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For Immediate Release

REIT Issuer

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Asset Management Company

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

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 disposition and acquisition of trust beneficiary interests in domestic real estate (respectively the “Acquisition” and the “Disposition,” and collectively the “Transaction”). The details are as follows.

Since the counterparty of the Transaction is an interested party, etc. as defined in the Act on Investment Trusts and Investment Corporations (Act No.198, 1951, as amended (the “Investment Trusts Act”)), the Asset Management Company, pursuant to the internal rules, has obtained consent from Starts Proceed based on the approval of the Board of Directors of Starts Proceed held today.

I. Overview of the Transaction

(1) Assets to be Disposed through the Disposition (the “Assets to be Disposed”)

Property No.	Property name	Buyer	Planned contract conclusion date	Planned disposition date (Note 1)	Planned disposition price (thousand yen) (Note 2)	Assumed book value (thousand yen) (Note 3)	Capital gain or loss (thousand yen) (Note 4)
G-1	Proceed Hondori	Starts Amenity Corporation (Note 5)	September 29, 2017	September 29, 2017	533,000	394,768	138,231
G-2	Proceed Kanjodorihigashi				303,000	232,079	70,920
G-3	Proceed Kotoni				275,000	209,116	65,883
G-9	Proceed Ohashi				256,000	213,913	42,086
G-12	Proceed Higashiohata	A domestic company (Note 6)	October 16, 2017	October 16, 2017	53,100	58,033	(4,933)
G-16	Proceed Ohorikoen	A domestic company (Note 6)	October 31, 2017	October 31, 2017	420,000	488,189	(68,189)
R-1	Proceed Matsuyama	Shikoku Amlas Corporation	September 29, 2017	September 29, 2017	106,800	102,523	4,276
Total					1,946,900	1,698,622	248,277

(Note 1) As for the settlement method, settlement for the entire amount will be made on the planned disposition date for all of the properties.

(Note 2) “Planned disposition price” does not include miscellaneous disposition related expenses, fixed property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 3) “Assumed book value” is the book value assumed as of the planned disposition date.

(Note 4) “Capital gain or loss” is the reference value calculated as the difference between the planned disposition price and assumed book

value and differs from gain on sales.

(Note 5) Starts Amenity Corporation is an interested party, etc. of the Asset Management Company defined in the Investment Trusts Act. For details, please refer to “6. Overview of Counterparty of the Transaction” below. The same applies hereinafter.

(Note 6) These are different domestic companies for each property, but as the seller has not agreed to the disclosure, it is not disclosed.

(2) Asset to be Acquired through the Acquisition (the “Asset to be Acquired”)

Property No.	Property name	Seller	Planned contract conclusion date	Planned date of acquisition (Note 1)	Planned acquisition price (thousand yen) (Note 2)
C-77	Proceed Kinshicho	Starts Development Corporation (Note 3)	October 24, 2017	November 1, 2017	2,140,000

(Note 1) As for the settlement method, settlement for the entire amount will be made on the planned date of acquisition.

(Note 2) “Planned acquisition price” does not include miscellaneous acquisition related expenses, fixed property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 3) Starts Development Corporation is an interested party, etc. of the Asset Management Company defined in the Investment Trusts Act. For details, please refer to “6. Overview of Counterparty of the Transaction” below.

2. Reason for the Transaction and Characteristics of the Asset to be Acquired

(1) Reason for Transaction

Starts Proceed recognizes that it is necessary to dispose old assets and small assets with relatively high expense rates in order to enhance the competitiveness of the portfolio and exchange assets for those which are younger and are expected to be operated stably. Starts Proceed considered the disposition opportunity given the profitability of the Assets to be Disposed is forecasted to decrease with future costs increase as they are all 19 years old or older and for which daily repair costs are increasing and rooftop waterproofing work and exterior wall repair work are scheduled for next year.

The acquisition using the funds procured from disposition of the Asset to be Disposed is decided as the Asset to be Acquired, owned by Starts Development Corporation who concluded a pipeline support agreement with the Asset Management Company, is suitable as an asset to be exchanged with the Assets to be Disposed as indicated in “(2) Characteristics of the Asset to be Acquired” below and as an agreement has been reached at a price lower than the appraisal value for the planned acquisition price through negotiation.

With the transaction, Starts Proceed aims to implement an asset replacement that leads to the enhancement of its portfolio quality, while lowering the average age of the portfolio.

Furthermore, in the fiscal period ending October 2017, Starts Proceed will conduct reduction entry utilizing the “Special Provisions for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010” for the part of the capital gain occurring from the Disposition (120 million yen) and will be allocated as internal reserves as a reserve for reduction entry to be used for measures, etc. contributing to secure stable distribution level in the future. Gain on sales of real estate properties from the Disposition is estimated to be 128 million yen (note).

(Note) Capital gain is an estimated amount and is subject to change.

(2) Characteristics of the Asset to be Acquired

- The Kinshicho area where the Asset to be Acquired stands has excellent transportation access to central Tokyo and thus is an area with strong residential demand for commuters to central Tokyo and others.
- The Asset to be Acquired is a 7-minute walk from Kinshicho Station on the JR Sobu Line and Tokyo Metro Hanzomon Line and is highly convenient in addition to having a good living environment with a large shopping building and other various facilities for daily life in the neighboring area.
- The Asset to be Acquired targets mainly singles and DINKS and the property is suitable for its target with white-based urban design and excellently designed interior/equipment in condominium specification.

3. Content of the Asset to be Acquired and Assets to be Disposed

(1) Description of Assets to be Disposed

G-1: Proceed Hondori

Overview of specified asset		Overview of leasing (as of August 31, 2017)	
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 (67)
Planned disposition price	533,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	37 (37)
Location (address)	3-1 18 Minami Hondori, Shiroishi-ku, Sapporo-shi, Hokkaido	Leased floor area	2,624.93 m ²
PM Company/ML Company	Starts Amenity Corporation	Total leasable floor area	2,624.93 m ²
Master lease type	Fixed rent	Annual rent revenue	37,080 thousand yen
Trustee	Sumitomo Mitsui Trust Bank, Limited	Security and guarantee deposits, etc.	2,844 thousand yen
Period of trust agreement	From: March 30, 2004	Occupancy rate	100.0%
	To: November 30, 2025		
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	1,571.00 m ²	Appraiser
	Zoning	Neighborhood commercial district	Date of appraisal
	Building-to-land	90%	Appraisal value
	Floor-area ratio	300%	Chuo Real Estate Appraisal Co., Ltd.
Building	Ownership form	Proprietorship	Evaluation company
	Structure	Steel framed reinforced concrete structure with flat roof/10F	Date of evaluation
	Construction completion date	March 14, 1989	Building replacement value
	Total floor area	3,126.08 m ²	Long-term repair costs (12 years)
	Use	Apartment complex and Retail	PML (Date of evaluation: April 2017)
			665,900 thousand yen
			32,054 thousand yen
			5.0%
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%. However, due to the mitigation of corner lot, it is set at 90%.			
Remarks			
4-minute walk from Nango 18-chome Station on the Sapporo Municipal Subway Tozai Line.			

G-2: Proceed Kanjodorihigashi

Overview of specified asset		Overview of leasing (as of August 31, 2017)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased unit	34 (34)	
Planned disposition price	303,000 thousand yen	(Total number of leasable units)		
Location (address)	15-2-20 Kita 16-jo Higashi, Higashi-ku, Sapporo-shi, Hokkaido	Number of leased parking units (Total number of leasable parking units)	5 (5)	
PM Company/ML Company	Starts Amenity Corporation	Leased floor area	1,183.47 m ²	
Master lease type	Fixed rent	Total leasable floor area	1,183.47 m ²	
Trustee	Sumitomo Mitsui Trust Bank, Limited	Annual rent revenue	22,239 thousand yen	
Period of trust agreement	From: March 29, 2002	Security and guarantee deposits, etc.	3,655 thousand yen	
	To: November 30, 2025	Occupancy rate	100.0%	
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	478.04 m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Neighborhood commercial district	Date of appraisal	April 30, 2017
	Building-to-land	80%	Appraisal value	303,000 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 / 7F	Date of evaluation	November 2014
	Construction completion date	October 23, 1990	Building replacement value	323,100 thousand yen
	Total floor area	1,420.16 m ²	Long-term repair costs (12 years)	25,880 thousand yen
	Use	Apartment complex and Retail	PML (Date of evaluation: April 2017)	5.5%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
None				
Remarks				
1-minute walk from Kanjodorihigashi Station on the Sapporo Municipal Subway Toho Line.				

G-3: Proceed Kotoni

Overview of specified asset		Overview of leasing (as of August 31, 2017)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased unit	28 (28)	
Planned disposition price	275,000 thousand yen	(Total number of leasable units)		
Location (address)	4-1-29 Yamanote 3-Jo, Nishi-ku, Sapporo-shi, Hokkaido	Number of leased parking units (Total number of leasable parking units)	16 (16)	
PM Company/ML Company	Starts Amenity Corporation	Leased floor area	1,453.27 m ²	
Master lease type	Fixed rent	Total leasable floor area	1,453.27 m ²	
Trustee	Resona Bank Ltd.	Annual rent revenue	20,181 thousand yen	
Period of trust agreement	From: October 27 2005	Security and guarantee deposits, etc.	2,155 thousand yen	
	To: April 30, 2026	Occupancy rate	100.0%	
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	814.64 m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	①Neighborhood commercial district ②Category I medium-to-high-rise exclusive residential district	Date of appraisal	April 30, 2017
	Building-to-land	72% (①80%, ②60%)	Appraisal value	275,000 thousand yen
	Floor-area ratio	200% (same in ① and ②)	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	November 2014
	Construction completion date	October 21, 1991	Building replacement value	333,900 thousand yen
	Total floor area	1,601.17 m ²	Long-term repair costs (12 years)	10,938 thousand yen
	Use	Apartment complex and Retail	PML (Date of evaluation: April 2017)	4.0%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. Of the land of the property, building-to-land ratio for the portion designated as the neighborhood commercial district is 80% and that for the portion designated as Category I medium-to-high-rise exclusive residential district is 60%. The weighted average figures in accordance with the size of areas are applied.				
Remarks				
11-minute walk from Kotoni Station on the Sapporo Municipal Subway Tozai Line.				

G-9: Proceed Ohashi

Overview of specified asset		Overview of leasing (as of August 31, 2017)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased unit	16 (16)	
Planned disposition price	256,000 thousand yen	(Total number of leasable units)		
Location (address)	3-15-3 Ohashi Minami-ku, Fukuoka-shi, Fukuoka	Number of leased parking units (Total number of leasable parking units)	16 (16)	
PM Company/ML Company	Starts Amenity Corporation	Leased floor area	1,140.00 m ²	
Master lease type	Fixed rent	Total leasable floor area	1,140.00 m ²	
Trustee	Resona Bank Ltd.	Annual rent revenue	17,761 thousand yen	
Period of trust agreement	From: May 2, 2006	Security and guarantee deposits, etc.	1,693 thousand yen	
	To: April 30, 2026	Occupancy rate	100.0%	
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	832.75 m ²	Appraiser	Morii Appraisal & Investment
	Zoning	①Category 1 residential districts ②Commercial district	Date of appraisal	April 30, 2017
	Building-to-land	61.60% (①60%, ②80%)	Appraisal value	256,000 thousand yen
	Floor-area ratio	215.98% (①200%, ②400%)	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	October 2013
	Construction completion date	February 13, 1998	Building replacement value	322,560 thousand yen
	Total floor area	1,320.46 m ²	Long-term repair costs (12 years)	28,745 thousand yen
	Use	Apartment complex	PML (Date of evaluation: April 2017)	8.0%
Collateral				
None				
Special notations/ Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. Of the land of the property, building-to-land ratio for the portion designated as Category I residential district is 60% and that for the portion designated as commercial 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 category I residential district is 200% and that for the portion designated as commercial district is 400%. The weighted average figures in accordance with the size of areas are applied.				
Remarks				
11-minute walk from Ohashi Station on the Nishitetsu Tenjin Omuta Line				

G-12: Proceed Higashiohata

Overview of specified asset		Overview of leasing (as of August 31, 2017)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased unit (Total number of leasable units)	8 (9)	
Planned disposition price	53,100 thousand yen	Number of leased parking units (Total number of leasable parking units)	3 (4)	
Location (address)	662-1 Ichiban-cho Higashiohatadori Chuo-ku, Niigata-shi, Niigata	Leased floor area	267.07 m ²	
PM Company/ML Company	Starts Amenity Corporation	Total leasable floor area	296.61 m ²	
Master lease type	Pass-through	Annual rent revenue	4,752 thousand yen	
Trustee	Sumitomo Mitsui Trust Bank, Limited	Security and guarantee deposits, etc.	400 thousand yen	
Period of trust agreement	From: March 30, 2004	Occupancy rate	90.0%	
	To: November 30, 2025			
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	212.49 m ²	Appraiser	Asset Research Inc.
	Zoning	Category II medium-to-high-rise exclusive residential district	Date of appraisal	April 30, 2017
	Building-to-land	70%	Appraisal value	42,200 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 / 4 F	Date of evaluation	October 2013
	Construction completion date	November 27, 1991	Building replacement value	95,550 thousand yen
	Total floor area	400.06 m ²	Long-term repair costs (12 years)	12,619 thousand yen
	Use	Apartment complex	PML (Date of evaluation: April 2017)	13.7%
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 60%. However, due to mitigation of corner lot, it is set at 70%.				
Remarks				
10 minutes from Niigata Station on JR Echigo line, Shinetsu Main Line, Hakushin Line, Banetsu West Line by bus				

G-16: Proceed Ohorikoen

Overview of specified asset		Overview of leasing (as of August 31, 2017)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased unit	46 (50)	
Planned disposition price	420,000 thousand yen	(Total number of leasable units)		
Location (address)	1-2-10 Arato Chuo-ku, Fukuoka-shi, Fukuoka	Number of leased parking units (Total number of leasable parking units)	7 (8)	
PM Company/ML Company	Starts Amenity Corporation	Leased floor area	1,050.39 m ²	
Master lease type	Pass-through	Total leasable floor area	1,128.92 m ²	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Annual rent revenue	27,144 thousand yen	
Period of trust agreement	From: November 30, 2007	Security and guarantee deposits, etc.	1,660 thousand yen	
	To: October 31, 2017	Occupancy rate	93.0%	
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	370.08 m ²		
	Zoning	Commercial district	Date of appraisal	April 30, 2017
	Building-to-land	90%	Appraisal value	381,000 thousand yen
	Floor-area ratio	400%	Overview of Building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	InterRisk Research Institute & Consulting, Inc.
	Structure	Reinforced concrete structure with concrete roof/flat roof / 7F	Date of evaluation	April 2017
	Construction completion date	March 21, 1997	Building replacement value	304,900 thousand yen
	Total floor area	1,187.75 m ²	Long-term repair costs (12 years)	17,330 thousand yen
	Use	Apartment complex	PML (Date of evaluation: April 2017)	10.6%
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%. However, due to mitigation of corner lot, it is set at 90%. 2. The concrete-block wall on the southeast side of the property is co-owned with the owner of adjacent land on the southeast side, and a memorandum has been concluded with the owner of adjacent land. 3. The concrete-block wall on the northeast side of the property is co-owned with owner of adjacent land on the northeast side.				
Remarks				
2-minute walk from Ohorikoen Station on the Fukuoka Municipal Subway Kuko Line				

R-1: Proceed Matsuyama

Overview of specified asset		Overview of leasing (as of August 31, 2017)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased unit	17 (17)	
Planned disposition price	106,800 thousand yen	(Total number of leasable units)		
Location (address)	4-7-6 Tarumi Matsuyama-shi, Ehime	Number of leased parking units (Total number of leasable parking units)	8 (8)	
PM Company/ML Company	Starts Amenity Corporation	Leased floor area	695.06 m ²	
Master lease type	Pass-through	Total leasable floor area	695.06 m ²	
Trustee	Sumitomo Mitsui Trust Bank, Limited	Annual rent revenue	9,600 thousand yen	
Period of trust agreement	From: March 29, 2002	Security and guarantee deposits, etc.	1,187 thousand yen	
	To: November 30, 2025	Occupancy rate	100.0%	
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	453.08 m ²	Appraiser	Morii Appraisal & Investment
	Zoning	Category 1 residential districts	Date of appraisal	April 30, 2017
	Building-to-land	60%	Appraisal value	99,800 thousand yen
	Floor-area ratio	160%	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	April 2013
	Construction completion date	August 31, 1991	Building replacement value	135,660 thousand yen
	Total floor area	691.86 m ²	Long-term repair costs (12 years)	9,677 thousand yen
	Use	Apartment complex	PML (Date of evaluation: April 2017)	7.2%
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 floor-area ratio of the property is essentially 200%. However, due to road width rules of the front road and specified roads, it is set at 160%.				
Remarks				
18 minutes from Matsuyama Station on the JR Yosan Line by bus				

(2) Content of the Asset to be Acquired
 C-77: Proceed Kinshicho

Overview of specified asset		Overview of leasing (as of June 30, 2017)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased unit (Total number of leasable units)	60 (64)	
Planned acquisition price	2,140,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	9 (11)	
Location (address)	4-6-9 Kamezawa Sumida-ku, Tokyo	Leased floor area	2,181.18 m ²	
PM Company/ML Company	Starts Amenity Corporation	Total leasable floor area	2,302.92 m ²	
Master lease type	Pass-through	Annual rent revenue	96,108 thousand yen	
Trustee	Sumitomo Mitsui Trust Bank,	Security and guarantee deposits, etc.	13,554 thousand yen	
Period of trust agreement	From: November 9, 2005	Occupancy rate	94.7%	
	To: June 30, 2027			
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	544.16 m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	①Neighborhood commercial district ②Quasi-industrial district	Date of appraisal	September 1, 2017
	Building-to-land	94.29% (①80%, ②60%)	Appraisal value	2,150,000 thousand yen
	Floor-area ratio	445.78%(①400%, 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 / 9F	Date of evaluation	September 2017
	Construction completion date	July 1, 2005	Building replacement value	830,900 thousand yen
	Total floor area	2,770.59 m ²	Long-term repair costs (12 years)	43,851 thousand yen
	Use	Apartment complex	PML (Date of evaluation: April 2017)	6.1%
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, the building-to-land ratio for the portion designated as neighborhood commercial district is essentially 80% and that for the portion designated as quasi-industrial district is essentially 60%. However, the weighted average figures in accordance with the size of areas after the mitigation of district plans of Kamezawa district and fireproof building rules in fire-prevention districts are applied. 2. Of the land of the property, the floor-area ratio for the portion designated as neighborhood commercial district is 400% and that for the portion designated as quasi-industrial district is 300%. The weighted average figures in accordance with the size of areas after the mitigation of district plans of Kamezawa district are applied.				
Remarks				
7-minute walk from Kinshicho Station on the JR Sobu Line and Tokyo Metro Hanzomon Line				
Area/property characteristics				
The Kinshicho area where the Asset to be Acquired stands has excellent transportation access to central Tokyo and thus is an area with strong residential demand from commuters to central Tokyo and others. The north side of the Asset to be Acquired is an area which has gone through large-scale redevelopment and is excellent in daily convenience including shopping with ARCATOWERS, olinas, Lotte City and other large-scale facilities. Additionally, close to the Asset to be				



Starts Proceed
Investment Corporation

Acquired on the west side, there is the large Oyokogawa Shinsui Park lying north and south of the Kinshicho area, providing relaxation to citizens and an up-close view of Tokyo Skytree. The Asset to be Acquired targets mainly singles and DINKS and the property is suitable for its target with white-based urban design and excellently designed interior/equipment in condominium specification. Thus, strong needs are expected for the Asset to be Acquired over the medium to long term

[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 disposition price" and "Planned acquisition price" indicate 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 Disposed and Asset 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 disposition or 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 Disposed and Asset to be Acquired, a master lease agreement with Starts Amenity Corporation as a lessee and a sublessor is concluded or scheduled to be concluded among Starts Proceed, the trustee and Starts Amenity Corporation at the time of the disposition or acquisition. Thus "Total number of tenants" indicates the number regarding the master lease company as a tenant as of now or after the acquisition.
 - "Number of leased unit (Total number of leasable units)," "Leased floor area," "Total leasable floor area," "Annual rent revenue" 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. "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.
 - "Occupancy rate" is the ratio of leased floor area to each tenant to the total leasable floor area of each property and is rounded off to the first decimal place.
7. "Overview of appraisal report" describes the content indicated in the appraisal report prepared for the Assets to be Disposed and Asset to be Acquired.
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 Disposed and Asset 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" 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 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 disposition and acquisition of the Assets to be Disposed and Asset 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 Disposed and Asset to be Acquired and restrictions, etc. based on such rights, (2) restrictions, etc. from administrative laws related to the Assets to be Disposed and Asset to be Acquired, as of today. In case a specific description refers to fact situations at the time of disposition or 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 the Assets to be Acquired.

4. Overview of Appraisal Report of the Assets to be Disposed and Asset to be Acquired

(1) Overview of appraisal report of the Assets to be Disposed

Property name	Proceed Hondori	
Appraisal value	533,000 thousand yen	
Appraiser	Chuo Real Estate Appraisal Co., Ltd.	
Date of appraisal	April 30, 2017	
(unit: thousand yen)		
Item	Amount	Details
Income approach value	533,000	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	444,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	34,901	-
Effective gross income	34,901	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement conditions, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	0	Assessed by taking into account the current lease agreement conditions and setting an occupancy rate (vacancy rate) that is stable over the medium to long term
Operating expenses	4,637	-
Maintenance expenses	240	Assessed based on the current lease agreement conditions and past results of the property.
Utility expenses	0	Assessed based on the current lease agreement conditions and past results of the property.
Repair expenses	1,017	Assessed based on the engineering report and past results of the property.
PM fees	0	Assessed based on the current lease agreement conditions and past results of the property.
Tenant solicitation expenses, etc.	0	Assessed based on the current lease agreement conditions and past results of the property.
Taxes and public dues	3,187	Assessed based on the recent results.
Non-life insurance fees	171	Recorded actual amount based on non-life insurance policy, etc.
Other expenses	22	Assessed based on the past results.
Net operating income (NOI)	30,264	-
Gain on management of income from lump-sum payment	34	Assessed assuming management yield at 1.0%.
Capital expenditures	4,995	Assessed based on the building replacement costs considering risk of renewal expenses increase due to building deterioration from aging, etc.
Net income (NCF)	25,303	-
Capitalization rate	5.7%	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	533,000	-
Discount rate	5.5%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	5.9%	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	349,000	-
Land ratio	55.9%	-
Building ratio	44.1%	-



Starts Proceed
Investment Corporation

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 Kanjodorihigashi
Appraisal value	303,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	April 30, 2017

(unit: thousand yen)

Item	Amount	Details
Income approach value	303,000	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	282,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	19,812	-
Effective gross income	19,812	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement conditions, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	0	Assessed by taking into account the current lease agreement conditions and setting an occupancy rate (vacancy rate) that is stable over the medium to long term
Operating expenses	2,608	-
Maintenance expenses	240	Assessed based on the current lease agreement conditions and past results of the property.
Utility expenses	0	Assessed based on the current lease agreement conditions and past results of the property.
Repair expenses	679	Assessed based on the engineering report and past results of the property.
PM fees	0	Assessed based on the current lease agreement conditions and past results of the property.
Tenant solicitation expenses, etc.	0	Assessed based on the current lease agreement conditions and past results of the property.
Taxes and public dues	1,596	Assessed based on the recent results.
Non-life insurance fees	93	Recorded actual amount based on non-life insurance policy, etc.
Other expenses	0	Assessed based on the past results.
Net operating income (NOI)	17,204	-
Gain on management of income from lump-sum payment	27	Assessed assuming management yield at 1.0%.
Capital expenditures	1,726	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	15,505	-
Capitalization rate	5.5%	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	303,000	-
Discount rate	5.3%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	5.7%	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	205,000	-
Land ratio	44.4%	-
Building ratio	55.6%	-

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 Kotoni
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Appraisal value	275,000 thousand yen
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Appraiser	Chuo Real Estate Appraisal Co., Ltd.
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Date of appraisal	April 30, 2017
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(unit: thousand yen)

Item	Amount	Details
Income approach value	275,000	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	267,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	21,163	-
Effective gross income	21,163	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement conditions, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	0	Assessed by taking into account the current lease agreement conditions and setting an occupancy rate (vacancy rate) that is stable over the medium to long term
Operating expenses	5,068	-
Maintenance expenses	240	Assessed based on the current lease agreement conditions and past results of the property.
Utility expenses	0	Assessed based on the current lease agreement conditions and past results of the property.
Repair expenses	2,766	Assessed based on the engineering report and past results of the property.
PM fees	0	Assessed based on the current lease agreement conditions and past results of the property.
Tenant solicitation expenses, etc.	0	Assessed based on the current lease agreement conditions and past results of the property.
Taxes and public dues	1,972	Assessed based on the recent results.
Non-life insurance fees	90	Recorded actual amount based on non-life insurance policy, etc.
Other expenses	0	Assessed based on the past results.
Net operating income (NOI)	16,095	-
Gain on management of income from lump-sum payment	22	Assessed assuming management yield at 1.0%.
Capital expenditures	912	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	15,205	-
Capitalization rate	5.7%	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	275,000	-
Discount rate	5.5%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	5.9%	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	222,000	-
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 Ohashi
Appraisal value	256,000 thousand yen
Appraiser	Morii Appraisal & Investment
Date of appraisal	April 30, 2017

(unit: thousand yen)

Item	Amount	Details
Income approach value	256,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method.
Value based on direct capitalization method	259,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	18,343	-
Effective gross income	18,343	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.	0	Not recorded as it is assumed to be leased over the long term
Operating expenses	2,204	-
Maintenance expenses	0	Not recorded as paid by the tenant
Utility expenses	0	Not recorded as paid by the tenant
Repair expenses	719	Judged that the estimate in the engineering report is adequate, recorded 30% of the levelled amount
PM fees	0	Not recorded based on the current agreement
Tenant solicitation expenses, etc.	0	Assessed based on the past results.
Taxes and public dues	1,432	Assessed based on actual results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	53	Assessed by reference to estimate and the level of similar properties
Other expenses	0	Assessed based on the past results.
Net operating income (NOI)	16,139	-
Gain on management of income from lump-sum payment	14	Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. at full occupancy by management yield at 1.0%
Capital expenditures	1,677	Judged that the estimate in the engineering report is adequate, recorded 70% of the levelled amount
Net income (NCF)	14,476	-
Capitalization rate	5.6%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate.
Value of earnings calculated by discounted cash flow (DCF) method	252,000	-
Discount rate	5.4%	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	5.8%	Assessed based on capitalization rate considering risks such as future uncertainties
Cost method value	175,000	-
Land ratio	52.6%	-
Building ratio	47.4%	-

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 Higashiohata
Appraisal value	42,200 thousand yen
Appraiser	Asset Research Inc.
Date of appraisal	April 30, 2017

(unit: thousand yen)

Item	Amount	Details
Income approach value	42,200	Estimated by relating income approach value based on direct capitalization method and value based on DCF method.
Value based on direct capitalization method	41,500	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	5,571	-
Effective gross income	5,851	Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement conditions, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	280	Assessed by taking into account the current lease agreement conditions and setting an occupancy rate (vacancy rate) that is stable over the medium to long term
Operating expenses	1,950	-
Maintenance expenses	780	Assessed based on the current lease agreement conditions and past results of the property.
Utility expenses	144	Assessed based on the current lease agreement conditions and past results of the property.
Repair expenses	64	Assessed based on the engineering report and past results of the property.
PM fees	278	Assessed based on the current lease agreement conditions and past results of the property.
Tenant solicitation expenses, etc.	63	Assessed based on the current lease agreement conditions and past results of the property.
Taxes and public dues	551	Assessed based on the recent results.
Non-life insurance fees	43	Recorded actual amount based on non-life insurance policy, etc.
Other expenses	26	Assessed based on the past results.
Net operating income (NOI)	3,621	-
Gain on management of income from lump-sum payment	4	Assessed assuming management yield at 1.0%.
Capital expenditures	1,052	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	2,573	-
Capitalization rate	6.2%	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	42,300	-
Discount rate	5.9%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	6.3%	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	79,600	-
Land ratio	27.6%	-
Building ratio	72.4%	-

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 Ohorikoen
Appraisal value	381,000 thousand yen
Appraiser	Morii Appraisal & Investment
Date of appraisal	April 30, 2017

(unit: thousand yen)

Item	Amount	Details
Income approach value	381,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method
Value based on direct capitalization method	385,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	29,292	-
Effective gross income	31,115	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.	1,823	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	8,643	-
Maintenance expenses	1,517	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	1,599	Assessed based on past results of the property and the level of similar properties
Repair expenses	1,689	Repair expenses: Judged that the estimate in the engineering report is adequate, recorded 30% of the levelled amount Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties
PM fees	1,056	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	1,109	Assessed taking into account local practice and turnover rate of the property
Taxes and public dues	1,499	Assessed based on actual results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	51	Assessed by reference to estimate and the level of similar properties
Other expenses	123	Assessed based on the past results.
Net operating income (NOI)	20,649	-
Gain on management of income from lump-sum payment	21	Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. at full occupancy by management yield at 1.0%
Capital expenditures	1,011	Judged that the estimate in the engineering report is adequate, recorded 70% of the levelled amount
Net income (NCF)	19,659	-
Capitalization rate	5.1%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate
Value of earnings calculated by discounted cash flow (DCF) method	376,000	-
Discount rate	4.9%	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	5.3%	Assessed based on capitalization rate considering risks such as future uncertainties
Cost method value	233,000	-
Land ratio	65.9%	-
Building ratio	34.1%	-

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 Matsuyama
Appraisal value	99,800 thousand yen
Appraiser	Morii Appraisal & Investment
Date of appraisal	April 30, 2017

(unit: thousand yen)

Item	Amount	Details
Income approach value	99,800	Estimated by relating income approach value based on direct capitalization method and value based on DCF method
Value based on direct capitalization method	102,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	10,456	-
Effective gross income	11,005	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.	549	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	3,075	-
Maintenance expenses	548	Assessed based on the current agreement, past results of the property and the level of similar properties
Utility expenses	681	Assessed based on past results of the property and the level of similar properties
Repair expenses	805	Repair expenses: Judged that the estimate in the engineering report is adequate, recorded 30% of the levelled amount Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties
PM fees	371	Assessed based on the current agreement, the level of similar properties, etc.
Tenant solicitation expenses, etc.	155	Assessed taking into account local practice and turnover rate of the property
Taxes and public dues	492	Assessed based on actual results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	23	Assessed by reference to estimate and the level of similar properties
Other expenses	0	Assessed based on the past results.
Net operating income (NOI)	7,381	-
Gain on management of income from lump-sum payment	7	Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. at full occupancy by management yield at 1.0%
Capital expenditures	564	Judged that the estimate in the engineering report is adequate, recorded 70% of the levelled amount
Net income (NCF)	6,824	-
Capitalization rate	6.7%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate
Value of earnings calculated by discounted cash flow (DCF) method	97,500	-
Discount rate	6.5%	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	6.9%	Assessed based on capitalization rate considering risks such as future uncertainties
Cost method value	72,400	-
Land ratio	64.4%	-
Building ratio	35.6%	-

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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(2) Overview of appraisal report of the Asset to be Acquired

Property name	Proceed Kinshicho
Appraisal value	2,150,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	September 1, 2017

(unit: thousand yen)

Item	Amount	Details
Income approach value	2,150,000	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	2,240,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	113,722	-
Effective gross income	117,319	Assessed gross income that is stable over the medium to long term considering the building lease agreement, profitability, etc. of the property, and new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	3,597	Assessed by taking into account the building lease agreement and setting an occupancy rate (vacancy rate) that is stable over the medium to long term
Operating expenses	19,710	-
Maintenance expenses	2,902	Assessed based on business entrustment agreement
Utility expenses	1,340	Assessed based on the past results of the property
Repair expenses	2,692	Assessed based on the engineering report and past results of the property.
PM fees	3,008	Assessed based on business entrustment agreement
Tenant solicitation expenses, etc.	3,284	Assessed based on business entrustment agreement and past results of the property
Taxes and public dues	5,726	Assessed based on the recent results, etc.
Non-life insurance fees	758	Recorded actual amount based on non-life insurance policy, etc.
Other expenses	0	Assessed based on the past results.
Net operating income (NOI)	94,012	-
Gain on management of income from lump-sum payment	165	Assessed assuming management yield at 1.0%.
Capital expenditures	2,182	Recorded the average of accumulated total over the past 12 years of facility renewal expenses stated in the engineering reports.
Net income (NCF)	91,995	-
Capitalization rate	4.1%	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	2,150,000	-
Discount rate	3.9%	Assessed based on capitalization rate reflecting current economic growth rate, market trends outlook, etc.
Terminal capitalization rate	4.3%	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	1,130,000	-
Land ratio	54.9%	-
Building ratio	45.1%	-

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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5. Overview of Building Designer and Constructor of Asset to be Acquired

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

Property No	Property name	Building designer	Constructor	Building inspector
C-77	Proceed Kinshicho	Miwa Sekkei Co., Ltd.	Kawada Industries, Inc.	eHomes, Inc.

6. Overview of Counterparty of the Transaction

(1) Detail of the buyer

(G-1) Proceed Hondori, (G-2) Proceed Kanjodorihigashi, (G-3) Proceed Kotoni and (G-9) Proceed Ohashi

Name	Starts Amenity Corporation
Location	8-4-3 Ichinoe, Edogawa-ku, Tokyo
Representative	Tarouo Saito, Representative
Main business activities	Real estate management and operations, construction, interior finishing and other businesses
Capital	350 million yen (as of March 31, 2017)
Established	April 1, 1985
Net Assets	23,930 million yen (as of March 31, 2017)
Total Assets	43,124 million yen (as of March 31, 2017)
Major shareholder and shareholding ratio	Starts Corporation Inc. (100%)
Relationship with Starts Proceed and the Asset Management Company	<p>The Counterparty is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation, the parent company of the Asset Management Company. Accordingly, the Counterparty falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the Counterparty.</p> <p>The Counterparty is leasing all the assets acquired in a lump based on the master lease agreement. The Counterparty has concluded a pipeline support agreement with the Asset Management Company and has been providing the Asset Management Company with property information, warehousing functions and such.</p> <p>The Counterparty does not fall within the definition of a related party of Starts Proceed. The Counterparty 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.</p>

(R-1) Proceed Matsuyama

Name	Shikoku Amlas Corporation
Location	2-1-4 Asoda-machi Matsuyama-shi, Ehime
Representative	Akio Hirota, Representative
Main business activities	Real estate transaction, lease, brokerage and management, and consultation regarding effective utilization of real estate
Capital	9 million yen (as of June 30, 2017)
Established	June 15, 2015
Net Assets	7 million yen (as of June 30, 2017)
Total Assets	223 million yen (as of June 30, 2017)
Major shareholder and shareholding ratio	Amlas Corporation (100%)
Relationship with Starts Proceed and the Asset Management Company	There is no capital, personal or business relationship to report concerning Starts Proceed and the Asset Management Company with the buyer. The buyer does not fall within the definition of a related party of Starts Proceed.

(G-12) Proceed Higashiohata and (G-16) Proceed Ohorikoen

The buyers are different domestic companies for each property, but as the seller has not agreed to the disclosure, it is not disclosed. Furthermore, there is no capital, personal or business relationship to report concerning Starts Proceed and the Asset Management Company and the buyers. The buyers do not fall within the definition of a related party of Starts Proceed.

(2) Details of the seller

Name	Starts Development Corporation
Location	3-4-10 Nihonbashi, Chuo-ku, Tokyo
Representative	Yutaka Hikichi, Representative
Main business activities	Real estate development, planning and sales
Capital	320 million yen (as of March 31, 2017)
Established	October 3, 2005
Net Assets	(5,568) million yen (as of March 31, 2017)
Total Assets	27,033 million yen (as of March 31, 2017)
Major shareholder and shareholding ratio	Starts Corporation Inc. (100%)
Relationship with Starts Proceed and the Asset Management Company	<p>The Counterparty is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation, the parent company of the Asset Management Company. Accordingly, the Counterparty falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the Counterparty.</p> <p>The Counterparty has concluded a pipeline support agreement with the Asset Management Company and has been providing the Asset Management Company with property information, warehousing functions and such, and it currently owns the Asset to be Acquired based on the agreement.</p> <p>The Counterparty does not fall within the definition of a related party of Starts Proceed. The Counterparty 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.</p>

7. Overview of Brokerage

Out of the Transaction, broker and brokerage fee for the disposition of (G-16) Proceed Ohorikoen are as follows. It is not applicable for other dispositions and acquisition.

Name	Starts Corporate Service Inc.
Location	3-1-8 Nihonbashi, Chuo-ku, Tokyo
Representative	Toyotaka Muraishi, Representative
Main business activities	Lease brokerage, transaction brokerage and real estate management
Capital	100 million yen (as of March 31, 2017)
Established	October 3, 2005
Relationship with Starts Proceed and the Asset Management Company	<p>The Counterparty is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation, the parent company of the Asset Management Company. Accordingly, the Counterparty falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the Counterparty.</p> <p>The Counterparty does not fall within the definition of a related party of Starts Proceed. The Counterparty 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.</p>
Brokerage fee	(G-16) Proceed Ohorikoen: 12,660 thousand yen (excluding consumption tax, etc.)

8. Transaction with Interested Parties of the Transaction

Starts Amenity Corporation, the buyer of (G-1) Proceed Hondori, (G-2) Proceed Kanjodori Higashi, (G-3) Proceed Kotoni and (G-9) Proceed Ohashi out of the Assets to be Disposed and to which master lease and property management after the acquisition of the Asset to be Acquired are planned to be entrusted, Starts Pitat House Co., Ltd., to which leasing business of the property management is subcontracted, Starts Development Corporation, which are the seller of the Asset to be Acquired, and Starts Corporate Service Inc., which are the broker of (G-16) Proceed Ohorikoen, 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.

9. Status of Parties Related to the Acquisition of the Asset to be Acquired

Property No.	Property name	Current owner		Previous owner	
		Name	Starts Development Corporation	Name	Other than one with a relationship of special interest
C-77	Proceed Kinshicho	Relationship with related parties	Please refer to “6. Overview of Counterparty of the Transaction” above.	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	2,100,000 thousand yen	Acquisition price	—
		Acquisition period	June 30, 2017	Acquisition period	—

10. Future Outlook

Please refer to the press release “Notice Concerning Revisions to Management Status and Distribution Forecast for the Fiscal Period Ending October 2017” separately announced today.

<Attachment>]

[Attachment 1] Portfolio List after the Transaction

[Attachment 1] Photos and Map of Asset 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 the Transaction

Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
C-1	Proceed Ichikawa	1,076,000	1.3
C-2	Proceed Toyochō	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	0.3
C-12	Proceed Makuharihongo 2	223,400	0.3
C-13	Proceed Higashikawaguchi	206,500	0.2
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	1.1
C-37	Proceed Jujo	533,000	0.6
C-38	Proceed Hakuraku	241,000	0.3
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



Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
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 Myoden	498,000	0.6
C-63	Proceed Fukujisawa Kugenuma	729,000	0.9
C-64	Proceed Nihonbashi-horidomecho	1,485,800	2.6
C-65	Proceed TX Nagareyama Central Park	979,700	1.7
C-66	Proceed Gyotoku 2	830,000	1.5
C-67	Proceed Nishikasai	875,600	1.5
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	5.2
C-76	Life Support Residence Funaboriekimae	380,000	0.5
C-77	Proceed Kinshicho	2,140,000	2.6
Tokyo metropolitan area major cites subtotal		58,883,700	71.3
G-6	Proceed Hakozaikigu II	85,000	0.1
G-7	Proceed Hakozaikigu I	81,300	0.1
G-8	Proceed Taikodori	403,400	0.5
G-10	Proceed Nakagawa	150,400	0.2
G-11	Proceed Honamicho	275,000	0.3
G-13	Proceed Shinsakae	792,500	1.0
G-14	Proceed Chiyoda	309,300	0.4
G-15	Proceed Fukuoka Takamiya	453,600	0.5
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



Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
G-22	Proceed Kobemotomachi	780,000	0.9
G-23	Group Home Tanoshii Ie Taisho	158,000	0.2
G-24	Proceed Kanayama 2	2,040,400	3.6
G-25	Proceed Aratamabashi	2,129,600	3.7
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	0.6
G-32	Proceed Osu	831,000	1.0
G-33	Proceed Sendai Kozurushinden	698,000	0.8
Cabinet order designated cities subtotal		22,151,800	26.8
R-2	Proceed Mito	383,700	0.5
R-3	Proceed Mito 2	416,900	0.5
R-4	Proceed Tsukuba Gakuentoshi	775,600	1.4
Regional area major cities subtotal		1,576,200	1.9
Portfolio total		82,611,700	100.0

(Note 1) As to "Acquisition price" in "Acquisition price," transaction prices stated in the trust beneficial interest transaction agreement, 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" in "Acquisition price" indicates the ratio of acquisition price of assets acquired and asset to be acquired to the total acquisition price, and is rounded off to the first decimal place.

[Attachment 2] Photos and Map of the Asset to be Acquired
(C-77) Proceed Kinshicho



Location: 4-6-9 Kamezawa, Sumida-ku, Tokyo

