

REIT Financial Report for 15th Fiscal Period

June 14, 2013

REIT Securities Issuer: Starts Proceed Investment Corporation Listing: Tokyo Stock Exchange
 Securities Code: 8979 URL: <http://www.sp-inv.co.jp>
 Representative: Kazuya Hiraide, Executive Director
 Asset Management Company: Starts Asset Management Co., Ltd.
 Representative: Kazuya Hiraide, President
 Contact: Shigeru Matsuda,
 General Manager of Financial Control and Administration Division
 TEL: +81-3-6202-0856 (main)

Scheduled date of submission of securities report: July 29, 2013
 Scheduled date of commencement of distribution payout: July 16, 2013
 Preparation of supplementary explanatory materials on financial results: Yes / No
 Holding of briefing session on financial results: Yes / No
 (for analysts and institutional investors)

[Amounts are rounded down to the nearest million yen]

1. Status of Management and Assets in 15th Fiscal Period

Starts Proceed Investment Corporation's 15th fiscal period is the period from November 1, 2012 to April 30, 2013.

(1) Management Status

[% figures represent the increase (decrease) compared with the previous period]

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
15th	1,519	1.1	660	(2.1)	440	1.7	439	1.7
14th	1,502	(1.6)	674	(2.2)	432	4.0	431	4.1

Fiscal period	Net income per unit	Ratio of net income to equity [Return on equity]	Ratio of ordinary income to total assets [Return on assets]	Ratio of ordinary income to operating revenue
	yen	%	%	%
15th	4,066	2.3	1.1	29.0
14th	3,997	2.3	1.0	28.8

(2) Distributions Status

Fiscal period	Distribution per unit [excluding distribution in excess of earnings]	Total distributions	Distribution in excess of earnings per unit	Total distributions in excess of earnings	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	%	%
15th	4,066	439	0	0	100.0	2.3
14th	3,998	431	0	0	100.0	2.3

[Note] Distribution payout ratio is rounded down to one decimal place.

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
15th	41,124	19,150	46.6	177,353
14th	41,319	19,142	46.3	177,284

(4) Status of Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
15th	700	(175)	(564)	1,861
14th	744	(51)	(916)	1,901

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2. Forecast for Management Status in 16th Fiscal Period and 17th Fiscal Period

Starts Proceed Investment Corporation's 16th fiscal period is the period from May 1, 2013 to October 31, 2013.

Starts Proceed Investment Corporation's 17th fiscal period is the period from November 1, 2013 to April 30, 2014.

[% figures represent the increase (decrease) compared with the previous period]

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
16th	1,895	24.8	841	27.4	624	41.9	623	42.0
17th	1,911	0.8	820	(2.4)	602	(3.5)	601	(3.5)

Fiscal period	Distribution per unit [excluding distribution in excess of earnings]		Distribution in excess of earnings per unit	
			yen	yen
16th			4,300	0
17th			4,150	0

[Reference] Forecast net income per unit 16th fiscal period: 4,300 yen 17th fiscal period: 4,150 yen

3. Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

- (a) Changes in accounting policies accompanying amendments to accounting standards, etc.: None
- (b) Changes in accounting policies other than in (a): None
- (c) Changes in accounting estimates: None
- (d) Retrospective restatement: None

(2) Number of Investment Units Issued and Outstanding

- (a) Number of investment units (including own investment units) issued and outstanding at end of period

15th fiscal period:	107,977 units	14th fiscal period:	107,977 units
15th fiscal period:	0 units	14th fiscal period:	0 units

* Presentation of the status of implementation of audit procedures

At the time of disclosure of this financial report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

* Explanation of the appropriate use of the forecast for management status, and other matters of special note

The outlook for management status and other forward-looking statements contained in this report are based on information currently available to and certain assumptions deemed reasonable by Starts Proceed Investment Corporation. Accordingly, actual management status and other results may differ materially due to a variety of factors. In addition, the forecast is not a guarantee of the amount of distributions.

For the assumptions underlying the forecast for management status, please refer to "Assumptions Underlying Forecast for Management Status in 16th Fiscal Period (from May 1, 2013 to October 31, 2013) and 17th Fiscal Period (from November 1, 2013 to April 30, 2014)" presented on pages 6 to 7.

1. Management Policy

Disclosure is omitted because there are no significant changes from the “Investment Policy,” “Investment Targets” and “Distribution Policy” set out in the most recent securities report (submitted on January 28, 2013) and securities registration statement (submitted on April 15, 2013).

2. Management Status

(1) Overview of Fiscal Period under Review

(a) Brief Background of the Investment Corporation

Starts Proceed Investment Corporation (“Starts Proceed”) was established on May 2, 2005 with 150 million yen in capital (750 units) based on the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including amendments thereto) (the “Investment Trust Act”), completed registration with the Kanto Local Finance Bureau based on Article 187 of the Investment Trust Act on June 15, 2005 (Registration No. 37 issued by the Director-General of the Kanto Local Finance Bureau), implemented additional issuance of investment units through public offering (21,600 units) on November 29, 2005, and listed on JASDAQ Securities Exchange, Inc. (currently, Osaka Securities Exchange Co., Ltd. JASDAQ Market (the “JASDAQ Market”)) (Securities Code: 8979) on the next day. After three capital increases through public offering and other developments since listing on the JASDAQ Market, Starts Proceed listed on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) Real Estate Investment Trust Securities Market (Securities Code: 8979) on July 27, 2010 and this was accompanied by an application for delisting being filed with the JASDAQ Market on August 10, 2010 and the delisting from the JASDAQ Market taking effect on October 1, 2010.

Starts Proceed entrusts asset management to Starts Asset Management Co., Ltd. (the “Asset Management Company”) and sets the focus of management on investment in real estate of which the principal use is use as rental housing (the “rental housing”) or specified assets (the meaning provided in Article 2, Paragraph 1 of the Investment Trust Act; the same hereinafter) backed mainly by rental housing. In investment in rental housing, Starts Proceed adopts the basic policy of particularly setting rental housing for average-income households, the demand for which is believed to be the most stable, as the primary investment target. In addition, Starts Proceed takes measures, such as leveraging the capabilities of the Starts Group, to achieve enhancement of management efficiency, in an aim to secure steady growth and stable revenue of assets under management over the medium to long term.

As at the end of the fiscal period under review (15th fiscal period: from November 1, 2012 to April 30, 2013), the number of investment units issued and outstanding was 107,977 units, total assets was 41,124 million yen and unitholders’ capital was 18,710 million yen.

(b) Investment Environment

In the Japanese economy in the 15th fiscal period, the first half saw the prolonged European debt crisis, economic slowdown in China, the U.S. and developing countries and other factors cause decrease in exports. In addition, personal spending and capital investment were both weak due in part to demand stemming from reconstruction from the Great East Japan Earthquake having made one round. The result was a state of ongoing standstill overall. On the other hand, anticipations over the economic measures known as Abenomics since the change of government in December 2012 suggest a recovery in stock prices and a shift to a trend of yen depreciation, and other promising signs are also starting to show.

In the J-REIT market, with the fund procurement environment being favorable, active property acquisition associated with capital increases through public offering and new listings, Bank of Japan increasing its REIT investment quota in asset purchases and other factors led to movements of substantial recovery in the market environment. The TSE REIT Index, which was 1,052.81 points based on closing price on October 31, 2012, recovered to the 1,700-points-level on March 27, 2013 and has been maintaining a high level of no less than 1,500 points since.

In the rental housing market, while foreigner demand for luxury rental condominiums is yet to recover, the occupancy rate is trending towards recovery thanks to Japanese demand. These and other factors are leading to robust demand becoming increasingly apparent and overall relatively stable supply-demand, centering on the Tokyo metropolitan area. Under such circumstances, the degree of decrease in rent level is narrowing, recovering to almost the roughly flat level. In addition, while the purchasing stance of J-REITs, real estate funds, etc. grew active, new supply was limited. This, among other factors, resulted in rental condominium prices in the real estate transaction market showing an upward trend in the Tokyo metropolitan area and cabinet order designated cities.

(c) Management Performance

In the 15th fiscal period, new asset acquisitions were not made and focus was on internal growth.

In leasing business operations, in close collaboration with the Asset Management Company and the property management company Starts Amenity Co., Ltd., efforts were made for finely-tuned leasing activities that are based on the characteristics of the region and individual properties, along with striving to shorten the period taken to restore a property to its original state after a resident moves out of the property, in an aim to enhance the occupancy rate. These measures proved effective in maintaining the occupancy rate of the entire portfolio at a high level of no less than 96% throughout the period and achieving a period-average occupancy rate that exceeds the previous period's 96.7% at 97.3%.

As a measure to enhance revenue, at Proceed Nishiarai, part of the hall building was converted into an approved nursery center in view of the facility's effective utilization and regional contribution, thereby realizing increased revenue of stable rent. In addition, efforts were made for further cost reduction by continuing to implement the ongoing review of various expenses related to rent business down to details. Furthermore, large-scale repair work was implemented at 12 properties in an aim to maintain and enhance the property value.

(d) Status of Fund Procurement

In the 15th fiscal period, for the purpose of repayment of a long-term loan in the amount of 6,200 million yen due for repayment on November 22, 2012, refinancing was conducted by newly adding two banks to the loan's line-up of financing banks.

As a result, as of the end of the 15th fiscal period, short-term loans payable was 6,200 million yen, the current portion of long-term loans payable was 7,368 million yen, long-term loans payable was 5,840 million yen and the principal outstanding of subordinated investment corporation bonds was 2,000 million yen for a period-end interest-bearing liabilities balance of 21,408 million yen and LTV ratio of 52.1%.

(e) Overview of Business Performance and Distributions

As a result of the management described above, the business performance recorded for the 15th fiscal period were operating revenue of 1,519 million yen, operating income of 660 million yen, ordinary income of 440 million yen and net income of 439 million yen.

Concerning distributions, to ensure that the maximum amount of distributions of earnings would be included in deductible expenses based on application of Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto) (the "Special Taxation Measures Act"), Starts Proceed decided to distribute the entire amount of unappropriated retained earnings, excluding fractions of the distribution per investment unit that are less than 1 yen. Accordingly, Starts Proceed declared a distribution per investment unit of 4,066 yen.

(2) Outlook for Next Fiscal Period

(a) Management Policy and Challenges to Address

a. Investment Environment

In the Japanese economy in the 16th fiscal period, while there are expectations for increase in exports and increase in public investment with the correction of the appreciation of the yen due to the effects of monetary policy and various economic measures on the one hand, the downward trend in capital investment, sluggish growth in household income and other concerns still remain that suggest that movements of full-scale recovery will not necessarily be strong in the domestic sector in the near term. Sustainable increase in exports as well as steady and effective implementation of economic growth strategies are thought to be indispensable for the Japanese economy to head toward a phase of self-sustaining recovery accompanied by a virtuous cycle of income and spending.

b. External Growth Strategy

Based on the extensive collaborative relationship with the Starts Group, which is formed by agreements such as a pipeline support agreement concluded between the Asset Management Company and each of Starts Corporation Inc., Starts Development Corporation and Starts Amenity Co., Ltd. as well as a property information provision agreement concluded between the Asset Management Company and Starts CAM Co., Ltd., Starts Proceed strives to increase opportunities to newly acquire prime investment real estate. Going forward, Starts Proceed will consider acquisition of quality newly built or relatively newly built properties that have the potential to generate stable revenue over the medium to long term, while carefully assessing trends in the financial market as well as the primary and secondary real estate markets, in an aim to expand asset size and enhance portfolio quality.

c. Internal Growth Strategy

Following on from the 15th fiscal period, based on close collaboration with the Asset Management Company and the property management company Starts Amenity Co., Ltd., efforts will be made to enhance convenience and comfort for residents through the provision of high-quality management services, along with not stopping at uniform management but conducting finely-tuned management suited to the respective area's real estate leasing market trends and individual property characteristics, in order to enhance the revenues and occupancy rates of assets under management and cut costs. In addition, there is a re-entrustment of the leasing business operations part of property management business operations from Starts Amenity Co., Ltd. to Starts Pitat House Co., Ltd. based on a sublease agency entrustment agreement concluded between them and plans are to continue to keep the same structure. By adopting the said structure, closer ties between property management business operations and leasing business operations will be promoted in an aim to boost the occupancy rate.

d. Financial Strategy

With sights set on smooth fund procurement upon asset acquisition and reduction of refinancing risks, Starts Proceed will promote ongoing favorable relationships with financing banks, along with enhancing the financing bank formation, extending loan periods and laddering repayment deadlines as needed, in an aim to further strengthen the financial base.

(b) Significant Subsequent Events

Issuance of New Investment Units

At meetings of the board of directors held on April 15, 2013 and April 22, 2013, resolutions were passed for the issuance of new investment units for the purpose of funding part of the acquisition of specified assets. Payments for the issuance through primary offering were completed on May 1, 2013.

This resulted in unitholders' capital of 25,318,449,000 yen and number of investment units issued and outstanding of 144,977 units.

(c) Outlook for Management Status

Starts Proceed expects the following management status in the 16th fiscal period (from May 1, 2013 to October 31, 2013) and 17th fiscal period (from November 1, 2013 to April 30, 2014). For the assumptions underlying this outlook for management status, please refer to "Assumptions Underlying Forecast for Management Status in 16th Fiscal Period (from May 1, 2013 to October 31, 2013) and 17th Fiscal Period (from November 1, 2013 to April 30, 2014)."

	16th Fiscal Period	17th Fiscal Period
	From: May 1, 2013 To: Oct. 31, 2013	From: Nov. 1, 2013 To: Apr. 30, 2014
Operating revenue	1,895 million yen	1,911 million yen
Operating income	841 million yen	820 million yen
Ordinary income	624 million yen	602 million yen
Net income	623 million yen	601 million yen
Distribution per unit	4,300 yen	4,150 yen
Distribution in excess of earnings per unit	0 yen	0 yen

Note: The forecast figures above are the current forecast calculated based on certain assumptions. Accordingly, actual operating revenue, operating income, 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. In addition, the forecast is not a guarantee of actual business performance or the amount of distributions.

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Assumptions Underlying Forecast for Management Status in 16th Fiscal Period (from May 1, 2013 to October 31, 2013) and 17th Fiscal Period (from November 1, 2013 to April 30, 2014)

Item	Assumption
Business period	16th fiscal period: from May 1, 2013 to October 31, 2013 (184 days) 17th fiscal period: from November 1, 2013 to April 30, 2014 (181 days)
Assets under management	<ul style="list-style-type: none"> • The forecast assumes the 76 properties in the Starts Proceed portfolio as at April 30, 2013 plus the acquisition of 12 properties on May 1, 2013, to total 88 properties. The forecast assumes that, after completion of the acquisition, there will be no acquisition of new properties, sale of existing properties, etc. through to the end of the 17th fiscal period. The actual assets under management may vary due to changes in assets under management.
Operating revenue	<ul style="list-style-type: none"> • Real estate rent revenue includes rent, common area maintenance charges, parking revenue, incidental revenue, etc., and is calculated based on historical data and future forecast.
Operating expenses	<ul style="list-style-type: none"> • Expenses related to rent business other than depreciation and amortization are calculated based on historical data and future forecast and by reflecting factors that may cause fluctuations in expenses. • Management expenses are expected to be 131 million yen for the 16th fiscal period and 131 million yen for the 17th fiscal period. • Repair expenses, which are recognized as expenses in the amount presumed to be necessary in the respective business period, are expected to be 60 million yen for the 16th fiscal period and 60 million yen for the 17th fiscal period. However, repair expenses may differ materially from the forecast amount due to a variety of factors, including repair expenses possibly arising from unforeseen events, the variation in the amount depending on the fiscal year being large and repair expenses not being an amount that arises periodically. • Concerning fixed asset tax, city planning tax and depreciable asset tax, etc. on portfolio properties, in principle, of the tax amount assessed and determined, the amount of tax payable during the business period (in the case of fixed asset tax, city planning tax and depreciable asset tax, etc. on properties that have a different number of installment tax payments every period, the amount of the number of annual tax payments corresponding to the business period) is calculated as expenses related to rent business. The amount is expected to be 86 million yen for the 16th fiscal period and 93 million yen for the 17th fiscal period. • Depreciation and amortization, which is calculated using the straight-line method inclusive of incidental expenses at the time of acquisition and future additional capital expenditures, is expected to be 380 million yen for the 16th fiscal period and 381 million yen for the 17th fiscal period. • Operating expenses other than expenses related to rent business (asset management fee, asset custody fee, administrative service fees, etc.) are expected to be 216 million yen for the 16th fiscal period and 241 million yen for the 17th fiscal period.
Non-operating expenses	<ul style="list-style-type: none"> • Interest expenses are expected to be 153 million yen for the 16th fiscal period and 151 million yen for the 17th fiscal period. • Borrowing related expenses are expected to be 62 million yen for the 16th fiscal period and 61 million yen for the 17th fiscal period. • Expenses related to the capital increase through public offering of Starts Proceed investment units are assumed to be recognized as assets carried forward and amortized over three years using the straight-line method.
Loans and investment corporation bonds	<ul style="list-style-type: none"> • Concerning the loans balance as of the date of this report of 23,339 million yen, because contractual repayments are expected, the forecast assumes 23,229 million yen as the balance at the end of the 16th fiscal period and 23,098 million yen as the balance at the end of the 17th fiscal period. Of this, the forecast assumes that the loan due for repayment during the 17th fiscal period (6,200 million yen) will be refinanced in the entire amount. • The forecast assumes that the investment corporation bonds balance as of the date of this report of 2,000 million yen will remain unchanged through to the end of the 17th fiscal period.

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<p>Number of investment units issued and outstanding</p>	<ul style="list-style-type: none"> • The forecast assumes the number of investment units issued and outstanding as of the date of this report of 144,977 units and assumes there will be no subsequent issuance of investment units through to the end of the 17th fiscal period.
<p>Distribution per unit</p>	<ul style="list-style-type: none"> • Distributions (distribution per unit) are calculated by assuming the policy on cash distributions provided in the Articles of Incorporation of Starts Proceed. • Distribution per unit may vary due to various factors, including fluctuation in leasing revenue accompanying change in assets under management, change in tenants, etc. and repair expenses possibly arising from unforeseen events.
<p>Distribution in excess of earnings per unit</p>	<ul style="list-style-type: none"> • No distributions in excess of earnings (distribution in excess of earnings per unit) are scheduled at present.
<p>Other</p>	<ul style="list-style-type: none"> • For other items, the forecast assumes that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. • The forecast assumes that there will be no unforeseen material change in general economic trends and real estate market conditions, etc.

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3. Financial Statements
(1) Balance Sheets

	[Unit: thousand yen]	
	14th Fiscal Period	15th Fiscal Period
	As of Oct. 31, 2012	As of Apr. 30, 2013
Assets		
Current assets		
Cash and deposits	846,267	786,274
Cash and deposits in trust	1,055,090	1,075,626
Operating accounts receivable	17,173	16,890
Prepaid expenses	68,471	61,432
Deferred tax assets	16	17
Other	304	874
Total current assets	1,987,323	1,941,115
Noncurrent assets		
Property, plant and equipment		
Buildings in trust	20,722,680	20,844,411
Accumulated depreciation	(2,797,812)	(3,067,663)
Buildings in trust, net	17,924,868	17,776,748
Structures in trust	808,869	809,025
Accumulated depreciation	(240,700)	(264,880)
Structures in trust, net	568,169	544,144
Machinery and equipment in trust	-	5,376
Accumulated depreciation	-	(101)
Machinery and equipment in trust, net	-	5,274
Tools, furniture and fixtures in trust	122,683	147,849
Accumulated depreciation	(38,946)	(47,538)
Tools, furniture and fixtures in trust, net	83,736	100,310
Land in trust	20,285,963	20,285,963
Total property, plant and equipment	38,862,738	38,712,441
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	400,329	400,329
Long-term prepaid expenses	47,519	49,870
Other	5,599	6,235
Total investments and other assets	463,448	466,435
Total noncurrent assets	39,326,187	39,178,876
Deferred assets		
Investment corporation bond issuance costs	6,080	4,494
Total deferred assets	6,080	4,494
Total assets	41,319,590	41,124,486

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	[Unit: thousand yen]	
	14th Fiscal Period	15th Fiscal Period
	As of Oct. 31, 2012	As of Apr. 30, 2013
Liabilities		
Current liabilities		
Short-term loans payable	6,200,000	6,200,000
Current portion of long-term loans payable	7,375,294	7,368,627
Operating accounts payable	77,290	45,697
Accounts payable – other	101,837	104,633
Accrued expenses	43,608	600
Income taxes payable	896	931
Accrued consumption taxes	2,142	2,049
Advances received	824	881
Other	57	117
Total current liabilities	13,801,952	13,723,539
Noncurrent liabilities		
Long-term loans payable	5,965,256	5,840,060
Investment corporation bond	2,000,000	2,000,000
Tenant leasehold and security deposits in trust	409,703	410,840
Total noncurrent liabilities	8,374,960	8,250,901
Total liabilities	22,176,912	21,974,440
Net assets		
Unitholders' equity		
Unitholders' capital	18,710,915	18,710,915
Surplus		
Unappropriated retained earnings (undisposed loss)	431,763	439,130
Total surplus	431,763	439,130
Total unitholders' equity	19,142,678	19,150,045
Total net assets	19,142,678	19,150,045
Total liabilities and net assets	41,319,590	41,124,486

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(2) Statements of Income

	[Unit: thousand yen]	
	14th Fiscal Period	15th Fiscal Period
	From: May 1, 2012	From: Nov. 1, 2012
	To: Oct. 31, 2012	To: Apr. 30, 2013
Operating revenue		
Rent revenue – real estate	1,502,477	1,519,235
Total operating revenue	1,502,477	1,519,235
Operating expenses		
Expenses related to rent business	648,799	675,148
Asset management fee	108,137	110,870
Asset custody fee	7,033	7,028
Administrative service fees	18,935	19,992
Directors' compensations	2,400	2,400
Other operating expenses	42,194	43,300
Total operating expenses	827,501	858,741
Operating income	674,976	660,493
Non-operating income		
Interest income	193	184
Insurance income	2,740	2,303
Reversal of distribution payable	2,045	2,183
Total non-operating income	4,979	4,671
Non-operating expenses		
Interest expenses	131,242	113,593
Interest expenses on investment corporation bonds	27,965	27,209
Amortization of investment corporation bond issuance costs	1,586	1,586
Borrowing related expenses	65,845	61,105
Other	20,715	21,643
Total non-operating expenses	247,355	225,138
Ordinary income	432,600	440,027
Income before income taxes	432,600	440,027
Income taxes – current	935	969
Income taxes – deferred	1	(1)
Total income taxes	936	967
Net income	431,663	439,059
Retained earnings brought forward	99	71
Unappropriated retained earnings (undisposed loss)	431,763	439,130

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(3) Statements of Unitholders' Equity

	[Unit: thousand yen]	
	14th Fiscal Period	15th Fiscal Period
	From: May 1, 2012	From: Nov. 1, 2012
	To: Oct. 31, 2012	To: Apr. 30, 2013
Unitholders' equity		
Unitholders' capital		
Balance at the beginning of current period	18,710,915	18,710,915
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	18,710,915	18,710,915
Surplus		
Unappropriated retained earnings (undisposed loss)		
Balance at the beginning of current period	414,947	431,763
Changes of items during the period		
Dividends from surplus	(414,847)	(431,692)
Net income	431,663	439,059
Total changes of items during the period	16,815	7,367
Balance at the end of current period	431,763	439,130
Total surplus		
Balance at the beginning of current period	414,947	431,763
Changes of items during the period		
Dividends from surplus	(414,847)	(431,692)
Net income	431,663	439,059
Total changes of items during the period	16,815	7,367
Balance at the end of current period	431,763	439,130
Total unitholders' equity		
Balance at the beginning of current period	19,125,862	19,142,678
Changes of items during the period		
Dividends from surplus	(414,847)	(431,692)
Net income	431,663	439,059
Total changes of items during the period	16,815	7,367
Balance at the end of current period	19,142,678	19,150,045
Total net assets		
Balance at the beginning of current period	19,125,862	19,142,678
Changes of items during the period		
Dividends from surplus	(414,847)	(431,692)
Net income	431,663	439,059
Total changes of items during the period	16,815	7,367
Balance at the end of current period	19,142,678	19,150,045

(4) Statements of Cash Distributions

Item	Period	14th Fiscal Period	15th Fiscal Period
		From: May 1, 2012 To: Oct. 31, 2012	From: Nov. 1, 2012 To: Apr. 30, 2013
I. Unappropriated retained earnings		431,763,169 yen	439,130,756 yen
II. Amount of distributions [Amount of distribution per investment unit]		431,692,046 yen [3,998 yen]	439,034,482 yen [4,066 yen]
III. Retained earnings carried forward		71,123 yen	96,274 yen
Method of calculation of amount of distributions		Pursuant to the policy on cash distributions provided in Article 35, Paragraph 1 of the Articles of Incorporation of Starts Proceed, the amount of distributions shall be in excess of an amount equivalent to 90% of the "amount of earnings available for distribution" provided in Article 67-15 of the Special Taxation Measures Act, but no more than the amount of earnings. Based on such policy, Starts Proceed decided to pay out distributions of earnings of 431,692,046 yen, which is the largest integral multiple of the number of investment units issued and outstanding (107,977 units) in an amount not in excess of unappropriated retained earnings. Starts Proceed shall not distribute the cash in excess of earnings provided in Article 35, Item 4 of the Articles of Incorporation of Starts Proceed.	Pursuant to the policy on cash distributions provided in Article 35, Paragraph 1 of the Articles of Incorporation of Starts Proceed, the amount of distributions shall be in excess of an amount equivalent to 90% of the "amount of earnings available for distribution" provided in Article 67-15 of the Special Taxation Measures Act, but no more than the amount of earnings. Based on such policy, Starts Proceed decided to pay out distributions of earnings of 439,034,482 yen, which is the largest integral multiple of the number of investment units issued and outstanding (107,977 units) in an amount not in excess of unappropriated retained earnings. Starts Proceed shall not distribute the cash in excess of earnings provided in Article 35, Item 4 of the Articles of Incorporation of Starts Proceed.

Starts Proceed Investment Corporation (8979) Financial Report for 15th Fiscal Period

(5) Statements of Cash Flows

	[Unit: thousand yen]	
	14th Fiscal Period	15th Fiscal Period
	From: May 1, 2012	From: Nov. 1, 2012
	To: Oct. 31, 2012	To: Apr. 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes	432,600	440,027
Depreciation and amortization	299,608	302,725
Amortization of investment corporation bond issuance costs	1,586	1,586
Interest income	(193)	(184)
Interest expenses	159,207	140,802
Decrease (increase) in operating accounts receivable	(955)	283
Decrease (increase) in prepaid expenses	27,839	7,039
Increase (decrease) in accrued consumption taxes	6	(93)
Increase (decrease) in operating accounts payable	18,567	(7,615)
Increase (decrease) in accounts payable – other	4,687	3,749
Decrease (increase) in long-term prepaid expenses	(33,226)	(2,350)
Other, net	(24)	(452)
Subtotal	909,702	885,515
Interest income received	193	184
Interest expenses paid	(163,935)	(183,811)
Income taxes paid	(997)	(933)
Net cash provided by (used in) operating activities	744,964	700,955
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(55,525)	(176,405)
Proceeds from tenant leasehold and security deposits in trust	26,626	51,632
Repayments of tenant leasehold and security deposits in trust	(31,781)	(50,495)
Decrease (increase) in other investments	9,434	(636)
Net cash provided by (used in) investing activities	(51,245)	(175,904)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	-	6,200,000
Decrease in short-term loans payable	-	(6,200,000)
Proceeds from long-term loans payable	6,200,000	-
Repayment of long-term loans payable	(6,700,798)	(131,863)
Dividends paid	(415,932)	(432,645)
Net cash provided by (used in) financing activities	(916,731)	(564,508)
Net increase (decrease) in cash and cash equivalents	(223,013)	(39,457)
Cash and cash equivalents at beginning of period	2,124,371	1,901,358
Cash and cash equivalents at end of period	1,901,358	1,861,900