

March 30, 2023

Translation Purpose Only

For Immediate Release

REIT Issuer

Starts Proceed Investment Corporation  
3-1-8 Nihonbashi, Chuo-ku, Tokyo  
Kazuya Hiraide, Executive Director  
(Security Code: 8979)

Asset Management Company

Starts Asset Management Co., Ltd.  
Kazuya Hiraide, Representative Director  
Inquiries: Hideki Hamaguchi, General Manager of Financial  
Control and Administration Division  
TEL. +81-3-6202-0856

Notice Concerning Conclusion of “Pipeline Support Agreements” by the Asset Management Company

Starts Proceed Investment Corporation (“SPI”) announces that Starts Asset Management Co., Ltd. (the “Asset Management Company”), to which SPI entrusts the management of its assets, decided at its Board of Directors’ meeting held today to enter into “pipeline support agreements” (hereinafter, referred to individually or collectively as the “Agreements”), each dated March 30, 2023, with Starts Hokkaido Co., Ltd., Starts Tohoku Co., Ltd., Starts Tokai Co., Ltd., Starts Kansai Co., Ltd., Starts Kyushu Co., Ltd., and Starts Okinawa Co., Ltd. (hereinafter, referred to individually or collectively as the “companies in major cities in Japan”), as detailed below.

Furthermore, each of the companies in major cities in Japan is classed as an interested party, etc., of the Asset Management Company, as stipulated in the Act on Investment Trusts and Investment Corporations (the “Investment Trusts Act”), as well as a related company, etc., as set forth in the “Rules Concerning Transactions with a Related Company, etc.,” which are internal rules of the Asset Management Company.

1. Reasons for Conclusion of the Agreements

The companies in major cities in Japan are Starts Group operating companies that engage in the construction, offering, and management of real estate in each major city as their main businesses. The Asset Management Company has entered into the Agreements with each of Starts Development Corporation (“Starts Development”), Starts Corporation Inc. (“Starts Corporation”), and Starts Amenity Co., Ltd. (“Starts Amenity”), but in anticipation of the possibility of the acquisition of assets for management primarily by the companies in major cities in Japan in the future, not just the existing pipeline support companies, as part of the business development of the Starts Group, it is thought that through the conclusion of the Agreements, the Asset Management Company will be able to further strengthen its business execution capabilities.

2. Outline of the Agreements

The Agreements contain the same content as agreements already concluded with each of Starts Development, Starts Corporation, and Starts Amenity, and their outline is as follows.

(1) Content of pipeline support operations

The companies in major cities in Japan shall preferentially provide property information they have obtained (however, this shall be limited to information on properties that are an investment target for the Asset Management Company and SPI) to the Asset Management Company, and shall also support the Asset Management Company in the acquisition of assets for management for SPI.

(2) Granting of first refusal right

The Asset Management Company shall be granted the right of first refusal concerning the acquisition of properties by SPI, based on the property information provided by the companies in major cities in Japan, and the companies in major cities in Japan shall be granted the right of first refusal concerning the purchase of properties that SPI holds and intends to sell.

(3) Method of performance of pipeline support operations

- 1) The companies in major cities in Japan shall provide property information and advice related to the provision of this property information, as appropriate, but when the Asset Management Company requests that the companies in major cities in Japan provide property information or advice in writing, they shall provide the property information or advice in writing that is relevant to the request to the Asset Management Company within 15 days.
- 2) When performing pipeline support operations, the companies in major cities in Japan shall do so in a manner that does not violate any of the obligations of the Asset Management Company in the asset management entrustment agreement concluded between the Asset Management Company and SPI or any other agreements.

(4) Compensation and expenses for pipeline support operations

The companies in major cities in Japan shall perform pipeline support operations free of charge, but may demand that the Asset Management Company pays any research expenses for due diligence, etc., for individual properties paid to research institutions, etc., when considering the acquisition of assets for management for SPI, as well as real estate brokerage fees for the acquisition of properties, real estate acquisition taxes, real estate registration and license taxes, judicial scrivener compensation, and other expenses essential for the acquisition of these assets for management for SPI.

(5) Support for the acquisition of assets for management

The companies in major cities in Japan shall cooperate with the Asset Management Company and collaborate as necessary, to ensure that SPI is able to efficiently acquire and sell target real estate based on the Agreements.

(6) Agreement period

The effective period of the Agreements shall be one (1) year from the date of conclusion of the Agreements. Unless, however, there is a request in writing to end the agreement from the Asset Management Company or each of the companies in major cities in Japan by no later than three (3) months prior to the expiration of this period, the Agreements shall be automatically renewed and shall be effective for a further one (1) year, and the same shall apply thereafter.

3. Future Outlook

The conclusion of the Agreements will have no impact on the business performance of SPI.

(Reference)

Outline of the companies in major cities in Japan (as of February 28, 2023)

Name	Starts Hokkaido Co., Ltd.
Location	Kita-4-Nishi-5-1 Chuo-ku, Sapporo, Hokkaido
Name and title of representative	Yoshiki Koyama, Representative Director and President
Main business content	Real estate rental, sale and purchase, management, and construction businesses, etc.
Shared capital	70 million yen
Date of establishment	June 1, 2009
Relationship with SPI or the Asset Management Company	This company is a subsidiary of Starts Corporation Inc., the parent company of the Asset Management Company, and all its outstanding shares are held by Starts Corporation Inc. It is classed as an interested party, etc., as set forth in the Investment Trusts Act. This company is classed as an affiliated party of SPI and the Asset Management Company.

Name	Starts Tohoku Co., Ltd.
Location	1-9-1 Ichibancho, Aoba-ku, Sendai, Miyagi
Name and title of representative	Kentaro Ichijo, Representative Director and President
Main business content	Real estate rental, sale and purchase, management, and construction businesses, etc.
Shared capital	70 million yen
Date of establishment	May 28, 2009
Relationship with SPI or the Asset Management Company	This company is a subsidiary of Starts Corporation Inc., the parent company of the Asset Management Company, and all its outstanding shares are held by Starts Corporation Inc. It is classed as an interested party, etc., as set forth in the Investment Trusts Act. This company is classed as an affiliated party of SPI and the Asset Management Company.

Name	Starts Tokai Co., Ltd.
Location	4-2-29 Sakae, Naka-ku, Nagoya, Aichi
Name and title of representative	Kohei Aitaka, Representative Director and President
Main business content	Real estate rental, sale and purchase, management, and construction businesses, etc.
Shared capital	80 million yen
Date of establishment	May 28, 2009
Relationship with SPI or the Asset Management Company	This company is a subsidiary of Starts Corporation Inc., the parent company of the Asset Management Company, and all its outstanding shares are held by Starts Corporation Inc. It is classed as an interested party, etc., as set forth in the Investment Trusts Act. This company is classed as an affiliated party of SPI and the Asset Management Company.

Name	Starts Kansai Co., Ltd.
Location	2-6-6 Sonezaki, Kita-ku, Osaka, Osaka
Name and title of representative	Yoshihiko Sawai, Representative Director and President
Main business content	Real estate rental, sale and purchase, management, and construction businesses, etc.
Shared capital	80 million yen
Date of establishment	June 3, 2009
Relationship with SPI or the Asset Management Company	This company is a subsidiary of Starts Corporation Inc., the parent company of the Asset Management Company, and all its outstanding shares are held by Starts Corporation Inc. It is classed as an interested party, etc., as set forth in the Investment Trusts Act. This company is classed as an affiliated party of SPI and the Asset Management Company.

Name	Starts Kyushu Co., Ltd.
Location	3-2-1 Maizuru, Chuo-ku, Fukuoka, Fukuoka
Name and title of representative	Eita Yoshinaga, Representative Director and President
Main business content	Real estate rental, sale and purchase, management, and construction businesses, etc.
Shared capital	70 million yen
Date of establishment	August 27, 2003
Relationship with SPI or the Asset Management Company	This company is a subsidiary of Starts Corporation Inc., the parent company of the Asset Management Company, and all its outstanding shares are held by Starts Corporation Inc. It is classed as an interested party, etc., as set forth in the Investment Trusts Act. This company is classed as an affiliated party of SPI and the Asset Management Company.

Name	Starts Okinawa Co., Ltd.
Location	2-14-13 Kumoji, Naha, Okinawa
Name and title of representative	Kazumasa Shoji, Representative Director and President
Main business content	Real estate rental, sale and purchase, management, and construction businesses, etc.
Shared capital	50 million yen
Date of establishment	November 11, 2022
Relationship with SPI or the Asset Management Company	This company is a subsidiary of Starts Corporation Inc., the parent company of the Asset Management Company, and all its outstanding shares are held by Starts Corporation Inc. It is classed as an interested party, etc., as set forth in the Investment Trusts Act. This company is classed as an affiliated party of SPI and the Asset Management Company.

\* SPI website: <https://www.sp-inv.co.jp/en/>