



Financial Results Briefing

17th Fiscal Period (six months ended April 30, 2014)



Starts Proceed
Investment Corporation

Starts Proceed Investment Corporation

Starts Asset Management Co., Ltd.



Starts Asset Management
Company Limited

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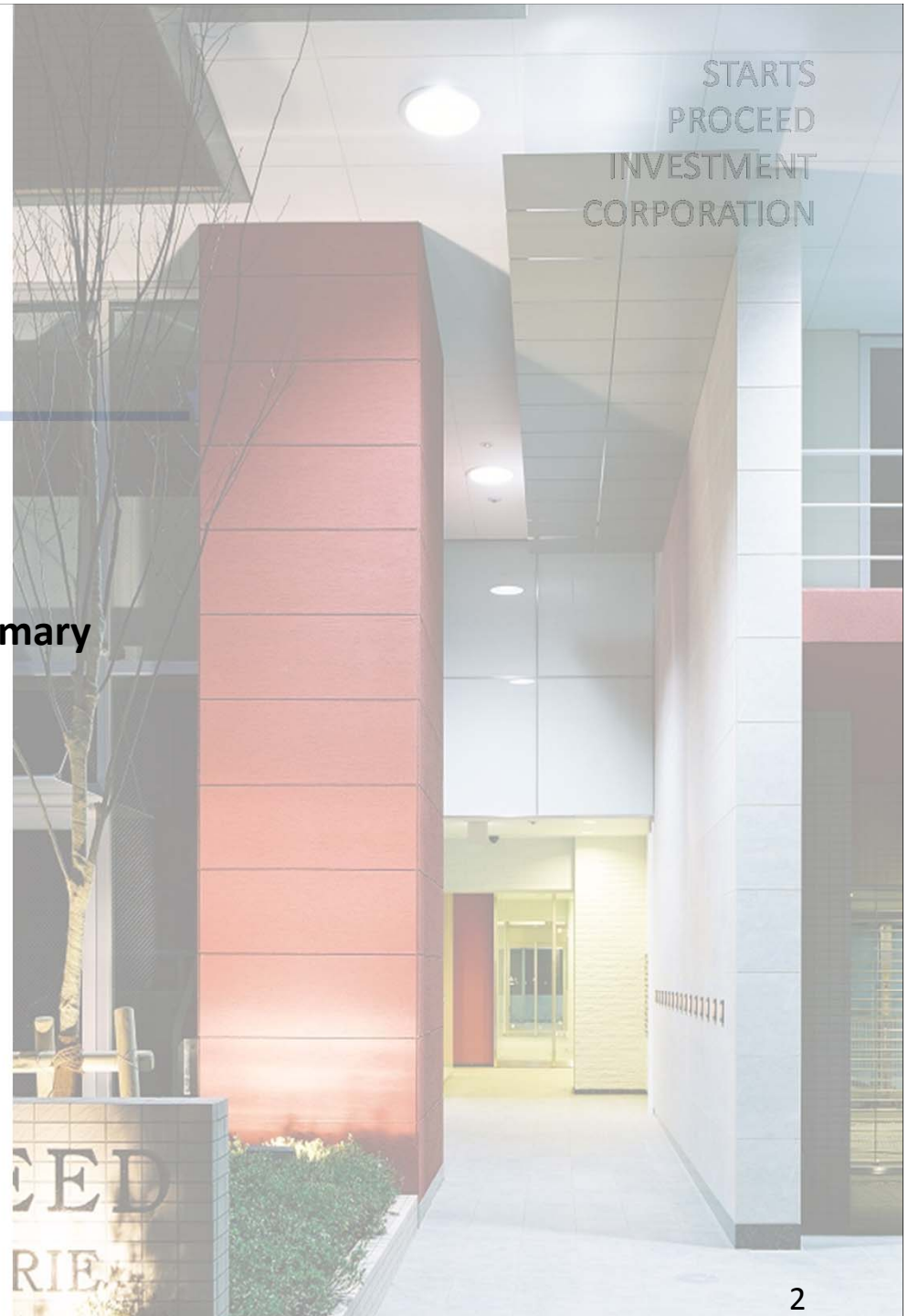
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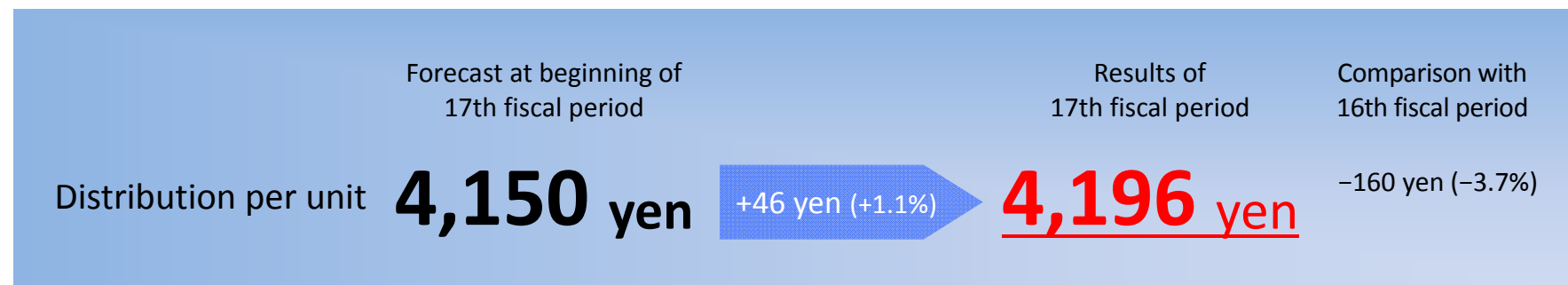
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(1) 17th Fiscal Period Financial Results Summary



Achieved Results Exceeding Forecast at Beginning of Period in 17th Period



Overview of Portfolio Assets at End of 17th Fiscal Period (April 30, 2014)

Total acquisition price	<u>47,994 million yen</u> (+158 million yen)	Total number of leasable units	<u>3,559 units</u> (+ 1 unit) (Note 1)
Number of properties	<u>89 properties</u> (+ 1 property)	Total number of leasable parking spaces	<u>820 vehicles</u> (+ 1 vehicle) (Note 2)
Gross leasable area	<u>124,700.28m²</u> (+ 485.24m ²)	Occupancy rate (at end of 17th fiscal period)	<u>96.1 %</u>

(Note 1) Group Home Tanoshii Ie Taisho, which Starts Proceed acquired in February 2014, is counted as one unit, since it is entirely leased to a single tenant as a group home.

(Note 2) A parking lot for a single vehicle has been added by effectively utilizing the dead space within the site of (C-1) Proceed Ichikawa.

(Unit: million yen)

	16th FP Results	17th FP forecast	17th FP Results	Difference from 16th FP Results	Reason for Difference	Difference From 17th FP Forecast	Reason for Difference
Operating revenue	1,903	1,927	1,926	23	Seasonal fluctuations and addition of a property	-0	—
Operating expenses	1,061	1,106	1,110	49	Increases in repair expenses (10), fixed asset tax (7), loss on consumption taxes difference (25), depreciation and amortization (4) and utilities expenses (4)	3	—
[Of which, expenses related to rent business]	(849)	(867)	(873)	23		5	—
Operating income	842	820	816	-25	—	-4	—
Non-operating income	8	1	7	-0	—	6	Increase in insurance income, etc.
Non-operating expenses	217	219	214	-3	—	-4	Decrease in borrowing related expenses and other factors
Ordinary income	633	603	609	-23	—	6	—
Net income	631	601	608	-23	—	6	—
Distribution per unit (yen)	4,356	4,150	4,196	-160	—	46	—

Distribution
17th FP: 4,196 yen

Difference from 16th Fiscal Period Results

Operating revenue increased period-on-period due to seasonal fluctuations and addition of a property to the portfolio, but operating income was pushed down by larger expenses as a result of repair expenses increasing, fixed asset tax expensed and loss on consumption taxes difference increasing.

Difference from 17th Fiscal Period Forecast

Both operating income and operating expenses were almost as forecasted at the beginning of the fiscal period, and distribution per unit successfully surpassed the forecast.

(Note) The forecast figures for the 17th fiscal period are calculated based on certain assumptions as at December 16, 2013. Accordingly, actual operating revenue, operating expenses and (of which) expenses related to rent business, operating income, non-operating income, non-operating expenses, ordinary income, net income and distribution per unit may vary due to future additional acquisition or sale of real estate, etc., changes in the real estate market, etc., changes in the management environment or other circumstances surrounding Starts Proceed and other factors.

Management Forecast for 18th and 19th Fiscal Periods



(Unit: million yen)

	17th FP results	18th FP Forecast	Difference from 17th FP Results	Reason for difference	19th FP Forecast	Difference From 18th FP Forecast	Reason for difference
Operating revenue	1,926	1,920	-5	Decrease by seasonal fluctuations	1,936	15	Increase by seasonal fluctuations (fiscal-year-end key money, etc.), etc. and increase in expert compensations (related to general meeting of unitholders), etc.
Operating expenses	1,110	1,125	15	Increase in loss on consumption taxes difference (11) and increase in others (4)	1,145	19	Increase in advertising and repair expenses
[Of which, expenses related to rent business]	(873)	(873)	- (0)		(889)	(16)	
Operating income	816	794	-21	—	790	-4	—
Non-operating income	7	1	-6	Decrease in insurance income	1	-	—
Non-operating expenses	214	213	-0	—	207	-6	—
Ordinary income	609	583	-26	—	584	1	—
Net income	608	581	-26	—	582	1	—
Distribution per unit (yen)	4,196	4,010	-186	—	4,020	10	—
Acquisition price	47,994	47,994	-	—	47,994	-	—
Number of properties (properties)	89	89	-	—	89	-	—
Total number of units (units)	3,559	3,559	-	—	3,559	-	—

Forecast distribution
18th FP: 4,010 yen
19th FP: 4,020 yen

18th Fiscal Period Forecast

Operating revenue is forecast to decrease by 5 million yen due to seasonal fluctuations. As for operating income, fixed asset and city planning taxes will be expensed for 12 properties acquired in the 16th fiscal period, while 37 million yen will be recorded for loss on consumption taxes difference as the increased consumption tax rate will be applied throughout entire period. Distribution per unit is forecast to decrease by 186 yen period-on-period to 4,010 yen.

19th Fiscal Period Forecast

Seasonal fluctuations will cause operating revenue to increase from the 18th fiscal period, but various expenses will also incur in association with tenant replacements. Accordingly, distribution per unit is forecast to be almost the same as the 18th fiscal period.

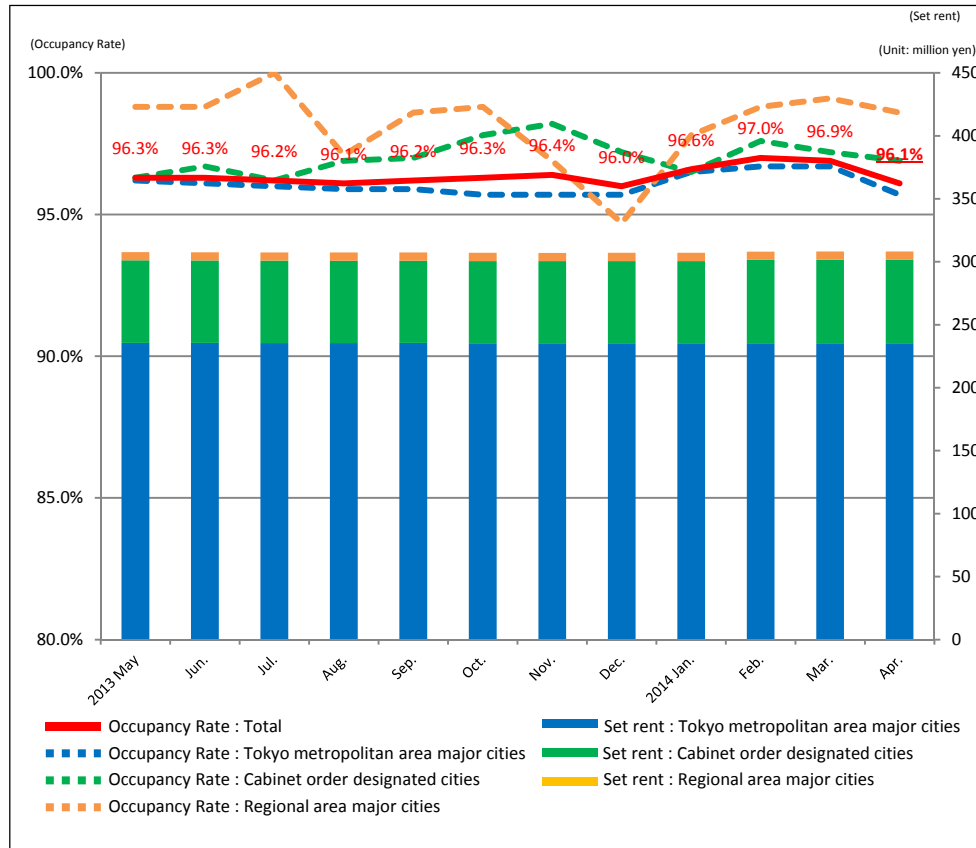
(Note) The forecast figures for the 18th and 19th fiscal periods above are calculated based on certain assumptions as at June 13, 2014. Accordingly, actual operating revenue, operating expenses and (of which) expenses related to rent business, operating income, non-operating income, non-operating expenses, ordinary income, net income and distribution per unit, etc. may vary due to future additional acquisition or sale of real estate, etc., changes in the real estate market, etc., changes in the management environment or other circumstances surrounding Starts Proceed and other factors.

Status of Occupancy and Leasing Conditions of AUM



Changes in Period-Round Occupancy Rate

Changes in Occupancy Rate



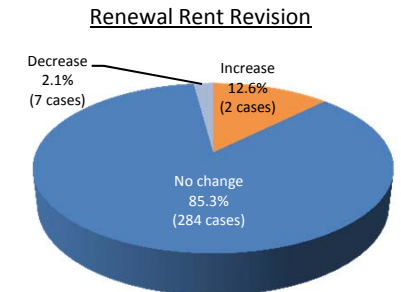
- Occupancy rate at the end of the period maintained at a stable level of over 96%. In addition, the average occupancy rate during the period was 95.5% (96.3% in previous period).
- For renewal of agreements during the period, 326 cases (97.9% of the total) were concluded with rents either increased or unchanged from before the revision.
- For key money of new agreements, key money of 1,393 thousand yen was set for properties where the conditions of the agreement with residents used to be “no key money.”

(Note 1) The conditions setting figures are for pass-through type properties only and fixed-rent type properties are not included.

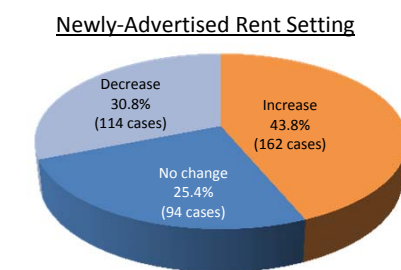
(Note 2) “Newly-advertised key money setting” is the amount of difference between the total amount of key money received from the previous end-tenants and the total amount of the newly-advertised key money setting after the agreement cancellation.

Renewal / Newly-Advertised Conditions Setting

(Note 1)
(Unit: thousand yen)

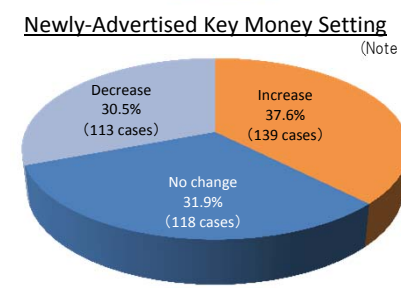


	Cases	Change
Increase	42 cases	57
No change	284 cases	-
Decrease	7 cases	-41
Total	333 cases	16



(Unit: thousand yen)

	Cases	Change
Increase	162 cases	443
No change	94 cases	-
Decrease	114 cases	-537
Total	370 cases	-94



(Unit: thousand yen)

	Cases	Change
Increase	139 cases	8,167
No change	118 cases	-
Decrease	113 cases	-6,694
Total	370 cases	1,473

Comparison between Set Key Money Total Amount and Set Rent

(at end of period)

	15th FP	16th FP	17th FP
Total (thousand yen)	141,751	182,693	187,264
Comparison with set rent (months)	0.83	0.79	0.81

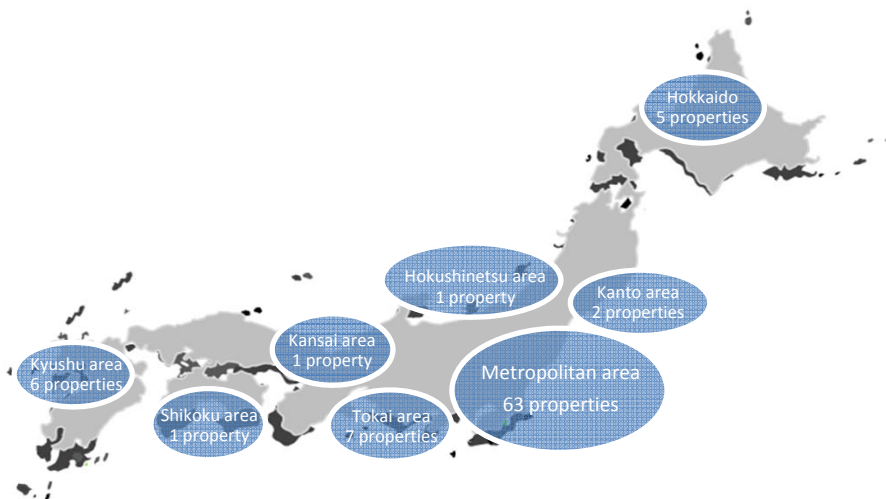
Building a Portfolio that Responds to Various Fluctuation Risks

■ Characteristics of Rental Housing in Which Starts Proceed Primarily Invests

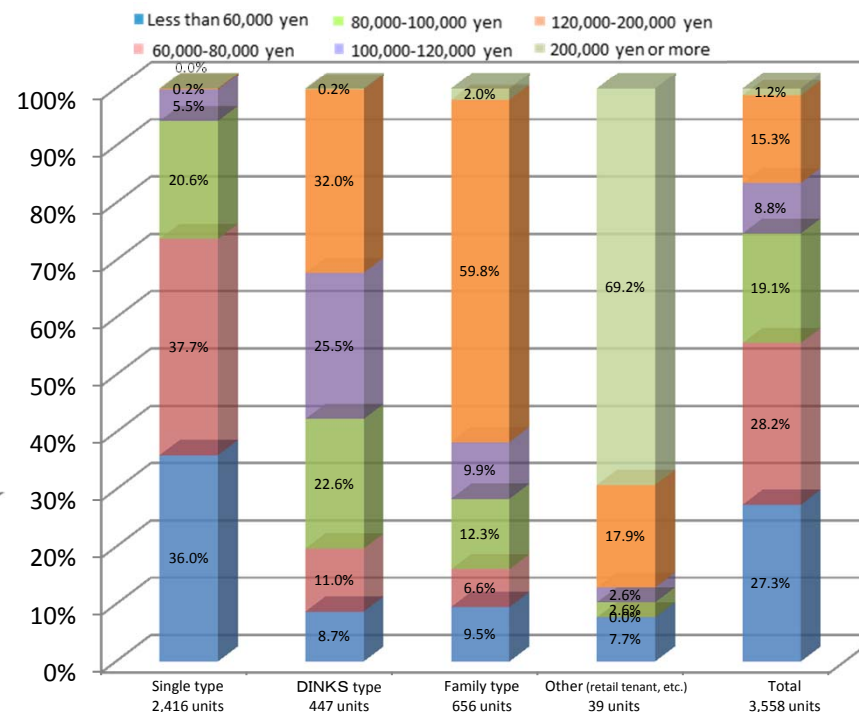
Investment is diversified across the single type to family type in an aim to build a portfolio that can respond to the rent market, resident demand and other fluctuations as much as possible. In addition, rather than large-scale high-rent properties, **investment is made primarily in rental housing for middle-income households, the demand for which is the largest**, in the view that such will enable stable management over the medium to long term.

Average Rent Range by Residential Unit Type (Note 1-4)

Residential unit type	Average rent (yen)		Change (yen)	Change (%)
	16th FP	17th FP		
Single type	68,256	68,149	-107	-0.16
DINKS type	104,381	102,916	-1,465	-1.40
Family type	129,349	129,547	198	0.15
Other(retail tenant, etc.)	358,935	358,043	-892	-0.25
Overall average	87,251	87,015	-236	-0.27



■ Starts Proceed Portfolio's Rent Range by Residential Unit Type



Starts Proceed Portfolio Characteristics = Targeted at Middle-Income Households

Single type Rent range of 60,000 yen or more, but less than 100,000 yen: 58.3%
 DINKS type Rent range of 80,000 yen or more, but less than 120,000 yen: 48.1%
 Family type Rent range of less than 120,000 yen: 38.3%

(Note 1) The figures used in the calculation of average rent range are that of the rent stated in the rent roll in order to appropriately reflect the market value and competitiveness of the portfolio.

(Note 2) The percentage of change in average rent is rounded to one decimal place.

(Note 3) "Average rent" is the figure arrived at when the aggregate total of set rent of the respective residential unit type is divided by the total number of units of the respective residential unit type. "Set rent" as used herein is the sum total of rent and common area maintenance charges stated in the lease contract in the case of occupied units and the sum total of advertised rent and common area maintenance charges in the case of vacant units as at the final day of the 17th fiscal period (April 30, 2014).

(Note 4) "Other" refers to the retail and office portions of a mixed-use apartment building.

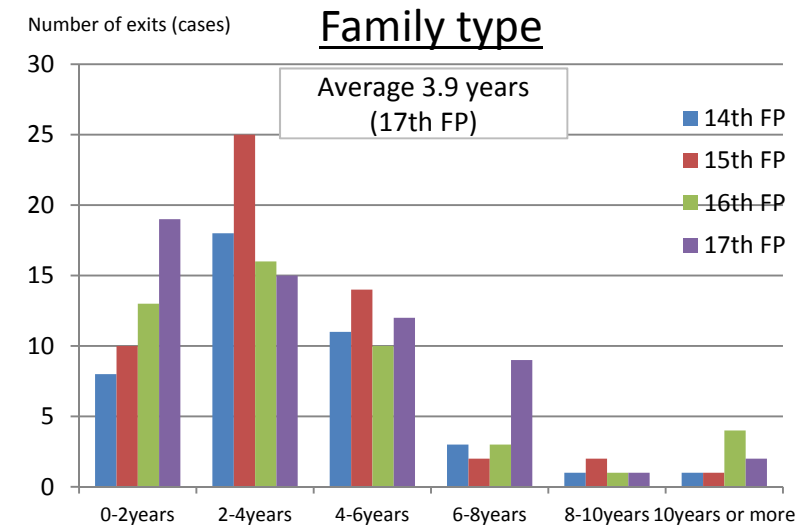
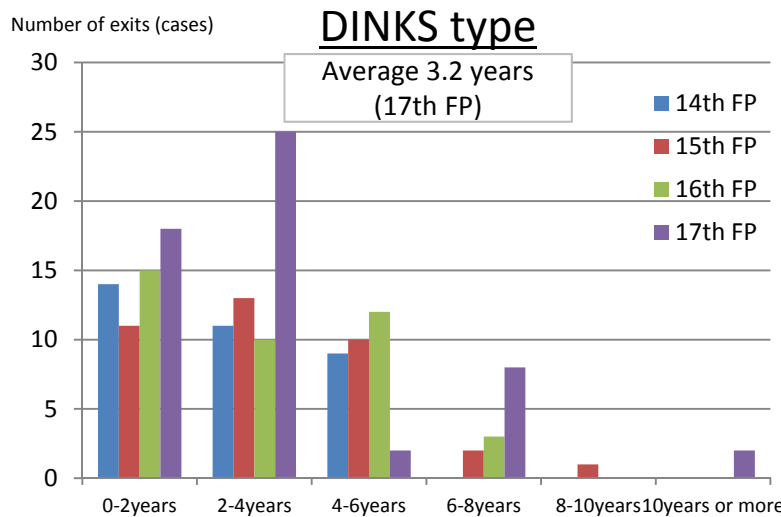
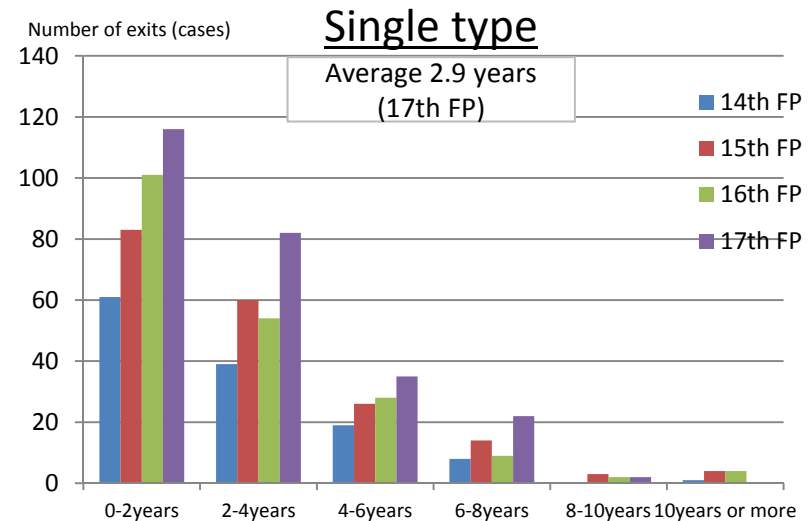
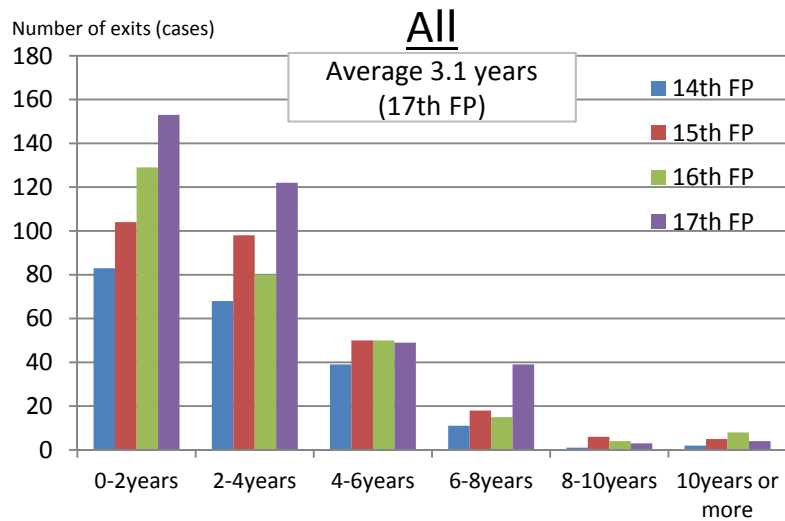
(Note 5) As the data has been prepared for rental housing alone, (G-23) Group Home Tanoshii Ie Taisho, the property acquired in the 17th fiscal period, is excluded from compilation.

(Note 6) Room 102 of (C-20) Proceed Shinkoiwa has been converted through construction from two-bedroom type to studio type. Accordingly, the DINKS type decreased by one unit and the family type increased by one unit from the 16th fiscal period.

AUM Average Occupancy Period by Residential Unit Type



Average Occupancy Period by Residential Unit Type (Results of 14th-17th Fiscal Period Resident Exits)



The average occupancy period of all residents who exited in the 17th fiscal period was **3.1 years**, which is **0.3 years** shorter in comparison with the 15th fiscal period and almost unchanged from the 16th fiscal period.

Changes in AUM Indicators



	Acquisition price (million yen)	Investment share (%)	Appraisal value (million yen)		Occupancy rate (period-end) (%)		NOI results (million yen)		NOI yield (annualized; based on acquisition price) (%)		NOI yield (annualized; based on appraisal value) (%)	
			At acquisition	16th FP	17th FP	16th FP	17th FP	16th FP	17th FP	16th FP	17th FP	16th FP
Tokyo metropolitan area major cities	37,316	77.8	37,149	38,019	95.4	95.4	1,096	1,098	5.9	5.9	5.9	5.8
Cabinet order designated cities	9,799	20.4	9,952	10,473	96.0	94.4	314	314	6.5	6.4	6.3	6.0
Regional area major cities	878	1.8	927	958	98.8	98.6	33	33	7.5	7.6	7.1	7.0
Total	47,994	100.0	48,030	49,451	96.3	96.1	1,443	1,446	6.0	6.0	6.0	5.8

Total appraisal value increased by 1.42 billion yen from the 16th fiscal period (including the appraisal value of 0.17 billion yen for the property acquired in the 17th fiscal period), marking the seventh consecutive period-on-period increase.

(Note) NOI yield is the figure arrived at when the annualized NOI results figure is divided by acquisition price and appraisal value, respectively.

■ (G-23) Group Home Tanoshii Ie Taisho

Starts Proceed acquired Group Home Tanoshii Ie Taisho in Osaka, the first elderly facility in its portfolio, on February 21, 2014.



Location: Taisho Ward, Osaka

Use: Elderly facility (group home)

Capacity: 2 units for 18 people

Acquisition price: 158 million yen

Site area: 341.81m²

Gross leasable area: 482.72m²

Operator: Care 21 Co., Ltd.

(listed on the JASDAQ Standard section)

Structure: S, 2F

Construction completion:

February 28, 2007

The property is a group home located approximately 3.5km from Taiho Station on the JR Loop Line and approximately 5-minute walk from the Hirao stop of the Osaka City Bus, with two floors above ground. It is situated in an environment with a composed atmosphere that should be agreeable to elderly people, making it possible to achieve the essential purposes of a group home.

■ (C-4) Proceed Sangenjaya: Renovation of Room 502

Full-on renovation work was conducted after move-out of a tenant who had occupied the room for 9 years.

<Before>



<After>



215.20m² Rent: 570,000 yen



217.72m² Rent: 650,000 yen

■ (C-46) Proceed Chitosekarasuyama; Refreshment of Exterior Finish

Refreshment work was conducted for the entrance, common-use corridors, outer walls and other portions in order to enhance the impressions the property should give to would-be tenants upon guiding them.

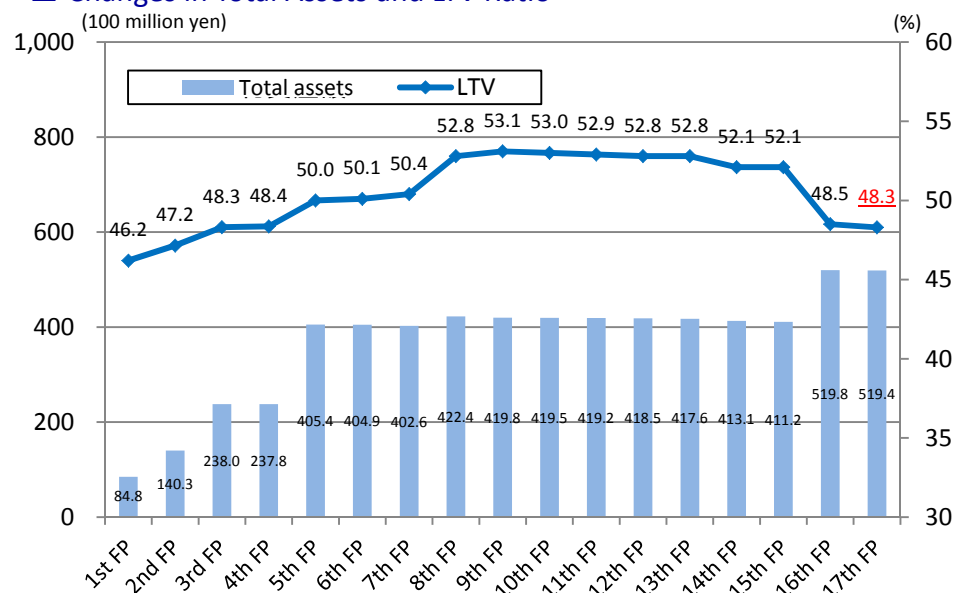
<Before>



<After>



Changes in Total Assets and LTV Ratio



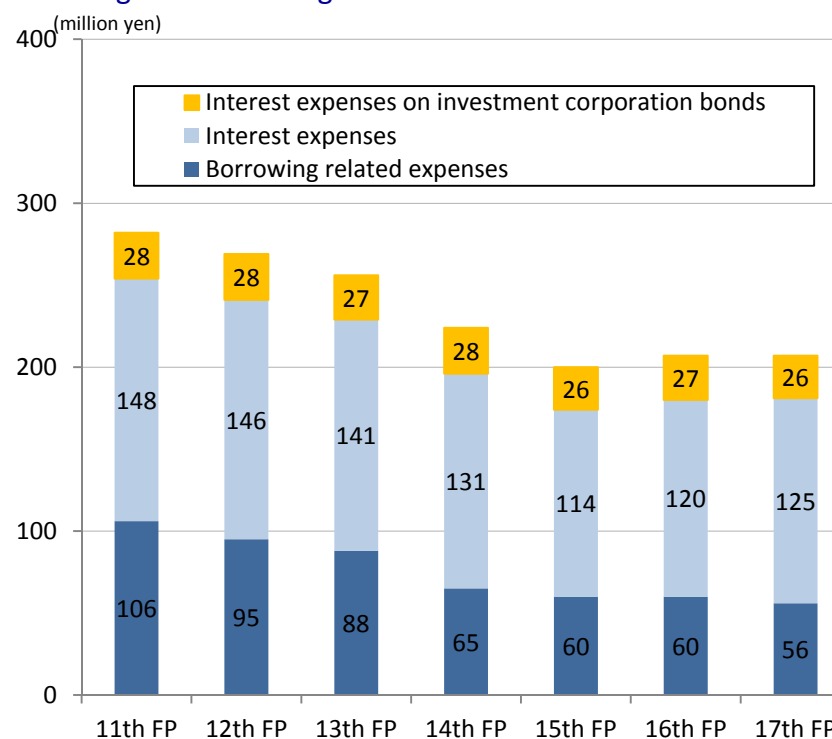
(Note) "LTV ratio" in this graph is calculated by dividing the balance of interest-bearing liabilities at the end of the period (including subordinated investment corporation bonds issued and outstanding) by total assets at the end of the period.

Balance of Interest-Bearing Liabilities at End of 17th Fiscal Period (April 30, 2014)

(Unit: million yen)

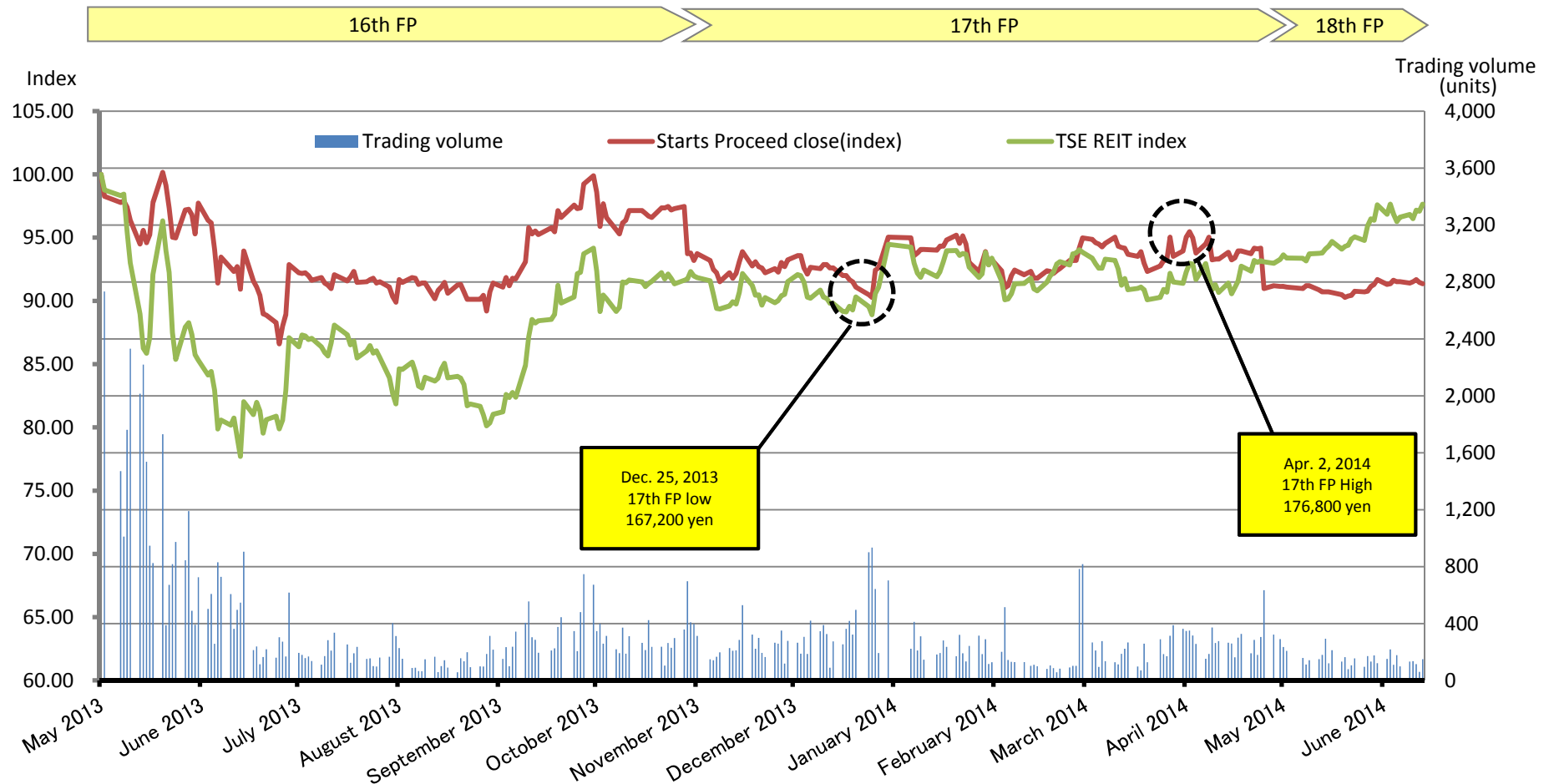
	Loans balance
Short-term loans payable	2,393
Current portion of long-term loans payable	5,975
Long-term loans payable	14,730
Total loans	23,098
Current portion of investment corporation bonds	2,000
Total of loans and investment corporation bonds	25,098
LTV ratio (%)	48.3

Changes in Borrowing Costs



- LTV lowered by 0.2% period-on-period to 48.3% due to contractual repayments and other factors.
- Will work to build a stable procurement base while maintaining favorable business relationships with financial institutions doing business with Starts Proceed.
- The average interest rate was approximately 1.1% and the average remaining periods to repayment dates was approximately 1.7 years as of the end of the 16th fiscal period.

Changes in Investment Unit Price



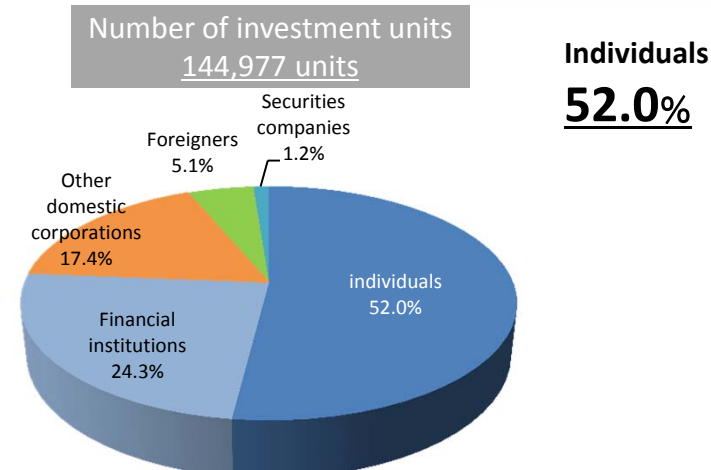
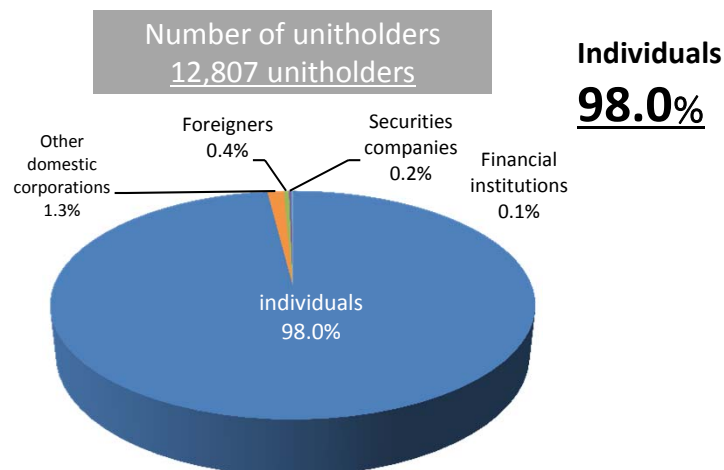
(Note) This graph presents both the changes in the price and index through to Jun 13, 2014, based on the 185,200 yen closing investment unit price at the beginning of Starts Proceed's 16th fiscal period (May 1, 2013) and the 1603.67 TSE REIT Index on said date set as 100.

During the 17th fiscal period, the investment unit price marked a high of **176,800 yen** (April 2, 2014) and a low of **167,200 yen** (December 25, 2013), based on closing price.

Status of Unitholders (As of April 30, 2014)



■ Composition of Unitholders and Investment Units at End of 17th Fiscal Period

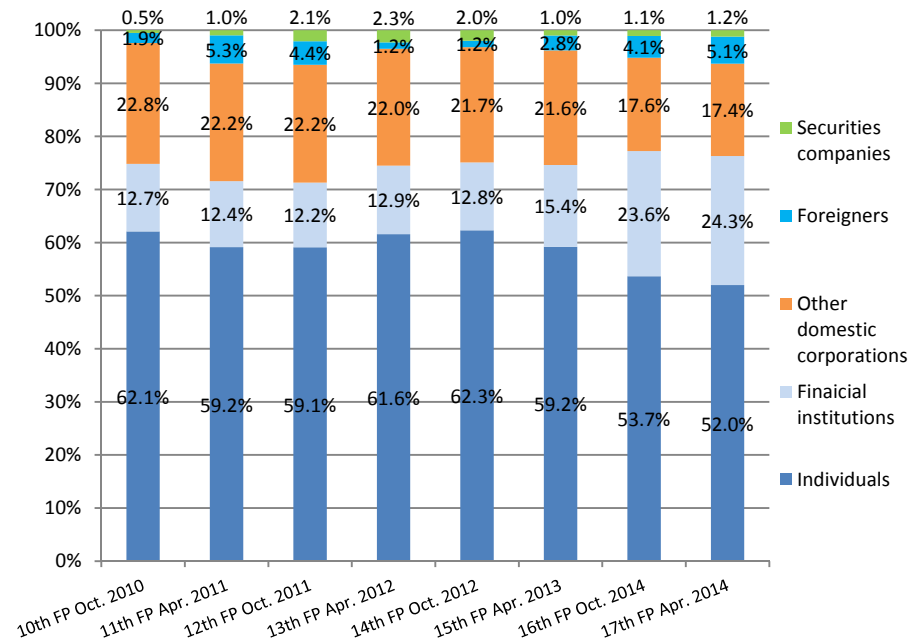


■ Major Unitholders at End of 17th Fiscal Period (Apr. 30, 2014)

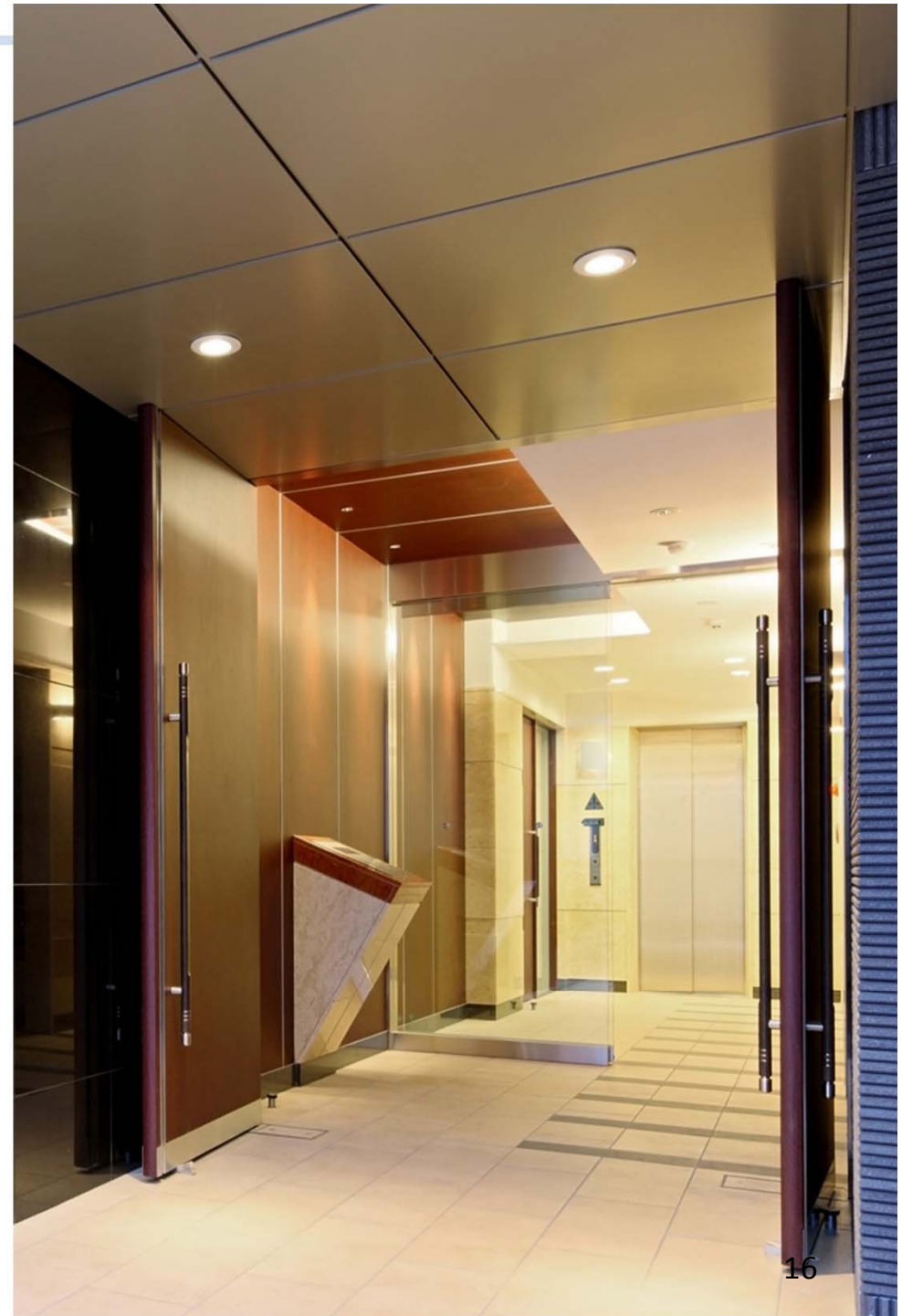
	Name	Number of investment units held (units)	As a percentage of investment units issued and outstanding (%) (Note)
1	Starts Corporation Inc.	21,311	14.69
2	Japan Trustee Services Bank, Ltd. (Trust Account)	17,823	12.29
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	6,790	4.68
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	4,847	3.34
5	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	4,740	3.26
6	JP MORGAN CHASE BANK 380180	3,717	2.56
7	NOMURA BANK (LUXEMBOURG) S.A.	725	0.5
8	Individual investor	571	0.39
9	Individual investor	500	0.34
10	MONEX, Inc.	488	0.33
11	CBNY DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	401	0.27
12	Mizuho Trust & Banking Co., Ltd. Securities Management Account	400	0.27
13	Individual investor	384	0.26
14	Individual investor	380	0.26
15	Individual investor	376	0.25
16	Individual investor	370	0.25
17	Sekai Shindokyo (Accumulated Depreciation)	360	0.24
18	Nomura Securities Co., Ltd.	357	0.24
19	Individual investor	338	0.23
20	Individual investor	330	0.22
	Total	65,208	44.97

(Note) (Number of investment units held) As a percentage of investment units issued and outstanding is rounded down to two decimal places.

■ Changes in Composition of Unitholders (10th to 17th Fiscal Periods)



(2) Future Management Policy



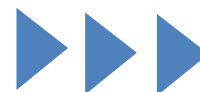
	Main Initiatives in 17th Fiscal Period	New Initiatives from 18th Fiscal Period (six months ending Oct. 31, 2014)
External Growth	<ul style="list-style-type: none"> ● Acquisition of (G-23) Group Home Tanoshii Ie Taisho on February 21, 2014 (for 158 million yen) 	<ul style="list-style-type: none"> ○ Acquisition/Replacement of assets ○ Medium- to long-term target of 100 billion yen in asset size
Internal Growth	<ul style="list-style-type: none"> ● Completion of value enhancement construction work for (C-4) Proceed Sangenjaya Room 502 ● Entrance renewal and installment of automatic lock system and parcel delivery boxes for (C-46) Proceed Chitosekarasuyama ● Implementation of reduction of regular maintenance costs ● Reduction of fire and liability insurance premiums by screening insurance companies to a single firm and extending the term of insurance 	<ul style="list-style-type: none"> ○ (C-4) Proceed Sangenjaya <ul style="list-style-type: none"> Installation of automatic locks and replacement of interphones with TV monitors for all rooms ○ Timely upgrading of facilities within residential units ○ Further reduction of regular maintenance costs <ul style="list-style-type: none"> · Negotiation of costs · Consideration of specifications ● Strengthening of leasing <ul style="list-style-type: none"> · Installment of showrooms for vacant residential units · Weekly leasing meetings + onsite meetings at advertising agencies · Direction to enhance posting of property information on the websites of property management companies and other real estate search sites (such as "HOMES" and "athome")
Financial Strategy	<ul style="list-style-type: none"> ● Decrease in LTV (to 48.3%) through systematic principal repayment 	<ul style="list-style-type: none"> ○ Refinance of 2 billion yen in subordinated investment corporation bonds (October 2014) ○ Further strengthening of financial base through LTV lowering, extending repayment periods and laddering repayment dates ○ Consideration of conversion of interest into fixed rates

Securing of stable distributions

Overview of May 23, 2014 Refinancing

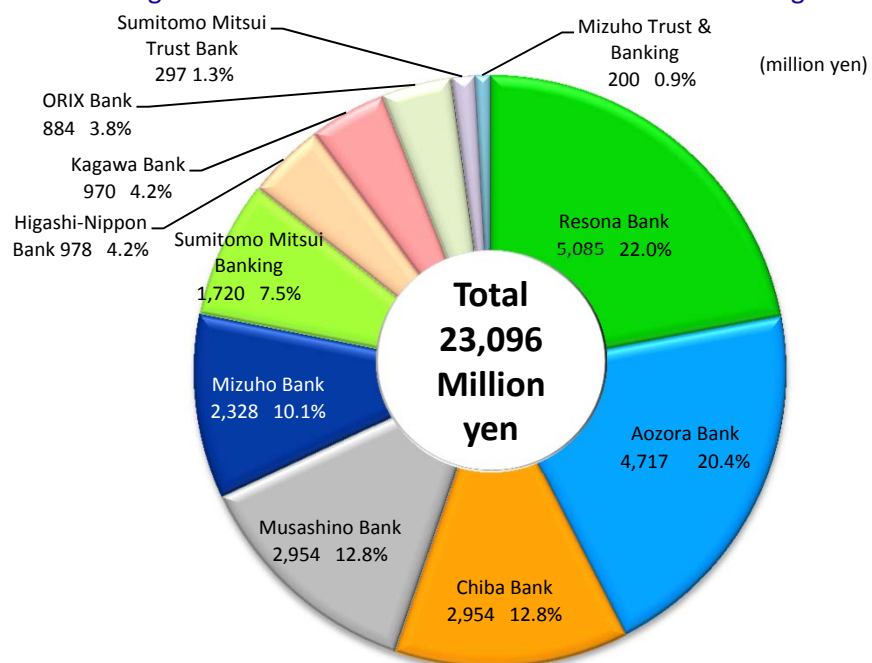
May 23, 2014 Refinancing Loans

Term Loan	K	N	Total
Term	1 year 1 month	1 year	
Total amount	1,318 mm yen	2,393 mm yen	3,711 mm yen
Breakdown			
Aozora Bank	267 mm yen	789 mm yen	1,056 mm yen
Resona Bank	267 mm yen	522 mm yen	789 mm yen
Chiba Bank	50 mm yen	333 mm yen	383 mm yen
Musashino Bank	50 mm yen	333 mm yen	383 mm yen
Mizuho Bank	242 mm yen	90 mm yen	332 mm yen
Kagawa Bank	—	326 mm yen	326 mm yen
Sumitomo Mitsui Banking	242 mm yen	—	242 mm yen
ORIX Bank	100 mm yen	—	100 mm yen
Sumitomo Mitsui Trust Bank	100 mm yen	—	100 mm yen
Interest rate	1 month Japanese Yen TIBOR+0.55%	1 month Japanese Yen TIBOR+0.55%	
Repayment method	Lump-sum repayment on repayment date	Lump-sum repayment on repayment date	

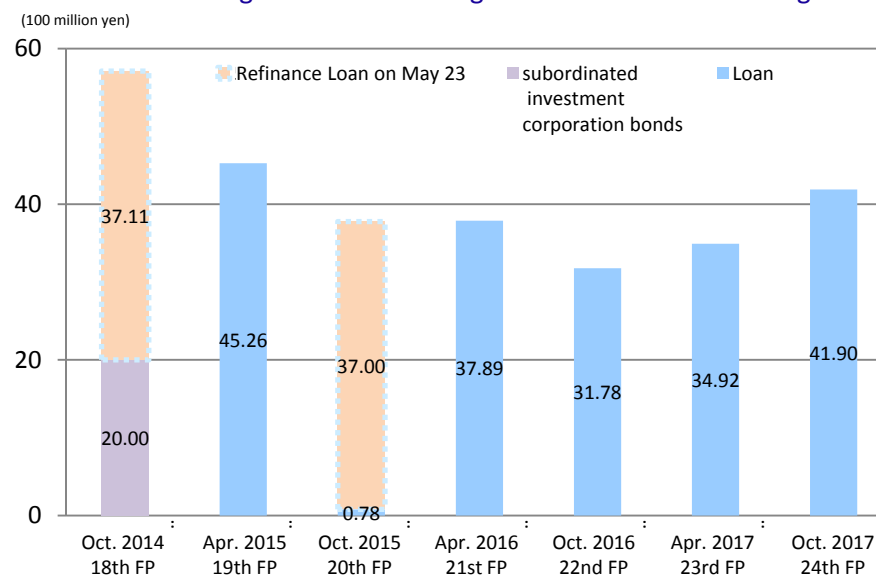


Term Loan	S	Change
Term	1 year	
Total amount	3,700 mm yen	-11 mm yen
Breakdown		
Aozora Bank	1,054 mm yen	-2 mm yen
Resona Bank	787 mm yen	-2 mm yen
Chiba Bank	382 mm yen	-1 mm yen
Musashino Bank	382 mm yen	-1 mm yen
Mizuho Bank	331 mm yen	-1 mm yen
Kagawa Bank	325 mm yen	-1 mm yen
Sumitomo Mitsui Banking	241 mm yen	-1 mm yen
ORIX Bank	99 mm yen	-1 mm yen
Sumitomo Mitsui Trust Bank	99 mm yen	-1 mm yen
Interest rate	1 month Japanese Yen TIBOR+0.55%	
Repayment method	Lump-sum repayment on repayment date	

Change in Allocation of Total Loan Amount after Refinancing



Status of Laddering of Interest-Bearing Liabilities after Refinancing



- Refinance to be completed in May 2014 (with 11 million yen to be repaid with cash on hand)
- Plans to cope with 2 billion yen in subordinated investment corporation bonds in October 2014

(3) Reference Materials



Balance Sheets



(Unit: thousand yen)

	16th Fiscal Period As of Oct. 31, 2013	17th Fiscal Period As of Apr. 30, 2013	Change
Assets			
Current assets			
Cash and deposits	1,165,534	1,101,081	-64,453
Cash and deposits in trust	1,295,862	1,276,721	-19,141
Operating accounts receivable	19,047	22,220	3,173
Prepaid expenses	99,474	85,835	-13,639
Deferred tax assets	56	46	-10
Consumption taxes receivable	23,866	-	-23,866
Other	1,614	2,917	1,302
Total current assets	2,605,458	2,488,822	-116,635
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	26,862,639	27,181,098	318,459
Accumulated depreciation	-3,417,807	-3,770,568	-352,760
Buildings in trust, net	23,444,831	23,410,530	-34,300
Structures in trust	932,236	941,605	9,368
Accumulated depreciation	-292,896	-321,110	-28,214
Structures in trust, net	639,340	620,494	-18,846
Machinery and equipment in trust	5,376	5,376	-
Accumulated depreciation	-406	-711	-304
Machinery and equipment in trust, net	4,970	4,665	-304
Tools, furniture and fixtures in trust	174,901	197,541	22,639
Accumulated depreciation	-58,374	-70,221	-11,846
Tools, furniture and fixtures in trust, net	116,527	127,319	10,792
Land in trust	24,535,366	24,619,676	84,309
Total property, plant and equipment	48,741,035	48,782,685	41,650
Investments and other assets			
Lease and guarantee deposits	10,000	10,000	-
Lease and guarantee deposits in trust	518,534	518,514	-20
Long-term prepaid expenses	77,848	118,694	40,845
Other	6,872	7,508	636
Total investments and other assets	613,255	654,717	41,461
Total noncurrent assets	49,354,291	49,437,403	83,112
Deferred assets			
Investment corporation bond issuance costs	2,907	1,321	-1,586
Investment unit issuance costs	18,660	14,928	-3,732
Total deferred assets	21,568	16,250	-5,318
Total assets	51,981,318	51,942,476	-38,841

	16th Fiscal Period As of Oct. 31, 2013	17th Fiscal Period As of Apr. 30, 2013	Change
Liabilities			
Current liabilities			
Short-term loans payable	8,593,000	2,393,000	-6,200,000
Current portion of long-term loans	1,580,014	5,975,335	4,395,321
Current portion of investment	2,000,000	2,000,000	-
Operating accounts payable	112,049	218,751	106,701
Accounts payable - other	115,933	115,349	-583
Accrued expenses	790	695	-95
Income taxes payable	1,607	1,499	-108
Accrued consumption taxes	-	5,045	5,045
Advances received	1,034	883	-150
Other	409	266	-142
Total current liabilities	12,404,840	10,710,826	-1,694,013
Noncurrent liabilities			
Long-term loans payable	13,056,832	14,730,504	1,673,671
Tenant leasehold and security deposits in trust	506,145	510,383	4,238
Asset retirement obligation	63,413	63,943	530
Total noncurrent liabilities	13,626,391	15,304,831	1,678,440
Total liabilities	26,031,231	26,015,658	-15,572
Net assets			
Unitholders' equity			
Unitholders' capital	25,318,449	25,318,449	-
Surplus			
Unappropriated retained earnings (undisposed loss)	631,638	608,368	-23,269
Total surplus	631,638	608,368	-23,269
Total unitholders' equity	25,950,087	25,926,817	-23,269
Total net assets	25,950,087	25,926,817	-23,269
Total liabilities and net assets	51,981,318	51,942,476	-38,841

Statements of Unitholders' Equity / Cash Distributions



	16th Fiscal Period (From: May 1, 2013 To: Oct. 31, 2013)	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	Change
Operating revenue			
Rent revenue – real estate *	1,903,473	1,926,553	23,079
Total operating revenue	1,903,473	1,926,553	23,079
Operating expenses			
Expenses related to rent business *	849,606	873,544	23,937
Asset management fee	134,542	135,072	530
Asset custody fee	7,527	7,524	-2
Administrative service fees	20,776	21,498	721
Directors' compensations	2,400	2,400	-
Other operating expenses	46,415	70,263	23,848
Total operating expenses	1,061,268	1,110,302	49,034
Operating income	842,205	816,250	-25,954
Non-operating income			
Interest income	212	248	36
Insurance income	3,391	5,883	2,491
Reversal of distribution payable	1,641	1,582	-58
Balance of consumption tax payments	3,211	-	-3,211
Other	-	50	50
Total non-operating income	8,457	7,765	-691
Non-operating expenses			
Interest expenses	120,848	125,137	4,289
Interest expenses on investment corporation bonds	27,072	26,256	-816
Amortization of investment corporation bond issuance	1,586	1,586	-
Amortization of investment unit issuance costs	3,732	3,732	-
Borrowing related expenses	60,362	56,953	-3,409
Other	3,907	540	-3,367
Total non-operating expenses	217,509	214,205	-3,303
Ordinary income	633,153	609,810	-23,342
Income before income taxes	633,153	609,810	-23,342
Income taxes – current	1,650	1,549	-101
Income taxes – deferred	-39	10	49
Total income taxes	1,611	1,559	-51
Net income	631,541	608,250	-23,291
Retained earnings brought forward	96	118	22
Unappropriated retained earnings (undisposed loss)	631,638	608,368	-23,269

* represents items for property leasing income and expenses

①“Real estate rent revenue”

(Unit: thousand yen)

	16th Fiscal Period (From: May 1, 2013 To: Oct. 31, 2013)	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	Change
Rent	1,676,909	1,685,523	8,614
Common area maintenance charge	90,815	92,359	1,544
Parking revenue	52,386	51,623	-763
Incidental revenue	2,465	1,869	-596
Other lease business revenue	80,897	95,177	14,280
Total	1,903,473	1,926,553	23,080

②“Expenses related to rent business”

(Unit: thousand yen)

	16th Fiscal Period (From: May 1, 2013 To: Oct. 31, 2013)	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	Change
Management expenses	130,314	128,552	-1,762
Repair expenses	66,200	77,071	10,871
Real estate taxes	84,375	92,124	7,749
Trust fees	32,345	32,451	106
Utilities expenses	38,322	42,703	4,381
Nonlife insurance expenses	11,864	11,552	-312
Depreciation and amortization	389,300	393,126	3,826
Other lease business expenses	96,884	95,961	-923
Total	849,606	873,544	23,938

■ Cash Distributions

	16th Fiscal Period (From: May 1, 2013 To: Oct. 31, 2013)	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	Change
I Unappropriated retained earnings	631,638,088 yen	608,368,953 yen	-23,269,135 yen
II Amount of distributions	631,519,812 yen	608,323,492 yen	-23,196,320 yen
[Amount of distribution per investment unit]	(4,356 yen)	(4,196 yen)	(-160 yen)
III Retained earnings carried forward	118,276 yen	45,461 yen	-72,815 yen

Interest Expenses

(Unit: thousand yen)

	Initial loan principal	Item (Note 1)	16th Fiscal Period (From: May 1, 2013 To: Oct. 31, 2013)	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	Change
Nov. 2010 drawdown	500,000	Amount	484	-	-484
		Rate	1.60	-	-1.60
May. 2011 drawdown	6,700,000	Amount	5,277	-	-5,277
		Rate	1.25	-	-1.25
May. 2012 drawdown	4,700,000	Amount	30,027	29,147	-880
		Rate	1.30	1.30	-0.00
May. 2012 drawdown	1,500,000	Amount	10,630	10,131	-499
		Rate	1.50	1.50	-0.00
Nov. 2012 drawdown	6,200,000	Amount	23,440	3,050	-20,390
		Rate	0.75	0.75	-0.00
May. 2013 drawdown	1,318,000	Amount	4,650	4,559	-91
		Rate	0.70	0.70	-0.00
May. 2013 drawdown	1,318,000	Amount	7,109	6,977	-131
		Rate	1.07	1.07	-0.00
May. 2013 drawdown	1,318,000	Amount	7,939	7,715	-223
		Rate	1.20	1.20	-0.00
May. 2013 drawdown	2,393,000	Amount	7,388	8,277	888
		Rate	0.70	0.70	-0.00
May. 2013 drawdown	2,393,000	Amount	11,294	12,668	1,374
		Rate	1.07	1.07	-0.00
May. 2013 drawdown	2,393,000	Amount	12,604	14,008	1,403
		Rate	1.20	1.20	-0.00
Nov. 2013 drawdown	3,100,000	Amount	-	13,300	13,300
		Rate	-	1.00	1.00
Nov. 2013 drawdown	3,100,000	Amount	-	15,300	15,300
		Rate	-	1.15	1.15

(Unit: thousand yen)

	Initial loan principal	Item (Note 1)	16th Fiscal Period (From: May 1, 2013 To: Oct. 31, 2013)	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	Change
Investment corporation bond	2,000,000	Amount	27,072	26,256	-816
		Rate	2.65%	2.61%	-0.04%

(Note 1) "Amount" is the amount of interest expenses. "Rate" is the average interest rate.

(Note 2) For the concerned loan, the loan principal is decreasing because contractual repayments are being made.

Statements of Cash

(Unit: thousand yen)

	16th Fiscal Period (From: May 1, 2013 To: Oct. 31, 2013)	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes	633,153	609,810
Depreciation and amortization	389,300	393,126
Amortization of investment corporation bond issuance costs	1,586	1,586
Amortization of investment unit issuance costs	3,732	3,732
Interest income	-212	-248
Interest expenses	147,920	151,393
Decrease (increase) in operating accounts receivable	-2,157	-3,173
Decrease (increase) in prepaid expenses	-38,042	13,639
Decrease (increase) in consumption taxes receivable	-23,866	23,866
Increase (decrease) in accrued consumption taxes	-2,049	5,045
Increase (decrease) in operating accounts payable	40,763	-26,145
Increase (decrease) in accounts payable - other	12,307	221
Decrease (increase) in long-term prepaid expenses	-27,978	-40,845
Other, net	229	-1,065
Subtotal	1,134,686	1,130,943
Interest income received	212	248
Interest expenses paid	-147,730	-151,489
Income taxes paid	-974	-1,658
Net cash provided by (used in) operating activities	986,194	978,044
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-10,329,418	-301,928
Proceeds from tenant leasehold and security deposits in trust	145,020	47,919
Repayments of tenant leasehold and security deposits in trust	-49,716	-43,680
Decrease (increase) in other investments	-118,842	-616
Net cash provided by (used in) investing activities	-10,352,957	-298,306
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	2,393,000	-
Decrease in short-term loans payable	-	-6,200,000
Proceeds from long-term loans payable	8,740,000	6,200,000
Repayment of long-term loans payable	-7,311,840	-131,007
Proceeds from issuance of investment units	6,607,534	-
Payment of investment unit issuance costs	-22,392	-
Dividends paid	-440,041	-632,325
Net cash provided by (used in) financing activities	9,966,259	-763,332
Net increase (decrease) in cash and cash equivalents	599,496	-83,594
Cash and cash equivalents at beginning of period	1,861,900	2,461,397
Cash and cash equivalents at end of period	2,461,397	2,377,802

Key Performance Indicators



(Unit: thousand yen)

	Unit	16th Fiscal Period (From: May 1, 2013 To: Oct. 31, 2013)	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)
Total assets (a)	million yen	51,981	51,942
Net assets (b)	million yen	25,950	25,926
Total unitholders' capital	million yen	25,318	25,318
Number of investment units issued and outstanding (c)	units	144,977	144,977
Net assets per unit (b) ÷ (c)	yen	178,994	178,834
Net income per unit (Note 2)	yen	4,356	4,195
Total distributions (d)	million yen	631	608
Distribution per unit (d) ÷ (c)	yen	4,356	4,196
[Of which, distribution of earnings per unit]	yen	(4,356)	(4,196)
[Of which, distribution in excess of earnings per unit]	yen	(—)	(—)
Return on assets (Note 3)	%	1.4(2.7)	1.2(2.4)
Return on equity (Note 3)	%	2.8(5.6)	2.3(4.7)
Equity ratio (b) ÷ (a)	%	49.9	49.9
Distribution payout ratio (Note 3)	%	100.0	100.0
[Other Reference Information]			
Number of investment properties (Note 4)	properties	88	89
Total number of leasable units (Note 4)	units	3,558	3,559
Gross leasable area	m ²	124,215.04	124,700.28
Period-end occupancy rate (Note 4)	%	96.3	96.1
Depreciation and amortization	million yen	389	393
Capital expenditures	million yen	78	258
Property leasing NOI (Net Operating Income) (Note 3)	million yen	1,443	1,446
FFO (Funds from Operations) per unit (Note 3)	yen	7,078	6,943
FFO multiple (Note 3)	times	12.3	12.1
Debt service coverage ratio (Note 3)	times	7.9	7.6
Earnings before interest, depreciation and amortization	million yen	1,168	1,152
Interest expenses	million yen	147	151
Total interest-bearing liabilities	million yen	25,229	25,098
LTV (Loan-To-Value) ratio (Note 3)	%	48.5	48.3
Number of days of management (Note 3)	days	184	181

(Note 1) Amounts are rounded down to the nearest specified unit. Percentage figures are rounded to one decimal place.

(Note 2) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units issued and outstanding.

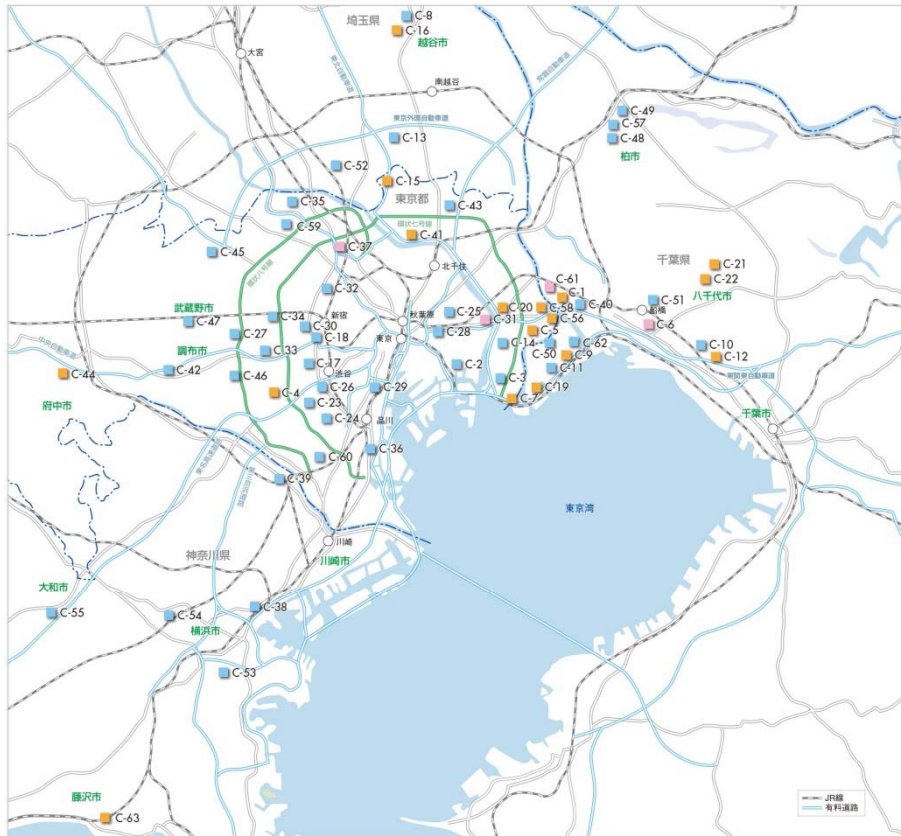
(Note 3) The indicators presented are calculated as follows. In addition, figures annualized based on the number of days of management are also shown in brackets.

Return on assets	Ordinary income ÷ Average total assets Average total assets = (Total assets at beginning of period + Total assets at end of period) ÷ 2
Return on equity	Net income ÷ Average net assets Average net assets = (Net assets at beginning of period + Net assets at end of period) ÷ 2
Distribution payout ratio	Distribution per unit ÷ Net income per unit (each rounded down to one decimal place)
Property leasing NOI	Property leasing operating income (Property leasing operating revenue – Property leasing operating expenses) + Depreciation and amortization
FFO per unit	(Net income + Depreciation and amortization + Other depreciation and amortization – Gain (loss) on sales of real estate properties) ÷ Number of investment units issued and outstanding
FFO per unit	Investment unit price at end of period ÷ Annualized FFO per unit
Debt service coverage ratio	Earnings before interest, depreciation and amortization ÷ Interest expenses (including interest expenses on investment corporation bonds)
LTV ratio	Total interest-bearing liabilities at end of period ÷ Total assets at end of period

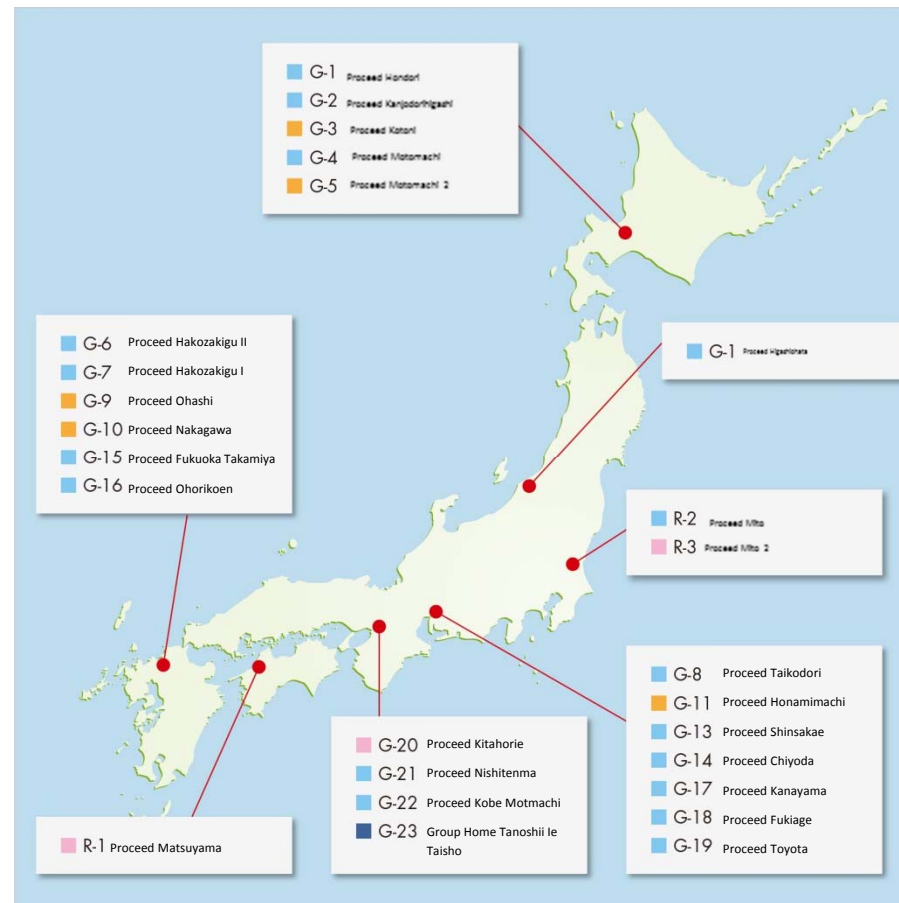
(Note 4) The number of investment properties is in the unit that is generally accepted to be one. In addition, the total number of leasable units is the number of units that are leasable for residential, office, retail and other uses, and the period-end occupancy rate is the leased area expressed as a percentage of gross leasable area as at the date of settlement of accounts.

Portfolio Map (17th Fiscal Period Results)

Tokyo metropolitan area major cities: 63 properties



Cabinet order designated cities / Regional area major cities: 26 properties



Acquired property		Single type	DINKS type	Family type
		Senior housing		
C-1 Proceed Ichikawa	C-14 Proceed Funabori	C-27 Proceed Suginami Miyamae	C-40 Proceed Motoyawata	C-53 Proceed Gummyoji
C-2 Proceed Toyocho	C-15 Proceed Takenozuka	C-28 Proceed Ryogoku	C-41 Proceed Nishiarai	C-54 Proceed Tsurugamine
C-3 Proceed Kasai	C-16 Proceed Sengendai 2	C-29 Proceed Mita	C-42 Proceed Chofu	C-55 Proceed Sagamiotsuka
C-4 Proceed Sangenjaya	C-17 Proceed Shoto	C-30 Proceed Nakanoshimbashi	C-43 Proceed TX Rokucho	C-56 Proceed Shinozaki 2
C-5 Proceed Mizue	C-18 Proceed Sangubashi	C-31 Proceed Kameido	C-44 Proceed Nakagawara	C-57 Proceed Kashiwa Trois
C-6 Proceed Funabashi Miyamoto	C-19 Proceed Uravasu	C-32 Proceed Takadanobaba	C-45 Proceed Oizumigakuen	C-58 Proceed Shinozaki Tower
C-7 Proceed Minamikasai	C-20 Proceed Shinkoiwa	C-33 Proceed Shinkoenji	C-46 Proceed Chitosekarasuyama	C-59 Proceed Tobu Nerima
C-8 Proceed Sengendai	C-21 Proceed Yachiyo Midorigaoka I	C-34 Proceed Koenjiminami	C-47 Proceed Mitaka	C-60 Proceed Yukigaya
C-9 Proceed Gyotoku	C-22 Proceed Yachiyo Midorigaoka II	C-35 Proceed Hasune	C-48 Proceed Kashiwa Est	C-61 Proceed Ichikawa Minami
C-10 Proceed Makuharihongo	C-23 Proceed Toritsudaigaku	C-36 Proceed Oimachi	C-49 Proceed Kashiwa Nord	C-62 Proceed Ichikawa Myoten
C-11 Proceed Minamiyotoku	C-24 Proceed Toritsudaigaku 2	C-37 Proceed Jujo	C-50 Proceed Gyotokuekimaie	C-63 Proceed Fukujiyasawa Kugenuma
C-12 Proceed Makuharihongo2	C-25 Proceed Honjoazumabashi	C-38 Proceed Hakuraku	C-51 Proceed Funabashi Honcho	
C-13 Proceed Higashikawaguchi	C-26 Proceed Meguro Aobadai	C-39 Proceed Shinmaruko	C-52 Proceed Nishikawaguchi	

Acquired property		Single type	DINKS type	Family type
◆ Tokyo metropolitan area major cities	63 properties			
◆ Cabinet order designated cities:	23 properties			
◆ Regional area major cities:	3 properties			
Total	89 properties			

Breakdown of Revenue of Portfolio by Geographic Area (17th Fiscal Period Results)












(Unit: thousand yen, unless otherwise indicated)

	Tokyo metropolitan area major cities	Cabinet order designated cities	Regional area major cities	Entire portfolio
Acquisition price	37,316,600	9,799,000	878,500	47,994,100
Total number of leasable units	2,536	934	89	3,559
(A) Property leasing operating revenue	1,472,791	410,392	43,329	1,926,512
Rent revenue	1,397,268	392,286	39,916	1,829,470
Other revenue	75,500	18,098	3,412	97,010
(B) Property leasing operating expenses	374,321	96,293	9,762	480,376
Rent expenses	39,273	1,093	0	40,366
Property management expenses	46,906	12,507	1,920	61,333
Real estate taxes	69,654	20,350	2,078	92,082
Utilities expenses	34,459	7,427	787	42,673
Repair expenses	58,829	17,584	619	77,032
Regular maintenance expenses	49,233	15,666	2,271	67,170
Insurance expenses	8,841	2,427	236	11,504
Brokerage fees and advertising expenses	18,552	9,762	394	28,708
Trust fees	22,805	8,491	1,150	32,446
Other property leasing operating expenses	25,608	929	296	26,833
(C) Property leasing NOI = (A) – (B)	1,098,441	314,089	33,564	1,446,094
(D) Depreciation and amortization	297,601	84,488	10,993	393,082
(E) Property leasing income (loss) = (C) – (D)	800,804	229,588	22,570	1,052,962
(F) Capital expenditures	246,551	11,928	0	258,479
(G) NCF = (C) – (F)	851,872	302,155	33,564	1,187,591
Annualized NOI yield (based on acquisition price)	5.8%	6.4%	7.6%	6.0%
Occupancy rate (%)	95.6%	97.9%	98.6%	96.1%

(Note 1) Amounts of items from “(A) Property leasing operating revenue” and below are rounded down to the nearest thousand yen.

(Note 2) “Annualized NOI yield (based on acquisition price)” is calculated by annualizing each property’s NOI results, rounded to one decimal place

Breakdown of Revenue of Major Properties (17th Fiscal Period Results)

Property number	Tokyo metropolitan area major cities						Cabinet order designated cities		
	C-1	C-17	C-41	C-58	C-59	C-63	G-15	G-17	G-20
Property name	Proceed Ichikawa	Proceed Shoto	Proceed Nishiarai	Proceed Shinozaki Tower	Proceed Tobu Nerima	Proceed Fujisawa	Proceed Fukuoka	Proceed Kanayama	Proceed Kitahorie
Property photo									
Acquisition price	1,076,000	937,400	5,172,000	1,564,000	422,000	729,000	453,600	1,022,000	1,917,300
Location	2-chome, Shinden, Ichikawa City	2-chome, Shoto, Shibuya-ku	1-chome, Nishiaraisakaecho, Adachi-ku	7-chome, Shinozaki-cho, Edogawa-ku	1-chome, Tokumaru, Itabashi-ku,	2-chome, Kugenumaishigami, Fujisawa-shi	1-chome, Noma, Minami-ku, Fukuoka-shi	3-chome, Kanayama, Naka-ku, Nagoya-shi	1-chome, Kitahorie, Nishi-ku, Osaka-shi
Structure	RC/7F	RC/12F	(ARTIER Bldg.) RC/14F (OZAREA Bldg.) RC/10F (Hall Bldg.) S/2F (Nursery Bldg.) S/2F	RC/18F	RC/6F	RC/8F	RC/10F	RC/14F	RC/15F
Construction completion	April 1, 1997	November 18, 2005	July 20, 2007	March 17, 2008	August 31, 2007	March 30, 2001	March 12, 2007	February 18, 2008	November 29, 2007
Number of leasable units	50 units	40 units	294 units	88 units	35 units	25 units	46 units	94 units	106 units
(A) Property leasing operating revenue	44,942	27,007	294,939	86,188	17,109	33,272	17,394	44,990	73,517
(B) Property leasing operating expenses	9,315	6,280	99,893	22,887	3,066	9,918	4,865	10,550	14,899
(C) Property leasing NOI = (A) - (B)	35,627	20,726	195,046	63,300	14,042	23,354	12,529	34,440	58,618
(D) Depreciation and amortization	6,758	3,473	93,339	25,153	2,782	5,966	4,796	10,370	12,423
(E) Property leasing income (loss) = (C) - (D)	28,868	17,252	101,706	38,147	11,260	17,387	7,732	24,069	46,194
(F) Capital expenditures	3,075	-	4,408	-	-	157	-	115	-
(G) NCF = (C) - (F)	32,551	20,726	190,637	63,300	14,042	23,196	12,529	34,324	58,618
Annualized NOI yield	6.6%	4.4%	7.5%	8.0%	6.6%	6.4%	5.5%	6.7%	6.1%
PML value	5.9%	5.3%	(ARTIER Bldg.) 3.9% (OZAREA Bldg.) 5.0% (Hall Bldg.) 3.5% (Nursery Bldg.) 3.5%	(High-rise bldg.) 2.6% (Low-rise bldg.) 4.4%	7.7%	14.7%	3.2%	6.0%	11.0%

Portfolio List ① (As of April 30, 2014)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%)	Carrying amount (thousand yen) (at end of 17FP)	Real estate appraisal value (thousand yen) (at end of 17FP)	Gross leasable area (Note 2) (㎡)	Leased area (Note 3) (㎡)	Total number of leasable units (Note 4) (units)	Total number of leasable parking spaces	Occupancy rate (Note 5) (%)	PML (%)	Construction completion (Note 6)
C-1	Proceed Ichikawa	Chiba	1,076,000	2.2	1,055,065	1,160,000	3,322.17	3,104.28	50	42	93.4	5.9	April 1, 1997
C-2	Proceed Toyochō	Tokyo	646,700	1.3	600,408	732,000	1,085.56	1,085.56	45	5	100.00	8.6	January 31, 2003
C-3	Proceed Kasai	Tokyo	688,700	1.4	635,410	665,000	1,243.80	1,243.80	57	0	100.00	5.1	March 1, 2003
C-4	Proceed Sangenjaya	Tokyo	555,900	1.2	599,940	497,000	1,019.27	801.55	9	8	78.6	9.3	June 29, 1990
C-5	Proceed Mizue	Tokyo	602,600	1.3	639,732	701,000	2,076.68	1,929.26	28	22	92.9	7.0	June 20, 1991
C-6	Proceed Funabashi Miyamoto	Chiba	419,900	0.9	456,207	451,000	1,685.73	1,639.03	33	1	97.2	4.7	June 24, 1991
C-7	Proceed Minamikasai	Tokyo	303,500	0.6	341,019	264,000	1,045.28	985.52	16	7	94.3	10.4	March 12, 1993
C-8	Proceed Sengendai	Saitama	259,200	0.5	272,420	279,000	1,344.74	1,218.32	43	10	90.6	5.7	May 31, 1991
C-9	Proceed Gyotoku	Chiba	315,600	0.7	357,370	303,000	1,218.56	1,157.54	20	7	95.00	6.7	March 15, 1988
C-10	Proceed Makuharihongo	Chiba	279,300	0.6	292,365	255,000	963.00	963.00	34	3	100.00	8.7	February 22, 1989
C-11	Proceed Minamigyotoku	Chiba	287,300	0.6	306,009	299,000	838.95	805.86	26	6	96.1	6.8	February 6, 1990
C-12	Proceed Makuharihongo 2	Chiba	223,400	0.5	228,451	232,000	1,104.84	1,054.62	22	10	95.5	4.8	September 24, 1989
C-13	Proceed Higashikawaguchi	Saitama	206,500	0.4	203,472	183,000	648.11	627.11	30	14	96.8	3.6	March 15, 1993
C-14	Proceed Funabori	Tokyo	226,100	0.5	243,827	213,000	479.52	479.52	24	1	100.00	7.3	October 11, 1991
C-15	Proceed Takenozuka	Tokyo	169,400	0.4	177,695	202,000	860.55	860.55	15	10	100.00	3.4	March 10, 1994
C-16	Proceed Sengendai 2	Saitama	86,700	0.2	96,428	96,300	695.81	641.02	12	4	92.1	3.3	April 3, 1991
C-17	Proceed Shoto	Tokyo	937,400	2.0	914,315	816,000	890.22	890.22	40	6	100	5.3	November 18, 2005
C-18	Proceed Sangubashi	Tokyo	497,600	1.0	496,041	420,000	527.88	487.88	26	0	92.4	7.0	July 22, 2005
C-19	Proceed Urayasu	Chiba	431,400	0.9	489,207	441,000	1,786.58	1,469.45	21	8	82.2	7.8	June 4, 1992
C-20	Proceed Shinkoiwa	Tokyo	465,200	1.0	494,316	519,000	1,629.07	1,520.05	27	9	93.3	7.1	March 15, 1991
C-21	Proceed Yachiyo Midorigaoka I	Chiba	383,600	0.8	416,383	374,000	1,805.76	1,738.88	27	32	96.3	6.9	February 12, 1997
C-22	Proceed Yachiyo Midorigaoka II	Chiba	339,000	0.7	369,665	338,000	1,605.12	1,404.48	24	31	87.5	6.9	February 12, 1997
C-23	Proceed Toritsudaigaku	Tokyo	790,400	1.6	773,166	693,000	808.65	723.52	37	2	89.5	8.3	March 13, 2006
C-24	Proceed Toritsudaigaku 2	Tokyo	772,200	1.6	755,128	719,000	831.74	831.74	36	2	100.00	7.8	September 7, 2006
C-25	Proceed Honjoazumabashi	Tokyo	339,800	0.7	327,040	381,000	570.53	570.53	19	0	100.00	6.7	July 7, 2006
C-26	Proceed Meguro Aobadai	Tokyo	466,700	1.0	473,597	421,000	485.15	485.15	24	1	100.00	11.6	March 27, 2003
C-27	Proceed Suginami Miyamae	Tokyo	454,900	0.9	460,306	453,000	680.50	680.50	29	1	100.00	7.1	January 26, 2004
C-28	Proceed Ryogoku	Tokyo	443,900	0.9	444,830	474,000	702.54	702.54	27	5	100.00	6.9	March 15, 2003
C-29	Proceed Mita	Tokyo	1,537,200	3.2	1,489,978	1,489,000	1,500.57	1,500.57	72	0	100.00	8.7	February 6, 2006
C-30	Proceed Nakanoshimbashi	Tokyo	638,800	1.3	701,302	619,000	849.08	849.08	50	0	100.00	10.4	September 24, 1992
C-31	Proceed Kameido	Tokyo	339,000	0.7	367,351	328,000	853.98	853.98	23	0	100.00	7.6	March 23, 1994
C-32	Proceed Takadanobaba	Tokyo	223,700	0.5	267,281	231,000	278.36	278.36	17	0	100.00	13.8	October 24, 1991
C-33	Proceed Shinkoenji	Tokyo	742,100	1.5	799,818	731,000	1,040.24	1,040.24	57	0	100.00	10.0	August 31, 1990
C-34	Proceed Koenjiminami	Tokyo	277,400	0.6	318,564	224,000	337.05	337.05	20	0	100.00	11.7	October 2, 1989

Portfolio List ② (As of April 30, 2014)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%)	Carrying amount (thousand yen) (at end of 17FP)	Real estate appraisal value (thousand yen) (at end of 17FP)	Gross leasable area (Note 2) (㎡)	Leased area (Note 3) (㎡)	Total number of leasable units (Note 4) (units)	Total number of leasable parking spaces	Occupancy rate (Note 5) (%)	PML (%)	Construction completion (Note 6)
C-35	Proceed Hasune	Tokyo	284,000	0.6	340,785	240,000	587.13	587.13	29	0	100.0	6.8	July 17, 1991
C-36	Proceed Oimachi	Tokyo	944,000	2.0	1,026,750	889,000	961.88	961.88	59	0	100.0	13	April 13, 1992
C-37	Proceed Jujo	Tokyo	533,000	1.1	586,858	518,000	1,206.90	1,206.90	30	0	100.0	7.2	June 15, 1989
C-38	Proceed Hakuraku	Kanagawa	241,000	0.5	275,890	182,000	445.16	445.16	27	0	100.0	16.4	July 19, 1991
C-39	Proceed Shinmaruko	Kanagawa	635,000	1.3	688,336	616,000	759.00	759.00	46	0	100.0	11.7	September 12, 1988
C-40	Proceed Motoyawata	Chiba	307,000	0.6	292,417	288,000	602.39	581.33	25	3	96.5	4.4	January 9, 2004
C-41 *	Proceed Nishiarai	Tokyo	5,172,000	10.8	4,312,905	6,220,000	23,137.85	19,277.13	294	146	95.7	ARTIER 3.9 OZAREA 5.0 Hall 3.5 Nursery 3.5	July 20, 2007
C-42	Proceed Chofu	Tokyo	460,500	1.0	445,482	494,000	764.48	712.75	26	0	93.2	6.4	February 17, 2007
C-43	Proceed TX Rokucho	Tokyo	156,800	0.3	186,278	154,000	518.31	518.31	20	2	100.0	6.6	June 21, 1991
C-44	Proceed Nakagawara	Tokyo	1,141,000	2.4	1,190,811	1,123,000	3,061.94	2,919.45	54	35	95.3	Ichibankan 10.7 Nibankan 11.8	April 1, 1989
C-45	Proceed Oizumigakuen	Tokyo	268,300	0.6	295,956	251,000	483.43	483.43	29	0	100.0	10.6	November 26, 1991
C-46	Proceed Chitosekarasuyama	Tokyo	289,600	0.6	338,461	273,000	449.96	401.75	28	0	89.3	11.7	December 8, 1988
C-47	Proceed Mitaka	Tokyo	477,200	1.0	550,660	495,000	739.48	739.48	47	0	100.0	9.3	December 16, 1988
C-48	Proceed Kashiwa Est	Chiba	732,000	1.5	729,083	634,000	1,279.93	1,183.53	44	5	92.5	4.5	February 13, 2007
C-49	Proceed Kashiwa Nord	Chiba	689,000	1.4	682,293	568,000	1,391.55	1,276.53	47	0	91.7	5.7	February 13, 2007
C-50	Proceed Gyotokuekimae	Chiba	331,000	0.7	315,231	332,000	659.68	659.68	24	3	100.0	5.2	September 4, 2007
C-51	Proceed Funabashi Honcho	Chiba	531,700	1.1	535,653	543,000	996.44	996.44	40	0	100.0	5.7	July 19, 2006
C-52	Proceed Nishikawaguchi	Saitama	881,000	1.8	967,846	698,000	1,630.24	1,598.84	104	2	98.1	5.5	February 10, 1989
C-53	Proceed Gumyoji	Kanagawa	552,000	1.2	619,009	534,000	1,246.48	1,199.00	77	0	96.2	19	May 12, 1988
C-54	Proceed Tsurugamine	Kanagawa	356,000	0.7	384,747	329,000	855	803.7	50	4	94.0	7.2	March 12, 1991
C-55	Proceed Sagamiotsuka	Kanagawa	234,000	0.5	245,975	188,000	741.24	720.36	29	7	97.2	12.9	April 5, 1991
C-56 *	Proceed Shinozaki 2	Tokyo	913,300	1.9	905,452	1,030,000	2,134.07	1,993.67	35	13	93.4	4.2	September 18, 2008
C-57	Proceed Kashiwa Trois	Chiba	537,100	1.1	540,369	587,000	1,149.95	1,121.95	38	6	97.6	5.4	May 8, 2009
C-58	Proceed Shinozaki Tower	Tokyo	1,564,000	3.3	1,683,543	1,790,000	5,117.49	5,014.07	88	30	98.0	High-rise bldg. 2.6 Low-rise Bldg. 4.4	March 17, 2008
C-59	Proceed Tobu Nerima	Tokyo	422,000	0.9	441,569	462,000	779.84	759.12	35	2	97.3	7.7	August 31, 2007
C-60	Proceed Yukigaya	Tokyo	323,000	0.7	351,533	340,000	600.62	566.34	35	1	94.3	14.0	October 7, 1991
C-61	Proceed Ichikawa Minami	Tokyo	687,000	1.4	732,764	758,000	1,635.59	1,611.82	66	34	98.5	2.0	February 10, 1997
C-62	Proceed Ichikawa Myoten	Chiba	498,000	1.0	536,249	524,000	945	861	45	1	91.1	6.8	March 15, 2003
C-63	Proceed Fukujisawa Kugenuma	Kanagawa	729,000	1.5	784,725	756,000	2,005.76	1,885.76	25	20	94.0	14.7	March 30, 2001
Tokyo metropolitan area major cities subtotal			37,316,600	77.8	37,851,770	38,019,300	90,702.38	86,806.27	2,536	561	95.7		

Portfolio List ③ (As of April 30, 2014)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%)	Carrying amount (thousand yen) (at end of 17FP)	Real estate appraisal value (thousand yen) (at end of 17FP)	Gross leasable area (Note 2) (㎡)	Leased area (Note 3) (㎡)	Total number of leasable units (Note 4) (units)	Total number of leasable parking spaces (vehicles)	Occupancy rate (Note 5) (%)	PML (%)	Construction completion (Note 6)
G-1	Proceed Hondori	Hokkaido	386,000	0.8	372,302	487,000	2,624.93	2,624.93	67	37	100.0	5.0	March 14, 1989
G-2	Proceed Kanjodorihigashi	Hokkaido	233,700	0.5	242,964	290,000	1,183.47	1,183.47	34	5	100.0	5.5	October 23, 1990
G-3	Proceed Kotoni	Hokkaido	204,900	0.4	215,689	242,000	1,453.27	1,453.27	28	16	100.0	4.0	October 21, 1991
G-4	Proceed Motomachi	Hokkaido	148,700	0.3	139,629	212,000	1,120.81	1,120.81	35	9	100.0	5.1	February 20, 1991
G-5	Proceed Motomachi 2	Hokkaido	85,500	0.2	82,973	120,000	907.29	907.29	19	6	100.0	6.5	December 11, 1990
G-6	Proceed Hakozaikigu II	Fukuoka	85,000	0.2	84,960	91,500	415.3	415.3	19	0	100.0	8.0	July 30, 1991
G-7	Proceed Hakozaikigu I	Fukuoka	81,300	0.2	81,376	80,600	411.5	411.5	19	0	100.0	8.0	May 1, 1991
G-8	Proceed Taikodori	Aichi	403,400	0.8	356,753	413,000	1,101.56	1,101.56	44	6	100.0	11.3	March 15, 2006
G-9	Proceed Ohashi	Fukuoka	208,500	0.4	225,542	228,000	1,140.00	1,140.00	16	16	100.0	8.0	February 13, 1998
G-10	Proceed Nakagawa	Fukuoka	150,400	0.3	159,936	229,000	1,414.96	1,414.96	38	21	100.0	8.1	July 24, 1990
G-11	Proceed Honamimachi	Aichi	275,000	0.6	254,380	214,000	620.22	620.22	10	8	100.0	10.5	March 27, 2006
G-12	Proceed Higashiohata	Niigata	53,100	0.1	60,981	39,300	296.61	258.21	9	4	87.1	13.7	November 27, 1991
G-13 *	Proceed Shinsakae	Aichi	792,500	1.7	742,364	810,000	1,958.44	1,833.19	77	11	93.6	7.1	February 28, 2007
G-14 *	Proceed Chiyoda	Aichi	309,300	0.6	293,408	319,000	922.4	892.08	30	4	96.7	7.3	March 20, 2007
G-15	Proceed Fukuoka Takamiya	Fukuoka	453,600	0.9	445,765	423,000	1,312.29	1,253.61	46	10	95.5	3.2	March 12, 2007
G-16	Proceed Ohorikoen	Fukuoka	452,800	0.9	472,736	335,000	1,128.92	1,009.31	50	8	89.4	10.6	March 21, 1997
G-17 *	Proceed Kanayama	Aichi	1,022,000	2.1	1,068,211	1,120,000	2,733.58	2,599.73	94	18	95.1	6.0	February 18, 2008
G-18 *	Proceed Fukiage	Aichi	499,000	1.0	528,785	547,000	1,204.65	1,151.00	48	15	95.5	6.2	March 13, 2008
G-19 *	Proceed Toyoda	Aichi	219,000	0.5	235,331	242,000	752.04	752.04	27	8	100.0	6.7	February 29, 2008
G-20	Proceed Kitahorie	Osaka	1,917,300	4.0	2,035,451	2,090,000	4,146.18	3,789.05	106	8	91.4	11.0	November 29, 2007
G-21	Proceed Nishitenma	Osaka	880,000	1.8	936,950	950,000	1,775.89	1,775.89	56	3	100.0	13.9	November 30, 2007
G-22	Proceed Kobemotomachi	Hyogo	780,000	1.6	842,345	830,000	1,590.64	1,565.83	61	6	98.4	8.6	December 21, 2007
G-23	Group Home Tanoshii Ie Taisho	Osaka	158,000	0.3	175,744	161,000	482.72	482.72	1	0	100.0	14.8	February 28, 2007
Cabinet order designated cities subtotal			9,799,000	20.4	10,054,586	10,473,400	30,697.67	29,755.97	934	219	96.9		
R-1	Proceed Matsuyama	Ehime	77,900	0.2	108,299	90,600	695.06	695.06	17	8	100.0	7.2	August 31, 1991
R-2	Proceed Mito	Ibaraki	383,700	0.8	360,819	408,000	1,223.83	1,223.83	36	7	100.0	4.0	January 7, 2007
R-3	Proceed Mito 2	Ibaraki	416,900	0.9	407,210	460,000	1,381.34	1,336.34	36	25	96.7	3.6	March 11, 2008
Regional area major cities subtotal			878,500	1.8	876,329	958,600	3,300.23	3,255.23	89	40	98.6		
Portfolio total			47,994,100	100	48,782,685	49,451,300	124,700.28	119,817.47	3,559	820	96.1	3.4	

(Note 1) "Property No." is the properties grouped into 3 classifications "C" (= Tokyo metropolitan area major cities), "G" (= Cabinet order designated cities) and "R" (= Regional area major cities), and numbered per classification.

(Note 2) "Investment share" is the proportion of acquisition price of each acquired property to total acquisition prices of the portfolio, and rounded to one decimal place.

(Note 3) "Total number of leasable units" is the number of units that are leasable for residential, office, retail and other uses.

(Note 4) "Occupancy rate" is the leased area expressed as a percentage of gross leasable area of the respective property, rounded to one decimal place.

(Note 5) "Construction completion" is the date stated in the real estate registry transcript.

(Note 6) The right to the land of (C-41) Proceed Nishiarai is a 50-year fixed-term land leasehold right. In addition, as (C-41) Proceed Nishiarai comprises 4 independent buildings, PML for each of the 4 buildings is shown.

(Note 7) As (C-44) Proceed Nakagawara comprises 2 independent buildings, PML for each of the 2 buildings is shown.

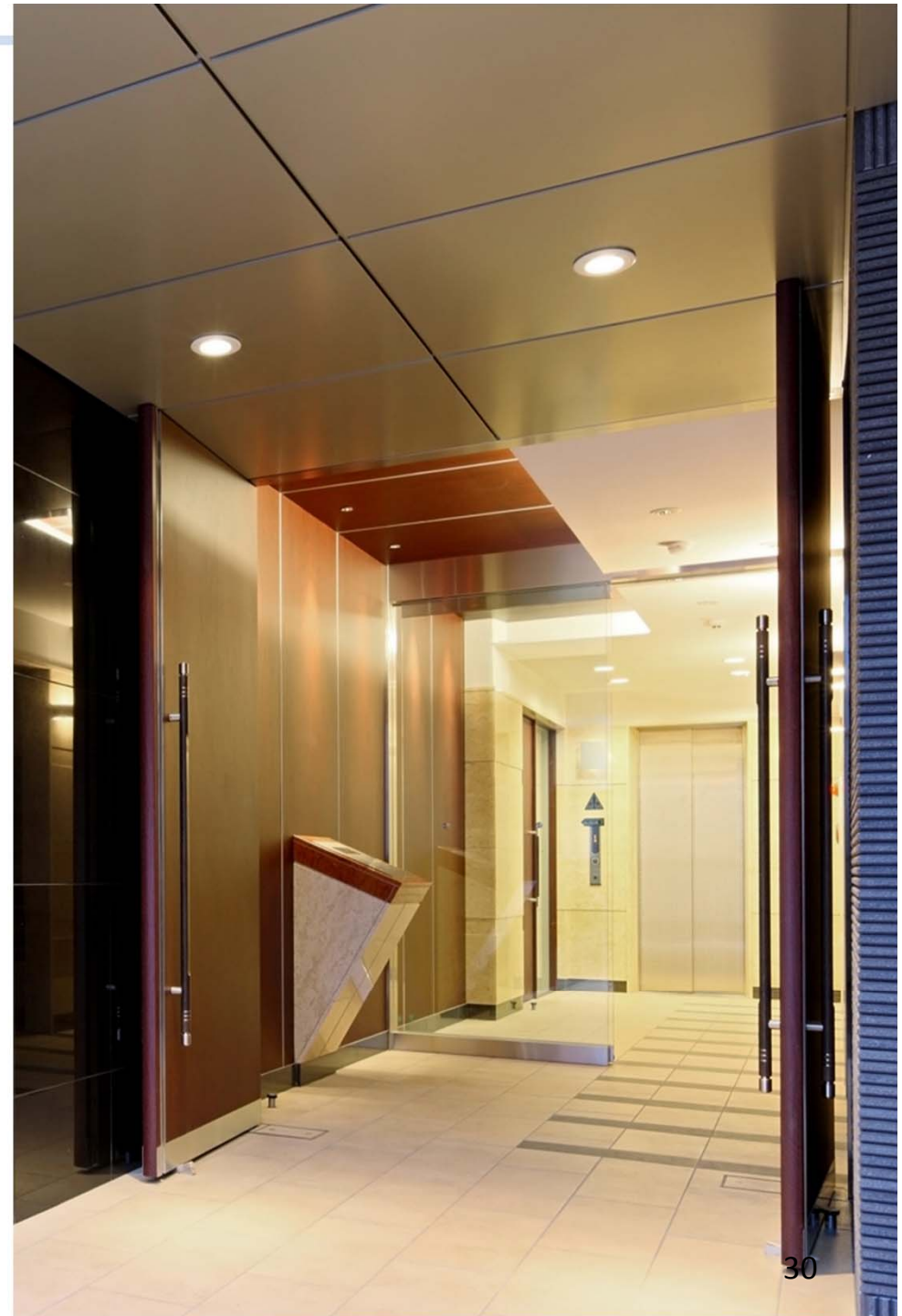
(Note 8) The right to the land of (C-58) Proceed Shinozaki Tower is a 70-year fixed-term land leasehold right and fixed-term land sublease right. In addition, as (C-58) Proceed Shinozaki Tower comprises 2 structurally-independent buildings, PML for each of the 2 buildings is shown.

(Note 9) (Portfolio PML) shows the PML of the 88 properties excluding (G-23) Group Home Tanoshii Ie Taisho.

(Note 10) Earthquake insurance is taken out for all properties.

(Note 11) Of the assets Starts Proceed has acquired, the seven properties with the (*) mark attached at their property numbers are seismic isolated.

(4) Management Company Overview



- **Established**

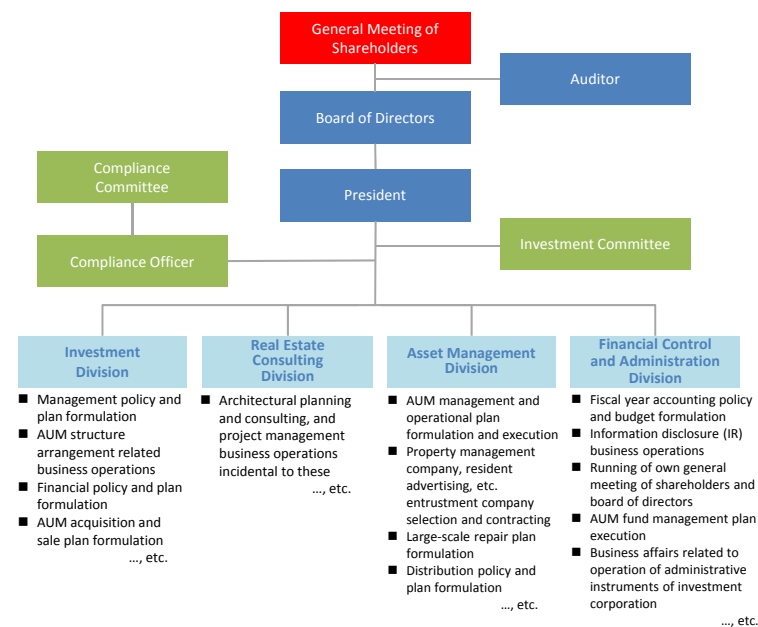
Oct. 31, 2001

- **History**
 - Dec. 22, 2001 Obtained building lots and buildings transaction business license (Tokyo Governor (1) No.80325)
 - Nov. 11, 2004 Obtained discretionary transaction agent and other approval under Building Lots and Buildings Transaction Business Act (Minister of Land, Infrastructure, Transport and Tourism Approval No. 25)
 - Dec. 20, 2004 Obtained investment corporation asset management business approval (Prime Minister No. 36)
 - Sept. 30, 2007 Registered as financial instruments business operator under Financial Instruments and Exchange Act (Director-General of the Kanto Local Finance Bureau (Kinsho) No. 343)
 - Oct. 1, 2010 Commenced real estate consulting business operations
Changed trade name from Starts Asset Management Investment Trust Co., Ltd. to Starts Asset Management Co., Ltd.

■ **Outline**

- President Kazuya Hiraide
- Head office location 2-1-14 Nihonbashi, Chuo-ku, Tokyo
- Line of business Investment management business and real estate consulting business
- Capital stock 150,000,000 yen
- Shareholder Starts Corporation Inc. (100%)

■ **Organizational Chart**



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This document contains forward-looking statements about business performance; however, these forward-looking statements are not a guarantee of future performance or management results.

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