto region, BLife requested an outside expert to conduct field investigations, etc. at a cost of ¥20 million. Repair works for 67 properties have been completed with the exception of three properties located in Sendai City.

### Impact on distributions

BLife recorded totaling ¥57 million as an extraordinary loss, comprising the cost of the property survey and repair expenses of ¥37 million (equivalent to 0.56% of projected operating revenue for the period ended August 2011). Distributions will not be affected, as BLife has determined to cover for the earthquake-caused loss by reversing retained earnings in an amount equivalent to the expenses.

## ■ Status of three portfolio properties in the Tohoku region (total asset size of ¥1,920 million, accounting for 1.0% of the portfolio investment)

- Repair works have started in October 2011 and are scheduled to be completed in the end of December 2011. Repair expense of ¥7.7 million will be recorded as extraordinary loss in the period ending February 2012 and covered by reversing retained earnings in the same manner as the period ended August 2011.

	Location	Type	Status	Repair Expenses (estimate)
NCR Kotodaikoen	Aoba Ward, Sendai City, Miyagi Prefecture	Residence	Cracks, etc. found in floor of 1F common-use area. No water seeping into building due to tsunami.	¥1.7 million
NCR Ichibancho	Aoba Ward, Sendai City, Miyagi Prefecture	Residence	Cracks, etc. found in part of exterior wall. No water seeping into building due to tsunami.	¥3.0 million
NCR Omachi	Aoba Ward, Sendai City, Miyagi Prefecture	Residence	Cracks, etc. found in floor of 1F common-use area and part of exterior wall, as well as tiles peeling off, etc. part of the exterior wall. No water seeping into building caused by tsunami.	¥3.0 million

## ■ Probable maximum loss (PML) from the earthquake\*

- The PML for portfolio properties as of the end of the eleventh fiscal period is low at **3.3%**.

(\*The probable maximum loss (PML) from an earthquake is the amount of probable loss of damage based on an 0.21% annual exceedance probability (475-year return period) expressed as a percentage (%) of the replacement cost. However, the earthquake PML for the portfolio is applied to a group of properties within the portfolio, and taking into account the probability of damage to those properties, is calculated based on the probable loss of damage to one or several of those buildings on an 0.21% annual exceedance probability (475-year return period) expressed as a percentage (%) of the replacement cost. BLife is considering taking out earthquake insurance based on the PML values, but at this point has no plans to insure individual real estate assets properties or real estate held in trust with earthquake insurance.



# Improving Portfolio Quality by Replacing Assets (1)

## Criteria for Asset Sales

- BLife plans to strategically dispose of NCR properties being less competitive based on criteria for asset sales, as it succeeded the properties at average cut prices of book value by 24.7% at the merger

### Criteria

Comprehensive assessment of a range of factors including property size (price, leasable area, number of units), location, yields, age of property, occupancy rates, and distance from nearest station

## Eleventh Fiscal Period (ended August 2011) Assets Replacement Results

- BLife steadily replaced assets to strengthen its portfolio, leading to a significant improvement in portfolio quality in terms of both NOI and property age
- For the eleventh fiscal period (ended August 2011), BLife posted losses on sales of properties in total, but reversed retained earnings to cover the losses, ensuring no impact on distribution. We will continue to stabilize distribution by taking such measures in the future.

Property Purchased	Acquisition Date	Acquisition Price ① (million yen)	Appraisal Value ② (million yen)	②-① (million yen)	NOI Yield (%) (*1)	Age of Property
Belle Face Ooimachi Ark	2011/ 6 / 30	1,181	1,200	19	5.6	0.3
Belle Face Nagoyaekimae	2011/ 8 / 1	720	757	37	6.5	4.6
My Atria Omori	2011/ 8 / 2	1,500	1,600	100	6.0	4.4
Total		3,401	3,557	156	5.9	4.0

\*1) Net rental income shown in the real estate appraisal report at the time of purchase / acquisition price

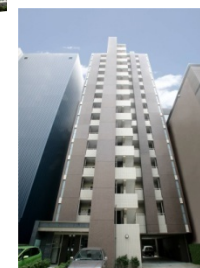
Property Sold	Transfer Date	Book Value ① (million yen)	Transfer Price ② (million yen)	②-① (*2) (million yen)	NOI Yield (%) (*3)	Age of Property
NCR Denenchofu	2011/ 3/ 30	423	425	2	5.4	15.7
NCR Minami Aoyama	2011/ 4/ 18	2,655	2,175	(480)	4.9	8.6
NCR Otedori	2011/ 5/ 31	295	300	4	6.2	5.4
Total		3,373	2,900	(473)	5.1	9.2

\*2) The figures do not include expenses related to sale of properties.

\*3) Total NOI for the past two fiscal periods / acquisition price



Belle Face  
Ooimachi Ark



Belle Face  
Nagoyaekimae



My Atria Omori

Reduced age  
of property

Boosted  
profitability



# Improving Portfolio Quality by Replacing Assets (2)

## List of Properties Sold and Acquired After Merger to October 31, 2011

	Total of 17 Sold Properties ①	Total of 13 Acquired Properties ②	② – ①	Comment
Total Acquisition Price of Sold Properties (a) / Total Acquisition Price of Acquired Properties (b)	¥17,606 million	¥34,971 million	¥17,365 million	Achieved external growth
Real Estate Appraisal Values (c)	¥16,652 million *1	¥37,678 million *2	¥21,026 million	-
Difference Between Total Acquisition Price and Real Estate Appraisal Values (d) [(c) – (b)] ((d) / (b) x 100)	-	¥2,707 million (7.7%)	-	Unrealized gains versus real estate appraisal value
Gains On Real Estate Sales *3	¥278 million	-	-	Gains booked on real estate sales, allocated all gains to retained earnings
NOI yield	6.3% *4	6.6% *5	-	Improved profitability
Acquisition Price per Property	¥1,035 million	¥2,690 million	¥1,655 million	Promoted operational and administrative efficiency
Total Units	745 units	1,689 units	944 units	-
Weighted Average Age of Property	7.5 years	3.7 years	-	Replaced with newer buildings

\*1) Real estate appraisal value as of the record date at the end of the fiscal period previous to the period in which the transfer occurred.

\*2) Real estate appraisal value at acquisition date

\*3) Does not include sales-related expenses

\*4) NOI yield for sold assets ... (total of weighted average NOI over the last two fiscal periods / total acquisition price).

\*5) NOI yield for acquired assets ... (net rental income in the real estate appraisal report at the acquisition date / total acquisition price).





# State of Portfolio

- BLife's efforts to improve portfolio quality and stability and lower the average age of portfolio properties by implementing assets replacement in accordance with investment criteria.

## Investment Policy

1

Diversifying investment mainly in Area 1 (the five major wards of Tokyo) but also in Area 2 (wards of Tokyo excluding Area 1), where we have a strong track record, and Area 3 (Tokyo Metropolitan Area excluding Area 1 and Area 2)

### Direction of Target Portfolio

- Area 1 → Area 3 ↑
- Area 2 ↑ Area 4 →

2

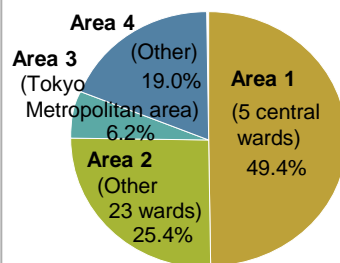
Investment in family residences, where the Daiwa House Group is strong, mainly for singles

### Direction of Target Portfolio

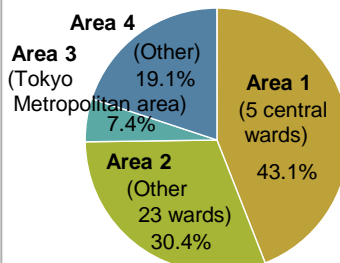
- Single ↑ Family ↑
- DINKS →

## By Area

April 30, 2010 (Merger)



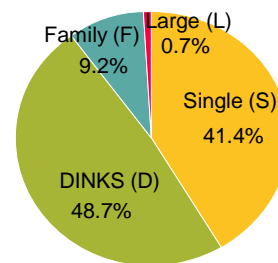
October 31, 2011 (After PO)



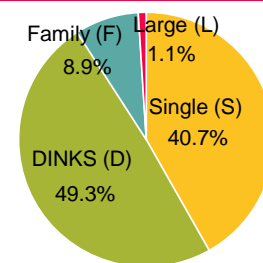
Based on investment criteria, reviewed investment ratio by area.

## By Type

April 30, 2010 (Merger)



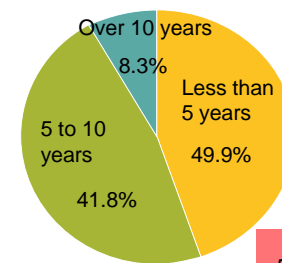
October 31, 2011 (After PO)



Investment in the single residence category, which has relatively low rents and more stabilized level of occupancy rate and rent, is expanding.

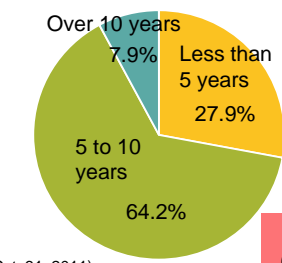
## By Age of Property

April 30, 2010 (Merger)



Average  
5.7 years

October 31, 2011 (After PO)



Average  
6.6 years

(As of Oct. 31, 2011)

While a year and a half has passed since the merger, the average age of portfolio properties is maintained through assets replacement.

\*1) Values by area and by age of property are calculated based on acquisition prices. Values by type are calculated based on the number of residential units in each classification.

\*2) Areas are defined as follows: (1) 5 central wards (Area 1): Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward and Shinjuku Ward, (2) Other 23 wards (Area 2): 23 wards of Tokyo excluding Area 1, (3) Tokyo Metropolitan area (Area 3): Tokyo excluding Area 1 and Area 2, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture, and (4) Other (Area 4): Other cities with populations of more than approx. 100,000

\*3) Types are defined as follows: Single (S): leasable area of less than 30m<sup>2</sup> / DINKS (D): leasable area of 30m<sup>2</sup> ~ 70m<sup>2</sup> / Family (F): leasable area of 70m<sup>2</sup> ~ 100m<sup>2</sup> / Large (L): leasable area of over 100m<sup>2</sup>



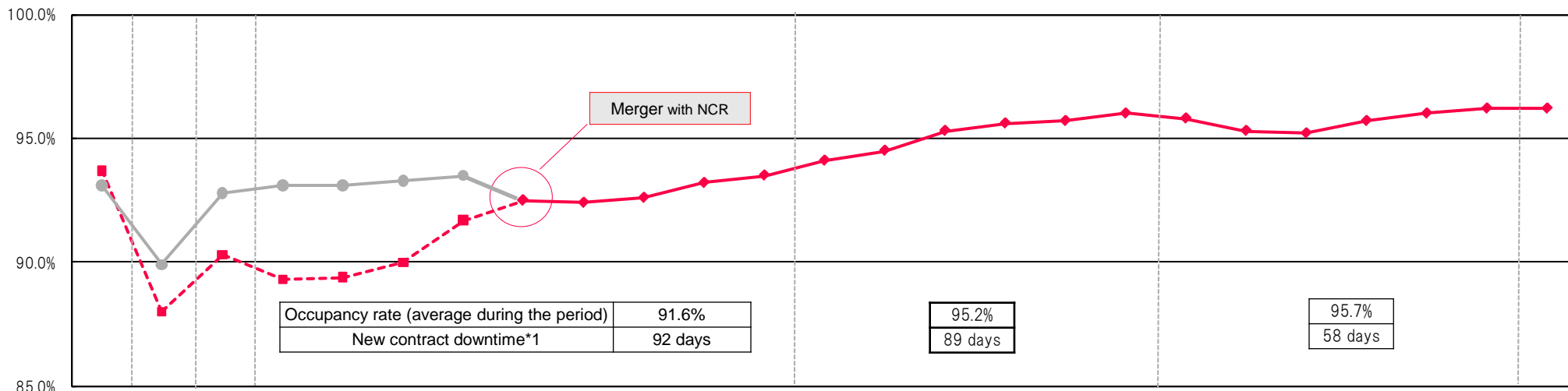
# Transition of Occupancy Rate

## Transition of Portfolio Occupancy Rate

■ pre-merger BLife

● NCR

◆ post-merger BLife



\*1) "New contract downtime" relates to new contract residential units (including stores) of residential properties in each period and is measured by the average number of days during the period beginning from the cancellation date of the former contract and ending when lease of the new contract commenced.

Sixth	Seventh	Eighth	Ninth Fiscal Period									Tenth Fiscal Period						Eleventh						Twelfth
Nov. 2008	May 2009	Nov. 2009	Dec. 2009	Jan. 2010	Feb. 2010	March 2010	April 2010	May 2010	June 2010	July 2010	Aug. 2010	Sep. 2010	Oct. 2010	Nov. 2010	Dec. 2010	Jan. 2011	Feb. 2011	Mar. 2011	Apr. 2011	May 2011	June 2011	July 2011	Aug. 2011	Sep. 2011

BLife	93.7%	88.0%	90.3%	89.3%	89.4%	90.0%	91.7%	92.5%	92.4%	92.6%	93.2%	93.5%	94.1%	94.5%	95.3%	95.6%	95.7%	96.0%	95.8%	95.3%	95.2%	95.7%	96.0%	96.2%	96.2%
NCR	93.1%	89.9%	92.8%	93.1%	93.1%	93.3%	93.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

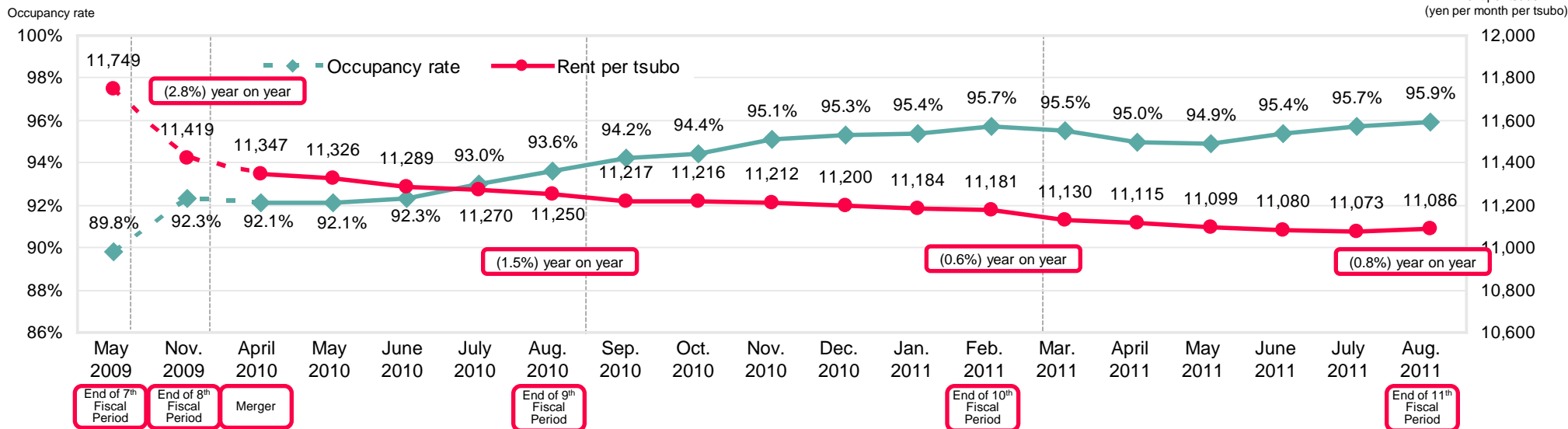
Residential	Area1	93.2%	86.0%	87.9%	88.5%	88.8%	90.2%	90.9%	90.4%	90.0%	89.9%	90.3%	90.4%	90.6%	90.4%	92.0%	93.0%	93.3%	94.3%	93.4%	93.3%	93.1%	93.0%	93.1%	94.1%	94.3%
	Area2	95.5%	92.6%	91.7%	91.4%	91.3%	91.1%	92.1%	90.7%	90.6%	91.4%	92.5%	93.6%	95.4%	95.5%	96.2%	96.1%	96.0%	96.6%	96.8%	96.1%	95.5%	96.2%	96.4%	96.5%	96.5%
	Area3	95.8%	97.2%	96.9%	96.3%	96.5%	95.1%	95.5%	95.4%	95.3%	95.8%	96.3%	96.3%	96.2%	96.4%	96.6%	97.7%	97.6%	97.0%	97.3%	96.7%	98.7%	98.4%	98.2%	97.6%	97.5%
	Area4	91.4%	89.5%	96.2%	96.1%	95.8%	95.6%	95.3%	95.1%	95.0%	95.1%	95.6%	95.8%	96.4%	96.8%	96.9%	96.9%	96.8%	96.6%	96.5%	95.9%	95.9%	96.9%	97.5%	97.2%	97.0%
	Retail	86.2%	88.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

\*2) The above graph shows occupancy rates by area over the last four fiscal periods for all 129 properties in the portfolio from June 2008 to May 2010 (owned as of May 31, 2010). For June 2010 and beyond, occupancy rates by area are shown for all properties owned as of month's end.



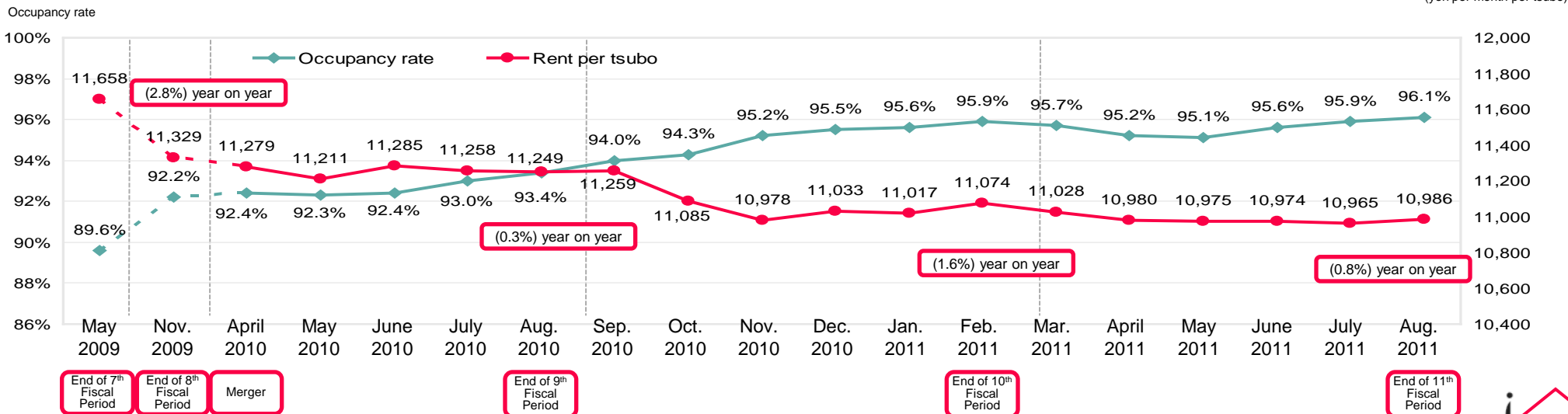
# Transition of Occupancy Rate and Rent per Tsubo

## Transition of Occupancy Rate and Rent per Tsubo of Existing Properties



\*) Based on the rent roll at the end of each month for 110 residential properties (from a total of 121 after excluding nine properties transferred via the merger and two retail properties).

## Transition of Occupancy Rate and Rent per Tsubo of All Properties (Excl. Retail Properties)



\*) Based on the rent roll at the end of each month for the residential properties after excluding two retail properties.



# Future Growth Strategy

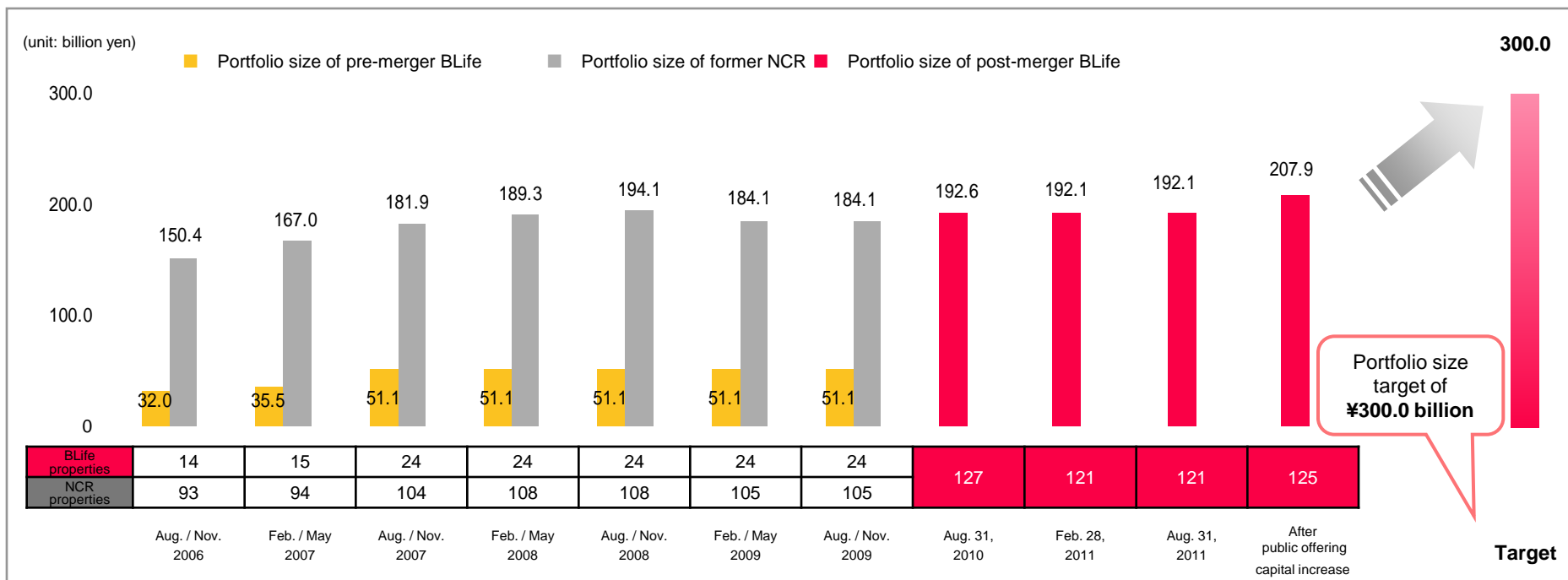
Although BLife has followed a strategy of internal growth since the merger in April 2010, its focus will now extend to external growth strategies. BLife aims to grow exponentially as a residential REIT with Daiwa House Group as its sponsor.

## Future Policies of Growth Strategy

Leverage Comprehensive Strengths of the Daiwa House Group	Expansion of Portfolio Size	Implementation of Distribution Management	Enhancement of Portfolio Quality	Enhancement of Financial Position
Leverage the comprehensive strengths of the Daiwa House Group, which can offer total operations of rental residences from planning and development to administration, management and tenant leasing	Aiming to expand portfolio size, mainly in properties to be developed by Daiwa House Industry, in addition to warehousing properties and external properties	Implementing more flexible distribution management utilizing tax-loss carry forwards of ¥44.5 billion and reversal of retained earnings of ¥19.8 billion	By reviewing age of property and size, BLife will replace its relatively less competitive management assets, so as to enhance profitability through improving the occupancy rate of its portfolio, and reduce administrative and management costs	Building a strong banking structure backed by the creditworthiness of the Daiwa House Group. Reducing debt costs.

**Realizing Stabilized Distribution**

Current policy of distribution per unit of ¥16,000

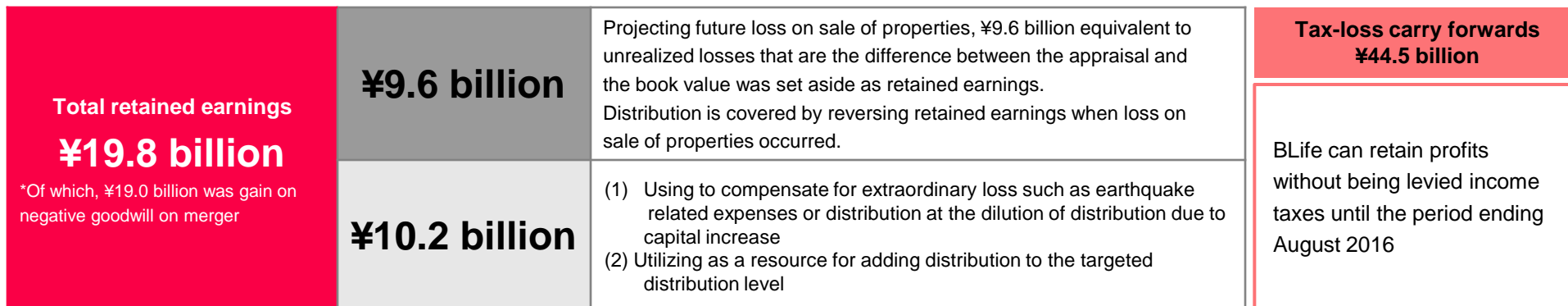




# Stabilizing Distribution by Utilizing Retained Earnings

- BLife is able to set aside retained earnings by utilizing tax-loss carry forwards (Attribute only possessed by BLife among J-REITs)
- BLife achieves stable distribution by utilizing accumulated retained earnings and setting a targeted distribution level

## Utilization policy of total retained earnings of ¥19.8 billion



(as of August 31, 2011)

## Current Target of Distribution Level

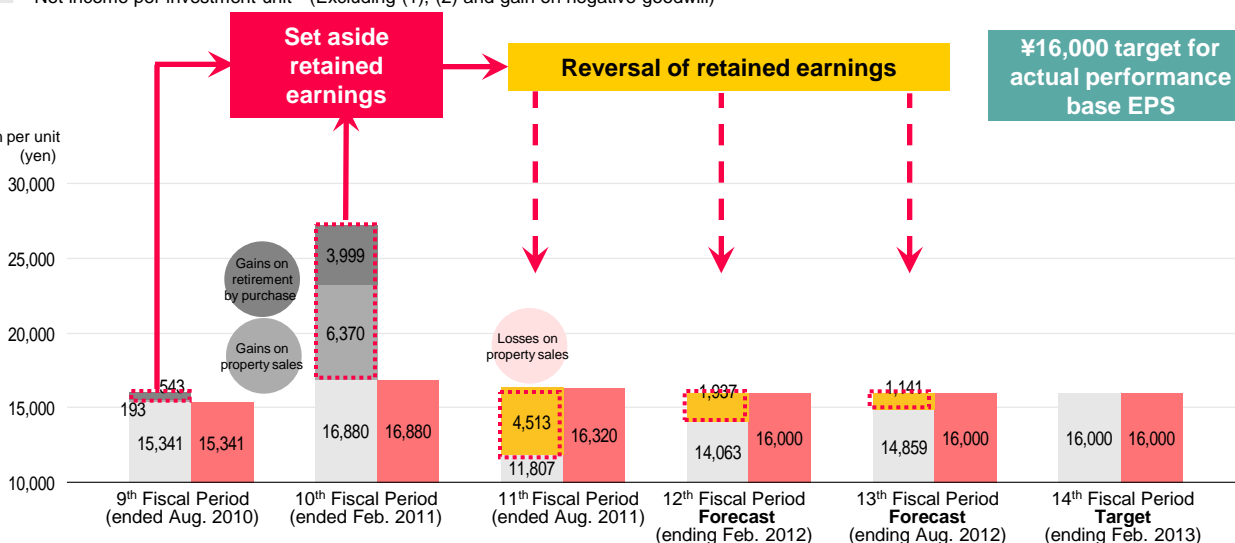
**¥16,000 per unit**

## Performance forecasts

	Period ending Feb. 2012	Period ending Aug. 2012	Period ending Feb. 2013 (Target)
Net income per unit	¥14,063	¥ 14,859	¥ 16,000
Reversal of retained earnings per unit	¥ 1,937	¥ 1,141	—
Distribution per unit	¥ 16,000	¥ 16,000	¥ 16,000

Distribution per unit (yen)

- (1) Gains on retirement by purchase of rehabilitation obligations per investment unit
- (2) Gains on property sales per investment unit
- Net income per investment unit (Excluding (1), (2) and gain on negative goodwill)



**Target of distribution per unit of ¥16,000 in period ending February 2013 to be achieved without reversing retained earnings.**





# Public Offering Capital Increase

## ■ Management Strategy Which Will Realize the Expansion of Portfolio Size, Lowering of LTV and Stabilization of Distribution at Once

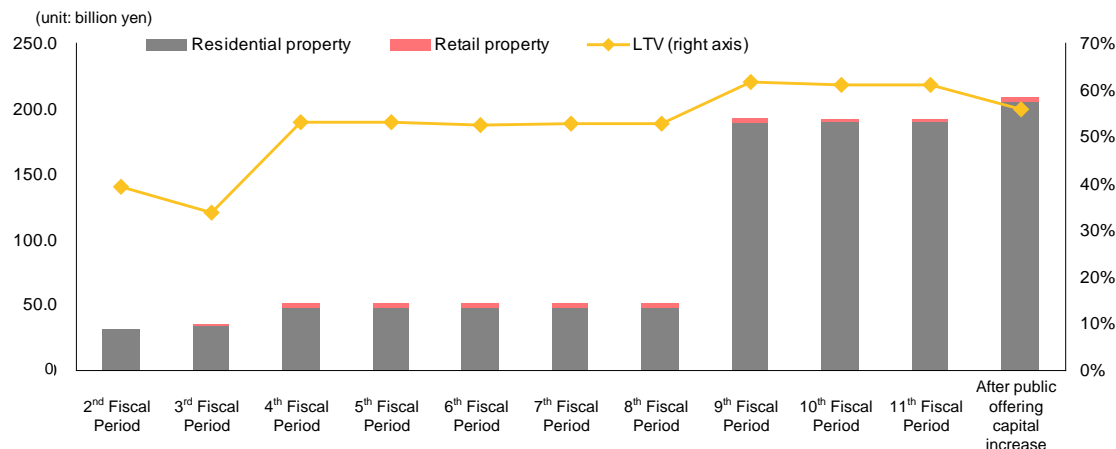
### ■ First step towards achieving the target portfolio size of ¥300.0 billion is to follow the following external growth strategies :

- (1) Acquiring properties by funds obtained from public offering → Achieving the expansion of portfolio size and lowering of LTV
- (2) Realizing stabilized distribution by utilizing retained earnings

## ■ Overview of Public Offering Capital Increase

\*When maximum number of new investment units issued by third-party is assumed to be 3,800 units.

Resolution date of issuance	September 15, 2011
Total issuance price (proceeds from issuance)*	approx. ¥17.6 billion
Number of investment unit to be issued*	41,800 units
Portfolio size after capital increase (total acquisition price)	¥207.9 billion
Impact of lowering LTV by capital increase	61.1% (period ended August 2011) ⇒56.1% (rough estimate for the period ending February 2012)
Stabilizing distribution by utilizing retained earnings	Targeted distribution level ¥16,000



## ■ Strengthening of Financial Position Conducted at Same Time as Public Offering Capital Increase

### ■ Refinancing and realizing the release of collateral

- (1) As of September 30, 2011, BLife refinanced and realized lower interest expenses
- (2) As of October 4, 2011, BLife released all collateral from interest-bearing liabilities including existing borrowings

### ■ Establishment of commitment line and control of LTV

- (1) Establishing a commitment line of ¥6.0 billion to be utilized for flexible acquisition of properties
- (2) Rough estimate of LTV for period ending February 2012 is 56.1%. To promote increase in distribution and replacement of properties, BLife plans to accept a raise in the current LTV level to some extent

### ■ Changes in management policy and name of investment corporation

- (1) The management policy will be changed from the current policy of investing in both residential and retail properties to investing in only residential properties
- (2) Two currently managed retail properties with occupancy rates of 100% will be sold at a proper time in the future
- (3) BLife will change its name to “Daiwa House Residential Investment Corporation” on December 1, 2011



# Overview of Properties Acquired Through Public Offering Capital Increase

Acquisition rate from the Daiwa House Group

82%

Properties acquired	Royal Parks Hanakoganei	Shibaura Island Bloom Tower	My Atria Mishuku	Besta Yakuin *Purchased by cash reserves	Total
Acquisition price (A)	¥5,300 million	¥7,580 million	¥1,900 million	¥930 million	¥15,710 million
Appraisal value (B)	¥5,560 million	¥7,880 million	¥2,050 million	¥951 million	¥16,441 million
Difference between acquisition price and appraisal value (A) – (B)	(¥260 million)	(¥300 million)	(¥150 million)	(¥21 million)	(¥731 million)
Appraisal value NOI yield *1	6.7%	6.7%	5.9%	6.5%	6.6%
NOI yield after depreciation *2	4.4%	4.3%	4.0%	4.2%	4.3%
Seller	Royal Parks Hanakoganei Co., Ltd.	Shibaura Canal Development Ltd.	Domestic special purpose company	Domestic general business company	—
Acquisition (scheduled) date	October 7, 2011	October 18, 2011	October 7, 2011	September 26, 2011	—

Appraisal value NOI yield higher than existing portfolio NOI yield (existing portfolio 5.1%)

NOI yield after depreciation higher than existing portfolio NOI yield (existing portfolio 4.0%)

\*1) (Direct-capitalization-method net rental income shown in the real estate appraisal report at the time of purchase / acquisition price)

\*2) (NOI after estimated depreciation calculated by asset management company / acquisition price)



Shibaura Island Bloom Tower



Royal Parks Hanakoganei



My Atria Mishuku



Besta Yakuin



# Financial Conditions (1)

- BLife purchased and retired investment corporation bonds of ¥568 million at a discount and booked gains on retirement by purchase of rehabilitation obligations of ¥22 million
- BLife refinanced Term Loan II and rehabilitation obligations with right of separate satisfaction to Term Loan IV so as to extend the term and lower spread
- As of October 4, 2011, BLife released collateral from Term Loan I and thus, all interest-bearing liabilities have been released from collateral

Interest-bearing liabilities reduced since merger: ¥2,907 million

Gain from purchased and retired retirement obligations since merger: ¥562 million

(unit: million yen)

	Loan Date	Duration (year)	Spread	Secured/Unsecured	April 1, 2010 At the Merger (A)	August 31, 2010 <sup>1</sup>	October 14, 2011 (B)	Difference (B-A)
Term Loan I	March 31, 2010	2.3	100bp	Unsecured	12,680	12,565	12,542	(138)
Term Loan II	September 30, 2009	2	110bp	Secured	15,932	15,787	0	(15,932)
Term Loan III	December 28, 2010	5	80bp	Unsecured	—	10,500	10,500	10,500
Term Loan IV	September 30, 2011	5	65bp	Unsecured	—	—	31,800	31,800
Rehabilitation Obligations with Right of Separate Satisfaction	January 5, 2010	2	110bp	Secured	16,318	16,019	0	(16,318)
Rehabilitation Obligations	January 5, 2010	3~5	90~110bp	Unsecured	80,600	67,781	67,781	(12,818)
Total Interest-bearing Liabilities					125,531	122,653	122,623	(2,907)

Average duration:

Extended by three years

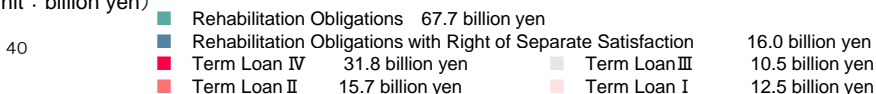
Average loan spread: Reduced by 0.45%

(2,878 million yen)

(29 million yen)

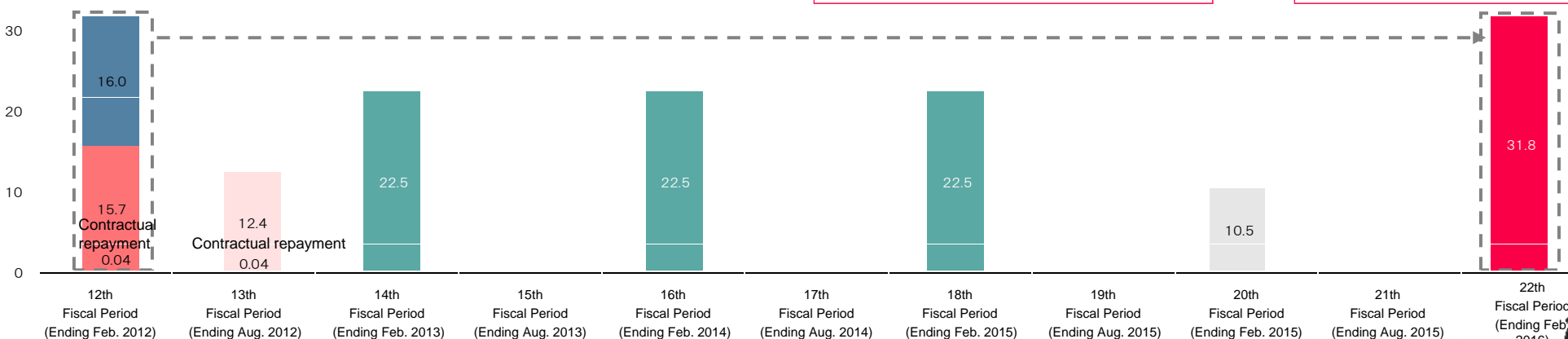
Interest-bearing liabilities reduced since merger: ¥2,907 million

(unit : billion yen)



**Term Loan II + Rehabilitation Obligations with Right of Separate Satisfaction**  
Loan term: two years  
Average loans spread: 1.10%

**Term Loan IV**  
Loan term: five years  
Loans spread: 0.65%

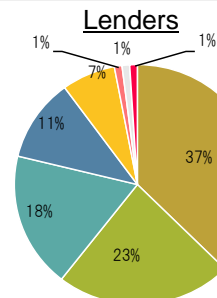




# Financial Conditions (2)

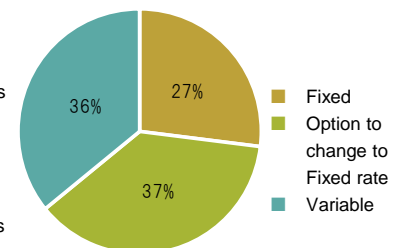
## Financial Strategy

- Building credible bank formation based on major domestic financial institutions with close relationship with the Daiwa House Group
- While continuing to promote the lowering of LTV, BLife will take the initiatives toward the ability to flexibly take not only a sales-leading management style, but also an acquisition-leading management style by utilizing the commitment line of ¥6.0 billion. BLife will accept a rise in the LTV level to some extent
- In order to reduce debt costs, BLife will start retirement by purchase of investment corporation bonds of ¥22,340 million of total rehabilitation obligations of ¥67,781 million



As of October 14, 2011

**Interest Rates**



## Status of Interest-bearing Liabilities

No.	Lenders	Balance as of Oct. 14, 2011		Interest Rate	Loan Date	Due Date	Duration	Description
<b>Term Loan I</b>	Sumitomo Mitsui Banking	12,542	3,521	1.33643% < Spread 1.0% >	March 31, 2010	July 31, 2012	2.4 years	Unsecured loan *3
	Chuo Mitsui Trust & Banking		3,521					
	Mizuho Corporate Bank, Ltd.		3,521					
	Bank of Tokyo-Mitsubishi UFJ		1,978					
<b>Term Loan III</b>	Sumitomo Mitsui Banking	10,500	1,800	1.40% *1 < Spread 0.8% >	December 28, 2010	December 28, 2015	5 years	Unsecured loan
	Chuo Mitsui Trust & Banking		1,800					
	Mizuho Corporate Bank, Ltd.		1,800					
	Bank of Tokyo-Mitsubishi UFJ		1,800					
	Mitsubishi UFJ Trust and Banking Corporation		1,400					
	Resona Bank, Ltd.		1,400					
	Shinsei Bank, Limited.		500					
<b>Term Loan IV</b>	Sumitomo Mitsui Banking	31,800	5,200	0.98643% < Spread 0.65% >	September 30, 2011	September 30, 2016	5 years	Unsecured loan
	Chuo Mitsui Trust & Banking		3,543					
	Mizuho Corporate Bank, Ltd.		5,200					
	Bank of Tokyo-Mitsubishi UFJ		5,200					
	Aozora Bank, Ltd.		4,500					
	Mitsubishi UFJ Trust and Banking Corporation		3,000					
	Resona Bank, Ltd.		2,500					
	Sumitomo Trust & Banking		1,657					
	Shinsei Bank, Limited.		1,000					
<b>Rehabilitation Obligations</b> < > of which, former Investment Corporation Bonds ( ) of which, former Loans		22,593	<7,446> (15,146)	1.23643% *2 < Spread 0.9% >	January 5, 2010	January 31, 2013	3 years	Unsecured loan
		22,593	<7,446> (15,146)	1.33643% *2 < Spread 1.0% >	January 5, 2010	January 31, 2014	4 years	
		22,594	<7,447> (15,147)	1.72553% (Fixed interest rate) < Spread 1.1% >	January 5, 2010	January 30, 2015	5 years	
<b>Total Interest-bearing Liabilities</b>		<b>122,623</b>						

\*1) The interest rate fixed in effect by the interest rate swap agreements.

\*2) BLife Investment Corporation may shift to a fixed interest rate without changing the applied spread

\*3) As of October 4, 2011, the contract terms were changed to unsecured and no warranty



# Future Forecasts

	Eleventh Fiscal Period Actual Results (ended Aug. 2011)	Twelfth Fiscal Period Forecasts (ending Feb. 2012)		Thirteenth Fiscal Period Forecasts (ending Aug. 2012)	
			Period-on-period Comparison		Period-on-period Comparison
<b>Operating Revenue</b> [excluding gains on real estate sales]	6,728 mn yen [6,728 mn yen]	7,243 mn yen [7,243 mn yen]	514 mn yen [514 mn yen]	7,455 mn yen [7,455 mn yen]	212 mn yen [212 mn yen]
<b>Operating Income</b> [excluding gains and losses on real estate sales]	2,478 mn yen [2,979 mn yen]	3,307 mn yen [3,307 mn yen]	829 mn yen [328 mn yen]	3,348 mn yen [3,348 mn yen]	41 mn yen [41 mn yen]
<b>Ordinary Income</b> [excluding gains and losses on real estate sales]	1,437 mn yen [1,938 mn yen]	2,265 mn yen [2,265 mn yen]	828 mn yen [326 mn yen]	2,385 mn yen [2,385 mn yen]	120 mn yen [120 mn yen]
<b>Extraordinary Income / Losses</b>	(34 mn yen)	(7 mn yen)	27 mn yen	—	7 mn yen
<b>Net Income</b> [excluding extraordinary income / losses]	1,401 mn yen [1,937 mn yen]	2,257 mn yen [2,265 mn yen]	855 mn yen [327 mn yen]	2,385 mn yen [2,385 mn yen]	127 mn yen [120 mn yen]
<b>Retained Earnings (Reversal)</b>	(535 mn yen)	(310 mn yen)	224 mn yen	(183 mn yen)	127 mn yen
<b>Total Distributions</b>	1,937 mn yen	2,568 mn yen	630 mn yen	2,568 mn yen	—
<b>Distribution per Unit</b> [outstanding investment units issued at end of fiscal period]	16,320 yen [118,735 units]	16,000 yen [160,535 units]	(320 yen)	16,000 yen [160,535 units]	—



# APPENDIX





# Overview of BLife Investment Corporation

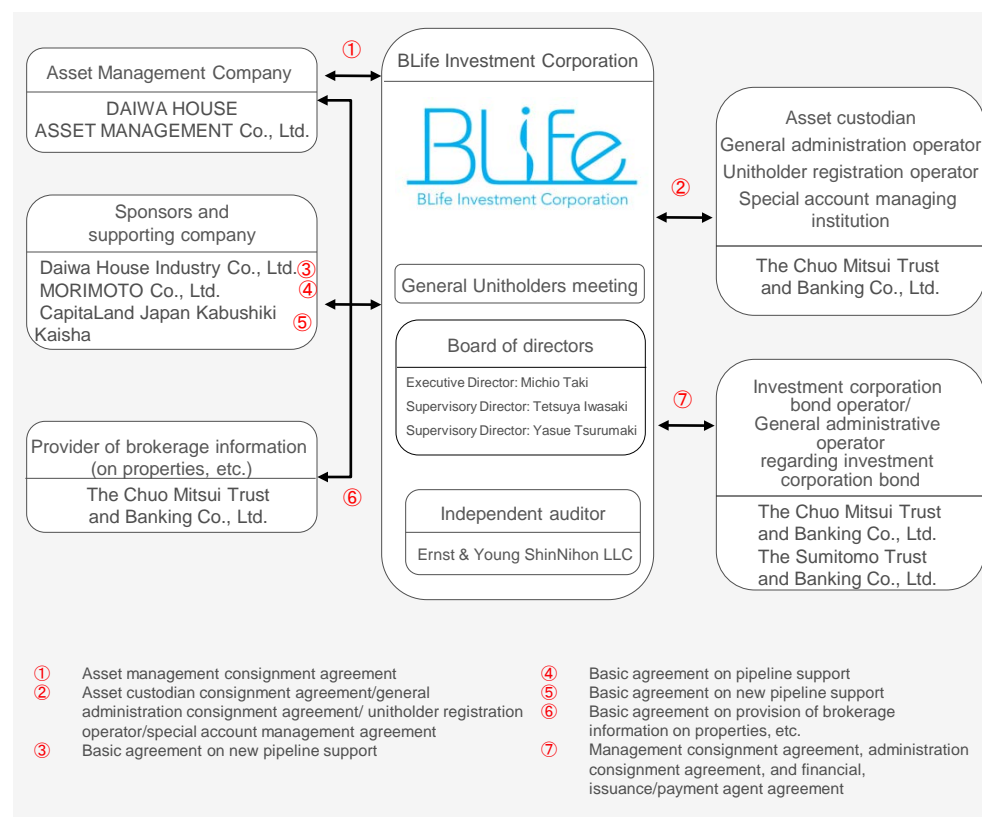
Mainly investing in **residential properties** with relatively stable rent and occupancy rates, we are working in cooperation with our main sponsor, **Daiwa House Group** to secure stable revenue in the medium- to long-term and steadily grow our assets under management.

End of Eleventh Fiscal Period  
(as of August 31, 2011)

Fiscal Periods	6 months through February and August
Number of Owned Properties	121 (119 residential, 2 retail)
Total Assets	200,699 million yen
Portfolio Size *1	192,192 million yen
Net Assets	73,984 million yen
Number of Investment Units	118,735
Net Assets per Unit (NAV)	JPY 623,000
LTV *2	61.1%
Listing Date	March 22, 2006
Sponsor	Daiwa House Industry

\*1) Purchase price basis

\*2) LTV (total interest-bearing liability ratio) = interest-bearing liabilities at end of fiscal period / total assets at end of fiscal period × 100



## Ratings

Rating Agency	Type	Rating	Announcement Date
Rating and Investment Information, Inc. (R&I)	Issuer rating	A (View to Upgrading)	September 12, 2011



# Building Portfolio: Strengths of BLife Portfolio

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

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

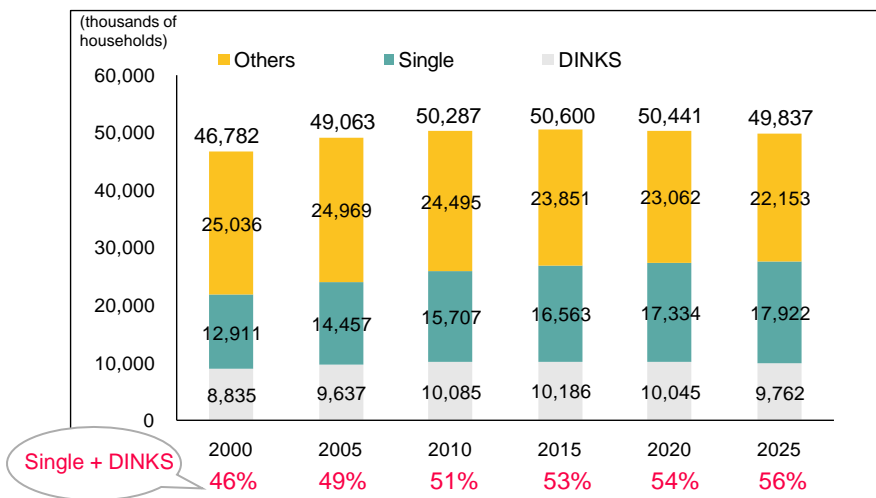
(unit: person)

	May 2003	May 2004	May 2005	May 2006	May 2007	May 2008	May 2009	May 2010	2015 (forecast)
<b>5 major wards</b>	819,010	834,051	846,577	869,392	886,432	902,612	913,250	921,368	915,512
<b>Other 18 wards</b>	7,586,340	7,632,069	7,671,498	7,727,268	7,790,660	7,863,119	7,929,094	7,965,931	8,004,754
<b>23 wards</b>	8,405,350	8,466,120	8,518,075	8,596,660	8,677,092	8,765,731	8,842,344	8,887,299	8,920,266
<b>Tokyo</b>	12,393,703	12,489,982	12,568,036	12,670,435	12,777,001	12,892,168	12,993,453	13,057,373	13,075,022

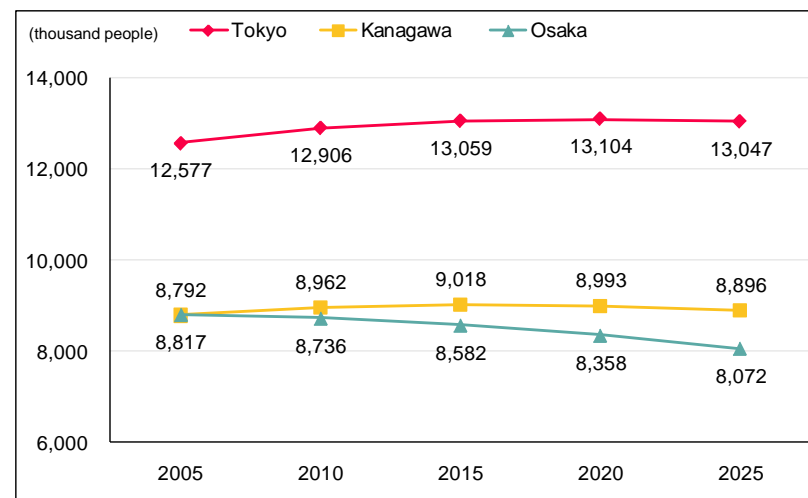
(Source) Households and Population Based on Basic Resident Registration Card by Statistics Division, Bureau of General Affairs, Tokyo Metropolitan Government

\*) The above chart represents the transition of population as of May 1 each year between 2003 and 2015 in the 5 major wards (Chiyoda, Chuo, Minato, Shibuya and Shinjuku), other 18 wards of Tokyo, 23wards of Tokyo and Tokyo Prefecture, based on the Households and Population Based on Basic Resident Registration Card by Statistics Division Bureau of General Affairs, the Tokyo Metropolitan Government (population, the number of house holds and registered foreigners on the basic resident registration cards as of the first day of every month.)

## Future Transition of the Number of Households (including forecasts) ■ Estimated Population Transition by Prefecture (Tokyo, Kanagawa and Osaka)



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



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

- The average personal income in target investment areas of BLife is JPY4,540,000 in Tokyo, JPY3,284,000 in Kanagawa, and JPY3,107,000 in Osaka in fiscal 2007. The figure for Tokyo, which is the major investment area for BLife, is far greater than the national average of JPY3,059,000. (Source: Personal Income by Prefecture per Capita by the Cabinet Office, announced on February 19, 2010)



# Investment Stance on Residential Properties by Area

## ■ By Area

	Area	Area 1	Area 2	Area 3	Area 4
Current	Definition	5 major wards of Tokyo (Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward and Shinjuku Ward)	Wards of Tokyo excluding Area 1	Tokyo Metropolitan area (Tokyo excluding Area 1 and Area 2, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture)	Other cities with populations of more than approx. 100,000
	Investment Policy (Investment Guideline)	40~60%	20~50%	0~20%	0~20%
	BLife's Portfolio (After PO)	43.1%	30.4%	7.4%	19.1%




Future	Direction of Target Portfolio				
	Factors etc.	<ul style="list-style-type: none"> <li>High proportion of investment in this area, but offers the potential for strong rent rises once the economy recovers</li> <li>No plans to sell properties, but planning to reduce or maintain relative weighting of investment in this area by acquiring properties in other areas</li> </ul>	<ul style="list-style-type: none"> <li>Area 2 rents are very stable while occupancy rates are stable. Aim to increase the investment ratio of this area</li> <li>The strengths of Daiwa House Group can be best utilized in this area</li> </ul>	<ul style="list-style-type: none"> <li>A supply of excellent properties is expected from Daiwa House</li> <li>Study prospect of investing in properties for which Daiwa House Group operates as an ML that guarantees rent</li> </ul>	<ul style="list-style-type: none"> <li>Consider purchasing attractive properties in this area based on property competitiveness, size, and yields</li> </ul>



# Investment Stance on Residential Properties by Type

## ■ By Type

	Type	Single	DINKS	Family	Large
Current	Overview	<ul style="list-style-type: none"> <li>Aimed at mid-level income singles, size less than 30m<sup>2</sup></li> <li>Emphasis on proximity to nearest train station</li> </ul>	<ul style="list-style-type: none"> <li>Aimed at childless dual-income couples and high-level income singles, size between 30m<sup>2</sup> ~ 70m<sup>2</sup></li> <li>Emphasis on proximity to nearest train station</li> </ul>	<ul style="list-style-type: none"> <li>Aimed at mid-level income families, size between 70m<sup>2</sup> ~ 100m<sup>2</sup></li> <li>Emphasis on quiet residential location, full array of cultural facilities and lifestyle convenience</li> </ul>	<ul style="list-style-type: none"> <li>Aimed at wealthy families, size over 100m<sup>2</sup></li> <li>Emphasis on quiet residential location, full array of cultural facilities and lifestyle convenience</li> </ul>
	Investment Policy (Investment Guideline)	30~60%	40~60%	0~20%	0~10%
	BLife's Portfolio (Unit basis) (After PO)	40.7%	49.3%	8.9%	1.1%

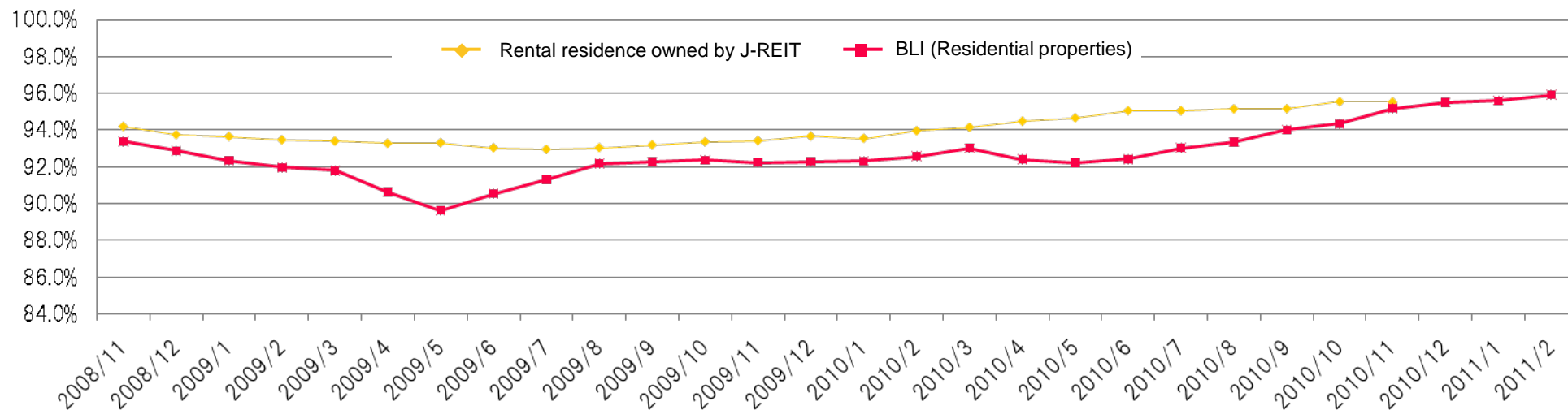
Future	Direction of Target Portfolio				
	Factors etc.	<ul style="list-style-type: none"> <li>Rents are low and downward rigidity of occupancy rates and rent is strong</li> </ul>	<ul style="list-style-type: none"> <li>Investment has been heavily weighted toward DINKS properties, but with the number of households expected to increase in this type and the single category, we plan to maintain a certain level of investment in this type of property</li> </ul>	<ul style="list-style-type: none"> <li>A supply of excellent properties is expected from Daiwa House</li> <li>Study prospect of investing in properties for which Daiwa House Group operates as an ML that guarantees rent</li> </ul>	



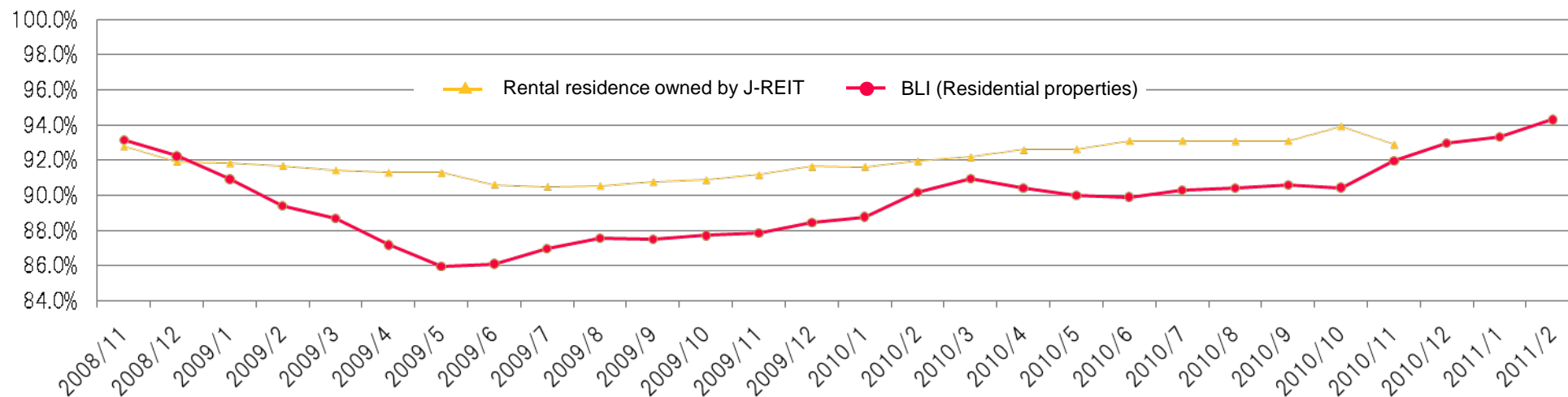


# Transition of Occupancy Rate for the J-REIT Sector

## ■ Transition of Occupancy Rate for Residential Properties (nationwide)



## ■ Transition of Occupancy Rate for Residential Properties (Area 1: Tokyo's five central wards)



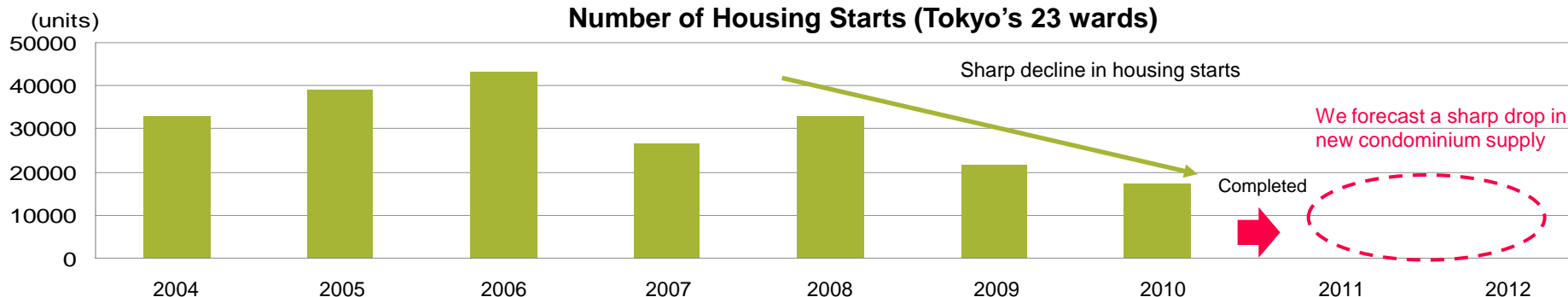
\*) Occupancy rates for J-REIT-owned rental residential properties were calculated by Daiwa House Asset Management Co., Ltd. based on average occupancy rates in the J-REIT Property Database (updated March 25, 2011), published by ARES



# Rental Residence Market Conditions

## Transition of Number of Housing Starts

- Number of starts for rental apartments in Tokyo's 23 wards in 2010 totaled 17,267 units, down 20.4% year on year
- After peaking in 2006, apartment starts have declined due to the impact of (1) the revised Building Standards Act (2007), which was revised in response to the issue of false quake-resistance data, and (2) the collapse of emerging condominium developers during the financial crisis after Lehman Brothers bankruptcy (2008); we expect the sharp drop in starts through to 2010 to result in a short-term dip in new rental condominium supply from 2011

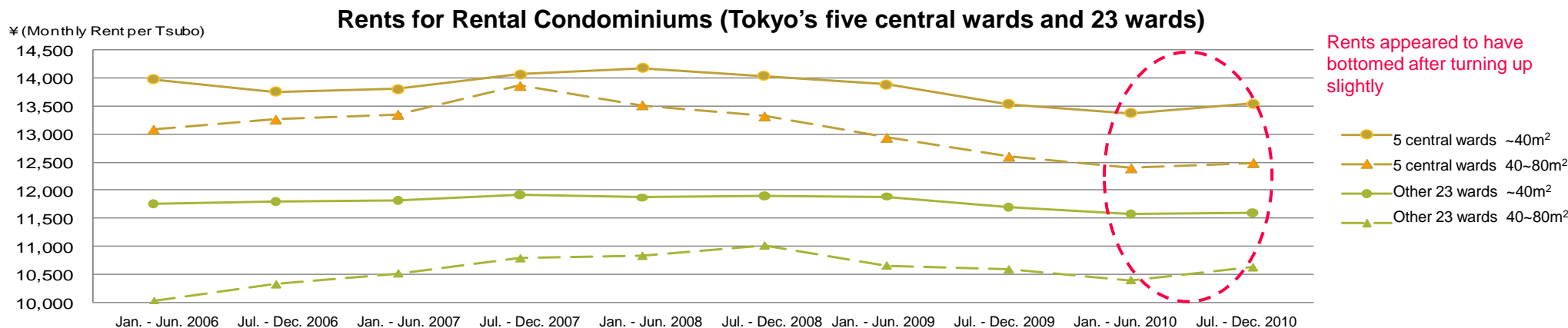


\*1) Created by Leasing Management Consulting Co., Ltd., based on Statistics on Building Starts, Ministry of Land, Infrastructure, Transport and Tourism.

\*2) Shows number of new building starts in Tokyo's 23 wards under "by Owner Occupant Relation: Rented," "by Construction Method: steel-frame reinforced concrete or reinforced concrete."

## Trends in Condominium Rents

- Condominium rents in Tokyo's five central wards and Tokyo's 23 wards declined until 2010 H1 then turned up slightly in 2010 H2, indicating that rents appear to have bottomed



\*1) Source: Daiwa House Asset Management Co., Ltd., based on Survey Results of Housing Market Index 2010 H2, published by Japan Real Estate Institute (JREI) on March 11, 2011.

\*2) Adjusted by JREI using base data to show rents for 10-year old condominiums; rents are the amounts paid by tenants excluding management fees and common service fees.



# Overview of the Daiwa House

## ~ Working to co-create value for individuals, communities and people's lifestyles ~

- The Daiwa House Group consists of eight business segments: "Single-Family Houses," "Rental Housing," "Condominiums," "Existing Home Business," "Commercial Facilities," "Business and Corporate Facilities," "Health and Leisure" and "Other Businesses."
- The Group conducts business by leveraging a wide spectrum of fields as a group that co-creates value for individuals, communities and people's lifestyles.



**Daiwa House**  
大和ハウスグループ

## ■ Profile of Daiwa House

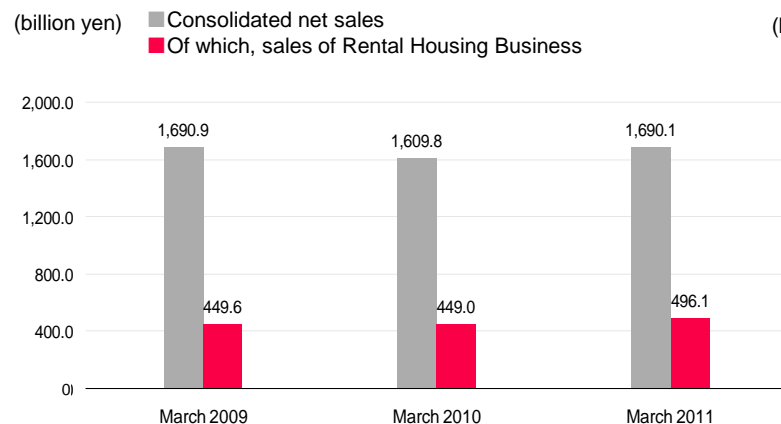
(As of March 31, 2011)

Company Name	Daiwa House Industry Co., Ltd.		
Head Office	3-3-5, Umeda, Kita Ward, Osaka City		
Established	April 5, 1955 (Founded: March 4, 1947)		
Paid-in Capital	¥110,120 million		
Ratings	Japan Credit Rating Agency, Ltd. (JCR) : AA (Stable)	Rating and Investment Information, Inc. (R&I) : AA- (Stable)	

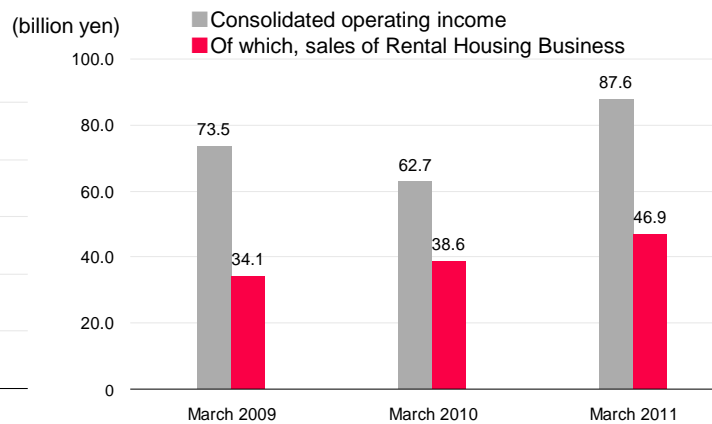
## ■ Selected Financial Data of Rental Housing Business of Daiwa House Industry

- Using its extensive property planning and development expertise in providing a grand total of around 790,000 rental residences, Daiwa House Industry is developing products that anticipate the needs of residents and landowners
- Daiwa House Industry shows a steady growth in net sales and operating income of the Rental Housing Business

### Net sales



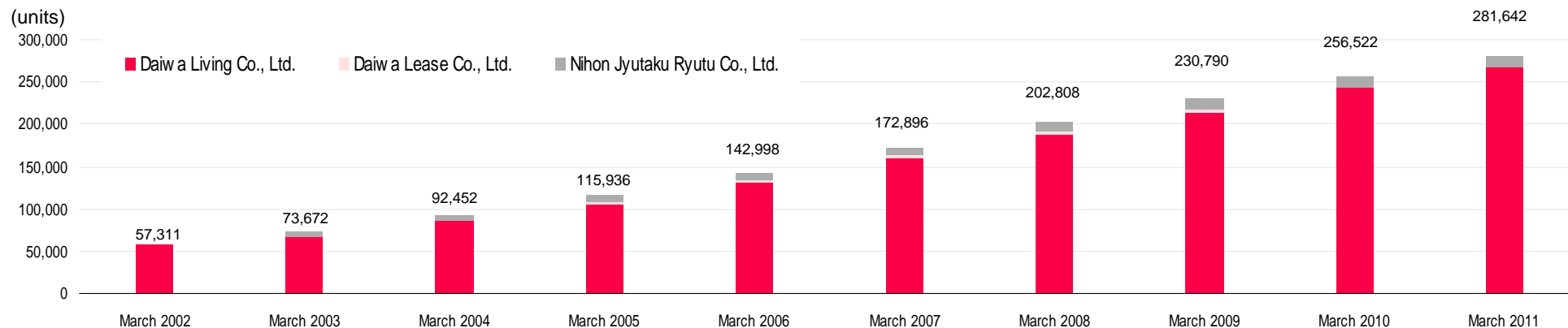
### Operating income





## ■ Transition of Number of Rental Residences Managed

- The Daiwa House Group is increasing steadily the number of rental residences managed



(Source) "Financial Factbook" of Daiwa House Industry

\*) In April 2009, the apartment rental management business of Daiwa Lease Co., Ltd. was succeeded by Daiwa Living Co., Ltd.

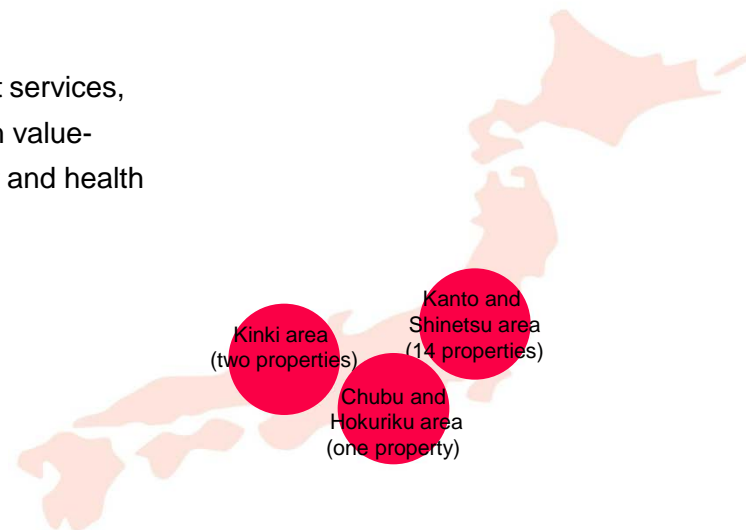
## ■ Development Record of Royal Parks Series

- Placing a hotel-style concierge (building administrator) to provide various front services, Royal Parks Series are a new-style rental residence with high quality and high value-added with specific emphasis on residence qualities such as security, comfort and health

**Royal Parks Wakabadai**



**Royal Parks Umejima**



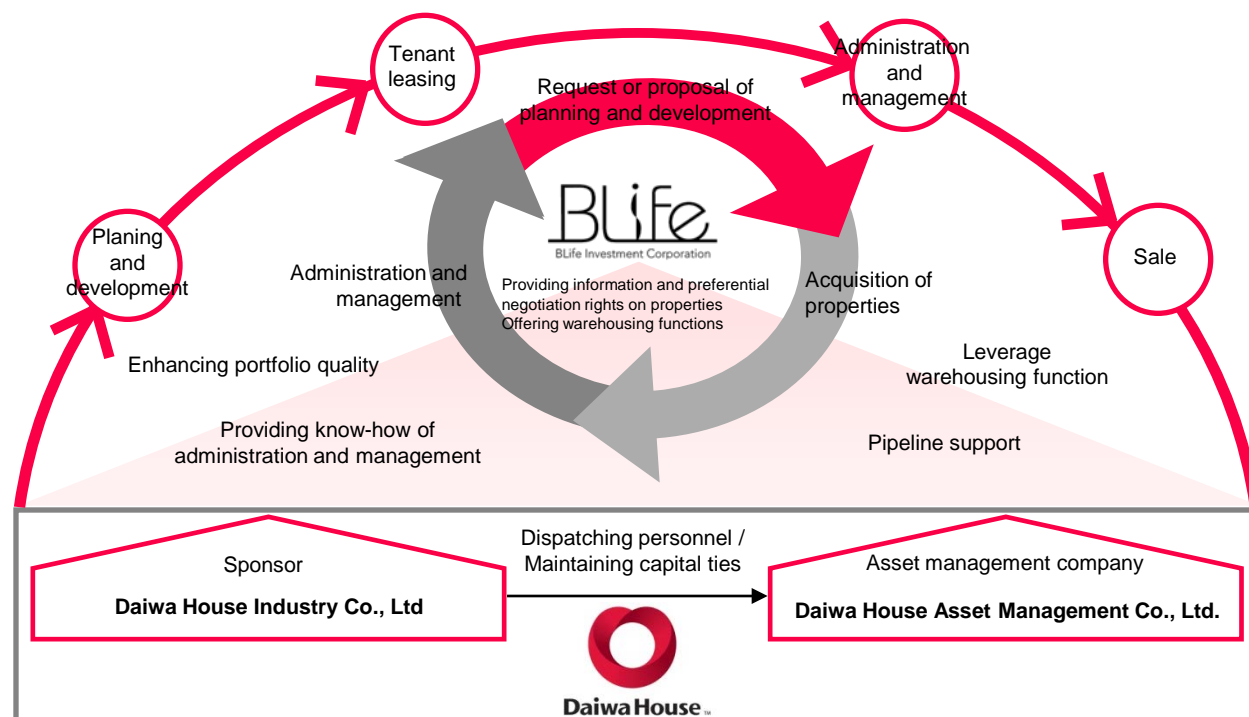
\*) The properties in the photos above are planned and developed by Daiwa House Industry. BLife has no plans concerning the acquisition of these properties as of the date of this material.



# Sponsor Support by Daiwa House Group

## Growth Strategies Leveraging Daiwa House Group's Comprehensive Strengths

In collaboration with the Daiwa House Group, BLife intends to expand its portfolio size and promote internal growth



## Major Supports from Daiwa House Group

- Requesting the Daiwa House Group to examine development of rental residences for BLife
- Providing information and preferential negotiation rights on properties to be developed by the Daiwa House Group
- Ensuring stable profitability through master lease companies
- Dispatching personnel to the asset management company

## Acquisition Record Utilizing Warehousing Functions

Tenth fiscal period		<b>IPSE Togoshi</b> Acquisition price: ¥1,770 million Appraisal value: ¥2,130 million NOI yield: 6.8%
		<b>Big Tower Minami Sanjo</b> Acquisition price: ¥1,740 million Appraisal value: ¥2,130 million NOI yield: 7.9%
		<b>Lexington Square Fushimi</b> Acquisition price: ¥2,260 million Appraisal value: ¥2,490 million NOI yield: 7.1%
Ninth fiscal period		<b>IPSE Ichigaya</b> Acquisition price: ¥940 million Appraisal value: ¥1,210 million NOI yield: 6.9%
		<b>IPSE Nakanobu</b> Acquisition price: ¥1,790 million Appraisal value: ¥2,170 million NOI yield: 6.5%

\*) Net rental income shown in the real estate appraisal report at the time of purchase / acquisition price





# Real Estate Appraisal Value Comparison Table

(unit: million yen)

(unit: %)

Area	No.	Property Name (Owned properties as of August 31, 2011)	Appraiser *1	Acquisition Price	Book Value at Aug 31, 2011	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison
						at Feb. 28, 2011	at Aug. 31, 2011			
						③	④			
				①	②	③	④	④-①	④-②	④-③
Area 1	1001	Qiz Ebisu	Tanizawa	7,650	7,544	7,990	7,920	270	375	△70
	1002	IPSE Azabujuban Shichimenzaka	Chuo	4,500	4,426	4,040	4,040	△460	△386	0
	1003	IPSE Shibakoen	Tanizawa	2,630	2,581	1,950	1,960	△670	△621	10
	1004	IPSE Ginza	Tanizawa	2,520	2,487	1,920	1,920	△600	△567	0
	1005	Next Form Nishiazabu	Tanizawa	2,220	2,207	1,620	1,600	△620	△607	△20
	1006	IPSE Nihonbashi	Tanizawa	1,200	1,169	1,020	1,000	△200	△169	△20
	1007	IPSE Tokyo EAST	Tanizawa	2,300	2,279	1,980	1,910	△390	△369	△70
	1008	IPSE Azabujuban	Chuo	2,910	2,917	2,540	2,440	△470	△477	△100
	1009	IPSE Azabujuban DUO	Chuo	2,690	2,683	2,380	2,340	△350	△343	△40
	1010	IPSE Shinjuku Natsumezaka	Chuo	1,865	1,859	1,540	1,540	△325	△319	0
	1011	UNIROYAL Ginza	Tanizawa	1,800	1,788	1,470	1,460	△340	△328	△10
	1012	IPSE Shibuya Tiers	Tanizawa	1,400	1,405	1,010	995	△405	△410	△15
	1014	NCR Nishi Azabu Twin Tower	Tanizawa	2,352	2,330	2,290	2,250	△102	△80	△40
	1015	NCR Nishi Azabu	Tanizawa	2,143	2,135	2,020	1,940	△203	△195	△80
	1016	NCR Ochanomizu	JREI	1,770	1,747	1,810	1,840	70	92	30
	1017	NCR Sangubashi	Tanizawa	1,393	1,391	1,320	1,310	△83	△81	△10
	1018	NCR Nihonbashi East	Tanizawa	1,279	1,261	1,220	1,220	△59	△41	0
	1019	NCR Nihonbashi West	Tanizawa	1,138	1,120	1,090	1,090	△48	△30	0
	1020	NCR Ginza Twin I	Tanizawa	932	916	873	870	△62	△46	△3
	1021	NCR Ginza Twin II	Tanizawa	825	812	738	733	△92	△79	△5
	1022	NCR Harajuku	JREI	887	882	821	815	△72	△67	△6
	1023	NCR Yoyogi Uehara	JREI	608	603	558	564	△44	△39	6
	1024	NCR Sendagaya	JREI	555	553	514	516	△39	△37	2
	1025	NCR Shinjuku 7 chome	JREI	464	460	448	452	△12	△8	4
	1026	NCR Ichigaya Sanaicho	JREI	424	419	366	366	△58	△53	0
	1027	NCR Nihonbashi Ningyocho I	JREI	947	931	909	922	△25	△9	13
	1028	NCR Nihonbashi Ningyocho II	JREI	1,070	1,052	1,030	1,050	△20	△2	20
	1029	NCR Shin-Ochanomizu	JREI	914	902	861	865	△49	△37	4
	1030	NCR Nihonbashi Ningyocho III	JREI	1,370	1,349	1,330	1,360	△10	10	30
	1031	NCR Jinbocho II	JREI	1,160	1,144	1,140	1,150	△10	5	10

Appraisal at Feb. 28, 2011			Appraisal at Aug. 31, 2011			End of Previous Fiscal Period Comparison		
Direct Capitaliza- n Method	DCF Method		Direct Capitaliza- n Method	DCF Method		Direct Capitaliza- n Method	DCF Method	
CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
4.8	5.0	5.1	4.8	5.0	5.1	0	0	0
4.9	4.6	5.2	4.9	4.6	5.1	0	0	△0.1
5.2	5.4	5.5	5.2	5.3	5.5	0	△0.1	0
5.2	5.2	5.5	5.1	5.2	5.4	△0.1	0	△0.1
5.0	5.1	5.3	5.0	5.1	5.3	0	0	0
5.3	5.4	5.6	5.2	5.3	5.5	△0.1	△0.1	△0.1
5.3	5.4	5.6	5.2	5.3	5.5	△0.1	△0.1	△0.1
4.8	4.5	5.1	4.9	4.6	5.1	0.1	0.1	0
4.7	4.4	5.0	4.8	4.5	5.0	0.1	0.1	0
5.0	4.7	5.4	5.1	4.8	5.3	0.1	0.1	△0.1
5.2	5.3	5.5	5.1	5.2	5.4	△0.1	△0.1	△0.1
5.0	5.2	5.3	5.0	5.2	5.3	0	0	0
5.1	5.2	5.4	5.1	5.2	5.4	0	0	0
5.1	5.2	5.4	5.1	5.2	5.4	0	0	0
5.3	5.1	5.5	5.2	5.0	5.4	△0.1	△0.1	△0.1
5.3	5.5	5.6	5.2	5.4	5.5	△0.1	△0.1	△0.1
5.4	5.4	5.7	5.3	5.3	5.6	△0.1	△0.1	△0.1
5.3	5.4	5.6	5.2	5.3	5.5	△0.1	△0.1	△0.1
5.4	5.4	5.7	5.3	5.3	5.6	△0.1	△0.1	△0.1
5.4	5.4	5.7	5.3	5.3	5.6	△0.1	△0.1	△0.1
5.2	5.0	5.4	5.2	5.0	5.4	0	0	0
5.3	5.1	5.5	5.2	5.0	5.4	△0.1	△0.1	△0.1
5.2	5.0	5.4	5.2	5.0	5.4	0	0	0
5.6	5.4	5.8	5.5	5.3	5.7	△0.1	△0.1	△0.1
5.4	5.2	5.6	5.3	5.1	5.5	△0.1	△0.1	△0.1
5.3	5.1	5.5	5.2	5.0	5.4	△0.1	△0.1	△0.1
5.3	5.1	5.5	5.2	5.0	5.4	△0.1	△0.1	△0.1
5.3	5.1	5.5	5.2	5.0	5.4	△0.1	△0.1	△0.1
5.3	5.1	5.5	5.2	5.0	5.4	△0.1	△0.1	△0.1
5.3	5.1	5.5	5.2	5.0	5.4	△0.1	△0.1	△0.1

CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.



# Real Estate Appraisal Value Comparison Table

(unit: million yen)

(unit: %)

Area	No.	Property Name (Owned properties as of August 31, 2011)	Appraiser *1	Acquisition Price	Book Value at Aug. 31, 2011	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison
						at Feb. 28, 2011	At Aug 31, 2011			
						③	④		④-①	④-③
Area 1	1032	NCR Ginza East III	JREI	675	663	629	630	△45	△33	1
	1033	NCR Shinjuku Gyoen I	Tanizawa	2,720	2,687	2,540	2,540	△180	△147	0
	1034	NCR Takanawadai	JREI	860	850	841	849	△11	△1	8
	1035	NCR Nihonbashi Ningyocho IV	Daiwa	666	656	618	620	△46	△36	2
	1036	NCR Shinjuku Gyoen II	Tanizawa	486	479	453	451	△35	△28	△2
	1037	NCR Ginza East IV	Daiwa	400	394	367	368	△32	△26	1
	1038	NCR Takanawadai II	JREI	1,190	1,177	1,160	1,160	△30	△17	0
	1039	NCR Minami Azabu	JREI	642	635	582	585	△57	△50	3
	1040	NCR Ginza	Tanizawa	2,880	2,849	2,600	2,570	△310	△279	△30
	1041	NCR Nihonbashi Suitengu	Tanizawa	2,707	2,671	2,550	2,540	△167	△131	△10
	1042	NCR Takanawa	Tanizawa	7,430	7,377	6,870	6,900	△530	△477	30
	1043	NCR Higashi Nihonbashi	Chuo	3,520	3,477	3,320	3,290	△230	△187	△30
	1045	NCR Shinjuku	Tanizawa	2,950	2,929	2,880	2,840	△110	△89	△40
	1046	IPSE Ichigaya	Chuo	940	958	1,210	1,230	290	271	20
Residential Area 1 Subtotal				81,982	81,172	75,418	75,011	△6,971	△6,161	△407
Area 2	2001	Meguro Kamurozaka Residencia	Daiwa	4,500	4,358	3,740	3,720	△780	△638	△20
	2002	IPSE Toritsudaigaku	Chuo	648	624	505	508	△140	△116	3
	2003	Comfort Time Otsuka	Tanizawa	779	759	694	704	△75	△55	10
	2004	IPSE Yukigaya	Tanizawa	1,110	1,089	1,010	984	△126	△105	△26
	2005	IPSE Yutenji	Chuo	1,450	1,433	1,300	1,170	△280	△263	△130
	2006	IPSE Otsuka	Chuo	1,480	1,455	1,390	1,400	△80	△55	10
	2007	IPSE Kikukawa	Tanizawa	817	804	691	710	△107	△94	19
	2008	NCR Meguro	JREI	844	846	780	787	△57	△59	7
	2009	NCR Otsuka	JREI	1,040	1,022	981	1,010	△30	△12	29
	2010	NCR Jiyugaoka	JREI	1,200	1,188	1,160	1,160	△40	△28	0
	2011	NCR Mejiro East	Chuo	988	974	927	933	△55	△41	6
	2012	NCR Ikebukuro	Daiwa	2,570	2,535	2,300	2,300	△270	△235	0
	2013	NCR Kaname-cho	Tanizawa	1,140	1,124	1,030	1,030	△110	△94	0
	2014	NCR Shinagawa Seaside Tower	Tanizawa	7,380	7,268	6,950	6,870	△510	△398	△80
	2015	NCR Yakumo	Tanizawa	857	851	764	734	△123	△117	△30

Appraisal at Feb. 28, 2011			Appraisal at Aug. 31, 2011			End of Previous Fiscal Period Comparison		
Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method	
CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
5.4	5.1	5.7	5.3	5.0	5.6	△0.1	△0.1	△0.1
5.3	(*)2	5.6	5.2	(*)2	5.5	△0.1	(*)2	△0.1
5.2	5.0	5.4	5.1	4.9	5.3	△0.1	△0.1	△0.1
5.6	5.4	5.8	5.4	5.2	5.6	△0.2	△0.2	△0.2
5.3	5.5	5.6	5.2	5.4	5.5	△0.1	△0.1	△0.1
5.6	5.4	5.8	5.4	5.2	5.6	△0.2	△0.2	△0.2
5.2	5.0	5.4	5.1	4.9	5.3	△0.1	△0.1	△0.1
5.2	5.0	5.4	5.1	4.9	5.3	△0.1	△0.1	△0.1
5.2	5.3	5.5	5.1	5.2	5.4	△0.1	△0.1	△0.1
5.4	5.4	5.7	5.3	5.3	5.6	△0.1	△0.1	△0.1
5.3	5.6	5.6	5.2	5.5	5.5	△0.1	△0.1	△0.1
5.4	5.1	5.8	5.5	5.2	5.7	0.1	0.1	△0.1
5.3	5.5	5.6	5.2	5.4	5.5	△0.1	△0.1	△0.1
5.1	4.8	5.5	5.1	4.8	5.3	0	0	△0.2
5.2	5.0	5.4	5.1	4.9	5.3	△0.1	△0.1	△0.1
6.0	5.7	6.4	6.0	5.7	6.2	0	0	△0.2
5.5	5.6	5.8	5.4	5.5	5.7	△0.1	△0.1	△0.1
5.4	5.5	5.7	5.3	5.4	5.6	△0.1	△0.1	△0.1
4.9	4.6	5.3	5.0	4.7	5.2	0.1	0.1	△0.1
5.1	4.8	5.5	5.2	4.9	5.4	0.1	0.1	△0.1
5.5	5.5	5.8	5.4	5.5	5.7	△0.1	0	△0.1
5.5	5.2	5.7	5.4	5.1	5.6	△0.1	△0.1	△0.1
5.6	5.4	5.8	5.4	5.2	5.6	△0.2	△0.2	△0.2
5.2	5.0	5.4	5.1	4.9	5.3	△0.1	△0.1	△0.1
5.5	5.2	5.9	5.5	5.2	5.7	0	0	△0.2
5.5	5.3	5.7	5.3	5.1	5.5	△0.2	△0.2	△0.2
5.4	5.6	5.7	5.3	5.5	5.6	△0.1	△0.1	△0.1
5.4	5.4	5.7	5.3	5.3	5.6	△0.1	△0.1	△0.1
5.3	5.5	5.6	5.2	5.4	5.5	△0.1	△0.1	△0.1

CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.



# Real Estate Appraisal Value Comparison Table

(unit: %)

(unit: million yen)

Area	No.	Property Name (Owned properties as of August 31, 2011)	Appraiser *1	Acquisition Price	Book Value at Aug. 31, 2011	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison
						at Feb. 28, 2011	at Aug. 31, 2011			
				①	②	③	④	④-①	④-②	④-③
Area 2	2016	NCR Togoshiekimae	JREI	1,560	1,545	1,570	1,600	40	54	30
	2017	NCR Todoroki	JREI	1,210	1,309	1,180	1,220	10	△89	40
	2018	NCR Honjo Azumabashi	Tanizawa	996	981	930	929	△67	△52	△1
	2019	NCR Kitazawa	JREI	742	732	712	716	△26	△16	4
	2020	NCR Monzennakacho	Tanizawa	503	493	444	449	△54	△44	5
	2023	NCR Kamiikedai	JREI	198	194	190	193	△5	△1	3
	2024	NCR Morishita	JREI	832	818	792	807	△25	△11	15
	2025	NCR Wakabayashi koen	Daiwa	776	769	726	734	△42	△35	8
	2026	NCR Asakusabashi	Chuo	792	779	747	748	△44	△31	1
	2027	NCR Iriya	Chuo	546	537	548	549	3	11	1
	2028	NCR Ueno Tower	Tanizawa	2,641	2,596	2,330	2,310	△331	△286	△20
	2029	NCR Morishita West	Tanizawa	686	675	688	674	△12	△1	△14
	2030	NCR Minowa	Tanizawa	1,430	1,406	1,330	1,320	△110	△86	△10
	2031	NCR Jiyugaoka West	Tanizawa	533	528	493	496	△37	△32	3
	2032	NCR Nakano	JREI	1,060	1,044	1,060	1,060	0	15	0
	2033	NCR Yoga	Tanizawa	923	914	944	944	21	29	0
	2034	NCR Sumiyoshi	Tanizawa	948	932	858	850	△98	△82	△8
	2035	NCR Monzennakacho East	JREI	2,160	2,131	2,150	2,180	20	48	30
	2036	NCR Oshiage	Tanizawa	1,100	1,081	1,030	1,030	△70	△51	0
	2037	NCR Kuramae	Tanizawa	1,260	1,240	1,240	1,230	△30	△10	△10
	2038	IPSE Nakanobu	Chuo	1,790	1,822	2,160	2,210	420	387	50
	2039	Royal Parks Toyosu	Chuo	7,360	7,627	7,640	7,720	360	92	80
	2040	IPSE Togoshi	Chuo	1,770	1,796	2,130	2,130	360	333	0
	2041	Belle Face Ooimachi Ark *7	Morii	1,181	1,255	1,200	1,230	49	△25	30
	2042	My Atria Omori *7	Chuo	1,500	1,598	1,600	1,600	100	1	0
Residential Area 2 Subtotal				61,300	61,152	58,914	58,949	△2,351	△2,203	35
Area 3	3001	Cosmo Heim Musashikosugi	Chuo	1,674	1,674	1,530	1,550	△124	△124	20
	3002	IPSE Tsurumi	Chuo	666	660	658	653	△13	△7	△5
	3003	NCR Funabashi Honcho	Tanizawa	704	702	672	656	△48	△46	△16
	3005	NCR Toyoda	Tanizawa	864	849	847	848	△16	△1	1

Appraisal at Feb. 28, 2011			Appraisal at Aug. 31, 2011			End of Previous Fiscal Period Comparison		
Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method	
	CR	DR		TCR	CR		DR	TCR
5.4	5.2	5.6	5.3	5.1	5.5	Δ0.1	Δ0.1	Δ0.1
5.7	5.5	5.9	5.5	5.3	5.7	Δ0.2	Δ0.2	Δ0.2
5.6	5.6	5.9	5.5	5.6	5.8	Δ0.1	0	Δ0.1
5.3	5.1	5.5	5.2	5.0	5.4	Δ0.1	Δ0.1	Δ0.1
5.8	5.8	6.1	5.7	5.8	6.0	Δ0.1	0	Δ0.1
6.1	5.7	6.3	5.9	5.5	6.1	Δ0.2	Δ0.2	Δ0.2
5.4	5.2	5.6	5.3	5.1	5.5	Δ0.1	Δ0.1	Δ0.1
5.5	5.3	5.7	5.3	5.1	5.5	Δ0.2	Δ0.2	Δ0.2
5.7	5.4	6.1	5.7	5.4	5.9	0	0	Δ0.2
6.0	5.7	6.4	6.0	5.7	6.2	0	0	Δ0.2
5.4	5.5	5.7	5.4	5.5	5.7	0	0	0
5.5	5.6	5.8	5.5	5.6	5.8	0	0	0
5.5	5.6	5.8	5.4	5.5	5.7	Δ0.1	Δ0.1	Δ0.1
5.4	(*3)	5.7	(*3)	5.5	5.6	Δ0.1	(*3)	Δ0.1
5.3	5.1	5.5	5.2	5.0	5.4	Δ0.1	Δ0.1	Δ0.1
5.4	5.6	5.7	5.3	5.5	5.6	Δ0.1	Δ0.1	Δ0.1
5.4	5.5	5.7	5.4	5.5	5.7	0	0	0
5.3	5.1	5.5	5.2	5.0	5.4	Δ0.1	Δ0.1	Δ0.1
5.6	(*4)	5.9	(*4)	5.8	5.8	Δ0.1	(*4)	Δ0.1
5.5	(*5)	5.8	(*5)	5.6	5.7	Δ0.1	(*5)	Δ0.1
5.3	5.0	5.7	5.3	5.0	5.5	0	0	Δ0.2
5.9	5.5	6.4	5.9	5.5	6.2	0	0	Δ0.2
5.5	5.2	5.9	5.5	5.2	5.7	0	0	Δ0.2
5.3	5.0	5.6	5.2	4.9	5.5	Δ0.1	Δ0.1	Δ0.1
5.3	5.0	5.7	5.3	5.0	5.5	0	0	Δ0.2
6.1	5.8	6.6	6.1	5.8	6.4	0	0	Δ0.2
6.0	5.7	6.5	6.1	5.8	6.4	0.1	0.1	Δ0.1
6.1	(*6)	6.4	(*6)	6.3	6.4	0	(*6)	0
6.8	6.9	7.1	6.7	6.8	7.0	Δ0.1	Δ0.1	Δ0.1

CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.



# Real Estate Appraisal Value Comparison Table

(unit: million yen)

(unit: %)

Area	No.	Property Name (Owned properties as of August 31, 2011)	Appraiser *1	Acquisition Price	Book Value at Aug. 31, 2011	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison
						at Feb. 28, 2011	At Aug. 31, 2011			
						③	④			
Area 3	3006	NCR Nishi Funabashi	JREI	783	770	688	699	△84	△71	11
	3007	NCR Maihama	Tanizawa	670	658	588	566	△104	△92	△22
	3008	NCR Ichikawamyoden	Tanizawa	671	661	649	647	△24	△14	△2
	3009	NCR Kumegawa	JREI	480	472	408	424	△56	△48	16
	3010	NCR Urayasu	Tanizawa	592	582	566	551	△41	△31	△15
	3011	NCR Minamigyotoku I	Tanizawa	543	534	521	503	△40	△31	△18
	3012	NCR Minamigyotoku II	Tanizawa	385	379	370	353	△32	△26	△17
	3013	NCR Noge-yama	JREI	325	319	269	274	△51	△45	5
	3014	NCR Minamirinkan	JREI	363	354	321	324	△39	△30	3
	3017	Park Terrance Ichikawa	JREI	461	452	465	481	20	28	16
Residential Area 3 Subtotal				9,181	9,073	8,552	8,529	△652	△544	△23
Area 4	4001	Fourteen Hills East Tower	Chuo	1,920	1,863	1,470	1,470	△450	△393	0
	4008	Aprile Tarumi	JREI	1,340	1,313	1,250	1,290	△50	△23	40
	4009	Crest Kusatsu	Tanizawa	3,004	2,920	2,720	2,730	△274	△190	10
	4010	NCR Honmachi East	Tanizawa	1,490	1,459	1,440	1,440	△50	△19	0
	4011	NCR Shin-Umeda	Tanizawa	1,376	1,346	1,360	1,370	△6	23	10
	4012	NCR Abeno	Tanizawa	4,368	4,301	3,990	4,040	△328	△261	50
	4014	NCR Sakae	Chuo	1,010	991	999	1,000	△10	8	1
	4015	NCR Nipponbashi Kouzu	Tanizawa	3,570	3,490	3,320	3,330	△240	△160	10
	4016	NCR Maruyama Urasando	Tanizawa	411	403	412	405	△6	1	△7
	4017	NCR Maruyama Omotesando	Tanizawa	1,740	1,709	1,640	1,600	△140	△109	△40
	4018	NCR Hakataekihigashi	Tanizawa	960	942	901	893	△67	△49	△8
	4019	NCR Shinsaibashi East Tower	Chuo	3,400	3,327	3,390	3,520	120	192	130
	4020	NCR Sannomiya	Daiwa	1,230	1,205	1,230	1,240	10	34	10
	4021	NCR Kotodaikoen	Daiwa	481	470	462	460	△21	△10	△2
	4022	NCR Ichibancho	Daiwa	783	769	742	740	△43	△29	△2
	4023	NCR Omachi	Daiwa	656	640	591	586	△70	△54	△5
	4024	NCR Uemachidai	Daiwa	2,190	2,150	2,190	2,210	20	59	20
	4025	NCR Higobashi Tower	Chuo	2,670	2,623	2,660	2,780	110	156	120
	4026	Big Tower Minami Sanjo	Daiwa	1,740	1,754	2,130	2,160	420	405	30

Appraisal at Feb. 28, 2011			Appraisal at Aug. 31, 2011			End of Previous Fiscal Period Comparison		
Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method	
CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
6.5	6.3	6.7	6.4	6.2	6.6	△0.1	△0.1	△0.1
6.0	6.0	6.3	6.0	6.0	6.3	0	0	0
6.0	6.2	6.4	6.0	6.2	6.4	0	0	0
6.5	6.3	6.7	6.3	6.1	6.5	△0.2	△0.2	△0.2
6.0	6.0	6.4	6.0	6.0	6.4	0	0	0
6.0	6.0	6.3	6.0	6.0	6.3	0	0	0
6.0	6.0	6.3	6.0	6.0	6.3	0	0	0
6.2	6.0	6.4	6.1	5.9	6.3	△0.1	△0.1	△0.1
6.4	6.2	6.6	6.3	6.1	6.5	△0.1	△0.1	△0.1
6.4	6.2	6.6	6.2	6.0	6.4	△0.2	△0.2	△0.2
6.1	5.8	6.6	6.1	5.8	6.4	0	0	△0.2
6.8	6.6	7.0	6.6	6.4	6.8	△0.2	△0.2	△0.2
7.7	7.8	8.0	7.7	7.8	8.0	0	0	0
6.1	6.2	6.4	5.9	6.0	6.2	△0.2	△0.2	△0.2
6.2	6.3	6.5	6.0	6.1	6.3	△0.2	△0.2	△0.2
6.1	6.2	6.4	5.9	6.0	6.2	△0.2	△0.2	△0.2
6.0	5.7	6.5	6.0	5.7	6.3	0	0	△0.2
6.2	6.3	6.5	6.0	6.1	6.3	△0.2	△0.2	△0.2
6.3	6.3	6.6	6.3	6.3	6.6	0	0	0
6.3	6.3	6.6	6.3	6.3	6.6	0	0	0
6.3	6.5	6.6	6.2	6.4	6.5	△0.1	△0.1	△0.1
5.9	5.6	6.4	5.7	5.4	6.0	△0.2	△0.2	△0.4
6.4	6.2	6.6	6.3	6.1	6.5	△0.1	△0.1	△0.1
6.5	6.5	6.7	6.5	6.5	6.7	0	0	0
6.5	6.5	6.7	6.5	6.5	6.7	0	0	0
6.5	6.5	6.7	6.5	6.5	6.7	0	0	0
6.0	5.8	6.2	5.9	5.7	6.1	△0.1	△0.1	△0.1
5.9	5.6	6.4	5.7	5.4	6.0	△0.2	△0.2	△0.4
6.3	6.1	6.5	6.2	6.0	6.4	△0.1	△0.1	△0.1

CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.



# Real Estate Appraisal Value Comparison Table

(unit: million yen)

(unit: %)

Area	No.	Property Name (Owned properties as of August 31, 2011)	Appraiser *1	Acquisition Price	Book Value at Aug. 31, 2011	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison
						at Feb. 28, 2011	At Aug. 31, 2011			
						③	④			
				①	②	③	④	④-①	④-②	④-③
Area 4	4027	Lexington Square Fushimi	JREI	2,260	2,306	2,490	2,520	260	213	30
	4028	Belle Face Nagoyaekimae*7	Morii	720	754	757	767	47	12	10
Residential Area 4 Subtotal				37,319	36,745	36,144	36,551	△768	△194	407
Area 3	8001	INAGEYA Yokohama Nishigaoka	JREI	1,000	1,043	869	869	△131	△174	0
Area 4	8002	FOLEO TOWN Tsutsui	Daiwa	1,410	1,424	1,130	1,130	△280	△294	0
Retail Properties Subtotal				2,410	2,468	1,999	1,999	△411	△469	0
Owned Assets of the Tenth Fiscal Period Total				192,192	190,611	181,027	181,039	△11,153	△9,572	12

Appraisal at Feb. 28, 2011			Appraisal at Aug. 31, 2011			End of Previous Fiscal Period Comparison		
Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method	
	CR	DR	TCR	CR	DR	TCR	CR	DR
	6.3	6.1	6.5	6.0	5.8	6.2	△0.3	△0.3
	6.0	5.7	6.3	5.9	5.6	6.2	△0.1	△0.1
	6.1	5.7	6.2	6.1	5.7	6.2	0	0
	6.7	6.5	7.2	6.7	6.5	7.2	0	0

CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.

Book value comparison improved ¥1,329 million from the previous period

End of previous fiscal period comparison of real estate appraisal value improved and turned into a positive figure

- \*1) Under "Appraiser," "Tanizawa" is Tanizawa Sogo Appraisal Co., Ltd. "Chuo" is Chuo Real Estate Appraisal Co., Ltd. "Daiwa" is Daiwa Real Estate Appraisal Co., Ltd. and "JREI" is Japan Real Estate Institute, "Morii" is Morii Appraisal & Investment Consulting, Inc.
- \*2) The Discount Rate (DR) as of February 28, 2011 is 5.4% for 1 to 10 years after appraisal dates and 5.5% for the 11th year. The Discount Rate (DR) as of August 31, 2011 is 5.3% for 1 to 10 years after appraisal dates and 5.4% for the 11th year. The Discount Rate change from the previous fiscal period is (0.1%) for 1 to 10 years after appraisal dates and (0.1%) for the 11th years.
- \*3) The Discount Rate (DR) as of February 28, 2011 is 5.6% for 1 to 10 years after appraisal dates and 5.5% for the 11th year. The Discount Rate (DR) as of August 31, 2011 is 5.5% for 1 to 10 years after appraisal dates and 5.4% for the 11th year. The Discount Rate change from the previous fiscal period is (0.1%) for 1 to 10 years after appraisal dates and (0.1%) for the 11th years.
- \*4) The Discount Rate (DR) as of February 28, 2011 is 5.9% for 1 to 10 years after appraisal dates and 5.7% for the 11th year. The Discount Rate (DR) as of August 31, 2011 is 5.8% for 1 to 10 years after appraisal dates and 5.6% for the 11th year. The Discount Rate change from the previous fiscal period is (0.1%) for 1 to 10 years after appraisal dates and (0.1%) for the 11th years.
- \*5) The Discount Rate (DR) as of February 28, 2011 is 5.6% for 1 to 10 years after appraisal dates and 5.5% for the 11th year. The Discount Rate (DR) as of August 31, 2011 is 5.6% for 1 to 10 years after appraisal dates and 5.5% for the 11th year. The Discount Rate change from the previous fiscal period is 0.0% for 1 to 10 years after appraisal dates and 0.0% for the 11th years.
- \*6) The Discount Rate (DR) as of February 28, 2011 is 6.3% for 1 to 4 years after appraisal dates and 5.9% for 5 to 11 years after appraisal dates. The Discount Rate (DR) as of August 31, 2011 is 6.3% for 1 to 4 years after appraisal dates and 5.9% for 5 to 11 years after appraisal dates. The Discount Rate change from the previous fiscal period is 0.0% for 1 to 10 years after appraisal dates and 0.0% for the 11th years.
- \*7) Real Estate Appraisal Value at February 28, 2011 for the properties acquired at 11<sup>th</sup> Fiscal Period are based on real estate appraisal as of acquisition. For Belle Face Ooimachi Ark, values are those as of June 10, 2011, for My Atria Omori and Belle Face Nagoyaekimae, values are those as of July 15, 2011,
- \*8) Under direct capitalization method, net operating income for a single period is capitalized by capitalization rate to determine estimated properties value. Under DCF method, future net operating income during multiple consecutive periods and residual value that are discounted to the present value according to the time of occurrence, are summed together to determine estimated properties value.



# Portfolio (as of October 18, 2011)

Area *1	No.	Property Name *2	Address	Leasable Area (m <sup>2</sup> )	Leasable Units (units)	Acquisition Price (mn yen) *3	Acquisition Price Ratio (%) *4	Appraisal Values (mn yen) *5
Area 1	1001	Qiz Ebisu	4-3-1 Ebisu, Shibuya Ward, Tokyo	5,230.39	96	7,650	3.7	7,920
	1002	IPSE Azabujuban Shichimenzaka	2-7-5 Azabu Juban, Minato Ward, Tokyo	3,493.23	96	4,500	2.2	4,040
	1003	IPSE Shibakoen	3-32-10 Shiba, Minato Ward, Tokyo	2,707.51	75	2,630	1.3	1,960
	1004	IPSE Ginza	1-14-13 Ginza, Chuo Ward, Tokyo	2,226.42	67	2,520	1.2	1,920
	1005	Next Form Nishiazabu	3-13-3 Nishi Azabu, Minato Ward, Tokyo	1,621.59	24	2,220	1.1	1,600
	1006	IPSE Nihonbashi	11-2 Nihonbashi Kabutocho, Chuo Ward, Tokyo	1,458.73	51	1,200	0.6	1,000
	1007	IPSE Tokyo East	3-27-5 Hatchobori, Chuo Ward, Tokyo	2,969.57	59	2,300	1.1	1,910
	1008	IPSE Azabujuban	2-10-1 Azabu Juban, Minato Ward, Tokyo	2,400.00	51	2,910	1.4	2,440
	1009	IPSE Azabujuban DUO	2-21-2 Azabu Juban, Minato Ward, Tokyo	2,094.58	66	2,690	1.3	2,340
	1010	IPSE Shinjuku Natsumezaka	10 Kikuicho, Shinjuku Ward, Tokyo	1,917.62	41	1,865	0.9	1,540
	1011	UNIROYAL Ginza	1-23-4 Ginza, Chuo Ward, Tokyo	1,817.56	61	1,800	0.9	1,460
	1012	IPSE Shibuya Tiers	29-21 Sakuragaokacho, Shibuya Ward, Tokyo	1,123.80	30	1,400	0.7	995
	1014	NCR Nishi Azabu Twin Tower	2-26-20 Nishi Azabu, Minato Ward, Tokyo	3,295.93	60	2,352	1.1	2,250
	1015	NCR Nishi Azabu	1-3-12 Nishi Azabu, Minato Ward, Tokyo	2,802.62	37	2,143	1.0	1,940
	1016	NCR Ochanomizu	3-24-1 Kanda Ogawamachi, Chiyoda Ward, Tokyo	2,531.04	44	1,770	0.9	1,840
	1017	NCR Sangubashi	4-52-12 Yoyogi, Shibuya Ward, Tokyo	1,898.47	26	1,393	0.7	1,310
	1018	NCR Nihonbashi East	2-8-13 Nihonbashi Kakigaracho, Chuo Ward, Tokyo	1,940.94	62	1,279	0.6	1,220
	1019	NCR Nihonbashi West	1-38-16 Nihonbashi Kakigaracho, Chuo Ward, Tokyo	1,858.34	55	1,138	0.5	1,090
	1020	NCR Ginza Twin I	3-10-10 Irifune, Chuo Ward, Tokyo	1,444.52	40	932	0.4	870
	1021	NCR Ginza Twin II	2-6-4 Irifune, Chuo Ward, Tokyo	1,244.54	33	825	0.4	733
	1022	NCR Harajuku	3-55-3 Sendagaya, Shibuya Ward, Tokyo	1,225.26	21	887	0.4	815
	1023	NCR Yoyogi Uehara	1-17-16 Uehara, Shibuya Ward, Tokyo	811.95	25	608	0.3	564
	1024	NCR Sendagaya	2-9-10 Sendagaya, Shibuya Ward, Tokyo	803.03	21	555	0.3	516
	1025	NCR Shinjuku 7 chome	7-17-16 Shinjuku, Shinjuku Ward, Tokyo	957.60	23	464	0.2	452
	1026	NCR Ichigaya Sanaicho	21 Ichigaya Sanaicho, Shinjuku Ward, Tokyo	694.16	21	424	0.2	366
	1027	NCR Nihonbashi Ningyocho I	7-15 Nihonbashi Tomizawacho, Chuo Ward, Tokyo	1,747.90	32	947	0.5	922
	1028	NCR Nihonbashi Ningyocho II	8-12 Nihonbashi Tomizawacho, Chuo Ward, Tokyo	1,826.80	38	1,070	0.5	1,050
	1029	NCR Shin-Ochanomizu	2-3-4 Kanda Awajicho, Chiyoda Ward, Tokyo	1,308.38	32	914	0.4	865
	1030	NCR Nihonbashi Ningyocho III	12-11 Nihonbashi Tomizawacho, Chuo Ward, Tokyo	2,117.46	63	1,370	0.7	1,360





# Portfolio (as of October 18, 2011)

Area *1	No.	Property Name *2	Address	Leasable Area (m <sup>2</sup> )	Leasable Units (units)	Acquisition Price (mn yen) *3	Acquisition Price Ratio (%) *4	Appraisal Values (mn yen) *5
Area 1	1031	NCR Jinbocho II	2-40-8 Kanda Jimbocho, Chiyoda Ward, Tokyo	1,628.80	60	1,160	0.6	1,150
	1032	NCR Ginza East III	2-8-8 Irifune, Chuo Ward, Tokyo	972.51	41	675	0.3	630
	1033	NCR Shinjuku Gyoen I	2-14-4 Shinjuku, Shinjuku Ward, Tokyo	3,594.16	108	2,720	1.3	2,540
	1034	NCR Takanawadai	3-4-12 Takanawa, Minato Ward, Tokyo	1,147.44	32	860	0.4	849
	1035	NCR Nihonbashi Ningyocho IV	3-5-6 Higashi Nihonbashi, Chuo Ward, Tokyo	1,105.20	48	666	0.3	620
	1036	NCR Shinjuku Gyoen II	1-29-15 Shinjuku, Shinjuku Ward, Tokyo	668.79	27	486	0.2	451
	1037	NCR Ginza East IV	3-10-8 Irifune, Chuo Ward, Tokyo	681.00	20	400	0.2	368
	1038	NCR Takanawadai II	3-5-6 Takanawa, Minato Ward, Tokyo	1,567.84	40	1,190	0.6	1,160
	1039	NCR Minami Azabu	2-2-27 Minami Azabu, Minato Ward, Tokyo	882.67	24	642	0.3	585
	1040	NCR Ginza	8-18-2 Ginza, Chuo Ward, Tokyo	3,494.42	96	2,880	1.4	2,570
	1041	NCR Nihonbashi Suitengu	2-1 Nihonbashi Koamicho, Chuo Ward, Tokyo	4,602.95	88	2,707	1.3	2,540
	1042	NCR Takanawa	2-17-12 Takanawa, Minato Ward, Tokyo	10,408.26	169	7,430	3.6	6,900
	1043	NCR Higashi Nihonbashi	9-14 Nihonbashi Yokoyamacho, Chuo Ward, Tokyo	6,442.28	103	3,520	1.7	3,290
	1045	NCR Shinjuku	2-6-11 Shinjuku, Shinjuku Ward, Tokyo	3,150.80	122	2,950	1.4	2,840
	1046	IPSE Ichigaya	14-4 Ichigaya Yakuojimachi, Shinjuku Ward, Tokyo	1,546.34	50	940	0.5	1,230
	1047	Shibaura Island Bloom Tower	4-20-2, Shibaura, Minato-ku, Tokyo	16,849.50	213	7,580	3.6	7,880 *6
Area 2	2001	Meguro Kamurozaka Residencia	4-31-23 Nishi Gotanda, Shinagawa Ward, Tokyo	4,967.97	125	4,500	2.2	3,720
	2002	IPSE Toritsudaigaku	1-4-1 Midorigaoka, Meguro Ward, Tokyo	863.70	30	648	0.3	508
	2003	Comfort Time Otsuka	2-19-7 Kita Otsuka, Toshima Ward, Tokyo	1,204.61	55	779	0.4	704
	2004	IPSE Yukigaya	2-13-3 Higashi Yukigaya, Ota Ward, Tokyo	1,542.30	52	1,110	0.5	984
	2005	IPSE Yutenji	2-14-21 Yutenji, Meguro Ward, Tokyo	1,380.35	29	1,450	0.7	1,170
	2006	IPSE Otsuka	3-17-4 Minami Otsuka, Toshima Ward, Tokyo	1,871.70	70	1,480	0.7	1,400
	2007	IPSE Kikukawa	2-1-12 Kikukawa, Sumida Ward, Tokyo	1,168.18	43	817	0.4	710
	2008	NCR Meguro	2-1-13 Meguro, Meguro Ward, Tokyo	1,414.73	26	844	0.4	787
	2009	NCR Otsuka	2-32-20 Higashi Ikebukuro, Toshima Ward, Tokyo	1,784.50	54	1,040	0.5	1,010
	2010	NCR Jiyugaoka	1-20-1 Jiyugaoka, Meguro Ward, Tokyo	1,472.47	40	1,200	0.6	1,160
	2011	NCR Mejiro East	2-8-16 Takada, Toshima Ward, Tokyo	1,658.90	29	988	0.5	933
	2012	NCR Ikebukuro	3-1-12 Nishi Ikebukuro, Toshima Ward, Tokyo	3,644.35	87	2,570	1.2	2,300
	2013	NCR Kaname-cho	5-26-10 Nishi Ikebukuro, Toshima Ward, Tokyo	1,624.06	73	1,140	0.5	1,030
	2014	NCR Shinagawa Seaside Tower	4-10-18 Higashi Shinagawa, Shinagawa Ward, Tokyo	12,732.35	208	7,380	3.5	6,870



# Portfolio (as of October 18, 2011)

Area *1	No.	Property Name *2	Address	Leasable Area (m <sup>2</sup> )	Leasable Units (units)	Acquisition Price (mn yen) *3	Acquisition Price Ratio (%) *4	Appraisal Values (mn yen) *5
Area 2	2015	NCR Yakumo	2-20-5 Yakumo, Meguro Ward, Tokyo	1,276.91	18	857	0.4	734
	2016	NCR Togoshiekimae	1-7-16 Hiratsuka, Shinagawa Ward, Tokyo	2,014.12	64	1,560	0.8	1,600
	2017	NCR Todoroki	1-16-7 Nakamachi, Setagaya Ward, Tokyo	2,859.98	22	1,210	0.6	1,220
	2018	NCR Honjo Azumabashi	3-7-11 Honjo, Sumida Ward, Tokyo	2,255.88	35	996	0.5	929
	2019	NCR Kitazawa	1-15-5 Kitazawa, Setagaya Ward, Tokyo	1,220.16	15	742	0.4	716
	2020	NCR Monzennakacho	1-17-12 Fukuzumi, Koto Ward, Tokyo	887.94	31	503	0.2	449
	2023	NCR Kamiikedai	1-4-15 Kamiikedai, Ota Ward, Tokyo	414.45	12	198	0.1	193
	2024	NCR Morishita	1-16-12 Morishita, Koto Ward, Tokyo	1,383.90	38	832	0.4	807
	2025	NCR Wakabayashi koen	4-39-4 Wakabayashi, Setagaya Ward, Tokyo	1,425.43	23	776	0.4	734
	2026	NCR Asakusabashi	2-16-21 Yanagibashi, Taito Ward, Tokyo	1,537.84	32	792	0.4	748
	2027	NCR Iriya	3-1-28 Shitaya, Taito Ward, Tokyo	1,415.15	22	546	0.3	549
	2028	NCR Ueno Tower	1-15-5 Kita Ueno, Taito Ward, Tokyo	4,197.66	102	2,641	1.3	2,310
	2029	NCR Morishita West	2-12-11 Shin Ohashi, Koto Ward, Tokyo	1,275.60	40	686	0.3	674
	2030	NCR Minowa	5-24-4 Negishi, Taito Ward, Tokyo	2,406.41	78	1,430	0.7	1,320
	2031	NCR Jiyugaoka West	7-14-13 Todoroki, Setagaya Ward, Tokyo	857.32	28	533	0.3	496
	2032	NCR Nakano	2-12-13 Arai, Nakano Ward, Tokyo	1,613.86	42	1,060	0.5	1,060
	2033	NCR Yoga	1-3-12 Tamagawadai, Setagaya Ward, Tokyo	1,472.38	45	923	0.4	944
	2034	NCR Sumiyoshi	2-8-11 Sumiyoshi, Koto Ward, Tokyo	1,362.60	60	948	0.5	850
	2035	NCR Monzennakacho East	2-2-9 Tomioka, Koto Ward, Tokyo	3,038.98	94	2,160	1.0	2,180
	2036	NCR Oshiage	3-5-2 Mukojima, Sumida Ward, Tokyo	1,785.24	60	1,100	0.5	1,030
	2037	NCR Kuramae	3-9-4 Kuramae, Taito Ward, Tokyo	1,994.93	67	1,260	0.6	1,230
	2038	IPSE Nakanobu	4-7-11 Nakanobu, Shinagawa Ward, Tokyo	2,421.82	83	1,790	0.9	2,210
	2039	Royal Parks Toyosu	3-5-21 Toyosu, Koto Ward, Tokyo	18,112.03	276	7,360	3.5	7,720
	2040	IPSE Togoshi	5-2-1 Togoshi, Shinagawa Ward, Tokyo	2,629.59	120	1,770	0.9	2,130
	2041	Belle Face Ooimachi Ark	4-2-11 Ooi, Shinagawa Ward, Tokyo	1,413.75	65	1,181	0.6	1,230
	2042	My Atria Omori	1-19-20, Omori kita, Ota Ward, Tokyo	2,046.36	60	1,500	0.7	1,600
	2043	My Atria Mishuku	1-3-39, Taishidou, Setagaya-ku, Toyko	2,654.53	53	1,900	0.9	2,050 *7
Area 3	3001	Cosmo Heim Musashikosugi	2-8 Kizuki Isecho, Nakahara Ward, Kawasaki City, Kanagawa Prefecture	4,208.83	59	1,674	0.8	1,550



# Portfolio (as of October 18, 2011)

Area *1	No.	Property Name *2	Address	Leasable Area (m <sup>2</sup> )	Leasable Units (units)	Acquisition Price (mn yen) *3	Acquisition Price Ratio (%) *4	Appraisal Values (mn yen) *5
Area 3	3002	IPSE Tsurumi	3-5-10 Tsurumi Chuo, Tsurumi Ward, Yokohama City, Kanagawa Prefecture	1,452.09	32	666	0.3	653
	3003	NCR Funabashi Honcho	4-4-8 Honcho, Funabashi City, Chiba Prefecture	1,496.40	86	704	0.3	656
	3005	NCR Toyoda	3-2-23 Asahigaoka, Hino City, Tokyo	3,630.55	67	864	0.4	848
	3006	NCR Nishi Funabashi	4-19-16 Nishifuna, Funabashi City, Chiba Prefecture	1,597.32	81	783	0.4	699
	3007	NCR Maihama	5-14-17 Fujimi, Urayasu City, Chiba Prefecture	1,287.72	61	670	0.3	566
	3008	NCR Ichikawamyoden	2-14-20 Shioyaki, Ichikawa City, Chiba Prefecture	1,218.00	58	671	0.3	647
	3009	NCR Kumegawa	1-12-1 Honcho, Higashi Murayama City, Tokyo	2,013.93	31	480	0.2	424
	3010	NCR Urayasu	3-30-4 Arai, Ichikawa City, Chiba Prefecture	1,074.53	51	592	0.3	551
	3011	NCR Minamigyotoku I	4-1-26 Minami Gyotoku, Ichikawa City, Chiba Prefecture	1,031.81	49	543	0.3	503
	3012	NCR Minamigyotoku II	4-1-5 Minami Gyotoku, Ichikawa City, Chiba Prefecture	724.63	35	385	0.2	353
	3013	NCR Nogeyama	1-6 Hinodecho, Naka Ward, Yokohama City, Kanagawa Prefecture	744.90	30	325	0.2	274
	3014	NCR Minamirinkan	2-11-16 Minami Rinkan, Yamato City, Kanagawa Prefecture	1,489.44	29	363	0.2	324
	3017	Park Terrance Ichikawa	1-24-3 Ichikawa, Ichikawa City, Chiba Prefecture	876.89	40	461	0.2	481
	3018	Royal Parks Hanakoganei	1-8-2, Hanakoganei, Kodaira City, Tokyo	18,153.57	279	5,300	2.5	5,560 *8
Area 4	4001	Fourteen Hills East Tower	1-11-29 Shin Sakae, Naka Ward, Nagoya City, Aichi Prefecture	3,548.48	131	1,920	0.9	1,470
	4008	Aprile Tarumi	7-3-1 Takamaru, Tarumi Ward, Kobe City, Hyogo Prefecture	6,545.25	99	1,340	0.6	1,290
	4009	Crest Kusatsu	5-3-27 Kasayama, Kusatsu City, Shiga Prefecture	13,452.80	540	3,004	1.4	2,730
	4010	NCR Honmachi East	1-3-7 Kyutaromachi, Chuo Ward, Osaka City, Osaka Prefecture	3,471.39	117	1,490	0.7	1,440
	4011	NCR Shin-Umeda	6-8-21 Nakatsu, Kita Ward, Osaka City, Osaka Prefecture	3,279.90	108	1,376	0.7	1,370
	4012	NCR Abeno	2-4-37 Abenosuji, Abeno Ward, Osaka City, Osaka Prefecture	10,832.11	153	4,368	2.1	4,040
	4014	NCR Sakae	4-16-10 Sakae, Naka Ward, Nagoya City, Aichi Prefecture	2,836.00	73	1,010	0.5	1,000
	4015	NCR Nipponbashi Kouzu	2-4-6 Kouzu, Chuo Ward, Osaka City, Osaka Prefecture	9,334.47	262	3,570	1.7	3,330
	4016	NCR Maruyama Urasando	21-1-47 Minami 2 Jo Nishi, Chuo Ward, Sapporo City, Hokkaido	1,522.89	36	411	0.2	405
	4017	NCR Maruyama Omotesando	21-2-1 Kita 1 Jo Nishi, Chuo Ward, Sapporo City, Hokkaido	6,100.31	146	1,740	0.8	1,600



# Portfolio (as of October 18, 2011)

Area *1	No.	Property Name *2	Address	Leasable Area (m <sup>2</sup> )	Leasable Units (units)	Acquisition Price (mn yen) *3	Acquisition Price Ratio (%) *4	Appraisal Values (mn yen) *5
Area 4	4018	NCR Hakataekihigashi	5-31 Hiemachi, Hakata Ward, Fukuoka City, Fukuoka Prefecture	3,061.60	115	960	0.5	893
	4019	NCR Shinsaibashi East Tower	1-15-25 Shimanouchi, Chuo Ward, Osaka City, Osaka Prefecture	8,747.40	133	3,400	1.6	3,520
	4020	NCR Sannomiya	3-2-31 Isobedori, Chuo Ward, Kobe City, Hyogo Prefecture	3,071.60	112	1,230	0.6	1,240
	4021	NCR Kotodaikoen	3-10-24 Kokubuncho, Aoba Ward, Sendai City, Miyagi Prefecture	1,684.10	50	481	0.2	460
	4022	NCR Ichibancho	1-6-27, 30 Ichibancho, Aoba Ward, Sendai City, Miyagi Prefecture	2,800.32	68	783	0.4	740
	4023	NCR Omachi	2-5-8 Omachi, Aoba Ward, Sendai City, Miyagi Prefecture	2,149.08	72	656	0.3	586
	4024	NCR Uemachidai	4-1-12 Uehonmachi Nishi, Chuo Ward, Osaka City, Osaka Prefecture	5,415.39	69	2,190	1.1	2,210
	4025	NCR Higobashi Tower	1-2-24 Tosabori, Nishi Ward, Osaka City, Osaka Prefecture	6,230.20	194	2,670	1.3	2,780
	4026	Big Tower Minami Sanjo	2-15-1 Minami Sanjo Higashi, Chuo Ward, Sapporo City, Hokkaido	8,661.19	179	1,740	0.8	2,160
	4027	Lexington Square Fushimi	1-8-49, Nishiki, Naka-ku, Nagoya City, Aichi Prefecture	7,022.69	123	2,260	1.1	2,520
	4028	Belle Face Nagoyaekimae	1-12-22, Meiekiminami, Nakamura Ward, Nagoya City, Aichi Prefecture	1,822.10	70	720	0.3	767
	4029	Besta Yakuin	2-3-13, Imaizumi, Chuo-ku, Fukuoka City, Fukuoka Prefecture	2,784.83	118	930	0.4	951 *9
Total of Residential Properties (123 properties)				374,992.60	9,053	205,492	98.8	195,481
Area 3	8001	INAGEYA Yokohama Nishigaoka	1-2-1 Nishigaoka, Izumi Ward, Yokohama City, Kanagawa Prefecture	2,343.26	1	1,000	0.5	869
Area 4	8002	FOLEO TOWN Tsutsui	531-1 Tsutsuimachi, Yamato Koriyama City, Nara Prefecture	4,022.27	11	1,410	0.7	1,130
Total of Retail Properties (2 properties)				6,365.53	12	2,410	1.2	1,999
<b>Total Owned Assets (125 properties)</b>				<b>381,358.13</b>	<b>9,065</b>	<b>207,902</b>	<b>100.0</b>	<b>197,480</b>

\*1) "Area 1" indicated in the Area column means Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward and Shinjuku Ward of Tokyo. "Area 2" means the wards of Tokyo excluding Area 1. "Area 3" means the Tokyo Metropolitan area (Tokyo excluding Area 1 and Area 2, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture). "Area 4" means other cities (areas with populations more than approx. 100,000).

\*2) In the Property Name column, "NCR" means New City Residence.

\*3) "Acquisition price" does not include expenses related to acquisition, settlement of taxes and public charges and consumption taxes. For properties formerly owned by NCR, the table shows the agreed book value at the time of the merger (appraisal value as of February 28, 2010); amounts rounded to ¥ million units.

\*4) "Acquisition Price Ratio" column indicates the ratio of each acquisition price against the total acquisition price. The figures are rounded to the first decimal place.

\*5) "Appraisal Values" column indicates real estate appraisal values as of August 31, 2011. Amounts rounded to ¥ million units.

\*6) The appraisal values of Shibaura Island Bloom Tower is values as of August 1, 2011.

\*7) The appraisal values of My Atria Mishuku is values as of July 15, 2011.

\*8) The appraisal values of Royal Parks Hanakoganei is values as of August 1, 2011.

\*9) The appraisal values of Besta Yakuin is values as of July 15, 2011.

\*10) The leasable area of 8002 (S-2) INAGEYA Yokohama Nishigaoka is larger than the total floor area of 2,221.32 m<sup>2</sup> under the Real Estate Registration Law, as the lease agreement was concluded to include the space below the floors and other areas that were not calculated in the total floor area.



# Summary of Financial Results

	5th Fiscal Period (ended May 2008)	6th Fiscal Period (ended Nov. 2008)	7th Fiscal Period (ended May 2009)	8th Fiscal Period (ended Nov. 2009)	9th Fiscal Period (ended Aug. 2010)	10th Fiscal Period (ended Feb. 2011)	11th Fiscal Period (ended Aug. 2011)	Variation Between 10th Fiscal Period
Management Period	183 days	183 days	182 days	183 days	274 days	181 days	184 days	+3 days
Operating Revenue	1,658 mn yen	1,675 mn yen	1,558 mn yen	1,478 mn yen	6,514 mn yen	7,793 mn yen	6,728 mn yen	(1,064 mn yen)
[gains on real estate sales]	—	—	—	—	22 mn yen	1,062 mn yen	0 mn yen	(1,061 mn yen)
Operating Income	977 mn yen	949 mn yen	854 mn yen	742 mn yen	2,951 mn yen	3,796 mn yen	2,478 mn yen	(1,317 mn yen)
[losses on real estate sales]	—	—	—	—	—	305 mn yen	501 mn yen	+195 mn yen
Ordinary Income	654 mn yen	619 mn yen	549 mn yen	437 mn yen	1,845 mn yen	2,761 mn yen	1,437 mn yen	(1,324 mn yen)
Net Income	653 mn yen	612 mn yen	548 mn yen	436 mn yen	20,918 mn yen	3,245 mn yen	1,402 mn yen	(1,843 mn yen)
Distribution Per Unit	13,262 yen	12,434 yen	11,138 yen	8,862 yen	15,341 yen	16,880 yen	16,320 yen	(560 yen)
Payout Ratio * 1	100.0%	100.0%	100.0%	100.0%	6.5%	61.8%	138.2%	+76.4%
Outstanding Investment Units Issued at End of Fiscal Period	49,260 units	49,260 units	49,260 units	49,260 units	118,735 units	118,735 units	118,735 units	—
Real Estate Lease Business Revenue	1,658 mn yen	1,675 mn yen	1,558 mn yen	1,478 mn yen	6,491 mn yen	6,731 mn yen	6,728 mn yen	+3 mn yen
Real Estate Expenses Related To Rent Business	529 mn yen	550 mn yen	542 mn yen	590 mn yen	2,714 mn yen	2,982 mn yen	3,053 mn yen	+71 mn yen
Real Estate Lease Business Income	1,128 mn yen	1,125 mn yen	1,016 mn yen	888 mn yen	3,777 mn yen	3,748 mn yen	3,674 mn yen	(74 mn yen)
Rent NOI	1,401 mn yen	1,398 mn yen	1,289 mn yen	1,162 mn yen	4,850 mn yen	4,895 mn yen	4,850 mn yen	(45 mn yen)
NOI Yield * 2	5.47%	5.45%	5.06%	4.53%	4.99%	5.13%	5.05%	(0.08%)

## <Portfolio at End of Fiscal Period>

Number of Owned Properties	24	24	24	24	127	121	121	—
Total Acquisition Price *2	51,139 mn yen	51,139 mn yen	51,139 mn yen	51,139 mn yen	192,603 mn yen	192,176 mn yen	192,192 mn yen	+16 mn yen
Leasable Units	1,350 units	1,350 units	1,350 units	1,350 units	8,139 units	8,314 units	8,402 units	+88 units
	[store: 30units]	[store: 30units]	[store: 30units]	[store: 30units]	[store: 63units]	[store: 67 units]	[store: 69 units]	[store: +2 units]
Properties Acquired (Transferred) in The Fiscal Period *3	—	—	—	—	107/ 142,128 mn yen	4/ 13,130 mn yen	3/ 3,401 mn yen	(1)/ (9,729 mn yen)
Properties Sold in the Fiscal Period *3	—	—	—	—	4/ 709 mn yen	10/ 14,572 mn yen	3/ 2,900 mn yen	(7)/ (11,671 mn yen)
Average Occupancy Rate in the Fiscal Period *4	96.1%	94.4%	89.9%	89.2%	90.1% 92.8%	95.1%	95.7%	
Occupancy Rate at End of Fiscal Period	95.4%	93.7%	88.0%	90.3%	93.5%	96.0%	96.2%	+0.2%

\*1) Dividend payout ratio excluding gain on negative goodwill as part of the merger in the ninth fiscal period is 70.8%.

\*2) NOI yield is calculated by dividing the rent NOI (lease business revenue + other lease business revenue – real estate expenses related to rent business + depreciation and amortization), pro rata over 365 days, from the total acquisition price of the end of each period. However, for the ninth fiscal period and tenth fiscal period, NOI yield is calculated using the average acquisition price of the period calculated based on the number of the days of each property owned.

\*3) Figures indicate the number of properties and total acquisition price or sale price. Expenses related to acquisition or sale, settlement of taxes and public charges and consumption taxes are excluded.

\*4) For average occupancy rates in the ninth fiscal period, the left figure shows the rate from December 31, 2009 through March 31, 2010, while the right figure shows the rate from April 30, 2010 through August 31, 2010 after the merger with NCR.



# Selected Financial Data

	5th Fiscal Period (ended May 2008)	6th Fiscal Period (ended Nov. 2008)	7th Fiscal Period (ended May 2009)	8th Fiscal Period (ended Nov. 2009)	9th Fiscal Period (ended Aug. 2010)	10th Fiscal Period (ended Feb. 2011)	11th Fiscal Period (ended Feb. 2011)	Variation Between 10th Fiscal Period
Management Period	183 days	183 days	182 days	183 days	274 days	181 days	184 days	+3 days
Total Assets	55,546 mn yen	54,618 mn yen	54,456 mn yen	54,280 mn yen	201,545 mn yen	202,092 mn yen	200,699 mn yen	(1,393 mn yen)
Net Assets	24,667 mn yen	24,615 mn yen	24,551 mn yen	24,439 mn yen	73,162 mn yen	74,586 mn yen	73,984 mn yen	(602 mn yen)
Unitholders' Capital	24,002 mn yen	24,002 mn yen	24,002 mn yen	24,002 mn yen	24,002 mn yen	24,002 mn yen	24,002 mn yen	—
Total Outstanding Investment Units Issued	49,260 units	49,260 units	49,260 units	49,260 units	118,735 units	118,735 units	118,735 units	—
Net Assets Per Unit	500,752 yen	499,712 yen	498,402 yen	496,125 yen	616,183 yen	628,176 yen	623,103 yen	(5,073 yen)
Distribution Per Unit	13,262 yen	12,434 yen	11,138 yen	8,862 yen	15,341 yen	16,880 yen	16,320 yen	(560 yen)
Payout Ratio * 1	100.0%	100.0%	100.0%	100.0%	6.5%	61.8%	138.2%	+76.4%
Return on Assets (ROA) *2	2.3%	2.2%	2.0%	1.6%	1.9%	2.8%	1.4%	(1.4%)
Return on Equity (ROE) *3	5.3%	5.0%	4.5%	3.6%	57.1%	8.9%	3.7%	(5.2%)
Net Asset Ratio at End of Fiscal Period *4	44.4%	45.1%	45.1%	45.0%	36.3%	36.9%	36.9%	—
Number of Properties	24	24	24	24	127	121	121	—
Leasable Units	1,350 units [Store: 30 units]	1,350 units [Store: 30 units]	1,350 units [Store: 30 units]	1,350 units [Store: 30 units]	8,139 units [Store: 63 units]	8,314 units [Store: 67 units]	8,402 units [Store: 69 units]	+88 units [Store: +2 units]
Leasable Area *5	57,657.42㎡ [Store: 10,450.47㎡]	57,660.40㎡ [Store: 10,450.47㎡]	57,660.40㎡ [Store: 10,450.47㎡]	57,660.40㎡ [Store: 10,450.47㎡]	337,589.55㎡ [Store: 12,521.02㎡]	341,034.63㎡ [Store: 13,898.46㎡]	340,892.79㎡ [Store: 13,851.34㎡]	(141.84㎡) [Store: (47.12㎡)]
Average Occupancy Rate in the Fiscal Period *6	96.1%	94.4%	89.9%	89.2%	90.1% 92.8%	95.1%	95.7%	
Occupancy Rate at End of Fiscal Period	95.4%	93.7%	88.0%	90.3%	93.5%	96.0%	96.2%	+0.2%
Current Depreciation and Amortization	272 mn yen	272 mn yen	273 mn yen	274 mn yen	1,072 mn yen	1,146 mn yen	1,176 mn yen	+29 mn yen
Rent NOI *7	1,401 mn yen	1,398 mn yen	1,289 mn yen	1,162 mn yen	4,850 mn yen	4,895 mn yen	4,850 mn yen	(45 mn yen)
FFO Per Unit *8	18,916 yen	18,095 yen	16,818 yen	14,548 yen	24,427 yen	26,541 yen	26,228 yen	(313 yen)
Debt Service Coverage Ratio *9	5.3x	4.7x	4.8x	4.5x	25.7x	6.0x	3.9x	(2.1x)
Total Interest-bearing Liabilities	29,488 mn yen	28,685 mn yen	28,685 mn yen	28,674 mn yen	124,590 mn yen	123,325 mn yen	122,653 mn yen	(672 mn yen)
LTV (interest-bearing liabilities/total assets)	53.1%	52.5%	52.7%	52.8%	61.8%	61.0%	61.1%	+0.1%

\*1) Dividend payout ratio excluding gains on negative goodwill as part of the merger in the ninth fiscal period is 70.8%.

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

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

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

\*5) The leasable area of 8001 INAGEYA Yokohama Nishigaoka, which was acquired in the fourth fiscal period and is continually owned at the end of the tenth fiscal period is larger than the total floor area of 2,221.32㎡ under the Real Estate Registration Law, as the lease agreement was concluded to include the space below the floors and other areas that were not calculated in the total floor area.

\*6) For average occupancy rates in the ninth fiscal period, the left figure shows the rate from December 31, 2009 through March 31, 2010, while the right figure shows the rate from April 30, 2010 through August 31, 2010 after the merger with NCR.

\*7) Rent NOI = Lease business revenue + other lease business revenue - real estate expenses related to rent business + depreciation and amortization

\*8) FFO per unit = (Net income + depreciation and amortization + other amortization expenses - gains on real estate sales)/ total outstanding investment units issued (for the ninth fiscal period, gain on negative goodwill and other extraordinary income are deducted from net income)

\*9) Debt service coverage ratio = Net income before interest amortization/interest expenses. The debt service coverage ratio excluding gain on negative goodwill as part of the merger in the ninth fiscal period is 4.4 times.





# Balance Sheets

## Assets

(unit: thousand yen)

Category	Tenth Fiscal Period (as of February 28, 2011)		Eleventh Fiscal Period (as of August 31, 2011)		Variation
		Share (%)		Share (%)	
Assets					
Current assets					
Cash and deposits	4,873,568		4,350,254		(523,314)
Cash and deposits in trust	4,712,065		4,880,168		168,102
Operating accounts receivable	217,572		109,237		(108,334)
Prepaid expenses	238,796		167,999		(70,797)
Deferred tax assets	-		43,175		43,175
Other	11,653		624		(11,029)
Allowance for doubtful accounts	(54,343)		(21,379)		32,964
Total current assets	9,999,312	4.9	9,530,079	4.7	
Noncurrent assets					
Property, plant and equipment					
Buildings	28,006,405		27,616,500		(389,904)
Accumulated depreciation	(505,826)		(758,619)		(252,792)
Buildings, net	27,500,578		26,857,881		(642,696)
Structures	239,617		233,703		(5,913)
Accumulated depreciation	(4,385)		(6,672)		(2,287)
Structures, net	235,231		227,031		(8,200)
Machinery and equipment	417,987		417,987		-
Accumulated depreciation	(13,238)		(20,483)		(7,245)
Machinery and equipment, net	404,749		397,504		(7,245)
Tools, furniture and fixtures	651,534		643,168		(8,365)
Accumulated depreciation	(44,625)		(67,106)		(22,480)
Tools, furniture and fixtures, net	606,908		576,062		(30,846)
Land	22,227,020		20,923,344		(1,303,676)
Buildings in trust	70,164,944		71,613,114		1,448,169
Accumulated depreciation	(3,152,833)		(3,960,458)		(807,624)
Buildings in trust, net	67,012,111		67,652,656		640,545
Structures in trust	526,587		535,446		8,858
Accumulated depreciation	(16,300)		(23,892)		(7,592)
Structures in trust, net	510,287		511,554		1,266
Machinery and equipment in trust	1,013,637		1,030,530		16,893
Accumulated depreciation	(132,646)		(164,141)		(31,494)
Machinery and equipment in trust, net	880,990		866,388		(14,601)
Tools, furniture and fixtures in trust	276,202		281,813		5,610
Accumulated depreciation	(31,249)		(48,061)		(16,812)
Tools, furniture and fixtures in trust, net	244,952		233,751		(11,201)
Land in trust	70,332,856		70,844,184		511,327
Total property, plant and equipment	189,955,688	94.0	189,090,358	94.2	(865,329)



# Balance Sheets

## ■ Assets

(unit: thousand yen)

Category	Tenth Fiscal Period (as of February 28, 2011)		Eleventh Fiscal Period (as of August 31, 2011)		Variation
	Share (%)		Share (%)		
Assets					
Intangible assets					
Leasehold rights in trust	1,521,476		1,521,476		-
Right of trademark	2,471		2,186		(285)
Total intangible assets	1,523,947	0.8	1,523,662	0.8	(285)
Investments and other assets					
Long-term prepaid expenses	162,683		103,960		(58,723)
Guarantee deposits	10,030		10,334		334
Lease deposits in trust	440,769		440,769		(30)
Total investments and other assets	613,482	0.3	555,063	0.3	(58,419)
Total noncurrent assets	192,093,119	95.1	191,169,085	95.3	(924,033)
Deferred assets					
Deferred organization expenses	-		-		-
Total deferred assets	-	0.0	-	0.0	-
Total assets	202,092,431	100.0	200,699,164	100.0	(1,393,266)



# Balance Sheets

## Liabilities and Net Assets

(unit: thousand yen)

Category	Tenth Fiscal Period (as of February 28, 2011) Share (%)		Eleventh Fiscal Period (as of August 31, 2011) Share (%)		Variation
<b>Liabilities</b>					
Current liabilities					
Operating accounts payable	486,155		522,578		36,422
Current portion of long-term loans payable	15,937,000		28,352,000		12,415,000
Accounts payable-other	105,667		156,260		50,593
Accrued expenses	465,710		406,900		(58,809)
Income taxes payable	605		605		-
Accrued consumption taxes	125,606		-		(125,606)
Advances received	570,539		607,946		37,406
Deposits received	288,127		173,809		(114,318)
Current portion of rehabilitation debt	16,019,513		16,019,513		-
Total current liabilities	33,998,925	16.8	46,239,613	23.0	12,240,687
Non current liabilities					
Long-term loans payable	23,019,000		10,500,000		(12,519,000)
Tenant leasehold and security deposits	309,164		316,421		7,256
Tenant leasehold and security deposits in trust	1,646,610		1,693,047		46,437
Asset retirement obligations	182,308		184,241		1,932
Rehabilitation debt	68,349,850		67,781,664		(568,186)
Total noncurrent liabilities	93,506,935	46.3	80,475,375	40.1	(13,031,559)
Total liabilities	127,505,860	63.1	126,714,989	63.1	(790,871)
<b>Net assets</b>					
Unitholders' equity					
Unitholders' capital	24,002,588		24,002,588		-
Surplus					
Capital surplus	28,241,587		28,241,587		-
Reserve for distribution	-		20,338,145		20,338,145
Unappropriated retained earnings (undisposed loss)	22,342,395		1,401,854		(20,940,540)
Total surplus	50,583,982		49,981,587		(602,394)
Total unitholders' equity	74,586,570	36.9	73,984,175	36.9	(602,394)
Valuation and translation adjustments					
Deferred gains or losses on hedges	-		-		-
Total valuation and translation adjustments	-	0.0	-	0.0	-
Total net assets	74,586,570	36.9	73,984,175	36.9	(602,394)
Total liabilities and net assets	202,092,431	100.0	200,699,164	100.0	(1,393,266)

## Notes and Remarks for Eleventh Fiscal Period

(unit: million yen)

<b>1. Cash and deposits</b>	
Investment corporation title	4,350
Trust bank title	4,880
(of which, equivalent to deposit)	2,009
Balance	7,220
<b>2. Interest-bearing liabilities</b>	
Total interest-bearing liabilities	122,653
<b>3. Allowance for doubtful accounts</b>	
Total allowance for doubtful accounts	21
<b>4. Change in Unitholders' capital</b>	
Total Unitholders' capital	24,002
June 2005: Established with private offering	300
December 2005: Increase capital through third party allotment	1,430
March 2006: Increase capital through public offering	18,238
March 2007: Increase capital through third party allotment	4,034

## Unitholders' Capital and Total Outstanding Investment Units Issued

Date	Unitholders' Capital (yen)	Total Unitholders' Capital (yen)	Total Investment Units Issued (unit)	Total Outstanding Investment Units Issued (unit)
June 7, 2005 *1	300,000,000	300,000,000	600	600
December 19, 2005	1,430,000,000	1,730,000,000	2,860	3,460
March 20, 2006	18,238,500,000	19,968,500,000	37,800	41,260
March 2, 2007	4,034,088,000	24,002,588,000	8,000	49,260
April 1, 2010 *2	-	24,002,588,000	69,475	118,735

\*1) BLife Investment Corporation was established on June 7, 2005.

\*2) Following the merger with NCR, for each investment unit of NCR, 0.23 investment units of BLife was allotted and issued.

\*3) Because BLife issued new investment units by primary offering after the account closing date, unitholders' capital as of October 13, 2011 was ¥40,002,450,000 and the number of outstanding investment units issued was 156,735 units.



# Statements of Income

(unit: thousand yen)

Category	Tenth Fiscal Period (Sep. 1, 2010 – Feb. 28, 2011)	Eleventh Fiscal Period (Mar. 1, 2011 – Aug. 31, 2011)	Variation
Operating revenue			
Lease business revenue	6,379,861	6,297,632	(82,229)
Other lease business revenue	351,627	430,679	79,051
Gain on sales of real estate properties	1,062,372	648	(1,061,723)
Total operating revenue	7,793,862	6,728,960	(1,064,901)
Operating expenses			
Expenses related to rent business	2,982,619	3,053,848	71,228
Loss on sales of real estate properties	305,960	501,850	195,889
Asset management fee	460,163	404,357	(55,805)
Asset custody fee	20,120	19,990	(129)
Administrative service fees	65,923	65,438	(484)
Directors' compensations	6,600	6,600	-
Other operating expenses	156,443	198,592	42,149
Total operating expenses	3,997,830	4,250,678	252,847
Operating income	3,796,031	2,478,282	(1,317,749)
Non-operating income			
Interest income	782	825	42
Reversal of allowance for doubtful accounts	6,957	11,391	4,434
Other	1,737	1,931	194
Total non-operating income	9,477	14,148	4,671
Non-operating expenses			
Interest expenses	880,074	876,366	(3,707)
Borrowing related expenses	162,205	177,610	15,405
Other	1,768	1,215	(553)
Total non-operating expenses	1,044,048	1,055,193	11,144
Ordinary income	2,761,460	1,437,237	(1,324,222)
Extraordinary income			
Gain on retirement by purchase of rehabilitation obligations	474,900	22,670	(452,229)
Settlement received	9,500	-	(9,500)
Other	523	270	(252)
Total extraordinary income	484,924	22,941	(461,982)
Extraordinary loss			
Loss on disaster	-	57,722	57,722
Total extraordinary losses	-	57,722	57,722
Income before income taxes	3,246,384	1,402,457	(1,843,927)
Income taxes-current	605	605	-
Income taxes-deferred	237	-	(237)
Total income taxes	842	605	(237)
Net income	3,245,541	1,401,852	(1,843,689)
Retained earnings brought forward	19,096,853	2	(19,096,850)
Unappropriated retained earnings (undisposed loss)	22,342,395	1,401,854	(20,940,540)

## Financial statements pertaining to distribution of funds

(unit: yen)

Category	Tenth Fiscal Period (Sep. 1, 2010 – Feb. 28, 2011)	Eleventh Fiscal Period (Mar. 1, 2011 – Aug. 31, 2011)	Variation
I. Unappropriated retained earnings	22,342,395,099	1,401,854,778	(20,940,540,321)
II. Reversal of reserve for distribution	-	535,900,422	535,900,422
III. Distribution amount [Distribution per investment unit]	2,004,246,800 [16,880]	1,937,755,200 [16,320]	(66,491,600) [(560)]
IV. Reserve of reserve for distribution	20,338,145,558	-	(20,338,145,558)
V. Retained earnings carried forward	2,741	-	(2,741)

## Breakdown of Real Estate Lease Business Revenue and Expenses

(unit: thousand yen)

Category	Tenth Fiscal Period (September 1, 2010 – February 28, 2011)	Eleventh Fiscal Period (March 1, 2011 – August 31, 2011)	Variation
A. Real estate lease business revenue			
Lease business revenue			
Rent income	6,223,225	6,120,280	(102,944)
Common service fees	156,636	177,351	20,715
Subtotal	6,379,861	6,297,632	(82,229)
Other lease business revenue			
Facility charges	162,093	158,472	(3,621)
Incidental revenue	27,258	27,527	269
Other lease business revenue	162,276	244,679	82,403
Subtotal	351,627	430,679	79,051
Total real estate lease business revenue	6,731,489	6,728,311	(3,177)
B. Real estate expenses related to rent business			
Expenses related to rent business			
Management fees	807,438	825,833	18,395
Utility expenses	104,456	95,925	(8,530)
Tax and public charges	322,956	364,789	41,833
Repair expenses	207,308	172,474	(34,834)
Insurance expenses	11,607	10,932	(675)
Restoration cost	193,478	219,647	26,169
Custodian fees	60,407	50,891	(9,516)
Depreciation and amortization	1,146,885	1,176,164	29,279
Other operating expenses	128,080	137,189	9,108
Total real estate expenses related to rent business	2,982,619	3,053,848	71,228
C. Real estate lease business income (A – B)	3,748,870	3,674,463	(74,406)



# Statements of Cash Flows

(unit: thousand yen)

(unit: thousand yen)

Category	Tenth Fiscal Period (September 1, 2010 – February 28, 2011)	Eleventh Fiscal Period (March 1, 2011 – August 31, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes	3,246,384	1,402,457
Depreciation and amortization	1,146,885	1,176,164
Gain on retirement by purchase of rehabilitation obligations	(474,900)	(22,670)
Loss on retirement of noncurrent assets	3,249	17,068
Amortization of trademark rights	285	285
Interest income	(782)	(825)
Interest expenses	880,074	876,366
Decrease (increase) in operating accounts receivable	35,660	108,334
Decrease (increase) in accounts receivable-other	1,563	(148)
Decrease (increase) in consumption taxes receivable	-	(43,175)
Decrease (increase) in prepaid expenses	68,616	70,797
Increase (decrease) in operating accounts payable	99,941	36,422
Increase (decrease) in accounts payable-other	(30,901)	45,216
Increase (decrease) in accrued consumption taxes	122,244	(125,606)
Increase (decrease) in accrued expenses	33,375	(60,678)
Increase (decrease) in deposits received	101,842	(83,726)
Increase (decrease) in advances received	(28,553)	37,406
Decrease (increase) in long-term prepaid expenses	(55,661)	58,723
Increase (decrease) in allowance for doubtful accounts	(35,558)	(32,964)
Decrease in physical property, plant and equipment	-	2,939,497
Decrease in tangible fixed assets in trust due to sales	13,445,128	423,355
Decrease (increase) in guarantee deposits	10,212	(334)
Decrease (increase) of guarantee deposits in trust	(440,799)	30
Other, net	(66,282)	(162,444)
Subtotal	18,062,022	6,659,553
Interest income received	782	825
Interest expenses paid	(864,201)	(874,498)
Income taxes paid	409	(464)
Net cash provided by (used in) operating activities	17,199,014	5,785,415

Category	Tenth Fiscal Period (September 1, 2010 – February 28, 2011)	Eleventh Fiscal Period (March 1, 2011 – August 31, 2011)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(10,106)	(1,256,341)
Purchase of property, plant and equipment in trust	(13,773,141)	(2,434,415)
Proceeds from tenant leasehold and security deposits	51,868	75,243
Repayments of tenant leasehold and security deposits	(15,125)	(49,692)
Proceeds from tenant leasehold and security deposits in trust	304,669	262,916
Repayments of tenant leasehold and security deposits in trust	(398,307)	(89,950)
Net cash provided by (used in) investing activities	(13,840,142)	(3,492,240)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	10,500,000	-
Repayment of long-term loans payable	(104,000)	(104,000)
Repayment of rehabilitation debt	(11,185,980)	(545,515)
Dividends paid	(1,816,591)	(1,998,870)
Net cash provided by (used in) financing activities	(2,606,572)	(2,648,386)
Net increase (decrease) in cash and cash equivalents	752,299	(355,211)
Cash and cash equivalents at beginning of period	8,833,334	9,585,634
Cash and cash equivalents at end of period	9,585,634	9,230,422



# Major Unitholders

## Major Unitholders of BLife(as of August 31, 2011)

Name	Number of Units Held (units)	Percentage of Total (%)
Japan Trustee Services Bank, Ltd. (investment account)	20,880	17.58
Daiwa House Industry Co., Ltd.	18,860	15.88
Trust & Custody Services Bank, Ltd. (securities investment trust account)	10,522	8.86
The Nomura Trust and Banking Co., Ltd. (investment trust account)	10,355	8.72
The Master Trust Bank of Japan, Ltd. (investment account)	6,870	5.78
The Chuo Mitsui Trust and Banking Company, Limited	3,600	3.03
DBS Vickers (HK) Ltd Clients	3,450	2.90
Nomura Bank (Luxembourg) S.A.	3,011	2.53
BNP-Paribas Securiitiesservices Luxembourg-Jasdec Securities	2,779	2.34
Mizuho Trust & Banking Co., Ltd.	1,791	1.50

## Shareholders in the Asset Manager (as of August 31, 2011)

Name	Number of Shares Held (units)	Percent age of Shares (%)
Daiwa House Industry Co., Ltd.	12,000	100.0
Total	12,000	100.0

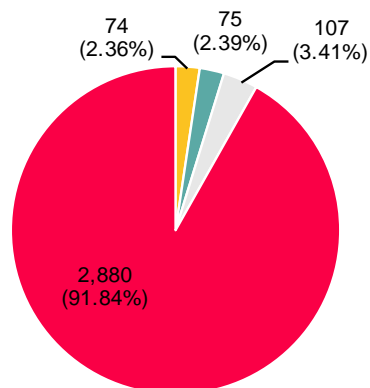
On June 30, Daiwa House Purchased 2,400 shares (suitability 20%) of the asset Manager from Morimoto Co., Ltd.

On July 29, Daiwa House Purchased 240 shares (suitability 2.0%) of the asset Manager from Morgan Stanley Capital K.K. 180 shares (suitability 4.5%) each from Mizuho Bank, Ltd., The Chuo Mitsui Trust and Banking Co., Ltd., and Sumitomo Mitsui Banking Corporation.

The Asset Manager became a wholly-owned subsidiary of Daiwa House.

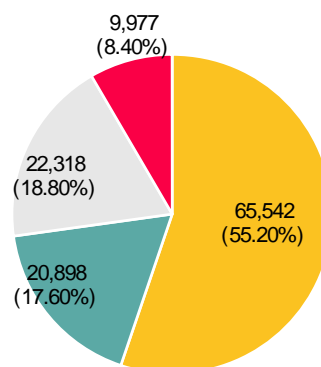
### Number of Unitholders

Total number of Unitholders: 3,136



### Number of Investment Units

Outstanding investment units issued: 118,735 units



- Financial institutions (including securities companies)
- Individuals and others
- Foreign corporations and individuals
- Other domestic corporations



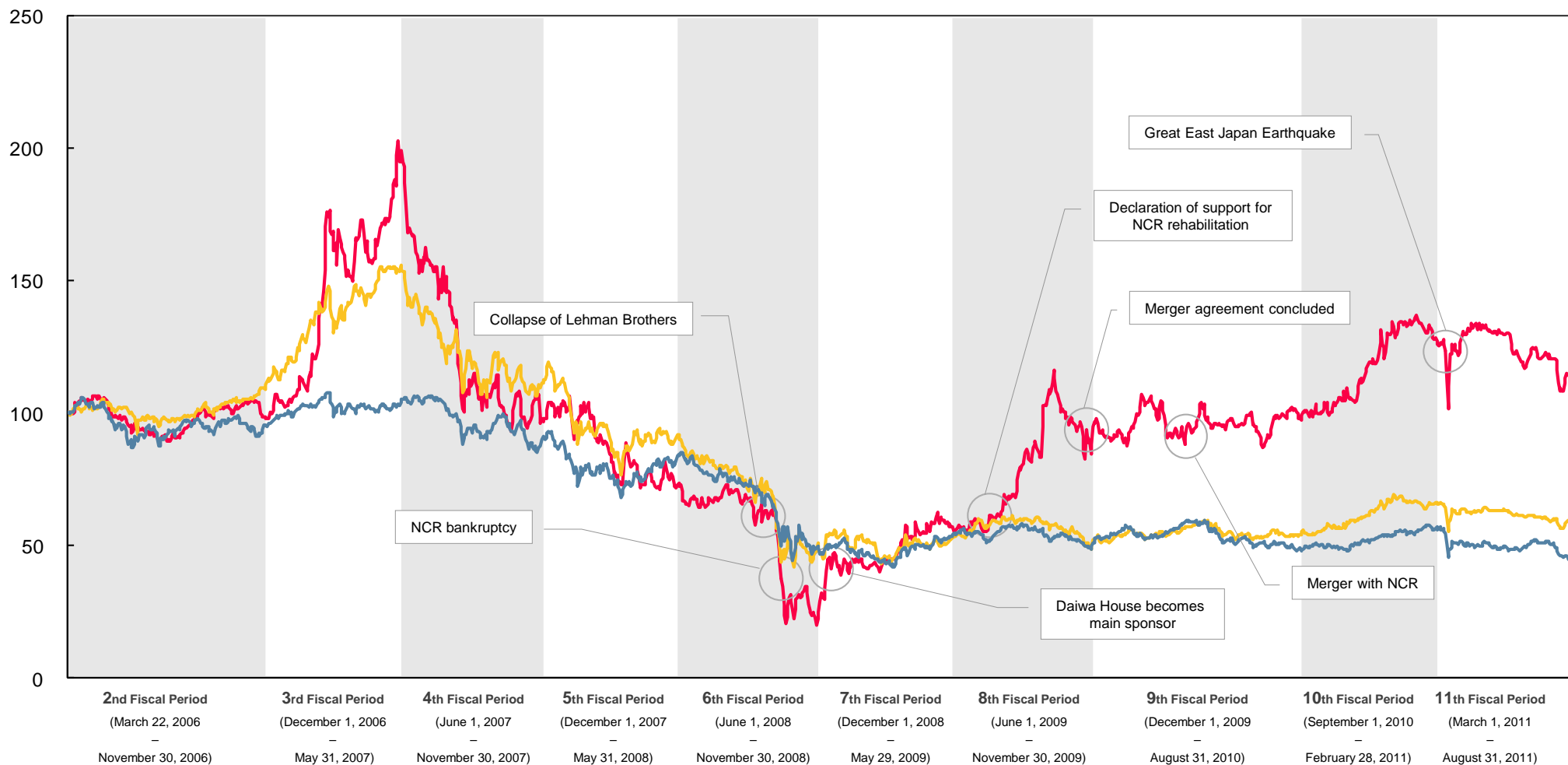


# Movement of Investment Unit Prices

Investment Unit  
Price Index  
REIT Index  
TOPIX

Investment Unit Price Index (BLife) REIT Index TOPIX

March 22, 2006 = 100



The investment unit price index shows the indexation of TSE's closing price of BLife's investment unit.

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