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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: Shigeru Matsuda, General Manager of
 Financial Control and Administration Division
 TEL. +81-3-6202-0856

Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and their Leases

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 decided to conduct acquisition of trust beneficiary interests in domestic real estate and their leases. The details are as follows.

Since the counterpart of the acquisition and lease of the assets is an interested party, etc. as defined in the Act on Investment Trusts and Investment Corporations (the “Investment Trusts Act”) (the “Interested Party, Etc.”), the Asset Management Company, pursuant to the Investment Trusts Act, has obtained consent from Starts Proceed based the approval of the Board of Directors of Starts Proceed.

1. Reason for Acquisition and Leasing

Starts Proceed will conduct acquisition of these assets and their leases to enhance growth potential and stability of the portfolio based on the asset management objectives and policies set forth in its Articles of Incorporation.

Starts Proceed has selected lessees in line with the acquisition of the assets based on the tenant screening standards set by Starts Proceed (please refer to “Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties” dated on July 28, 2016 for details of the standards) and the selected tenants comply with said standards.

2. Overview of Acquisition and Lease

(1) Assets to be Acquired:

Property No.	Property name	Type of property	Seller	Planned acquisition price (thousand yen) (Note 3)
C-69	Proceed Nihonbashi Honcho	Trust beneficiary interests	Starts Development Corporation	2,449,000
C-70	Proceed Nishi Shinjuku	Trust beneficiary interests	Starts Development Corporation	2,549,000
C-71	Proceed Unoki	Trust beneficiary interests (Note 1)	Starts Development Corporation	917,000
C-72	Proceed Minamigyotoku 2	Trust beneficiary interests (Note 1)	Starts Development Corporation	1,080,000
C-73	Proceed CO—Z East Building	Trust beneficiary interests (Note 1)	Starts Development Corporation	1,830,000
C-74	Proceed CO—Z West Building	Trust beneficiary interests (Note 1)	Starts Development Corporation	971,000
C-75	Proceed Shin Yokohama	Trust beneficiary interests	Starts Development Corporation	4,330,000
G-26	Proceed Bentencho	Trust beneficiary interests	Starts Development Corporation	2,170,000
G-27	Proceed Nagaikoendori	Trust beneficiary interests	Starts Development Corporation	1,070,000
G-28	Proceed Nishinagahori	Trust beneficiary interests	Starts Development Corporation	942,000
G-29	Proceed Kyobashi	Trust beneficiary interests	Starts Development Corporation	2,040,000

G-30	Proceed Hyogoekimaedori	Trust beneficiary interests	Starts Development Corporation	1,670,000
G-31	Proceed Mizuho	Trust beneficiary interests (Note 1)	Starts Development Corporation	535,000
G-32	Proceed Osu	Trust beneficiary interests (Note 1)	Starts Development Corporation	831,000
G-33	Proceed Sendai Kozurushinden	Trust beneficiary interests (Note 1)	Starts Development Corporation	698,000
Total	15 properties			24,082,000

(Note 1) Although a trust has not been established as of today, it is planned to be established upon the acquisition by Starts Proceed.

(Note 2) For details of the above Sellers, please refer to “5. Overview of Seller” below.

(Note 3) The “Planned acquisition price” does not include miscellaneous acquisition related expenses, fixed property taxes, city planning taxes, consumption taxes and local consumption taxes.

- (2) Date of conclusion of sales contract: November 4, 2016
- (3) Planned date of acquisition: November 21, 2016 (Note 1)
- (4) Acquisition financing net: Proceeds from issuance of new investment units (primary offering) (Note 2), loans (Note 3) and own fund
- (5) Payment method: Payment in full at the time of acquisition
- (6) Lessee: Starts Amenity Corporation
- (7) Date of Lease Commencement: The same date as planned date of acquisition
Please refer to “3. Description of Assets to be Acquired” below for further details.

(Note 1) Planned date of acquisition may be changed in accordance with the change of pricing date (any day between November 14, 2016 (Monday) and November 16, 2016 (Wednesday)) for the issuance of new investment units through public offering announced in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today.

(Note 2) For further details, please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today.

(Note 3) Details of loans will be announced as soon as they are finalized.

(2) C-70: Proceed Nishi Shinjuku

Overview of specified asset		Overview of leasing		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased unit (Total number of leasable units)	62 (66)	
Planned acquisition price	2,549,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	2 (5)	
Location	3-7-23 Nishi Shinjuku, Shinjuku-ku, Tokyo	Leased floor area	2,342.96m ²	
PM Company/ML Company	Starts Amenity Corporation	Total leasable floor area	2,461.88m ²	
Master lease type	Pass-through	Monthly rent revenue	9,508 thousand yen	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Security and guarantee deposits, etc.	8,582 thousand yen	
Period of trust agreement	From: March 28, 2003	Occupancy rate	95.2%	
	To: October 31, 2026			
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	323.78m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Commercial district	Date of appraisal	September 1, 2016
	Building-to-land ratio	100%	Appraisal value	2,570,000 thousand yen
	Floor-area ratio	800%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Steel framed reinforced concrete structure with flat floor/ B1F 14F	Date of evaluation	September 2016
	Construction completion date	February 25, 2003	Building replacement value	799,100 thousand yen
	Total floor area	2,920.30m ²	Long-term repair costs (12 years)	23,400 thousand yen
	Use	Apartment complex	PML	4.5%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The Building-to-land ratio of the property is essentially 80% as it stands in the commercial district. However, due to the mitigation of fireproof Building rules in fire-prevention districts, it is set at 100%.				
Area/property characteristics				
<p>The Nishi Shinjuku area where the property stands is a highly commercialized district across the west side of Shinjuku Station, which is a terminal station where multiple private railways, subways as well as JR Chuo Line arrive and depart. Beginning with Keio Plaza Hotel completed in 1971 following the establishment of Shinjuku subcenter plans, large buildings with over 200m in height have been constructed one after another. Currently, super high-rise office buildings such as Shinjuku i-land (approx. 189m), Shinjuku Sumitomo Building (approx. 210m), Shinjuku Mitsui Building (approx. 225m), Shinjuku Center Building (approx. 223m), Sampo Japan Building (approx. 200m), Mode Gakuen Cocoon tower (approx. 203m) are concentrated in the orderly block layout. The neighboring area has a mixture of commercial and residential buildings with medium- and high-rise office buildings, apartments, etc. lined up along Juniso-dori running north-south in the Nishi Shinjuku area, an approximately a 5-minute walk from Hatsudai Station toward northeast. In the vicinity, there stand many large-scale buildings such as Tokyo Metropolitan Government Building, Shinjuku Park Tower, NTT headquarters and Tokyo Opera City, playing a role as a subcenter. Since Shinjuku, Hatsudai, Sangubashi and Tochomae Stations are available for use, it is considered as a highly convenient area for condominiums with excellent access to various areas. In addition, "Nishi Shinjuku 3-chome Nishi District Urban Area Redevelopment Project" is planned for the area from Tokyo Opera City to the neighboring area, and thus further development is expected with the new landmark when the redevelopment project is completed.</p>				

(3) C-71: Proceed Unoki

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interest		Total number of tenants	1
Use	Rental housing		Number of leased unit (Total number of leasable units)	27 (29)
Planned acquisition price	917,000 thousand yen		Number of leased parking units (Total number of leasable parking units)	4 (4)
Location	2-43-7 Unoki, Ota-ku, Tokyo		Leased floor area	1,168.21m ²
PM Company/ ML Company	Starts Amenity Corporation		Total leasable floor area	1,260.58m ²
Type of master lease	Pass-through		Monthly rent revenue	4,136 thousand yen
Trustee	Starts Trust Co., Ltd.		Security and guarantee deposits, etc.	4,645 thousand yen
Period of trust agreement	From: November 21, 2016		Occupancy rate	92.7%
	To: October 31, 2046			
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	647.93m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Category I residential district	Date of appraisal	September 1, 2016
	Building-to-land ratio	70%	Appraisal value	917,000 thousand yen
	Floor-area ratio	200%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Reinforced concrete structure with flat roof/ 5F	Date of evaluation	September 2016
	Construction completion date	September 5, 2015	Building replacement value	324,400 thousand yen
	Total floor area	1,351.50m ²	Long-term repair costs (12 years)	5,119 thousand yen
	Use	Apartment complex	PML	13.9%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The building-to-land ratio for the land of the property is essentially 60%. However, due to mitigation of corner lot, it is set at 70%.				
Area/property characteristics				
<p>The Unoki area where the property stands is located in an area running along Kanpachi-dori to the Tama River in the western edge of Ota ward. The area previously had a mixture of dedicated residences and small factories/workshops, etc. as well as large-scale factories operating along Tama River. However, a residential district with houses and condominiums is formed at present as large-scale apartments were constructed on the vacated sites after relocation of factories to suburban areas. The area is connected to the Shinagawa/Tokyo areas and Kawasaki/Yokohama areas by the JR Keihin Tohoku Line via Kamata Station; and to the Shibuya/Shinjuku/Ikebukuro areas by the Tokyu Toyoko Line via Tamagawa Station, utilizing trains from Unoki Station on the Tokyu Tamagawa Line, thus being a residential district with excellent transport convenience. Furthermore, the introduction of the Kama Kama Line connecting Kamata Station on the Tokyu Tamagawa Line/Ikegami Line and Keikyu Kamata Station on the Keikyu Airport Line has been discussed recently, raising expectations for better access to the Haneda Airport area. The neighboring area is a residential area located on the outer southwestern edge of the Unoki area behind the river bed of the Tama River, with many condominiums as well as some houses and such. Its vicinity, as mentioned above, has not only a number of large-scale condominiums along the Tama River but also a good access to the greenery area on the river bed of the Tama River, forming a favorable living environment.</p>				

(4) C-72: Proceed Minamigyotoku 2

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interest		Total number of tenants	1
Use	Rental housing		Number of leased unit (Total number of leasable units)	36 (36)
Planned acquisition price	1,080,000 thousand yen		Number of leased parking units (Total number of leasable parking units)	15 (18)
Location	3-3-20 Fukuei, Ichikawa-shi, Chiba		Leased floor area	2,832.74m ²
PM Company/ ML Company	Starts Amenity Corporation		Total leasable floor area	2,832.74m ²
Master lease type	Pass-through		Monthly rent revenue	5,910 thousand yen
Trustee	Starts Trust Co., Ltd.		Security and guarantee deposits, etc.	7,883 thousand yen
Period of trust agreement	From: November 21, 2016		Occupancy rate	100.0%
	To: October 31, 2046			
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	1,488.60m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Category I residential district	Date of appraisal	September 1, 2016
	Building-to-land ratio	60%	Appraisal value	1,080,000 thousand yen
	Floor-area ratio	200%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Sompo Risk Management & Health Care, Inc.
	Structure	Reinforced concrete structure with flat roof/6F	Date of evaluation	May 2016
	Construction completion date	May 15, 2014	Building replacement value	934,000 thousand yen
	Total floor area	2,941.35m ²	Long-term repair costs (12 years)	21,140 thousand yen
	Use	Apartment complex	PML	6.4%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
None				
Area/property characteristics				
<p>The Minami Gyotoku area where the property stands is a residential area with medium- and high-rise condominiums, etc. lined along Niihama-dori, located on the southern edge of Ichikawa City and is within walking distance from Minami Gyotoku Station on the Tokyo Metro Tozai Line. On the southeastern side is Kunaicho Niihama Kamoba (Imperial Household Agency, Niihama Kamoba) with a vast pond called Motodamari. Agricultural land and offices as well as progressing development of condominiums are seen in the surrounding area. It offers excellent living convenience as a town block is orderly and educational facilities such as elementary/junior high schools as well as supermarkets, etc. are found nearby. Since the Gyotoku district, which the neighboring areas belong to, is adjacent to Edogawa ward, Tokyo with the Edogawa River on its northwest side and is located approximately 20 minutes to Tokyo Station (Otemachi Station on Tozai Line) by the Tozai Line, it is a popular bedroom community.</p>				

(5) C-73: Proceed CO-Z East Building

Overview of specified asset		Overview of leasing	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased unit	
Planned acquisition price	1,830,000 thousand yen	(Total number of leasable units)	108 (111)
Location	4-12 Kozunomori, Narita-shi, Chiba	Number of leased parking units	
		(Total number of leasable parking units)	105 (121)
PM Company/ ML Company	Starts Amenity Corporation	Leased floor area	6,610.61m ²
Master lease type	Pass-through	Total leasable floor area	6,873.33m ²
Trustee	Starts Trust Co., Ltd.	Monthly rent revenue	10,873 thousand yen
Period of trust agreement	From: November 21, 2016	Security and guarantee deposits, etc.	28,411 thousand yen
	To: October 31, 2046	Occupancy rate	96.2%
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	4,830.91m ²	Appraiser
	Zoning	Category 1 medium-to-high-rise exclusive residential districts	Chuo Real Estate Appraisal Co., Ltd.
	Building-to-land ratio	70%	Date of appraisal
	Floor-area ratio	200%	September 1, 2016
			Appraisal value
			1,830,000 thousand yen
			Overview of Building condition evaluation report
Building	Ownership form	Proprietorship	Evaluation company
	Structure	Reinforced concrete structure/roofing/8F	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Construction completion date	March 10, 1997	Date of evaluation
	Total floor area	7,485.40m ²	September 2016
	Use	Retail and Apartment complex	Building replacement value
			1,997,200 thousand yen
		Long-term repair costs (12 years)	63,399 thousand yen
		PML	6.0%
Collateral			
None			
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)			
1. The building-to-land ratio for the land of the property is essentially 60%. However, due to mitigation of corner lot, it is set at 70%.			
Area/property characteristics			
<p>The Kozunomori area where the property stands has been subject to a land readjustment project (subject area: approx. 117.3ha, planned number of units: 3,750, planned population: 11,740) conducted by Narita City Kozu Higashi Area Land Readjustment Associations since 1986. Youreim Narita Store with Ito-Yokado as the core retail store was constructed in the vicinity of the new station (Kozunomori Station); public facilities, condominiums and International University of Health and Welfare (opened in April 2016) stand in front of the station; and the surrounding areas form a residential district with low-rise houses. The neighboring area is a residential district comprised of high-rise condominiums that are within walking distance from the station, approximately 100 – 400m (direct distance) west from Kozunomori Station on the Keisei Main Line. Three high-rise condominiums have already been constructed, and although retail facilities are included in part, a quiet living environment is maintained, while a shopping mall in front of the station offers living convenience.</p>			

(6) C-74: Proceed CO-Z West Building

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interest		Total number of tenants	1
Use	Rental housing		Number of leased unit	69 (71)
Planned acquisition price	971,000 thousand yen		(Total number of leasable units)	
Location	4-1-1 Kozunomori, Narita-shi, Chiba		Number of leased parking units	82 (87)
			(Total number of leasable parking units)	
PM Company/ ML Company	Starts Amenity Corporation		Leased floor area	3,658.45m ²
Master lease type	Pass-through		Total leasable floor area	3,716.05m ²
Trustee	Starts Trust Co., Ltd.		Monthly rent revenue	6,067 thousand yen
Period of trust agreement	From: November 21, 2016		Security and guarantee deposits, etc.	11,934 thousand yen
	To: October 31, 2046		Occupancy rate	98.4%
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	2,617.82m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Category 1 medium-to-high-rise exclusive residential districts	Date of appraisal	September 1, 2016
	Building-to-land ratio	70%	Appraisal value	971,000 thousand yen
Floor-area ratio	200%	Overview of Building condition evaluation report		
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Reinforced concrete structure/roofing/8F	Date of evaluation	September 2016
	Construction completion date	January 9, 1998	Building replacement value	1,056,800 thousand yen
	Total floor area	4,299.01m ²	Long-term repair costs (12 years)	60,189 thousand yen
	Use	Apartment complex and garage	PML	6.0%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The building-to-land ratio for the land of the property is essentially 60%. However, due to mitigation of corner lot, it is set at 70%.				
Area/property characteristics				
<p>The Kozunomori area where the property stands has been subject to a land readjustment project (subject area: approx. 117.3ha, planned number of units: 3,750, planned population: 11,740) conducted by Narita City Kozu Higashi Area Land Readjustment Associations since 1986. Youreim Narita Store with Ito-Yokado as the core retail store was constructed in the vicinity of the new station (Kozunomori Station); public facilities, condominiums and International University of Health and Welfare (opened in April 2016) stand in front of the station; and the surrounding areas form a residential district with low-rise houses. The neighboring area is a residential district comprised of high-rise apartments that are within walking distance from the station, approximately 100 – 400m (direct distance) west from Kozunomori Station on the Keisei Main Line. Three high-rise condominiums have already been constructed, and although retail facilities are included in part, a quiet living environment is maintained, while a shopping mall in front of the station offers living convenience.</p>				

(7) C-75: Proceed Shin Yokohama

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interest		Total number of tenants	1
Use	Rental housing		Number of leased unit (Total number of leasable units)	206 (226)
Planned acquisition price	4,330,000 thousand yen		Number of leased parking units (Total number of leasable parking units)	62 (68)
Location	3-21-2 Shin Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa		Leased floor area	5,004.83m ²
PM Company/ML Company	Starts Amenity Corporation		Total leasable floor area	5,457.56m ²
Master lease type	Pass-through		Monthly rent revenue	17,955 thousand yen
Trustee	Sumitomo Mitsui Trust Bank, Limited.		Security and guarantee deposits, etc.	17,241 thousand yen
	From: September 30, 2013		Occupancy rate	91.7%
		To: October 31, 2026		
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	1,063.66m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Commercial district	Date of appraisal	September 1, 2016
	Building-to-land ratio	100%	Appraisal value	4,330,000 thousand yen
	Floor-area ratio	600%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Reinforced concrete structure with flat roof/B1 11F	Date of evaluation	September 2016
	Construction completion date	April 19, 2007	Building replacement value	1,836,030 thousand yen
	Total floor area	6,256.98m ²	Long-term repair costs (12 years)	81,874 thousand yen
	Use	Apartment complex	PML	6.9%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The Building-to-land ratio of the property is essentially 80% as it stands in the commercial district. However, due to the mitigation of fireproof Building rules in fire-prevention districts, it is set at 100%.				
Area/property characteristics				
<p>The Shin Yokohama area where the property stands is a busy commercial district centering on Shin Yokohama Station where the Tokaido Shinkansen, JR Yokohama Line, Yokohama Municipal Subway Blue Line and other lines are available, with high-rise office buildings and hotels lined along the arterial roads near Shin Yokohama Station. Since there are many manufacturing company bases in Kawasaki and Yokohama, business persons taking business trips on the Shinkansen use Shin Yokohama as their base. In addition, as there also are many branch offices in the area surrounding Shin Yokohama Station, a number of restaurants as well as short-term rental condominiums for those business persons are found. While being a business district, the area also has commercial facilities directly connected with the station, offering excellent living convenience. On top of this, as Yokohama Arena and Nissan Stadium are located in the vicinity of Shin Yokohama Station, it is a lively town with various events held and is also popular as a residential area. The neighboring area is a residential area behind the arterial road near Shin Yokohama Station, close to Yokohama Arena. Although there still are some office buildings behind the arterial road, a residential district has been formed with an increasing number of condominiums. Many high-rise condominiums stand in the neighboring area despite being only 7 minutes away on foot from Shin Yokohama Station on the JR Yokohama Line (4-minute walk from Shin Yokohama Station on the Yokohama Municipal Subway Blue Line) enjoying excellent transport convenience.</p>				

(8) G-26: Proceed Bentencho

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interests		Total number of tenants	1
Use	Rental housing		Number of leased unit (Total number of leasable units)	121 (126)
Planned acquisition price	2,170,000 thousand yen		Number of leased parking units (Total number of leasable parking units)	17 (21)
Location	2-5-12 Ichioka Motomachi, Minato-ku, Osaka-shi, Osaka		Leased floor area	3,973.21m ²
PM Company/ML Company	Starts Amenity Corporation		Total leasable floor area	4,134.70m ²
Master lease type	Pass-through		Monthly rent revenue	10,187 thousand yen
Trustee	Sumitomo Mitsui Trust Bank, Limited.		Security and guarantee deposits, etc.	11,852 thousand yen
	From: September 30, 2013		Occupancy rate	96.1%
		To: October 31, 2026		
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	737.80m ²	Appraiser	Morii Appraisal & Investment Consulting, Inc.
	Zoning	① Commercial district ② Quasi-industrial district	Date of appraisal	September 1, 2016
	Building-to-land ratio	99.70% ①100% ②80%	Appraisal value	2,170,000 thousand yen
	Floor-area ratio	595.57% ①600% ②300%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Reinforced concrete structure with flat roof/14F	Date of evaluation	September 2016
	Construction completion date	January 11, 2008	Building replacement value	938,400 thousand yen
	Total floor area	4,784.78m ²	Long-term repair costs (12 years)	37,589 thousand yen
	Use	Apartment complex・garage	PML	8.1%
Collateral				
None.				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. Of the land of the property, building-to-land ratio for the portion designated as commercial district is 100% and that for the portion designated as quasi-industrial district is 80%. The weighted average figures in accordance with the size of areas are applied. 2. Of the land of the property, floor-area ratio for the portion designated as commercial district is 600% and that for the portion designated as quasi-industrial district is 300%. The weighted average figures in accordance with the size of areas are applied.				
Area/property characteristics				
The Bentencho area where the property is located allows use of multiple railway lines of the JR Kanjo Line and Osaka Municipal Subway Chuo Line, and it takes approximately 9 minutes from the closest station, Bentencho Station, to Osaka Station by JR trains and approximately 6 minutes to Honmachi Station by subway, making the commute to the business districts in central Osaka convenient. The neighboring area has a mixture of condominium complexes, factories, offices, etc. along the main arterial road with a width of about 80m running east-west centering on central Osaka. The areas around the arterial roads in the vicinity previously had many small factories and offices, but now see them changed to condominium complexes taking advantage of their proximity to central Osaka. In addition, a residential district with regular houses standing along with small factories, etc. has been formed in the areas behind the arterial roads. As there is a concentration of facilities for daily life as well as restaurants and such in the area surrounding the closest station, the area offers generally favorable living convenience.				

(9) G-27: Proceed Nagaikoendori

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interest		Total number of tenants	1
Use	Rental housing		Number of leased unit (Total number of leasable units)	67 (81)
Planned acquisition price	1,070,000 thousand yen		Number of leased parking units (Total number of leasable parking units)	15 (24)
Location	2-9-19 Minamisumiyoshi, Sumiyoshi-ku, Osaka-shi, Osaka		Leased floor area	1,796.69m ²
PM Company/ML Company	Starts Amentiy Corporation		Total leasable floor area	2,170.80m ²
Type of master lease	Pass-through		Monthly rent revenue	4,459 thousand yen
Trustee	Sumitomo Mitsui Trust Bank, Limited.		Security and guarantee deposits, etc.	2,410 thousand yen
	From: September 30, 2013		Occupancy rate	82.8%
		To: October 31, 2026		
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	654.82m ²	Appraiser	Morii Appraisal & Investment Consulting, Inc.
	Zoning	① Category I residential district ② Commercial district	Date of appraisal	September 1, 2016
	Building-to-land ratio	100.00% ①100% ②100%	Appraisal value	1,070,000 thousand yen
	Floor-area ratio	348.97% ①400% ②200%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Reinforced concrete structure with flat roof/10F	Date of evaluation	September 2016
	Construction completion date	May 28, 2007	Building replacement value	550,000 thousand yen
	Total floor area	2,422.14m ²	Long-term repair costs (12 years)	30,576 thousand yen
	Use	Apartment complex	PML	14.4%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The Building-to-land ratio of the property is essentially 80% as it stands in the Category I residential district and commercial district. However, due to the mitigation of fireproof Building rules in fire-prevention districts, it is set at 100%. 3. Of the land of the property, floor-area ratio for the portion designated as category I residential district is 400% and that for the portion designated as commercial district is 200%. The weighted average figures in accordance with the size of areas are applied.				
Area/property characteristics				
The Nagaikoen-dori area where the property is located is a commercial district with shops and others standing among condominium complexes lined along a national highway with a width of about 25.0m. Since Nagai Station on the Osaka Municipal Subway Midosuji Line and JR Hanwa Line is available for use, allowing access to multiple lines, the location of the area offers relatively high convenience for commuting to work or school. Furthermore, as there are various facilities for daily life in the neighboring area and the vicinity of the closest station, excellent living convenience is also secured. Access to the city center is excellent as well since it is only about 11 minutes to Tennoji Station by JR line, about 14 minutes to Nanba Station by subway and about 24 minutes to Umeda Station, all from Nagai Station.				

(10) G-28: Proceed Nishinagahori

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interest		Total number of tenants	1
Use	Rental housing		Number of leased unit (Total number of leasable units)	47 (52)
Planned acquisition price	942,000 thousand yen		Number of leased parking units (Total number of leasable parking units)	3 (5)
Location	4-10-24, Shinmachi, Nishi-ku, Osaka-shi, Osaka		Leased floor area	1,361.20m ²
PM Company/ML Company	Starts Amenity Corporation		Total leasable floor area	1,506.18m ²
Master lease type	Pass-through		Monthly rent revenue	3,986 thousand yen
Trustee	Sumitomo Mitsui Trust Bank, Limited.		Security and guarantee deposits, etc.	930 thousand yen
	Period of trust agreement		Occupancy rate	90.4%
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	267.73m ²	Appraiser	Morii Appraisal & Investment Consulting, Inc.
	Zoning	Commercial district	Date of appraisal	September 1, 2016
	Building-to-land ratio	80%	Appraisal value	942,000 thousand yen
	Floor-area ratio	600%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Reinforced concrete structure with flat roof/14F	Date of evaluation	September 2016
	Construction completion date	February 15, 2008	Building replacement value	347,200 thousand yen
	Total floor area	1,893.87m ²	Long-term repair costs (12 years)	12,988 thousand yen
	Use	Apartment complex	PML	8.1%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
Non				
Area/property characteristics				
<p>The Nishinagahori area where the property is located has a mixture of high-rise condominiums, medium- and low-rise office buildings, etc. standing behind Nagahoridori. Kizugawa and its east area in Nishi ward, Osaka City used to have a concentration of manufacturers/retailers of machinery/industrial tools, timber/furniture, etc. playing an important role in Osaka's commerce. In recent years, the areas has seen a notable increase in population, mainly of productive age, as a number of condominiums and rental condominiums have been supplied due to its good access to central Osaka and excellent living convenience. It boasts a good location being only 3 minutes away on foot from Nishinagahori Station on Osaka Municipal Subway Nagahori Tsurumi-ryokuchi Line and only a bike ride away from business districts and the downtown area in central Osaka. Since the area has seen an increasing number of stylish restaurants, shops and such that enrich everyday life as well as supermarkets and other convenient facilities for daily life and offers excellent living convenience, making it a favorable location for a residence, it has become popular among singles and DINK households as an area for urban condominiums. In addition, multiple Osaka Municipal Subway lines are available for use, offering a good proximity to central Osaka with only about a 3-minute ride to Shinsaibashi Station and about a 15-minute ride to Umeda Station (via Shinsaibashi) including transfer time, both from the closest station, Nishinagahori.</p>				

(11) G-29: Proceed Kyobashi

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interest		Total number of tenants	1
Use	Rental housing		Number of leased unit (Total number of leasable units)	106 (120)
Planned acquisition price	2,040,000 thousand yen		Number of leased parking units (Total number of leasable parking units)	29 (30)
Location	2-10-12 Miyakojima Minamidori, Miyakojima-ku, Osaka-shi, Osaka		Leased floor area	2,894.00m ²
PM Company/ML Company	Starts Amenity Corporation		Total leasable floor area	3,274.56m ²
Master lease type	Pass-through		Monthly rent revenue	8,273 thousand yen
Trustee	Sumitomo Mitsui Trust Bank, Limited.		Security and guarantee deposits, etc.	5,191 thousand yen
	From: September 30, 2013		Occupancy rate	88.4%
		To: October 31, 2026		
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	1,152.52m ²	Appraiser	Morii Appraisal & Investment Consulting, Inc.
	Zoning	Category I residential district	Date of appraisal	September 1, 2016
	Building-to-land ratio	90%	Appraisal value	2,040,000 thousand yen
	Floor-area ratio	300%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Reinforced concrete structure with flat roof /13F	Date of evaluation	September 2016
	Construction completion date	January 16, 2008	Building replacement value	702,800 thousand yen
	Total floor area	3,682.60m ²	Long-term repair costs (12 years)	25,309 thousand yen
	Use	Apartment complex	PML	13.0%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The Building-to-land ratio of the property is essentially 80% as it stands in the Category I residential district. However, due to the mitigation based on the Article 15 of the detailed enforcement regulation of the Building Standards Act of Osaka City, it is set at 90%.				
Area/property characteristics				
The Kyobashi area where the property stands has a living environment as a residential area with a mixture of houses and medium- to high-rise apartment complexes, and high-level usage is implemented in larger lots. Thus it is an area with strong demand for condominiums due to its excellent living convenience. Multiple railway lines are available as it is about a 10-minute walk to Kyobashi Station on the Keihan Main Line and Kyobashi Station on the Osaka Municipal Subway Nagahori Tsurumi-ryokuchi Line as well as on the JR line. Furthermore, since the nearby areas feature the Kyobashi Chuo Shopping Area, Hankyu Oasis Kyobashi Store and other commercial/convenient facilities within a 10-minute walking distance, the area offers an excellent living convenience and provides a favorable living environment. In addition, access to central Osaka is also excellent as it takes only about 7 minutes from JR Kyobashi Station to Osaka Station, about 8 minutes from Keihan Kyobashi Station to Yodoyabashi Station, and about 12 minutes from subway Kyobashi Station to Shinsaibashi Station.				

(12) G-30: Proceed Hyogoekimaedori

Overview of specified asset		Overview of leasing	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased unit (Total number of leasable units)	97 (117)
Planned acquisition price	1,670,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	12 (18)
Location	1-3-22 Ekimaedori, Hyogo-ku, Kobe-shi, Hyogo	Leased floor area	2,585.39m ²
PM Company/ML Company	Starts Amenity Corporation	Total leasable floor area	3,086.99m ²
Master lease type	Pass-through	Monthly rent revenue	7,417 thousand yen
Trustee	Resona Bank Ltd.	Security and guarantee deposits, etc.	12,896 thousand yen
Period of trust agreement	From: March 26, 2015	Occupancy rate	83.8%
	To: October 31, 2026		
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	845.00m ²	Appraiser
	Zoning	Neighborhood commercial district	Morii Appraisal & Investment Consulting, Inc.
	Building-to-land ratio	100%	Date of appraisal
	Floor-area ratio	400%	September 1, 2016
Building	Ownership form	Proprietorship	Appraisal value
	Structure	Reinforced concrete structure with flat roof/13F	1,670,000 thousand yen
	Construction completion date	February 8, 2008	Overview of Building condition evaluation report
	Total floor area	3,430.47m ²	Evaluation company
	Use	Apartment complex	Tokio Marine & Nichido Risk Consulting Co., Ltd.
		Date of evaluation	September 2016
		Building replacement value	876,100 thousand yen
		Long-term repair costs (12 years)	23,042 thousand yen
		PML	9.2%
Collateral			
None			
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)			
1. The Building-to-land ratio of the property is essentially 80% as it stands in the commercial district. However, due to the mitigation of fireproof Building rules in fire-prevention districts, it is set at 100%.			
Area/property characteristics			
The Hyogo ward area where the property stands is an area with excellent transportation convenience having three stations and three lines available for use (JR Kobe Line, Kobe Kosoku Line and Kobe Municipal Subway Seishin-Yamate Line). Access to the commercial district in central Kobe and to the Osaka area is also excellent using these stations. The neighboring area is a district formed along a city road with a width of 27m having a mixture of residences and commercial facilities, such as medium-rise retail buildings and apartment complexes with shops. In the area surrounding the closest station, Hyogo, there are many supermarkets, restaurants and stores selling shopping goods for residents from nearby areas, providing excellent living convenience as well.			

(13) G-31: Proceed Mizuho

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interest		Total number of tenants	1
Use	Rental housing		Number of leased unit (Total number of leasable units)	34 (40)
Planned acquisition price	535,000 thousand yen		Number of leased parking units (Total number of leasable parking units)	2 (5)
Location	2-43 Mizuhotori, Mizuho-ku, Nagoya-shi, Aichi		Leased floor area	964.96m ²
PM Company/ML Company	Starts Amenity Corporation		Total leasable floor area	1,126.40m ²
Master lease type	Pass-through		Monthly rent revenue	2,466 thousand yen
Trustee	Starts Trust Co., Ltd.		Security and guarantee deposits, etc.	3,071 thousand yen
Period of trust agreement	From: November 21, 2016		Occupancy rate	85.7%
	To: October 31, 2046			
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	300.82m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Neighborhood commercial district	Date of appraisal	September 1, 2016
	Building-to-land ratio	80%	Appraisal value	545,000 thousand yen
	Floor-area ratio	400%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Reinforced concrete structure with flat roof/11F	Date of evaluation	September 2016
	Construction completion date	February 28, 2007	Building replacement value	338,100 thousand yen
	Total floor area	1,384.38m ²	Long-term repair costs (12 years)	8,186 thousand yen
	Use	Apartment complex	PML	6.2%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. Since the property does not satisfy the parking standards based on the Nagoya City ordinance for prevention, adjustment, etc. of dispute concerning medium- to high-rise buildings, seven parking lots have been secured outside the property site. The parking lots are not included in the number of leasable parking units.				
Area/property characteristics				
<p>The Mizuho ward area where the property stands is located in the center of Nagoya City slightly to the east. In the western part of the ward (toward Atsuta ward) are many factories and offices mainly of precision industry, modern ceramic industry and metalworking industry. In the middle of the ward with Horita-dori and Mizuho-dori running north-south, there is a mixture of long-standing houses, middle/small-sized factories, shopping streets, etc. On the hilly area of Mizuho-dori and its east runs Yamazakigawa which is known for beautiful cherry blossoms, and a quiet residential area has been formed centering on the area near the administrative district border with Showa ward. Furthermore, there stands Nagoya City Mizuho Park with one of the largest grounds and athletic fields in the city. The central stations in the city are Meitetsu Horita Station facing Horita-dori and Aratamabashi Station on the Nagoya Municipal Subway Line facing Mizuho-dori. With the extension of the Nagoya Municipal Subway Sakuradori Line (1994) and circularization of the Nagoya Municipal Subway Meijo Line (2004) in recent years, access to/from Nagoya City has been enhanced with better connection of transportation networks. The neighboring area is located in the center of the ward slightly to the north, and is a railway commercial district where medium- and high-rise condominiums, office buildings with shops, low-rise retail buildings, etc. line up along the arterial road. In the vicinity are educational institutions such as Nagoya City University as well as public facilities including Mizuho Ward Office and Nagoya City Museum. Access to central Nagoya is also excellent, taking only about 11 minutes to Hisayaodori Station and about 16 minutes to Nagoya Station by the Sakuradori Line from Sakurayama Station.</p>				

(14) G-32: Proceed Osu

Overview of specified asset			Overview of leasing	
Type of specified asset	Trust beneficiary interest		Total number of tenants	1
Use	Rental housing		Number of leased unit (Total number of leasable units)	65 (66)
Planned acquisition price	831,000 thousand yen		Number of leased parking units (Total number of leasable parking units)	6 (10)
Location	1-29-32 Osu, Naka-ku, Nagoya-shi, Aichi		Leased floor area	1,823.25m ²
PM Company/ML Company	Starts Amenity Corporation		Total leasable floor area	1,851.30m ²
Master lease type	Pass-through		Monthly rent revenue	4,710 thousand yen
Trustee	Starts Trust Co., Ltd.		Security and guarantee deposits, etc.	4,254 thousand yen
Period of trust agreement	From: November 21, 2016		Occupancy rate	98.5%
	To: October 31, 2046			
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	388.59m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Commercial district	Date of appraisal	September 1, 2016
	Building-to-land ratio	90%	Appraisal value	831,000 thousand yen
	Floor-area ratio	500%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Structure	Reinforced concrete structure with flat roof/12F	Date of evaluation	September 2016
	Construction completion date	March 7, 2016	Building replacement value	532,100 thousand yen
	Total floor area	2,117.35m ²	Long-term repair costs (12 years)	5,186 thousand yen
	Use	Apartment complex	PML	7.6%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
None				
Area/property characteristics				
<p>The central part of Naka ward where the property stands is comprised of the administrative district with many administrative agencies such as Aichi Prefectural Government and Nagoya City Office and the highly bustling commercial district with a concentration of large commercial facilities, cultural facilities, headquarters/branch offices of financial institutions, etc. Also in the southern part of the ward, a commercial district with many large retail/office buildings, etc. is formed centering on JR Kanayama Station. The Nagoya Municipal Subway Higashiyama Line, Meijo Line, Tsurumai Line, Sakuradori Line, JR Tokaido Main Line, Chuo Main Line, Meitetsu Nagoya Main Line and Seto Line all operate in the ward, and arterial roads such as national highways and the Nagoya Expressway run in every direction in various parts of the ward, providing excellent transportation access. The neighboring area is located a 6-minute walk southwest from Osu Kannon Station and is a commercial district with a mixture of high-rise condominiums, railway-based retail stores, etc. The surrounding area had developed as a temple town of Osu Kannon since before the war, and has developed into a shopping district known as one of Japan's three biggest electronics quarters after the war along with Akihabara in Tokyo and Nihonbashi in Osaka. With not only electronics-related shops but also restaurants, novelty goods stores and shops for subculture-related items on the recent side among others, a quite unique shopping district has been established. In addition, as the area offers good access to the Meieki and Sakae areas and is convenient, there are many apartments for singles in the area.</p>				

(15) G-33:Proceed Sendai Kozurushinden

Overview of specified asset		Overview of leasing	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased unit (Total number of leasable units)	50 (63)
Planned acquisition price	698,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	25 (32)
Location	3-13-3 Shinden Higashi, Miyagino-ku, Sendai-shi, Miyagi	Leased floor area	1,520.24m ²
PM Company/ML Company	Starts Amenity Corporation	Total leasable floor area	1,913.28m ²
Master lease type	Pass-through	Monthly rent revenue	3,182 thousand yen
Trustee	Starts Trust Co., Ltd.	Security and guarantee deposits, etc.	5,416 thousand yen
Period of trust agreement	From: November 21, 2016	Occupancy rate	79.5% (Note)
	To: October 31, 2046		
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	1,061.45m ²	Appraiser
	Zoning	Quasi-industrial district	Chuo Real Estate Appraisal Co., Ltd.
	Building-to-land ratio	60%	Date of appraisal
	Floor-area ratio	200%	September 1, 2016
Building	Ownership form	Proprietorship	Appraisal value
	Structure	Reinforced concrete structure with flat roof/8F	761,000 thousand yen
	Construction completion date	March 20, 2006	Overview of Building condition evaluation report
	Total floor area	2,118.61m ²	Evaluation company
	Use	Apartment complex	Tokio Marine & Nichido Risk Consulting Co., Ltd.
		Date of evaluation	September 2016
		Building replacement value	540,300 thousand yen
		Long-term repair costs (12 years)	31,228 thousand yen
		PML	8.4%
Collateral			
None			
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)			
None			
Area/property characteristics			
<p>The Shinden Higashi area where the property stands has been through infrastructure development under a land readjustment project, and has been sectionalized into a general residential district (A, B), roadside service district, station-front street district, public facility district and business facility district. The neighboring area is located in part of the above business facility district and has medium- and high-rise condominiums, office buildings, parking, etc. near the south side of Kozuru Shinden Station. The station-front area has low commercial traffic and the land is often used for residential purposes such as for apartments. It takes about 10 minutes from Kozuru Shinden Station to Sendai Station by the JR Senseki Line, and access to the central commercial district spreading around Sendai Station by car is also generally good.</p>			

(Note) Occupancy rate as of October 26, 2016 is 92.2%.

【Explanation】

1. "Type of specified asset" indicates the type as a specified asset, such as trust beneficiary interests, real estate, etc. "Use" are indicated in accordance with the stated categories in "Part I Fund Information, Item 1. Situation of the Fund, 2 Investment Policies, (1) Investment Policies, 3 Portfolio Construction Policies" set out in Securities Report.
2. "Planned acquisition price" indicates the amount (transaction price described in the trust beneficial interest transaction agreement with condition precedent, etc.) excluding various expenses required (real estate transaction brokerage fee, etc.) for the assets to be acquired.
3. "PM Company/ML Company" indicates the PM company that has concluded a property management agreement and the ML company which has concluded a master lease agreement, agreements that are effective as of today for each property, or it indicates the PM company that is scheduled to conclude a property management agreement and the ML company which is scheduled to conclude a master lease agreement. For "Type of master lease," "Pass-through" is indicated for a master lease in which the trustee and the master lease company has agreed that the master lease company pays the same amount as the rent stated in the sublease agreement concluded between the master lease company and the end tenant to the trustee.
4. "Trustee" indicates a trustee or a planned trustee at the time of the property acquisition by Starts Proceed. As to "Period of trust agreement," the starting date is the effective date of the trust agreement which is effective as of today (for trust agreement which is scheduled to be concluded, the scheduled effective date is indicated), and the ending date is the termination date of trust agreement which is scheduled to be agreed (including agreement for amendments) between the related parties of the trust agreement on the same date as acquisition by Starts Proceed.
5. Concerning the description of "Land" and "Building"
 - "Site area," "Structure," "Construction completion date" and "Total floor area" are in accordance with information described in the certificate of entry in real estate registration. However, it may be different if the description has been found incorrect as a result of investigation.
 - "Zoning" indicates the type of zoning district classified in accordance with Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, as amended).
 - "Building-to-land ratio" is the ratio of the building area of the building to the site area as stipulated in Article 53 of the Building Standards Act (Act No. 201 of 1950, as amended, the "Building Standards Act") and indicates the maximum figures stipulated by the City Planning Act according to zoning, etc. Pursuant to Article 53 paragraph 3 or paragraph 5 of the Building Standards Act, corner lots in a block and fireproof buildings, etc. in fire-prevention districts may not be subject to mitigation of building-to-land ratio or building-to-land ratio restriction itself. There are cases in which separate restrictions or mitigations may be applied in accordance with administrative laws including the Building Standards Act. In such cases, figures after application of such restrictions or mitigations are indicated.
 - "Floor-area ratio" is the ratio of the total floor area of the building to the site area as stipulated in Article 52 of the Building Standards Act and indicates the maximum figures stipulated by the City Planning Act according to zoning, etc. Pursuant to Article 52 paragraph 2 or paragraph 9 of the Building Standards Act, restrictions due to road width rules or mitigations due to specified road rules may apply in some cases. There are cases in which separate restrictions or mitigations may be applied in accordance with administrative laws including the Building Standards Act. In such cases, figures after application of such restrictions or mitigations are indicated.
 - In case more than one zoning exist in one property, pursuant to Article 53 paragraph 2 or Article 52 paragraph 7 of the Building Standards Act, "Building-to-land ratio" and "Floor-area ratio" indicate the weighted average figures according to the floor area ratio that are on the design drawing/completion drawing, etc. from the time of construction.
6. Concerning the description of "Overview of leasing"
 - For all assets to be acquired, a master lease agreement with Starts Amenity Corporation as a lessee and a sublessor is scheduled to be concluded among Starts Proceed, the trustee and Stars Amenity Corporation at the time of the acquisition. Thus "Total number of tenants" indicates the number regarding the master lease company as a tenant after the acquisition.
 - "Number of leased unit (Total number of leasable units)," "Leased floor area," "Total leasable floor area" and "Security and guarantee deposits, etc." are described based on the same standards for the description of notes for the table illustrated in "Part I Fund Information, Item 1. Situation of the Fund, 5 Management Status, (2) Investment Assets, 3 Other Major Investment Assets, (iv) Overview of Leasing Status, a. Overview of Leasing Status" set out in the Securities Report. "Security and guarantee deposits, etc." is stated as "Deposits, etc." in the aforementioned table in the Securities Report. "Number of leased parking units (Total number of leasable parking units)" are indicated in accordance with the rule described in the note at the beginning of "Part I Fund Information, Item 1. Situation of the Fund, 5. Management Status, (2) Investment Assets, 3. Other Major Investment Assets d. Individual Overview of Real Estate in Trust for Acquired Assets" in Securities Report.
 - "Monthly rent revenue" indicates monthly rent (including common area fees but excluding parking fee, other charges such as trunk room usage, etc. and consumption tax) based on the leasing agreement or the sublease agreement concluded between the present owner or the trustee and the master lease company or the end tenant, and is rounded down to the nearest 1,000 yen.
 - "Occupancy rate" is the ratio of leased floor area to each tenant to the total leasable floor area of each property as of July 31, 2016 and is rounded to the first decimal place.
7. For "Overview of appraisal report," please refer to the notes for "12. Overview of appraisal report" below.
8. Concerning the description of "Overview of building condition evaluation report"
 - Contents described in the building condition evaluation report and the seismic risk evaluation report which were prepared for the assets to be acquired are provided.
 - "Date of evaluation" is the date (year, month and date or year and month) on which the building condition evaluation report was prepared.
 - "Building replacement value" is the total amount of appropriate costs required assuming to reconstruct the subject building on the date of evaluation.
 - "Long-term repair costs (12 years)" is the total amount of expected long-term repair costs based on the building condition evaluation report.
 - Figures of "PML" are figures indicated in "Seismic risk investigation portfolio analysis report (October 2016)" prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd. "PML" represents the rate of probable maximum loss to be caused by earthquakes. It means the extent of damage to be caused by one of the biggest earthquakes anticipated to happen within the expected duration of service (the biggest earthquake which happens once every 475 years, with a 10% chance of happening once every 50 years; expected duration of service of a general building is 50 years) represented by the ratio (%) of the estimated cost of restoration from the damage to the replace the damage which is equivalent to 90% non-exceedance probability.
9. "Collateral" describes the existence/non-existence of collateral established on the date of acquisition of assets to be acquired.
10. Concerning the description of Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)
 - In principle, it describes (1) the rights of third parties other than the tenants housed in the assets to be acquired and restrictions, etc. based on such rights, (2) restrictions, etc. from administrative laws related to the assets to be acquired, as of July 31, 2016. However, in case any changes have occurred to fact situations of subject matters after July 31, 2016 to today, description is made based of the fact situations after such changes. In case a specific description refers to fact situations at the time of acquisition by Starts Proceed, description is made based on future prediction that is as rational as possible as of present on this date.
 - When the type of a specified asset which Starts Proceed is acquiring is trust beneficiary right, description of "acquired by Starts Proceed" also refers to acquisition by Starts Proceed through trust beneficiary right. In such cases, legal owner or right holder of the real estate which is the trust asset of the trust beneficiary right is the trustee, and Starts Proceed acquires the trust beneficiary right.
11. "Area/property characteristics" is based on the description on the appraisal report, market report, etc. prepared for assets to be acquired.

4. Overview of Building Designer and Constructor

Concerning the real estate in trust in assets acquired or assets to be acquired, Starts Corporation has investigated and confirmed building designers, constructors and building inspectors. The building designers, constructors and building inspectors for the real estate in trust in assets to be acquired and which Starts Proceed has confirmed are as follows.

Property No.	Property name	Building designer (Note)	Constructor (Note)	Building inspector (Note)
C-69	Proceed Nihonbashi Honcho	Land Brains Co., Ltd.	Toda Construction, Tokyo Branch	Chuo Ward
C-70	Proceed Nishi Shinjuku	Spirits Office	Dai Nippon Construction, Tokyo Branch	The Japan Building Equipment and Elevator Center Foundation
C-71	Proceed Unoki	STARTS Construction and Asset Management Co., Ltd., Construction Technology Headquarter, First Class Architect Office	STARTS Construction and Asset Management Co., Ltd.	Japan Constructive Inspect Association
C-72	Proceed Minamigyotoku 2	Taro Ashiwara Architects	JDC Corporation, Tokyo Headquarter	Japan ERI (Building)/UDI Corporation (Elevator)
C-73	Proceed CO-Z East Building	Starts Corporation, Construction Technology Headquarter, First Class Architect Office	Starts Corporation	Chiba Prefecture
C-74	Proceed CO-Z West Building	Starts Corporation, Construction Technology Headquarter, First Class Architect Office	Starts Corporation	Chiba Prefecture
C-75	Proceed Shin Yokohama	Daichi Engineering Co., Ltd.	Matsui Kensetsu K. K., Tokyo Branch	UHEC
G-26	Proceed Bentencho	So-Bi Architects & Engineers	Fukuda Corporation, Osaka Branch	Nikkaku
G-27	Proceed Nagaikoendori	Yuma Plan	Daiho Corporation, Osaka Branch	Re-Japan Co., Ltd.
G-28	Proceed Nishinagahori	Qualia, Inc.	Araigumi Co., Ltd.	Center of International Architectural Standard
G-29	Proceed Kyobashi	Eito Architects	Seibu Construction Co., Ltd., Kansai Branch	Building Inspection Organization Co., Ltd.
G-30	Proceed Hyogoekimaedori	Fukushima Architecture Office	Ohki Construction, Osaka Branch	Building Inspection Organization Co., Ltd.
G-31	Proceed Mizuho	STARTS Construction and Asset Management Co., Ltd.	STARTS Construction and Asset Management Co., Ltd.	Kakunin Service Inc.
G-32	Proceed Osu	STARTS Construction and Asset Management Co., Ltd.	STARTS Construction and Asset Management Co., Ltd.	CI Tokai Co., Ltd.
G-33	Proceed Sendai Kozurushinden	Rinkai Nissan Construction Co., Ltd., First Class Architect Office	Rinkai Nissan Construction Co., Ltd., Tohoku Branch	Miyagi Prefecture Building Housing Center Foundation

(Note) As to building designers, constructors and building inspectors, their names are of the time of designing or constructing of each property.

5. Overview of Seller (as of September 30, 2016)

Name	Starts Development Corporation
Location	3-4-10 Nihonbashi, Chuo-ku, Tokyo
Representative	Kazuo Isozaki, President
Main business activities	Development, planning and selling of real estate
Capital	320 million yen
Established	October 3, 2005
Net Assets	-6,042 million yen (as of March 31, 2016)
Total Assets	23,063 million yen (as of March 31, 2016)
Major shareholder and shareholding ratio	Starts Corporation Inc. (100.0%)
Relationship with Starts Proceed and the Asset Management Company	The Seller is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation, the parent company of the Asset Management Company. Accordingly, the Seller falls within the scope of an interested party, etc. as defined in the Investment Trusts Act. There is no personal relationship to report of Starts Proceed and the Asset Management Company with the Seller. The Seller has concluded a pipeline support agreement with the Asset Management Company and has been providing the Asset Management Company with property information, warehousing function and such. In accordance with the agreement, the Seller currently owns assets to be acquired by Starts Proceed. The Seller does not fall within the definition of a related party of Starts Proceed. The Seller is a fellow subsidiary company of the Asset Management Company under the same parent company and falls within the scope of related parties of the Asset Management Company as described above.

6. Overview of Brokerage

None

7. Transaction with Interested Parties of the Assets to be Acquired

The entire amount is to be paid upon acquisition.

8. Time Schedule of Acquisitions

Date of determination of acquisition	November 4, 2016
Date of conclusion of sales contract	November 4, 2016
Planned Payment date	November 21, 2016 (Note)
Date of transfer of properties	November 21, 2016 (Note)

(Note) Planned payment date and Date of transfer of properties may be changed in accordance with the change of pricing date (any day between November 14, 2016 (Monday) and November 16, 2016 (Wednesday)) for the issuance of new investment units through public offering announced in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today.

9. Transaction with Interested Parties of the Assets to be Acquired

Starts Development Corporation, which are the sellers of the assets to be acquired, Starts Amenity Corporation, to which property management is planned to be entrusted, Starts Pitat House Co., Ltd., to which leasing business of the property management is subcontracted, and Starts Trust Co., Ltd., to which trust services of (C-71)Proceed Unoki, (C-72)Proceed Minamigyotoku 2, (C-73)Proceed CO-Z East Building, (C-74)Proceed CO-Z West Building, (G-31)Proceed Mizuho, (G-32)Proceed Osu, (G-33)Proceed Sendai Kozurushinden among other assets to be acquired are (planned to be) entrusted, fall within the scope of an interested party, etc. as defined in the Investment Trusts Act.

Accordingly, all transactions have been determined after following appropriate procedures based on the internal rules of the Asset Management Company and pursuant to standards stipulated by laws and regulations.

Overview of Company Entrusted with Property Management (as of September 30, 2016)

Name	Starts Amenity Corporation
Location	8-4-3 Ichinoe, Edogawa-ku, Tokyo
Representative	Tarouo Saito, President
Main business activities	Real estate management, operation, construction, interior finish work, etc.
Capital	350 million yen
Established	April 1, 1985
Relationship with Stars Proceed and the Asset Management Company	The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation, the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.

Overview of Company Entrusted with Trust Services (as of September 30, 2016)

Name	Starts Trust Co., Ltd.
Location	3-1-8 Nihonbashi, Chuo-ku, Tokyo
Representative	Sadao Watanabe, President
Main business activities	Trust services, purchase/sales of trust beneficiary interests in real estate, purchase/sales and leasing agent and brokerage, etc. of real estate
Capital	300 million yen
Established	September 3, 2009
Relationship with Stars Proceed and the Asset Management Company	The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation, the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.

10. Status of Parties Related to the Acquisition of the Properties

Property No.	Property name	Current owner		Previous owner	
		Name		Name	Other than the one with a relationship of special interest
C-69	Proceed Nihonbashi Honcho	Name	Starts Development Corporation	Name	Other than the one with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	2,600,000 thousand yen	Acquisition price	-
		Acquisition period	July 28, 2016	Acquisition period	-
C-70	Proceed Nishi Shinjuku	Name	Starts Development Corporation	Name	Other than the one with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	2,750,000 thousand yen	Acquisition price	-
		Acquisition period	July 28, 2016	Acquisition period	-
C-71	Proceed Unoki	Name	Starts Development Corporation	Name	(Land) Other than one with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Property developed by the current owner	Acquisition background and reason, etc.	-
		Acquisition price	(Land) Omitted as the present owner’s ownership exceeds one year (Building) -	Acquisition price	-
		Acquisition period	(Land) August 31, 2014 (Building) -	Acquisition period	-
C-72	Proceed Minamigyotoku 2	Name	Starts Development Corporation	Name	(Land) Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Property developed by the current owner	Acquisition background and reason, etc.	-
		Acquisition price	(Land) Omitted as the present owner’s ownership exceeds one year (Building) -	Acquisition price	-
		Acquisition period	(Land) January 31, 2012 (Building) -	Acquisition period	-



Property No.	Property name	Current owner		Previous owner	
		Name		Name	Other than that with a relationship of special interest
C-73	Proceed CO – Z East Building	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	Omitted as the present owner’s ownership exceeds one year	Acquisition price	-
		Acquisition period	April 3, 2015	Acquisition period	-
C-74	Proceed CO – Z West Building	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	Omitted as the present owner’s ownership exceeds one year	Acquisition price	-
		Acquisition period	April 3, 2015	Acquisition period	-
C-75	Proceed Shin Yokohama	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	4,150,000 thousand yen	Acquisition price	-
		Acquisition period	July 28, 2016	Acquisition period	-
G-26	Proceed Bentenmachi	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	2,210,000 thousand yen	Acquisition price	-
		Acquisition period	July 28, 2016	Acquisition period	-
G-27	Proceed Nagaikoendori	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	1,010,000 thousand yen	Acquisition price	-
		Acquisition period	July 28, 2016	Acquisition period	-



Property No.	Property name	Current owner		Previous owner	
		Name		Name	Other than that with a relationship of special interest
G-28	Proceed Nishinagahori	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	880,000 thousand yen	Acquisition price	-
		Acquisition period	July 28, 2016	Acquisition period	-
G-29	Proceed Kyobashi	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	1,950,000 thousand yen	Acquisition price	-
		Acquisition period	July 28, 2016	Acquisition period	-
G-30	Proceed Hyogoekimaedori	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	Omitted as the present owner’s ownership exceeds one year	Acquisition price	-
		Acquisition period	March 26, 2015	Acquisition period	-
G-31	Proceed Mizuho	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	Omitted as the present owner’s ownership exceeds one year	Acquisition price	-
		Acquisition period	October 30, 2015	Acquisition period	-
G-32	Proceed Osu	Name	Starts Development Corporation	Name	(Land) Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Property developed by the current owner	Acquisition background and reason, etc.	-
		Acquisition price	(Land) Omitted as the present owner’s ownership exceeds one year (Building) -	Acquisition price	-

Property No.	Property name	Current owner		Previous owner	
		Acquisition period	(Land) September 30, 2014 (Building) -	Acquisition period	-
G-33	Proceed Sendai Kozurushinden	Name	Starts Development Corporation	Name	Other than that with a relationship of special interest
		Relationship with related parties	Please refer to “5. Overview of Seller”	Relationship with related parties	-
		Acquisition background and reason, etc.	Acquisition as provision of warehousing function until the acquisition by Starts Proceed	Acquisition background and reason, etc.	-
		Acquisition price	698,000 thousand yen	Acquisition price	-
		Acquisition period	July 29, 2016	Acquisition period	-

11. Future Outlook

There will be no impact on the management status for the fiscal period ending October 2016 (May 1, 2016 to October 31, 2016) which was announced on June 14, 2016. For the management status forecast for the fiscal period ending April 2017 (November 1, 2016 to April 30, 2017) and for the fiscal period ending October 2017 (May 1, 2017 to October 31, 2017), please refer to the press release “Notice Concerning Revisions to Management Status Forecast for the Fiscal Period Ending April 2017 and Distribution Forecast for the Fiscal Period Ending October 2017” separately announced today.

12. Overview of Appraisal Report

Property name	Proceed Nihonbashi Honcho
Appraisal value	2,470,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	2,470,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	2,600,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	131,015	-
Effective gross income	135,142	Assessed gross income that is stable over the medium- to long-term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	4,127	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	20,416	-
Maintenance expenses	3,371	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	1,189	Assessed based on past results of the property and the level of similar properties
Repair expenses	704	Assessed based on the engineering report and past results of the property.
PM fees	3,878	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	4,436	Assessed based on the current agreement and past results of the property.
Taxes and public dues	5,648	Assessed based on the past results.
Non-life insurance fees	303	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	887	Assessed based on the past results.
Net operating income (NOI)	110,599	-
Gain on management of income from lump-sum payment	96	Assessed assuming management yield at 1.0%.
Capital expenditures	1,415	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	109,280	-
Capitalization rate	4.2%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	2,470,000	-
Discount rate	4.0%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	4.4%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	1,380,000	-
Land ratio	67.5%	-
Building ratio	32.5%	-

Other items considered by real estate appraisal agent upon appraisal

Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.

Property name	Proceed Nishi Shinjuku
Appraisal value	2,570,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	2,570,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	2,750,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	137,936	-
Effective gross income	142,293	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	4,357	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	20,954	-
Maintenance expenses	2,954	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	1,146	Assessed based on past results of the property and the level of similar properties
Repair expenses	1,322	Assessed based on the engineering report and past results of the property.
PM fees	4,046	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	4,723	Assessed based on the current agreement and past results of the property.
Taxes and public dues	6,239	Assessed based on the past results.
Non-life insurance fees	328	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	196	Assessed based on the past results.
Net operating income (NOI)	116,982	-
Gain on management of income from lump-sum payment	104	Assessed assuming management yield at 1.0%.
Capital expenditures	1,492	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	115,594	-
Capitalization rate	4.2%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	2,570,000	-
Discount rate	4.0%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	4.4%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	1,570,000	-
Land ratio	66.9%	-
Building ratio	33.1%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Unoki
Appraisal value	917,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	917,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	907,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	52,951	-
Effective gross income	55,844	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	2,893	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	9,513	-
Maintenance expenses	1,210	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	359	Assessed based on past results of the property and the level of similar properties
Repair expenses	1,286	Assessed based on the engineering report and past results of the property.
PM fees	1,521	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	2,013	Assessed based on the current agreement and past results of the property.
Taxes and public dues	2,989	Assessed based on the past results.
Non-life insurance fees	135	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	0	-
Net operating income (NOI)	43,438	-
Gain on management of income from lump-sum payment	39	Assessed assuming management yield at 1.0%.
Capital expenditures	851	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	42,626	-
Capitalization rate	4.7%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	917,000	-
Discount rate	4.5%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	4.9%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	816,000	-
Land ratio	53.9%	-
Building ratio	46.1%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Minamigyotoku 2
Appraisal value	1,080,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	1,080,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	1,070,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	72,108	-
Effective gross income	75,955	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	3,847	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	17,951	-
Maintenance expenses	3,399	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	969	Assessed based on past results of the property and the level of similar properties
Repair expenses	1,887	Assessed based on the engineering report and past results of the property.
PM fees	2,155	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	2,733	Assessed based on the current agreement and past results of the property.
Taxes and public dues	6,433	Assessed based on the past results.
Non-life insurance fees	375	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	0	-
Net operating income (NOI)	54,157	-
Gain on management of income from lump-sum payment	53	Assessed assuming management yield at 1.0%.
Capital expenditures	884	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	53,326	-
Capitalization rate	5.0%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	1,080,000	-
Discount rate	4.8%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	5.2%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	1,520,000	-
Land ratio	32.9%	-
Building ratio	67.1%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed CO-Z East Building
Appraisal value	1,830,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	1,830,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	1,810,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	136,500	-
Effective gross income	144,216	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	7,716	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	37,141	-
Maintenance expenses	8,248	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	4,701	Assessed based on past results of the property and the level of similar properties
Repair expenses	6,153	Assessed based on the engineering report and past results of the property.
PM fees	4,209	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	3,797	Assessed based on the current agreement and past results of the property.
Taxes and public dues	8,758	Assessed based on the past results.
Non-life insurance fees	908	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	367	Assessed based on the past results.
Net operating income (NOI)	99,359	-
Gain on management of income from lump-sum payment	261	Assessed assuming management yield at 1.0%.
Capital expenditures	1,697	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	97,923	-
Capitalization rate	5.4%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	1,830,000	-
Discount rate	5.2%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	5.6%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	1,580,000	-
Land ratio	42.0%	-
Building ratio	58.0%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed CO-Z West Building
Appraisal value	971,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	971,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	957,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	73,523	-
Effective gross income	77,777	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	4,254	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	18,398	-
Maintenance expenses	4,459	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	1,271	Assessed based on past results of the property and the level of similar properties
Repair expenses	2,872	Assessed based on the engineering report and past results of the property.
PM fees	2,346	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	2,016	Assessed based on the current agreement and past results of the property.
Taxes and public dues	4,747	Assessed based on the past results.
Non-life insurance fees	431	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	256	Assessed based on the past results.
Net operating income (NOI)	55,125	-
Gain on management of income from lump-sum payment	97	Assessed assuming management yield at 1.0%.
Capital expenditures	3,532	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	51,690	-
Capitalization rate	5.4%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	971,000	-
Discount rate	5.2%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	5.6%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	816,000	-
Land ratio	43.8%	-
Building ratio	56.2%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Shin Yokohama
Appraisal value	4,330,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	4,330,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	4,510,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	269,302	-
Effective gross income	278,563	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	9,261	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	53,223	-
Maintenance expenses	9,824	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	1,588	Assessed based on past results of the property and the level of similar properties
Repair expenses	10,199	Assessed based on the engineering report and past results of the property.
PM fees	7,602	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	10,525	Assessed based on the current agreement and past results of the property.
Taxes and public dues	12,326	Assessed based on the past results.
Non-life insurance fees	752	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	407	Assessed based on the past results.
Net operating income (NOI)	216,079	-
Gain on management of income from lump-sum payment	200	Assessed assuming management yield at 1.0%.
Capital expenditures	4,375	Assessed by reference to the engineering report, cases of similar properties, etc.
Net income (NCF)	211,904	-
Capitalization rate	4.7%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	4,330,000	-
Discount rate	4.5%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	4.9%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	2,530,000	-
Land ratio	44.3%	-
Building ratio	55.7%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Bentencho
Appraisal value	2,170,000 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	2,170,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method.
Value based on direct capitalization method	2,200,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	128,545	-
Effective gross income	135,777	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	7,232	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	20,938	-
Maintenance expenses	3,343	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	1,501	Assessed based on past results of the property and the level of similar properties
Repair expenses	3,108	Repair expenses: Recorded 30% of the levelled amount of the estimate in the engineering report. Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties.
PM fees	3,428	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	1,925	Assessed taking into account local practice and turnover rate of the property.
Taxes and public dues	7,505	Assessed based on actual results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	128	Assessed by reference to estimate and the level of similar properties.
Other expenses	0	-
Net operating income (NOI)	107,607	-
Gain on management of income from lump-sum payment	190	Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. by management yield at 1.0%.
Capital expenditures	2,193	Recording 70% of the levelled amount of estimate in the engineering report.
Net income (NCF)	105,604	-
Capitalization rate	4.8%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate.
Value of earnings calculated by discounted cash flow (DCF) method	2,140,000	-
Discount rate	4.6%	Assessed based on the basis yield comprehensively taking into account market trends, etc. after considering risk factors of regional factors/individuality of the property.
Terminal capitalization rate	5.0%	Assessed based on capitalization rate considering risks such as future uncertainties.
Cost method value	916,000	-
Land ratio	46.7%	-
Building ratio	53.3%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Nagaikoendori
Appraisal value	1,070,000 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	1,070,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method.
Value based on direct capitalization method	1,090,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	68,323	-
Effective gross income	72,343	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new term assumed when the property is newly leased, etc.
Vacancy loss, etc.	4,020	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	13,296	-
Maintenance expenses	2,517	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	2,205	Assessed based on past results of the property and the level of similar properties
Repair expenses	1,907	Repair expenses: Recorded 30% of the levelled amount of the estimate in the engineering report. Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties.
PM fees	1,753	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	983	Assessed taking into account local practice and turnover rate of the property.
Taxes and public dues	3,855	Assessed based on actual results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	76	Assessed by reference to estimate and the level of similar properties.
Other expenses	0	-
Net operating income (NOI)	55,027	-
Gain on management of income from lump-sum payment	51	Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. by management yield at 1.0%.
Capital expenditures	1,784	Recording 70% of the levelled amount of estimate in the engineering report.
Net income (NCF)	53,294	-
Capitalization rate	4.9%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate.
Value of earnings calculated by discounted cash flow (DCF) method	1,050,000	-
Discount rate	4.7%	Assessed based on the basis yield comprehensively taking into account market trends, etc. after considering risk factors of regional factors/individuality of the property.
Terminal capitalization rate	5.1%	Assessed based on capitalization rate considering risks such as future uncertainties.
Cost method value	547,000	-
Land ratio	48.8%	-
Building ratio	51.2%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Nishinagahori
Appraisal value	942,000 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	942,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method.
Value based on direct capitalization method	958,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	52,970	-
Effective gross income	55,927	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	2,957	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	9,148	-
Maintenance expenses	1,946	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	766	Assessed based on past results of the property and the level of similar properties
Repair expenses	1,119	Repair expenses: Recorded 30% of the levelled amount of the estimate in the engineering report. Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties.
PM fees	1,437	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	816	Assessed taking into account local practice and turnover rate of the property.
Taxes and public dues	3,016	Assessed based on actual results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	48	Assessed by reference to estimate and the level of similar properties.
Other expenses	0	-
Net operating income (NOI)	43,822	-
Gain on management of income from lump-sum payment	41	Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. by management yield at 1.0%.
Capital expenditures	758	Recording 70% of the levelled amount of estimate in the engineering report.
Net income (NCF)	43,105	-
Capitalization rate	4.5%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate.
Value of earnings calculated by discounted cash flow (DCF) method	925,000	-
Discount rate	4.3%	Assessed based on the basis yield comprehensively taking into account market trends, etc. after considering risk factors of regional factors/individuality of the property.
Terminal capitalization rate	4.7%	Assessed based on capitalization rate considering risks such as future uncertainties.
Cost method value	455,000	-
Land ratio	61.6%	-
Building ratio	38.4%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Kyobashi
Appraisal value	2,040,000 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	2,040,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method.
Value based on direct capitalization method	2,070,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	115,377	-
Effective gross income	122,402	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	7,025	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	16,850	-
Maintenance expenses	2,812	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	1,188	Assessed based on past results of the property and the level of similar properties
Repair expenses	2,358	Repair expenses: Recorded 30% of the levelled amount of the estimate in the engineering report. Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties.
PM fees	3,065	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	1,702	Assessed taking into account local practice and turnover rate of the property.
Taxes and public dues	5,578	Assessed based on actual results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	97	Assessed by reference to estimate and the level of similar properties.
Other expenses	50	Assessed based on the past results.
Net operating income (NOI)	98,527	-
Gain on management of income from lump-sum payment	170	Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. by management yield at 1.0%.
Capital expenditures	1,476	Recording 70% of the levelled amount of estimate in the engineering report.
Net income (NCF)	97,221	-
Capitalization rate	4.7%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate.
Value of earnings calculated by discounted cash flow (DCF) method	2,000,000	-
Discount rate	4.5%	Assessed based on the basis yield comprehensively taking into account market trends, etc. after considering risk factors of regional factors/individuality of the property.
Terminal capitalization rate	4.9%	Assessed based on capitalization rate considering risks such as future uncertainties.
Cost method value	836,000	-
Land ratio	57.7%	-
Building ratio	42.3%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Hyogoekimaedori
Appraisal value	1,670,000 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	1,670,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method.
Value based on direct capitalization method	1,700,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	106,721	-
Effective gross income	114,089	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new term assumed when the property is newly leased, etc.
Vacancy loss, etc.	7,368	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	20,716	-
Maintenance expenses	4,715	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	1,457	Assessed based on past results of the property and the level of similar properties
Repair expenses	2,343	Repair expenses: Recorded 30% of the levelled amount of the estimate in the engineering report. Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties.
PM fees	2,835	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	1,921	Assessed taking into account local practice and turnover rate of the property.
Taxes and public dues	5,306	Assessed based on actual results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	173	Assessed by reference to estimate and the level of similar properties.
Other expenses	1,966	-
Net operating income (NOI)	86,005	-
Gain on management of income from lump-sum payment	222	Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. by management yield at 1.0%.
Capital expenditures	1,344	Recording 70% of the levelled amount of estimate in the engineering report.
Net income (NCF)	84,883	-
Capitalization rate	5.0%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate.
Value of earnings calculated by discounted cash flow (DCF) method	1,640,000	-
Discount rate	4.8%	Assessed based on the basis yield comprehensively taking into account market trends, etc. after considering risk factors of regional factors/individuality of the property.
Terminal capitalization rate	5.2%	Assessed based on capitalization rate considering risks such as future uncertainties.
Cost method value	734,000	-
Land ratio	39.6%	-
Building ratio	60.4%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Mizuho
Appraisal value	545,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	545,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	563,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	38,123	-
Effective gross income	39,768	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	1,645	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	8,594	-
Maintenance expenses	1,352	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	779	Assessed based on past results of the property and the level of similar properties
Repair expenses	1,319	Assessed based on the engineering report and past results of the property.
PM fees	1,130	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	450	Assessed based on the current agreement and past results of the property.
Taxes and public dues	2,521	Assessed based on the past results.
Non-life insurance fees	139	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	904	Assessed based on the past results.
Net operating income (NOI)	29,529	-
Gain on management of income from lump-sum payment	28	Assessed assuming management yield at 1.0%.
Capital expenditures	845	Assessed by reference to the engineering report, cases of similar properties, etc.
Net income (NCF)	28,712	-
Capitalization rate	5.1%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	545,000	-
Discount rate	4.9%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	5.3%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	412,000	-
Land ratio	33.5%	-
Building ratio	66.5%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Osu
Appraisal value	831,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	831,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	813,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	56,138	-
Effective gross income	59,619	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	3,481	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	14,200	-
Maintenance expenses	2,666	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	844	Assessed based on past results of the property and the level of similar properties
Repair expenses	2,143	Assessed based on the engineering report and past results of the property.
PM fees	1,660	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	1,618	Assessed based on the current agreement and past results of the property.
Taxes and public dues	5,051	Assessed based on the past results.
Non-life insurance fees	218	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	0	-
Net operating income (NOI)	41,938	-
Gain on management of income from lump-sum payment	40	Assessed assuming management yield at 1.0%.
Capital expenditures	1,328	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	40,650	-
Capitalization rate	5.0%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	831,000	-
Discount rate	4.8%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	5.2%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	808,000	-
Land ratio	23.6%	-
Building ratio	76.4%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Sendai Kozurushinden
Appraisal value	761,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2016

(unit: thousands of yen)

Item	Amount	Details
Income approach value	761,000	Income approach value based on DCF method after cross-validation of income approach values based on DCF method and direct capitalization method.
Value based on direct capitalization method	785,000	Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate
Operating revenue	53,465	-
Effective gross income	56,403	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	2,938	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the actual occupancies in the past, etc. of the property and similar properties.
Operating expenses	10,927	-
Maintenance expenses	2,526	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	1,091	Assessed based on past results of the property and the level of similar properties
Repair expenses	1,401	Assessed based on the engineering report and past results of the property.
PM fees	1,580	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	1,564	Assessed based on the current agreement and past results of the property.
Taxes and public dues	2,633	Assessed based on the past results.
Non-life insurance fees	132	Recorded actual amount based on estimate, non-life insurance policy, etc.
Other expenses	0	-
Net operating income (NOI)	42,538	-
Gain on management of income from lump-sum payment	42	Assessed assuming management yield at 1.0%.
Capital expenditures	1,746	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	40,834	-
Capitalization rate	5.2%	Assessed based on the basis yield comprehensively taking into account transaction yield of similar properties within the same supply and demand zone, risks from individuality/regional factors of the property.
Value of earnings calculated by discounted cash flow (DCF) method	761,000	-
Discount rate	5.0%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	5.4%	Assessed based on capitalization rate taking into account risk premiums such as price fall risk due to deterioration from aging, market fluctuation risk, etc.
Cost method value	587,000	-
Land ratio	29.3%	-
Building ratio	70.7%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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< Attachment >

[Attachment 1] Portfolio List after Acquisition of Assets to be Acquired

[Attachment 2] Photo and Map of Assets to be Acquired

*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/>

【Attachment 1】 Portfolio List after Acquisitions of Assets to be Acquired

Property No	Property name	(Planned) Acquisition price (Note 1)	
		Acquisition price (thousand yen)	Investment share (%) (Note 2)
C-1	Proceed Ichikawa	1,076,000	1.3
C-2	Proceed Toyocho	646,700	0.8
C-3	Proceed Kasai	688,700	0.8
C-4	Proceed Sangenjaya	555,900	0.7
C-5	Proceed Mizue	602,600	0.7
C-6	Proceed Funabashi Miyamoto	419,900	0.5
C-7	Proceed Minamikasai	303,500	0.4
C-8	Proceed Sengendai	259,200	0.3
C-9	Proceed Gyotoku	315,600	0.4
C-10	Proceed Makuharihongo	279,300	0.3
C-11	Proceed Minamigyotoku	287,300	0.4
C-12	Proceed Makuharihongo 2	223,400	0.3
C-13	Proceed Higashikawaguchi	206,500	0.3
C-14	Proceed Funabori	226,100	0.3
C-15	Proceed Takenozuka	169,400	0.2
C-16	Proceed Sengendai 2	86,700	0.1
C-17	Proceed Shoto	937,400	1.1
C-18	Proceed Sangubashi	497,600	0.6
C-19	Proceed Urayasu	431,400	0.5
C-20	Proceed Shinkoiwa	465,200	0.6
C-21	Proceed Yachiyo Midorigaoka I	383,600	0.5
C-22	Proceed Yachiyo Midorigaoka II	339,000	0.4
C-23	Proceed Toritsudaigaku	790,400	1.0
C-24	Proceed Toritsudaigaku 2	772,200	0.9
C-25	Proceed Honjoazumabashi	339,800	0.4
C-26	Proceed Meguro Aobadai	466,700	0.6
C-27	Proceed Suginami Miyamae	454,900	0.6
C-28	Proceed Ryogoku	443,900	0.5
C-29	Proceed Mita	1,537,200	1.9
C-30	Proceed Nakanoshimbashi	638,800	0.8
C-31	Proceed Kameido	339,000	0.4
C-32	Proceed Takadanobaba	223,700	0.3
C-33	Proceed Shinkoenji	742,100	0.9
C-34	Proceed Koenjiminami	277,400	0.3
C-35	Proceed Hasune	284,000	0.3
C-36	Proceed Oimachi	944,000	1.2
C-37	Proceed Jujo	533,000	0.7
C-38	Proceed Hakuraku	241,000	0.3



Property No	Property name	(Planned) Acquisition price (Note 1)	
		Acquisition price (thousand yen)	Investment share (%) (Note 2)
C-39	Proceed Shinmaruko	635,000	0.8
C-40	Proceed Motoyawata	307,000	0.4
C-41	Proceed Nishiarai	5,172,000	6.3
C-42	Proceed Chofu	460,500	0.6
C-43	Proceed TX Rokucho	156,800	0.2
C-44	Proceed Nakagawara	1,141,000	1.4
C-45	Proceed Oizumigakuen	268,300	0.3
C-46	Proceed Chitosekarasuyama	289,600	0.4
C-47	Proceed Mitaka	477,200	0.6
C-48	Proceed Kashiwa Est	732,000	0.9
C-49	Proceed Kashiwa Nord	689,000	0.8
C-50	Proceed Gyotokuekimae	331,000	0.4
C-51	Proceed Funabashi Honcho	531,700	0.6
C-52	Proceed Nishikawaguchi	881,000	1.1
C-53	Proceed Gumyoji	552,000	0.7
C-54	Proceed Tsurugamine	356,000	0.4
C-55	Proceed Sagamiotsuka	234,000	0.3
C-56	Proceed Shinozaki 2	913,300	1.1
C-57	Proceed Kashiwa Trois	537,100	0.7
C-58	Proceed Shinozaki Tower	1,564,000	1.9
C-59	Proceed Tobu Nerima	422,000	0.5
C-60	Proceed Yukigaya	323,000	0.4
C-61	Proceed Ichikawa Minami	687,000	0.8
C-62	Proceed Ichikawa Myoten	498,000	0.6
C-63	Proceed Fukujisawa Kugenuma	729,000	0.9
C-64	Proceed Nihonbashi-horidomecho	1,485,800	1.8
C-65	Proceed TX Nagareyama Central Park	979,700	1.2
C-66	Proceed Gyotoku 2	830,000	1.0
C-67	Proceed Nishikasai	875,600	1.1
C-68	Proceed Kasai 2	750,000	0.9
C-69	Proceed Nihonbashi Honcho	2,449,000	3.0
C-70	Proceed Nishi Shinjuku	2,549,000	3.1
C-71	Proceed Unoki	917,000	1.1
C-72	Proceed Minamigyotoku 2	1,080,000	1.3
C-73	Proceed CO-Z East Building	1,830,000	2.2
C-74	Proceed CO-Z West Building	971,000	1.2
C-75	Proceed Shin Yokohama	4,330,000	5.3
Tokyo metropolitan area major cites subtotal		56,363,700	68.8
G-1	Proceed Hondori	386,000	0.5
G-2	Proceed Kanjodorihigashi	233,700	0.3
G-3	Proceed Kotoni	204,900	0.3
G-4	Proceed Motomachi	148,700	0.2
G-5	Proceed Motomachi 2	85,500	0.1
G-6	Proceed Hakozakigu II	85,000	0.1
G-7	Proceed Hakozakigu I	81,300	0.1
G-8	Proceed Taikodori	403,400	0.5
G-9	Proceed Ohashi	208,500	0.3
G-10	Proceed Nakagawa	150,400	0.2



Property No	Property name	(Planned) Acquisition price (Note 1)	
		Acquisition price (thousand yen)	Investment share (%) (Note 2)
G-11	Proceed Honamimachi	275,000	0.3
G-12	Proceed Higashiohata	53,100	0.1
G-13	Proceed Shinsakae	792,500	1.0
G-14	Proceed Chiyoda	309,300	0.4
G-15	Proceed Fukuoka Takamiya	453,600	0.6
G-16	Proceed Ohorikoen	452,800	0.6
G-17	Proceed Kanayama	1,022,000	1.2
G-18	Proceed Fukiage	499,000	0.6
G-19	Proceed Toyoda	219,000	0.3
G-20	Proceed Kitahorie	1,917,300	2.3
G-21	Proceed Nishitenma	880,000	1.1
G-22	Proceed Kobemotomachi	780,000	1.0
G-23	Group Home Tanoshii Ie Taisho	158,000	0.2
G-24	Proceed Kanayama 2	2,040,400	2.5
G-25	Proceed Aratamabashi	2,129,600	2.6
G-26	Proceed Bentencho	2,170,000	2.6
G-27	Proceed Nagaikoendori	1,070,000	1.3
G-28	Proceed Nishinagahori	942,000	1.1
G-29	Proceed Kyobashi	2,040,000	2.5
G-30	Proceed Hyogoekimaedori	1,670,000	2.0
G-31	Proceed Mizuho	535,000	0.7
G-32	Proceed Osu	831,000	1.0
G-33	Proceed Sendai Kozurushinden	698,000	0.9
Cabinet order designated cities subtotal		23,925,000	29.2
R-1	Proceed Matsuyama	77,900	0.1
R-2	Proceed Mito	383,700	0.5
R-3	Proceed Mito 2	416,900	0.5
R-4	Proceed Tsukuba Gakuentoshi	775,600	0.9
Regional area major cities subtotal		1,654,100	2.0
Portfolio total		81,942,800	100.0

(Note 1) As to “(Planned) Acquisition price,” acquisition prices are indicated for assets acquired and transaction prices stated in the trust beneficial interest transaction agreement with condition precedent, etc. are indicated for assets to be acquired (excluding various expenses such as real estate transaction brokerage fee, etc. required for the acquisition of the assets acquired or to be acquired).

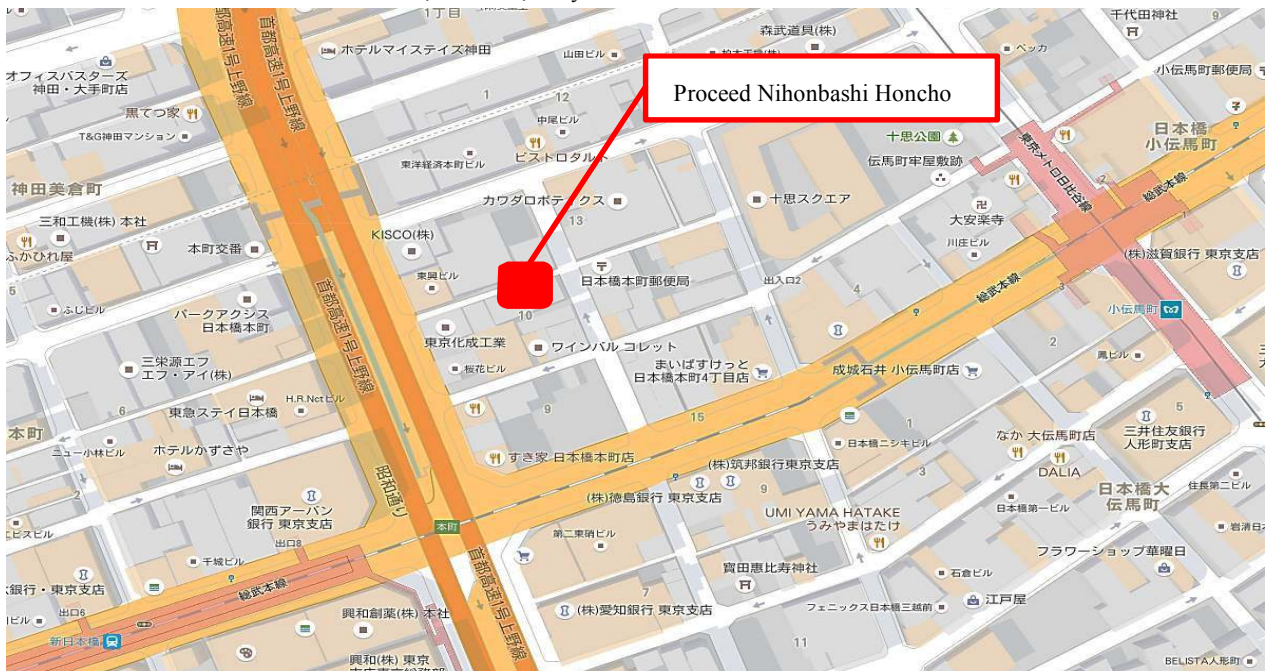
(Note 2) “Investment share” indicates the ratio of (planned) acquisition price of the trust beneficiary interest, etc. to the portfolio’s total (planned) acquisition price for assets acquired and assets to be acquired, and is rounded to the first decimal place.

【Attachment 2】Photos and Maps of Assets to be Acquired

(C-69) Proceed Nihonbashi Honcho



Location: 4-10-5 Nihonbashi Honcho, Chuo-ku, Tokyo



(C-70) Proceed Nishi Shinjuku



Location: 3-7-23 Nishi Shinjuku, Shinjuku-ku, Tokyo



(C-71) Proceed Unoki



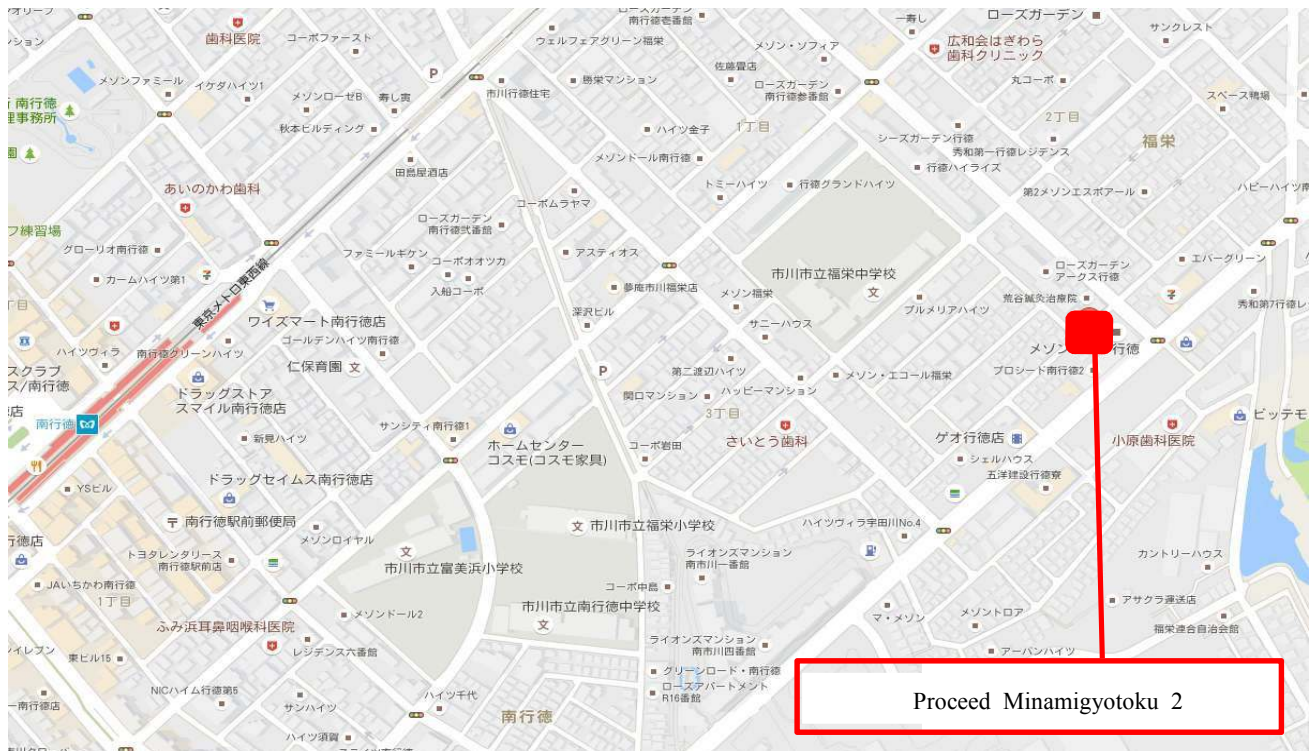
Location: 2-43-7 Unoki, Ota-ku, Tokyo



(C-72) Proceed Minamigyotoku 2



Location: 3-3-20 Fukuei, Ichikawa-shi, Chiba



Proceed Minamigyotoku 2

(C-73) Proceed CO-Z East Building



Location: 4-12 Kuzunomori, Narita-shi, Chiba



Proceed CO-Z East Building

(C-74) Proceed CO-Z West Building



Location: 4-1-1 Kuzunomori, Narita-shi, Chiba



(C-75) Proceed Shin Yokohama



Location: 3-21-2 Shin Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa



(G-26) Proceed Bentecho



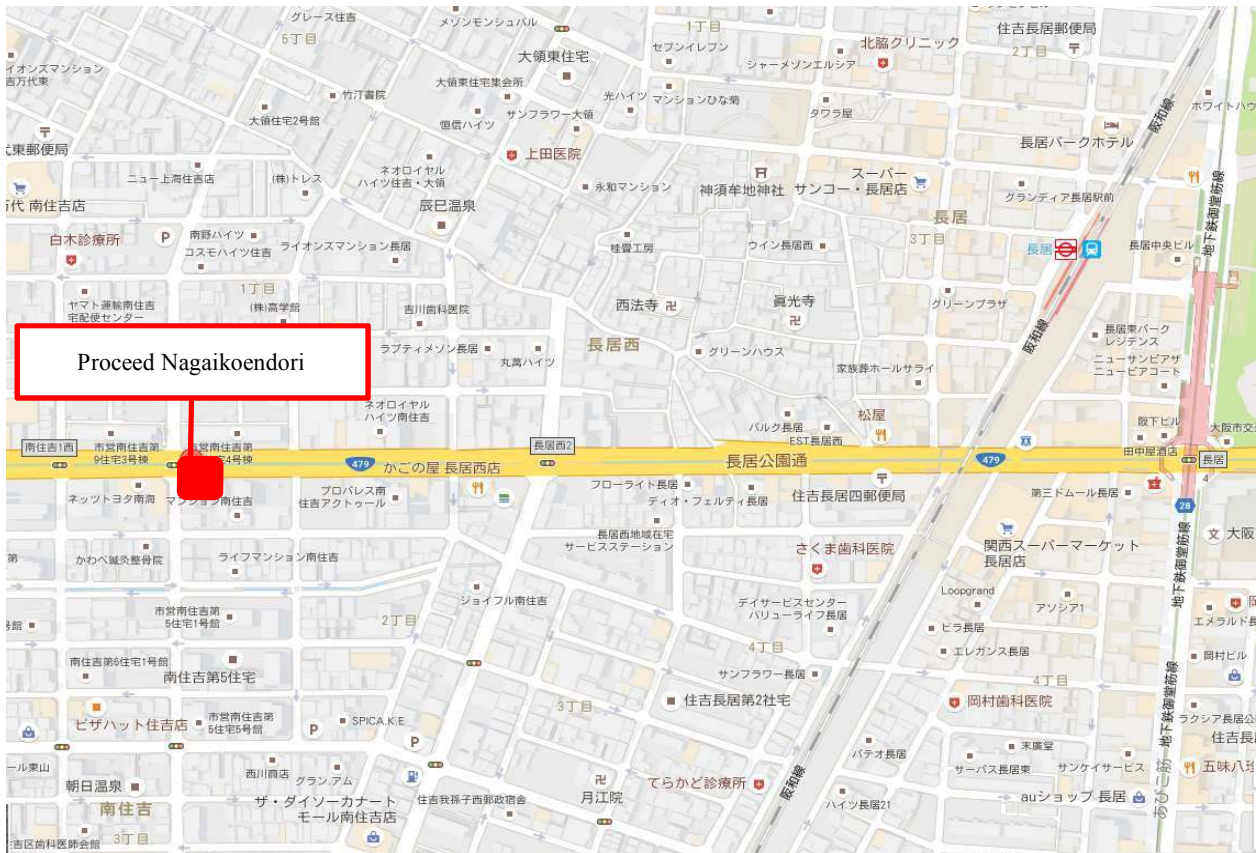
Location: 2-5-12 Ichioka Motomachi, Minato-ku, Osaka-shi, Osaka



(G-27) Proceed Nagaikoendori



Location: 2-9-19 Minami Sumiyoshi, Sumiyoshi-ku, Osaka-shi, Osaka



(G-28) Proceed Nishinagahori



Location: 4-10-24 Shinmachi, Nishi-ku, Osaka-shi, Osaka



(G-29) Proceed Kyobashi



Location: 2-10-12 Miyakojima Minamidori, Miyakojima-ku, Osaka-shi, Osaka



(G-30) Proceed Hyogoekimaedori



Location: 1-3-22 Ekimaedori, Hyogo-ku, Kobe-shi, Hyogo



(G-31) Proceed Mizuho



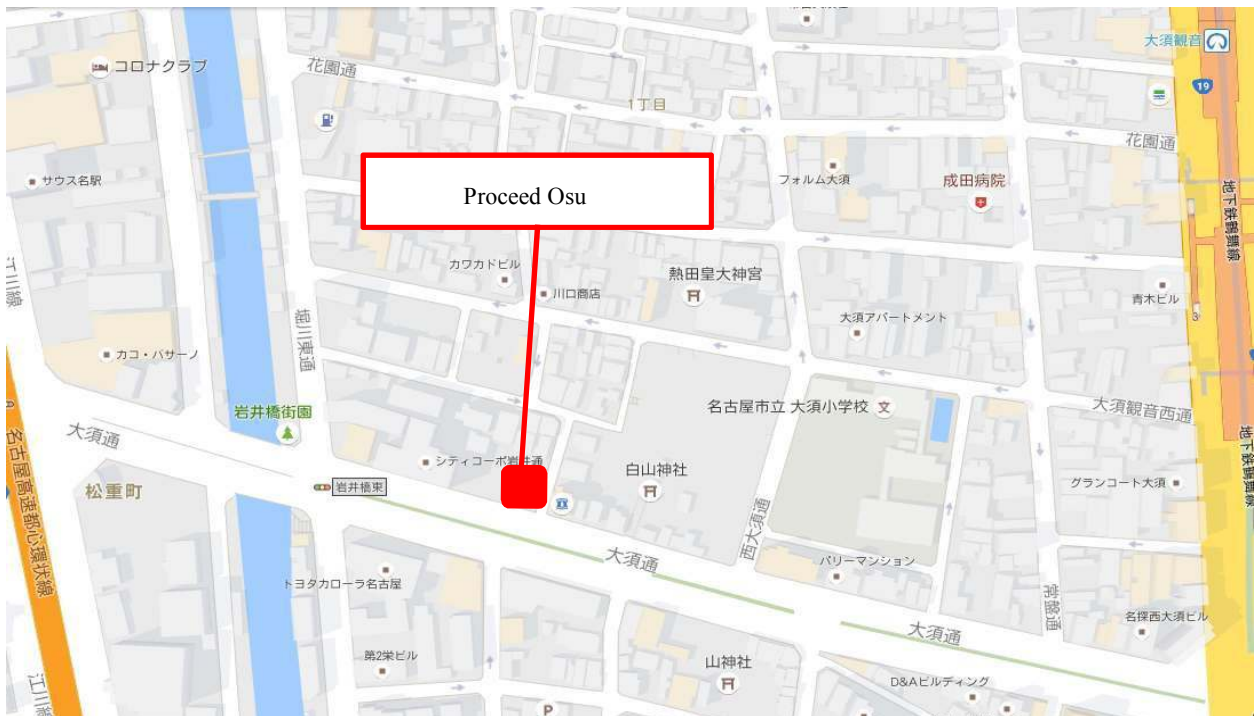
Location: 2-43 Mizuho, Mizuho-ku, Nagoya-shi, Aichi



(G-32) Proceed Osu



Location: 1-29-32 Osu, Naka-ku, Nagoya-shi, Aichi



(G-33) Proceed Sendai Kozurushinden



Location: 3-13-3 Shinden Higashi, Miyagino-ku, Sendai-shi, Miyagi

