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For Immediate Release

REIT Issuer

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Notice Concerning Revisions to Management Status and Distribution Forecast for the Fiscal Period Ending April 2017 and Announcement of Management Status and Distribution Forecast for the Fiscal Period Ending October 2017

Starts Proceed Investment Corporation (“Starts Proceed”) announces that it has decided to make following revisions to its management status and distribution forecast for the fiscal period ending April 2017 (November 1, 2016 to April 30, 2017) announced in the financial report dated June 14, 2016.

Starts Proceed also announces the management status and distribution forecast for the fiscal period ending October 2017 (May 1, 2017 to October 31, 2017).

No revision has been made to its management status and distribution forecast for the fiscal period ending October 2016 (May 1, 2016 to October 31, 2016).

1. Revisions to Management Status Forecast for the Fiscal Period Ending April 2017
 (November 1, 2016 to April 30, 2017)

(1) Revisions to Management Status Forecast

| | Operating revenue | Operating income | Ordinary income | Net income | Distribution per unit (excluding distribution in excess of earnings) | Distribution in excess of earnings per unit |
|-------------------------|-------------------|-------------------|-------------------|-------------------|--|---|
| Previous forecast (A) | 2,264 million yen | 904 million yen | 718 million yen | 716 million yen | 4,120 yen | - yen |
| Revised forecast (B) | 2,984 million yen | 1,283 million yen | 1,080 million yen | 1,078 million yen | 4,200 yen | - yen |
| Variation (B-A)=C | 719 million yen | 379 million yen | 362 million yen | 362 million yen | 80 yen | - yen |
| Rate of variation (C/A) | 31.8% | 41.9% | 50.5% | 50.6% | 1.9% | -% |

(Note 1) Forecast of number of investment units issued and outstanding at the end of the fiscal period ending April 2017: 256,777 units

(Note 2) The above forecast is as of the present calculated under the assumptions stated on the attachment. Therefore, actual operating revenue, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit are subject to change due to additional acquisitions or sales of real estate, etc., changes in the real estate market, managing environment and changes in other situations surrounding Starts Proceed in the future. Furthermore, the above forecasts do not guarantee actual results or amounts of distribution.

(Note 3) When a certain level of divergence from the above forecast is expected, the forecast may be revised.

(Note 4) Figures have been rounded down to the nearest specified unit. Rate of variation is rounded down to one decimal place.

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(2) Reason for Revision

Starts Proceed resolved at its Board of Directors meeting held today to conduct additional issuance of its investment units in order to procure funds for acquiring new specified assets (as defined in Paragraph 1 of Article 2 of the Act on Investment Trusts and Investment Corporations; the same applies hereinafter). (For details, please refer to the press releases “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and their Leases” and “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today.) The revisions are made as the assumptions of the management status forecast have been changed in line with the new acquisition of specified assets and additional issuance of investment units.

2. Management Status Forecast for the Fiscal Period Ending October 2017

(May 1, 2017 to October 31, 2017)

| | Operating revenue | Operating income | Ordinary income | Net income | Distribution per unit (excluding distribution in excess of earnings) | Distribution in excess of earnings per unit |
|--|-------------------|-------------------|-------------------|-------------------|--|---|
| Forecast for the Fiscal Period Ending October 2017 | 3,005 million yen | 1,275 million yen | 1,067 million yen | 1,065 million yen | 4,150 yen | - yen |

(Note 1) Forecast of number of investment units issued and outstanding at the end of the fiscal period ending October 2017: 256,777 units

(Note 2) The above forecast is as of the present calculated under the assumptions stated on the attachment. Therefore, actual operating revenue, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit are subject to change due to additional acquisitions or sales of real estate, etc., changes in the real estate market, managing environment and changes in other situations surrounding Starts Proceed in the future. Furthermore, the above forecasts do not guarantee actual results or amounts of distribution.

(Note 3) When a certain level of divergence from the above forecast is expected, the forecast may be revised.

(Note 4) Figures have been rounded down to the nearest specified unit.

*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/>

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[Attachment]

Assumptions Underlying Revision to Forecast for Management Status in 23rd Fiscal Period and
Forecast for Management Status in 24th Fiscal Period

| Item | Assumption |
|-------------------------|--|
| Business period | <ul style="list-style-type: none"> • 23rd fiscal period: from November 1, 2016 to April 30, 2017 (181 days) • 24th fiscal period: from May 1, 2017 to October 31, 2017 (184 days) |
| Assets under management | <ul style="list-style-type: none"> • The forecast assumes that, after completing acquisition of the 15 properties for which acquisition has been decided (the “properties to be acquired”), there will be no change (new property acquisitions, sale of existing properties, etc.) to the 97 properties owned by Starts Proceed as of today (the “already acquired properties”) and the aforementioned properties to be acquired through the end of the 24th fiscal period. The actual number of properties may vary due to changes in assets under management. |
| Operating revenue | <ul style="list-style-type: none"> • Real estate rent revenue is calculated based on the assumption that it includes operating revenue from the properties to be acquired, in addition to rents, common area maintenance charges, parking revenue, incidental revenue, etc. accrued on a monthly basis based on leasing contracts of the already acquired properties owned as of today. |
| Operating expenses | <ul style="list-style-type: none"> • Expenses related to rent business other than depreciation and amortization are calculated separately for the already acquired properties, which are calculated based on historical data and future forecast and by reflecting factors that may cause fluctuations in expenses, and the properties to be acquired, which are calculated based on historical data by using materials provided from the current owners, etc. as the basis and by reflecting factors that may cause fluctuations in expenses.) • Management expenses are expected to be 185 million yen for the 23rd fiscal period and 186 million yen for the 24th 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 136 million yen for the 23rd fiscal period and 116 million yen for the 24th 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., 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 147 million yen for the 23rd fiscal period and 175 million yen for the 24th fiscal period. As for the fixed asset tax, city planning tax and depreciable asset tax, etc. on properties to be acquired, it is a general practice to calculate and reimburse the pro rata portion of fixed asset tax, city planning tax and other public charges based on number of days of ownership to the previous owner and settle them at the time of acquisition. However, Starts Proceed includes the reimbursed amount in the acquisition costs and thus does not recognize them as expenses at the time of acquisition. The amount equivalent to the reimbursed amount for fixed asset tax, city planning tax and depreciable asset tax, etc. to be included in the acquisition costs for the properties to be acquired is expected to be 14 million yen, and the amount to be paid in April 2017 or after will be recognized as expenses. • 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 595 million yen for the 23rd fiscal period and 605 million yen for the 24th 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 383 million yen for the 23rd fiscal period and 411 million yen for the 24th fiscal period. |

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| Item | Assumption |
|---|--|
| Non-operating expenses | <ul style="list-style-type: none"> Interest expenses are expected to be 153 million yen for the 23rd fiscal period and 148 million yen for the 24th fiscal period. Borrowing related expenses are expected to be 52 million yen for the 23rd fiscal period and 50 million yen for the 24th fiscal period. Expenses related to the public offering of investment units are recorded as deferred tax assets and is assumed to be depreciated in three years using the straight-line method. Expenses related to the public offering of investment units are expected to be 8 million yen for the 23rd fiscal period and 8 million yen for the 24th fiscal period. |
| Loans | <ul style="list-style-type: none"> With the assumption that the loans balance as of today is 29,830 million yen, the forecast assumes that new loans of 12,960 million yen from qualified institutional investors as defined in Article 2, paragraph (3), item (i) of the Financial Instruments and Exchange Act to be made for using the borrowings as part of the funds for acquiring the specified assets described in the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and their Leases” separately announced today, and that 3,449 million yen of the borrowings due for repayment during the 23rd fiscal period (3,451 million yen) will be refinanced. The forecast assumes 42,746 million yen as the loans balance at the end of the 23rd fiscal period with expected contractual repayment under precondition that no significant change in interest rates occurs during the period. As for the 24th fiscal period, the forecast assumes that the borrowings due for repayment during the 24th fiscal period (4,190 million yen) will be refinanced in the entire amount. The forecast assumes 42,746 million yen as the loans balance at the end of the 24th fiscal period with expected contractual repayment under precondition that no significant change in interest rates occurs during the period. |
| Total Number of investment units issued and outstanding | <ul style="list-style-type: none"> The forecast assumes the number of investment units issued and outstanding at the end of the 23rd fiscal period and 24th fiscal period of 256,777 units, which is the sum of the 173,777 units as of today and the 83,000 units to be newly issued as resolved at its Board of Directors meeting held today. The forecast assumes that there will be no other change in the number of investment units due to new issuance of investment units, etc. through the end of the 24th fiscal period. |
| Distribution per unit | <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. |
| Distribution in excess of earnings per unit | <ul style="list-style-type: none"> No distributions in excess of earnings (distribution in excess of earnings per unit) are scheduled at present. |
| Other | <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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