

January 28, 2016

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
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Notice Concerning Notification Based on Financial Instrument and Exchange Act
by Asset Management Company

Starts Proceed Investment Corporation (“Starts Proceed”) announces that Starts Asset Management Co., Ltd.(the “Asset Management Company”), to which Starts Proceed entrusts the management of its assets, today decided to file notification with Financial Services Agency based on the Financial Instruments and Exchange Act (the “Financial Instrument Law”), as described below.

1. Details of the notification

(1) Change in registered information

In line with the start of services concerning discretionary investment contract stipulated in Article 2, paragraph 8, item (xii), (b) of the Financial Instrument Law (the “Services”), notification of change will be filed stating that specified investment management related to real estate shall be conducted.

(2) Change in business rules

In line with the start of the Services, change of notification will be filed stating that an article concerning the Services shall be included, while newly establishing the Fund Management Department to take charge of the Services and changing organization rules.

(3) Change in Important Employees

Change of notification will be filed stating the addition of Yohei Tokitake in line with the change in (2) above and of Hiroyuki Arai, who has long been engaged in work concerning Article 2, paragraph 8, item (xii), (a) of the Financial Instrument Law as general manager of the Investment Division, to important employees.

Addition of important employees (as of February 1, 2016)

Title	Name (Note)
Director, General Manager of Real Estate Consulting Division General Manager of Fund Management Department	Yohei Tokitake
General Manager of Investment Division	Hiroyuki Arai

(Note) Please refer to [Attachment 1] for career summaries.

2. Reason for filing the notification

The Asset Management Company was selected as the fund manager (the “FM”) for a “Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare” (the “Fund”) to be newly established by the Tokyo Metropolitan Government as announced in “Notice Concerning the Asset Management Company Selected as Fund Manager for a Tokyo Metropolitan Government Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare” (Note) dated October 23, 2015. The above notification will be filed in order to conduct FM operations for the Fund and to comply with laws and regulations.

(Note) Please refer to [Attachment 2] for details.

3. Elimination of conflicts of interest

As the department to take charge of the Services, the Fund Management Department will be newly established separately from the Investment Division which is in charge of the investment corporation. Posts of General Managers of the Investment Division and the Fund Management Department may not be concurrently held by the same person to prevent conflicts of interest between the Services provided by the Asset Management Company and Starts Proceed. Furthermore, the Asset Management Company has been making efforts to prevent the aforementioned conflicts of interest by instituting a compliance officer.

4. Notification date and the starting date of the Services

February 1, 2016 (plan)

5. Future outlook

This matter will have no impact on the management status of Starts Proceed, and no change is made to the management status forecasts of Starts Proceed for the fiscal periods ending April 2016 and October 2016.

*Distribution: Kabuto Club, Ministry of Land, Infrastructure, Transport and Tourism Press Club, and Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications

*Start Proceed website: <http://www.sp-inv.co.jp/en/>

Career Summary of Important Employees

Name	Career summary	
Yohei Tokitake	April 1996	Joined Starts Co., Ltd. (now Starts Corporation Co., Ltd.)
	September 2005	Seconded to Starts Asset Management Investment Trust Co., Ltd. (now Starts Asset Management Co., Ltd.)
	November 2005	Joined Starts Asset Management Investment Trust Co., Ltd.
	October 2010	Assumed office of General Manager of Real Estate Consulting Division
	April 2013	Assumed office of Director (part-time) at Ningyocho Public Service K.K. (present post)
	June 2013	Assumed office of Director (part-time) at Shinozaki-eki Nishiguchi Koueki Fukugo Shisetsu K.K. (present post)
July 2013		Assumed office of Director, General Manager of Real Estate Consulting Division at Starts Asset Management Co., Ltd. (present post)
February 2016		Scheduled to assume office of Director, General Manager of Real Estate Consulting Division and General Manager of Fund Management Department at Starts Asset Management Co., Ltd.
Hiroyuki Arai	April 1990	Joined Starts Co., Ltd. (now Starts Corporation Co., Ltd.)
	October 2005	Joined Starts Construction and Asset Management Co., Ltd.
	April 2006	Joined Starts Asset Management Investment Trust Co., Ltd. (now Starts Asset Management Co., Ltd.)
	July 2013	

October 23, 2015

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Notice Concerning the Asset Management Company Selected as Fund Manager for a Tokyo Metropolitan Government Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare

Starts Proceed Investment Corporation (“Starts Proceed”) announces that Starts Asset Management Co., Ltd., to which Starts Proceed entrusts the management of its assets (the “Asset Management Company”), today received a notice stating that it was selected as the fund manager (the “FM”) for a “Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare” (the “Fund”) to be newly established by the Tokyo Metropolitan Government, as described below.

1. Intent of Tokyo Metropolitan Government for establishing the Fund

The Tokyo Metropolitan Government will set up the Fund in order to establish a new system for the flow of funds in welfare-related areas, and to promote construction of welfare-related facilities and buildings as well as the “Tokyo-version CCRC” (Note) in Tokyo, where the land is expensive.

Specifically, the Tokyo Metropolitan Government will finance the Fund through its scheme and, using the capital as encouragement, attract the capital and know-how of the private sector to the Fund. The Fund will use the capital to promote construction of childcare support facilities and other buildings that contribute to welfare (including multi-use buildings combined with general income-generating facilities). The Fund will also aim to construct “Tokyo-version CCRC” facilities, or buildings where family households can live over a long period of time and, with childcare support facilities incorporated, multiple generations of people can reside together.

(Note) The Tokyo-based CCRC represents a multi-generation living community featuring safety and security. It is a concept of a community with multi-generation facilities such as facilities for self-support elderly people, facilities for the elderly requiring care, childcare support facilities and daily living facilities (including shops).

*CCRC (Continuing Care Retirement Community) is a system for facilities services which, based on the principle of “continuous care,” provides housing, living services, caring, nursing, medical services and other support in a comprehensive manner in accordance with the needs of elderly people that vary along with aging.

2. Overview of the Fund

The overview of the Fund is as follows. Since details have not been determined yet, Starts Proceed will

announce them as soon as they are finalized.

- The Fund shall be a limited partnership for investment (the “LPS”) under the Limited Partnership Act for Investment (Act No. 90 of 1998).
- Each FM or its parent company, etc. (meaning the parent company of the relevant FM or the party that is in effect integrated with the FM) shall be an unlimited partner, and utilize the LPS scheme together with the Tokyo Metropolitan Government and other investors in and outside Japan.
- The LPS shall invest in and loan to business endeavors that aim to construct and promote buildings contributing to welfare, including childcare support facilities (business endeavors that are involved in the projects for buildings contributing to welfare from their development stage and generate new floor areas for either or both of childcare support facilities and facilities for the elderly) to meet local needs. As a rule, the LPS shall do so through the vehicles that are formed for respective development projects, pursuant to the limited partnership agreement for investment (the “LPS agreement”) and the investment guidelines and based on the judgment of the relevant FM.
- The geographical investment target areas shall be Tokyo Prefecture. In particular, investments shall be made in the areas where the business endeavors are highly feasible in light of the needs of users and intensions of the local municipalities, etc.

3. Investment policy of the Tokyo Metropolitan Government for the Fund

The Tokyo Metropolitan Government plans to invest in the Fund as follows:

- The Tokyo Metropolitan Government will participate in the LPS as a limited partner (the “LP”) and invest up to 5 billion yen through the scheme that secures its limited liability. Furthermore, as separate FMs have been appointed for each Fund, the investment amount by the Tokyo Metropolitan Government for the Fund to be managed by the Asset Management Company will be 1.25 billion yen.
- As a rule, the authority to give management instructions for the LPS will be entrusted to each FM, pursuant to the LPS agreement.
- The Tokyo Metropolitan Government will select the FMs with an emphasis placed on their ability to perform operations and evaluate investment targets and, from the standpoint of the LP, will have a function to monitor them. Through these and other measures, it will work to steadily implement the business endeavors to construct and enhance facilities in the welfare-related areas.

(Note) The above 1. Intent of Tokyo Metropolitan Government for establishing the Fund, 2. Overview of the Fund and 3. Investment policy of the Tokyo Metropolitan Government for the Fund have been partly excerpted from the “Application Guidelines for Fund Managers for the Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare” (in Japanese) dated May 26, 2015. For more details, please refer to the Application Guidelines.

4. Reasons for applying for the FM of the Fund

The Asset Management Company considered that it would obtain the following advantages by conducting the FM operations for the Fund (the “Operations”), and applied for the task.

- (1) With the involvement of the Asset Management Company in constructing and promoting buildings contributing to welfare through the implementation of the Operations, etc., it is expected that there will be growing opportunities to acquire excellent properties for Starts Proceed.
- (2) Through an attempt to reinforce the earnings structure and stabilize the management base of the Asset Management Company, it is expected that the services provided to Starts Proceed, which entrusts the management of its assets to the Asset Management Company, will be enhanced.
- (3) With the Asset Management Company participating in a variety of investment projects, it is expected that management know-how will be accumulated and human resources will be fostered and reinforced.

[Attachment 2]

(Note) Details of the Fund's exit strategy have not been determined yet, and it is not decided yet whether the ownership and other rights of the properties of the target business endeavors will be sold to Starts Proceed. If Starts Proceed becomes the buyer, we will make an announcement separately as soon as such a decision is made.

5. Future outlook

The Asset Management Company will start implementing the Operations immediately when necessary filings have been made pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948) and other applicable laws and regulations and preparations for the Operations including adjustments of various terms and conditions have been completed. Even after starting the Operations, the Asset Management Company will remain committed to the asset management for Starts Proceed, with its internal system functioning under the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." prepared by the Financial Services Agency.

This matter will have no impact on the management status of Starts Proceed, and no change is made to the management status forecasts of Starts Proceed for the fiscal periods ending October 2015 and April 2016.

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