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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 “Disposition” and the “Acquisition,” and collectively the “Transaction”). The details are as follows.

Since a 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.

1. 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)	Amount of difference between planned disposition price and assumed book value (thousand yen)
G-6	Proceed Hakozaikigu II	A domestic company (Note 4)	December 8, 2017	December 8, 2017	91,500	79,323	12,176
G-7	Proceed Hakozaikigu I				83,500	76,655	6,844
G-10	Proceed Nakagawa				221,857	150,117	71,739
Total					396,857	306,096	90,760

(Note 1) The settlement method is scheduled to be settlement of the entire amount 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) The buyer is a domestic company, but has not agreed to the disclosure and is thus not disclosed.

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

Property No.	Property name	Seller	Planned contract conclusion date	Planned acquisition date (Note 1)	Planned acquisition price (thousand yen) (Note 2)
C-78	Proceed K2	Starts Development Corporation (Note 4)	December 8, 2017	December 15, 2017	1,170,000
C-79	Proceed K3 Annex				283,000
C-80	Proceed K5				269,000
G-34	Proceed Sendai Kamisugi (Note 3)				1,560,000
Total					3,282,000

- (Note 1) The settlement method is scheduled to be settlement of the entire amount on the planned acquisition date. The acquisition financing is scheduled to be the funds from the disposition of the Assets to be Disposed and a loan. For details of the loan, please refer to the press release “Notice Concerning Borrowing of Funds” separately announced today.
- (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) Although a trust has not been established as of today, it is planned to be established upon the acquisition by Starts Proceed.
- (Note 4) Starts Development Corporation is an interested party, etc. of the Asset Management Company as 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 Assets to be Acquired

(1) Reason for the Transaction

Starts Proceed recognizes that, in order to enhance the competitiveness of the portfolio, it is necessary to dispose old assets and small assets that have relatively high expense rates and replace assets with those that are younger and stable management can be expected. Under such circumstances, Starts Proceed has been considering disposition of the Assets to be Disposed given the profitability being forecast to decrease with costs increasing in the future as all of these are 26 years old or older and have increasing daily repair costs and rooftop waterproofing work, exterior wall repair work or other large-scale repair work scheduled in the coming years.

Furthermore, of the Assets to be Disposed, Proceed Nakagawa’s planned disposition price falls below the appraisal value. However, increase in costs due to large-scale repair work would be unavoidable in the near future when deterioration of the property with age and the real estate market conditions of the area in which the property is located is considered. In light of this and also the recent real estate market conditions, disposition of the property and replacement of assets was judged to be ideal at this point in time from the standpoint of avoiding the risk of price dropping in the future.

In addition, the decision was made to acquire the Assets to be Acquired based on the asset management targets and policies provided in the Articles of Incorporation of Starts Proceed on the judgment that these are assets featuring a combination of profitability, growth potential and stability as outlined in “(2) Characteristics of the Assets to be Acquired” below.

(2) Characteristics of the Assets to be Acquired

- The Assets to be Acquired are all properties constructed by the Starts Group and properties operated by the Starts Group thereafter from tenant solicitation to property management.
- Of the Assets to be Acquired, Proceed K2, Proceed K3 Annex and Proceed K5 are all properties located in Kashiwa City, Chiba Prefecture. The area is an area where demand is high from businesspersons commuting to central Tokyo and also an area where the Starts Group can demonstrate strong marketing power. Although constructed approximately 20 years ago, the Starts Group has been engaged in the operations from tenant solicitation to property management since the time of new construction through to today and thus familiar with everything from the marketability to property characteristics. These are properties that can expect to continue stable occupancy and internal growth with some maintenance.
- Of the Assets to be Acquired, Proceed Sendai Kamisugi is a newly-constructed development property that is a 4-minute walk from the nearest station Kita-Yobancho Station situated close to central Sendai City with good transportation access, making it an area with strong residential demand from businesspersons, etc. This is a property designed so as to meet demand generating from work transfers as the residential units are of a spacious 1R layout suited for the target group and is designed so as to meet tenants’ high requests as the equipment, specifications and design, too, are of an equivalent level to those in the greater Tokyo area and greater Nagoya area.

3. Description of the Assets to be Disposed and Assets to be Acquired

(1) Description of the Assets to be Disposed

G-6: Proceed Hakozakigu II

Overview of specified asset		Overview of leasing (as of October 31, 2017)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased units (Total number of leasable units)	19 (19)
Planned disposition price	91,500 thousand yen	Number of leased parking units (Total number of leasable parking units)	0 (0)
Location (Address)	4-28-18 Hakozaki, Higashi-ku, Fukuoka-shi, Fukuoka	Leased floor area	415.30 m ²
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	415.30 m ²
Master lease type	Fixed rent	Annual rent revenue	8,374 thousand yen
Trustee	Sumitomo Mitsui Trust Bank, Limited	Security and guarantee deposits, etc.	84 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	234.00 m ²	Appraiser
	Zoning	Quasi-industrial district	Date of appraisal
	Building-to-land ratio	60%	Appraisal value
	Floor-area ratio	200%	
Building	Ownership form	Proprietorship	Overview of building condition evaluation report
	Structure	Reinforced concrete structure with flat roof / 4F	Evaluation company
	Construction completion date	July 30, 1991	Date of evaluation
	Total floor area	450.80 m ²	Building replacement value
	Use	Apartment complex	Long-term repair costs (12 years)
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			
7-minute walk from Hakozaki-Miyamae Station on the Fukuoka City Subway Hakozaki Line			

G-7: Proceed Hakozakigu I

Overview of specified asset		Overview of leasing (as of October 31, 2017)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased units	19 (19)
Planned disposition price	83,500 thousand yen	(Total number of leasable units)	
Location (Address)	4-28-13 Hakozaki, Higashi-ku, Fukuoka-shi, Fukuoka	Number of leased parking units	0 (0)
		(Total number of leasable parking units)	
PM Company / ML Company	Starts Amenity Corporation	Leased floor area	411.50 m ²
Master lease type	Fixed rent	Total leasable floor area	411.50 m ²
Trustee	Sumitomo Mitsui Trust Bank, Limited	Annual rent revenue	7,846 thousand yen
Period of trust agreement	From: March 29, 2002	Security and guarantee deposits, etc.	32 thousand yen
	To: November 30, 2025	Occupancy rate	100.0%
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	234.00 m ²	Appraiser
	Zoning	Quasi-industrial district	Date of appraisal
	Building-to-land ratio	60%	Appraisal value
	Floor-area ratio	200%	
Building	Ownership form	Proprietorship	Overview of building condition evaluation report
	Structure	Reinforced concrete structure with flat roof / 4F	Evaluation company
	Construction completion date	May 1, 1991	Date of evaluation
	Total floor area	425.94 m ²	Building replacement value
	Use	Apartment complex	Long-term repair costs (12 years)
		PML (Date of evaluation: October 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)			
None			
Remarks			
7-minute walk from Hakozaki-Miyamae Station on the Fukuoka City Subway Hakozaki Line			

G-10: Proceed Nakagawa

Overview of specified asset		Overview of leasing (as of October 31, 2017)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased units	38 (38)
Planned disposition price	221,857 thousand yen	(Total number of leasable units)	
Location (Address)	2-15 Katanawa, Nakagawa-machi, Chikushi-gun, Fukuoka	Number of leased parking units	21 (21)
		(Total number of leasable parking units)	
PM Company / ML Company	Starts Amenity Corporation	Leased floor area	1,414.96 m ²
Master lease type	Fixed rent	Total leasable floor area	1,414.96 m ²
Trustee	Resona Bank, Limited	Annual rent revenue	19,188 thousand yen
Period of trust agreement	From: March 14, 2001	Security and guarantee deposits, etc.	1,609 thousand yen
	To: April 30, 2026	Occupancy rate	100.0%
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	791.35 m ²	Appraiser
	Zoning	Category 1 medium-to-high-rise exclusive residential district	Morii Appraisal & Investment Consulting, Inc.
	Building-to-land ratio	60%	Date of appraisal
	Floor-area ratio	200%	October 31, 2017
		Appraisal value	255,000 thousand yen
Building			Overview of building condition evaluation report
	Ownership form	Proprietorship	Evaluation company
	Structure	Reinforced concrete structure with flat roof / 6F	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Construction completion date	July 24, 1990	Date of evaluation
	Total floor area	1,502.32 m ²	October 2013
Use	Apartment complex	Building replacement value	320,040 thousand yen
		Long-term repair costs (12 years)	28,199 thousand yen
		PML (Date of evaluation: October 2017)	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)			
None			
Remarks			
10 minutes from Hakataminami Station on the JR Hakataminami Line by bus			

(2) Description of the Assets to be Acquired
 C-78: Proceed K2

Overview of specified asset		Overview of leasing (as of September 30, 2017)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased units (Total number of leasable units)	56 (59)
Planned acquisition price	1,170,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	22 (22)
Location (Address)	6-8-37 Kashiwa, Kashiwa-shi, Chiba	Leased floor area	3,918.06 m ²
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	4,099.04 m ²
Master lease type	Pass-through	Annual rent revenue	81,060 thousand yen
Trustee	Starts Trust Co., Ltd.	Security and guarantee deposits, etc.	11,717 thousand yen
	From: September 1, 2017 To: October 31, 2047	Occupancy rate	95.6%
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	2,280.03 m ²	Appraiser
	Zoning	① Neighborhood commercial district ② Category 1 residential district	Date of appraisal
	Building-to-land ratio	81.11% (① 80%; ② 60%)	Appraisal value
	Floor-area ratio	255.55% (① 300%; ② 200%)	1,200,000 thousand yen
Building	Ownership form	Proprietorship	Overview of building condition evaluation report
	Structure	Steel framed reinforced concrete structure with flat roof / 11F	Evaluation company
	Construction completion date	February 10, 1995	Date of evaluation
	Total floor area	5,062.63 m ²	Building replacement value
	Use	Apartment complex, retail and garage	Long-term repair costs (12 years)
		PML (Date of evaluation: October 2017)	3.9%
Collateral			
None			
Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)			
1. 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 category 1 residential district is essentially 60%. However, due to mitigation of corner lots, the weighted average figures in accordance with the size of area apply. 2. Of the land of the property, the floor-area ratio for the portion designated as neighborhood commercial district is 300% and that for the portion designated as category 1 residential district is 200%. The weighted average figures in accordance with the size of area apply.			
Remarks			
10-minute walk from Kashiwa Station on the JR Joban Line and Tobu Noda Line			
Area/Property characteristics			
Kashiwa City, where the Asset to be Acquired is located, is situated in the Tokatsu area of the northwestern part of Chiba Prefecture and is designated a core city and business hub city. Over 40% commute to Tokyo's 23 wards, making it an area highly showing elements of a bedroom community for Tokyo. The neighborhood of the Asset to be Acquired has living convenience and living environment aspects that make it favorable as a location for condominiums targeted at family households, and the Asset to be Acquired is a property that has sufficient competitiveness as the main layout is 2LDK with 55 m ² .			

C-79: Proceed K3 Annex

Overview of specified asset		Overview of leasing (as of September 30, 2017)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased units	23 (24)	
Planned acquisition price	283,000 thousand yen	(Total number of leasable units)		
Location (Address)	1023-1 Kashiwa, Kashiwa-shi, Chiba	Number of leased parking units (Total number of leasable parking units)	17 (25)	
PM Company / ML Company	Starts Amenity Corporation	Leased floor area	1,524.78 m ²	
Master lease type	Pass-through	Total leasable floor area	1,590.30 m ²	
Trustee	Starts Trust Co., Ltd.	Annual rent revenue	21,744 thousand yen	
Period of trust agreement	From: September 1, 2017	Security and guarantee deposits, etc.	1,906 thousand yen	
	To: October 31, 2047	Occupancy rate	95.9%	
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	1,854.34 m ²	Appraiser	Morii Appraisal & Investment Consulting, Inc.
	Zoning	Category 1 low-rise exclusive residential district	Date of appraisal	October 31, 2017
	Building-to-land ratio	60%	Appraisal value	300,000 thousand yen
	Floor-area ratio	100%	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 / 3F	Date of evaluation	October 2017
	Construction completion date	March 2, 1997	Building replacement value	414,200 thousand yen
	Total floor area	1,656.53 m ²	Long-term repair costs (12 years)	22,879 thousand yen
	Use	Apartment complex	PML (Date of evaluation: October 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)				
1. The building-to-land ratio of the property is essentially 50%. However, due to mitigation of corner lots, it is set at 60%.				
Remarks				
18-minute walk from Kashiwa Station on the JR Joban Line and Tobu Noda Line				
Area/Property characteristics				
Kashiwa City, where the Asset to be Acquired is located, is situated in the Tokatsu area of the northwestern part of Chiba Prefecture and is designated a core city and business hub city. Over 40% commute to Tokyo's 23 wards, making it an area highly showing elements of a bedroom community for Tokyo. The neighborhood of the Asset to be Acquired is a quiet residential district lined with low-rise detached housing and a supermarket, elementary school, large park, etc. are nearby, making it a favorable living environment for family households. With the main layout being 3LDK ranging in size from 66 m ² to 68 m ² and being equipped with 1 parking space per residential unit, the Asset to be Acquired can be said to be a property that can expect stable demand from family households.				

C-80: Proceed K5

Overview of specified asset		Overview of leasing (as of September 30, 2017)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased units (Total number of leasable units)	16 (16)
Planned acquisition price	269,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	0 (0)
Location (Address)	6-8-38 Kashiwa, Kashiwa-shi, Chiba	Leased floor area	788.95 m ²
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	788.95 m ²
Master lease type	Pass-through	Annual rent revenue	20,202 thousand yen
Trustee	Starts Trust Co., Ltd.	Security and guarantee deposits, etc.	3,514 thousand yen
Period of trust agreement	From: September 1, 2017	Occupancy rate	100.0%
	To: October 31, 2047		
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	360.89 m ²	Appraiser Morii Appraisal & Investment Consulting, Inc.
	Zoning	① Neighborhood commercial district ② Category 1 residential district	Date of appraisal October 31, 2017
	Building-to-land ratio	70.58% (① 80%; ② 60%)	Appraisal value 270,000 thousand yen
	Floor-area ratio	252.90% (① 300%; ② 200%)	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 / 6F	Date of evaluation October 2017
	Construction completion date	February 13, 1998	Building replacement value 223,500 thousand yen
	Total floor area	884.88 m ²	Long-term repair costs (12 years) 12,527 thousand yen
	Use	Apartment complex, retail and storage	PML (Date of evaluation: October 2017) 6.3%
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 category 1 residential district is essentially 60%. However, due to mitigation of corner lots, the weighted average figures in accordance with the size of area apply. 2. Of the land of the property, the floor-area ratio for the portion designated as neighborhood commercial district is 300% and that for the portion designated as category 1 residential district is 200%. The weighted average figures in accordance with the size of area apply.			
Remarks			
10-minute walk from Kashiwa Station on the JR Joban Line and Tobu Noda Line			
Area/Property characteristics			
Kashiwa City, where the Asset to be Acquired is located, is situated in the Tokatsu area of the northwestern part of Chiba Prefecture and is designated a core city and business hub city. Over 40% commute to Tokyo's 23 wards, making it an area highly showing elements of a bedroom community for Tokyo. The neighborhood of the Asset to be Acquired has living convenience and living environment aspects that make it favorable as a location for condominiums targeted at businesspersons commuting to central Tokyo, and the Asset to be Acquired has 1R with around 42 m ² as the main layout and is sufficiently equipped with performance expected of a rental condominium boasting such features as security and telecommunications equipment. As such, the Asset to be Acquired is recognized to have no particular risk of revenue fluctuation and thought to be competitive in the surrounding area.			

G-34: Proceed Sendai Kamisugi

Overview of specified asset		Overview of leasing (as of October 8, 2017)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased units (Total number of leasable units)	94 (108)
Planned acquisition price	1,560,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	16 (16)
Location (Address)	2-4-30 Kamisugi, Aoba-ku, Sendai-shi, Miyagi	Leased floor area	2,999.37 m ²
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	3,409.93 m ²
Master lease type	Pass-through	Annual rent revenue	96,780 thousand yen
Trustee	Starts Trust Co., Ltd.	Security and guarantee deposits, etc.	7,985 thousand yen
Period of trust agreement	From: December 15, 2017	Occupancy rate	88.0%
	To: October 31, 2047		
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	702.04 m ²	Appraiser
	Zoning	Commercial district	Date of appraisal
	Building-to-land ratio	90%	Appraisal value
	Floor-area ratio	500%	Chuo Real Estate Appraisal Co., Ltd.
Building	Ownership form	Proprietorship	November 1, 2017
	Structure	Reinforced concrete structure with flat roof / 13F	Appraisal value
	Construction completion date	February 21, 2017	1,600,000 thousand yen
	Total floor area	3,750.27 m ²	Overview of building condition evaluation report
	Use	Apartment complex	Evaluation company
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 lots, it is set at 90%. 2. A parking lot with capacity for 8 vehicles has been secured outside of the site of the property, because the property is unable to meet the parking lot development standards pursuant to the “ordinance on establishment and management of parking facilities attached to structures” and “ordinance on prevention, regulation, etc. of disputes pertaining to construction of medium-to-high-rise structures, etc.” The off-site parking lot is not included in “Number of leased parking units (Total number of leasable parking units).” 3. The road abutting the north side of the site of the property is the road with width of less than 4 m provided in Article 42, Paragraph 2 of the Building Standards Act (Paragraph 2 road) and the line marking a horizontal distance of 2 m from the center line of the road is thus deemed the road boundary. As a result, the portion that is deemed a road (setback portion) cannot be included as the site of the building, but the property is already set back.			
Remarks			
4-minute walk from Kita-Yobancho Station on the Sendai City Subway Namboku Line			
Area/Property characteristics			
The Sendai area, where the Asset to be Acquired is located, is a concentrated area for many companies and major corporations to base their operations, centering on Sendai Station. Of this, the area surrounding the property particularly has a concentration of administrative organs, such as the Miyagi Prefectural Office, Sendai City Office and Aoba Ward Office, forming a centrally-located environment of the business district. Kita-Yobancho Station, which is the nearest station to the Asset to be Acquired, offers good access for commuting to central Sendai as it is approximately 4 minutes by city subway and approximately 8 minutes by city bus to Sendai Station. The Asset to be Acquired is designed so as to meet demand generating from work transfers as the residential units are of a spacious 1R layout suited for the target group and is designed so as to meet tenants’ high requests as the equipment, specifications and design, too, are of an equivalent level to those in the greater Tokyo area and greater Nagoya area. As such, the Asset to be Acquired is a property that can expect stable demand with the persons concerned with the corporations as the main target.			

[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 the Securities Report.
2. "Planned disposition price" and "Planned acquisition price" indicate the amount (transaction price stated in the trust beneficiary interest transaction agreement with condition precedent, etc.) excluding the various expenses (real estate transaction brokerage fee, etc.) required for the disposition and acquisition of the Assets to be Disposed and Assets to be Acquired.
3. "PM Company / ML Company" indicates the property management company that has concluded a property management agreement and the master lease company that has concluded a master lease agreement, agreements that are effective as of today for each property, or indicates the property management company that is scheduled to conclude a property management agreement and the master lease company that is scheduled to conclude a master lease agreement at the time of acquisition by Starts Proceed. For "Master lease type," "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 the trustee or planned trustee at the time of disposition or acquisition by Starts Proceed. As to "Period of trust agreement," the starting date is the effective date of the trust agreement that is effective as of today (for trust agreement that is scheduled to be concluded, the scheduled effective date is indicated), and the ending date is the termination date of the trust agreement that is scheduled to be agreed (including agreement for amendments) between the 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. For properties that have annex buildings, the annex buildings are not included in "Total floor area." 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 in the city plan in accordance with the 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 be subject to mitigation of building-to-land ratio or may not be subject to building-to-land ratio restriction itself. There are cases in which separate restrictions, mitigations, etc. may apply in accordance with the Building Standards Act or other administrative laws and regulations. In such cases, figures after application of such restrictions, mitigations, etc. 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 in the city plan in accordance with the zoning, etc. Pursuant to Article 52, Paragraph 2 or Paragraph 9 of the Building Standards Act, restrictions due to frontage road width rules or mitigations due to specified road rules may apply in some cases. There are cases in which separate restrictions, mitigations, etc. may apply in accordance with the Building Standards Act or other administrative laws and regulations. In such cases, figures after application of such restrictions, mitigations, etc. are indicated.
 - If more than one zoning exists for 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 in accordance with the size of area of each zoning 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 Assets 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 disposition or acquisition by Starts Proceed. 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 units (Total number of leasable units)," "Leased floor area," "Total leasable floor area," "Annual rent revenue" and "Security and guarantee deposits, etc." are indicated in accordance with the same standards as 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 same standards as the description of notes 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, (vi) Individual Overview of Real Estate in Trust for Acquired Assets" set out in the 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 Assets 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 that were prepared for the Assets to be Disposed and Assets to be Acquired are provided.
 - "Date of evaluation" is the date (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" is the total amount of expected long-term repair costs (12 years) based on the building condition evaluation report.
 - Figures of "PML" are the figures in the report prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd. "PML" represents the probable maximum loss that the subject facility or group of facilities may suffer from an earthquake with a 10% probability of exceedance in 50 years (earthquake corresponding to a 475-year return period) by expressing the amount of physical loss corresponding to a 90% non-exceedance probability in the event of such earthquake as a percentage of the building replacement value.
9. "Collateral" describes the existence/non-existence of collateral as on the date of disposition and acquisition of the Assets to be Disposed and 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 Disposed and Assets to be Acquired and restrictions, etc. based on such rights, and (2) restrictions, etc. from administrative laws and regulations related to the Assets to be Disposed and Assets to be Acquired, as of today. In case a specific description refers to fact situations as on the date of disposition and acquisition by Starts Proceed, description is made based on future prediction that is as rational as possible as of today.
 - When the type of a specified asset that Starts Proceed is acquiring is trust beneficiary interest, description of "acquired by Starts Proceed" also refers to acquisition by Starts Proceed through trust beneficiary interest. In such cases, legal owner or right holder of the real estate that is the trust asset of the trust beneficiary interest is the trustee, and Starts Proceed acquires the trust beneficiary interest.
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 Assets to be Acquired

(1) Overview of Appraisal Report of the Assets to be Disposed

Property name	Proceed Hakozaikigu II
Appraisal value	91,400 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	October 31, 2017

(Unit: thousand yen)

Item	Amount	Details
Income approach value	91,400	Estimated by relating income approach value based on direct capitalization method and value based on DCF method
Value based on direct capitalization method	91,400	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	7,781	-
Effective gross income	7,781	Assessed gross income that is stable over the medium to long term taking into account 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	819	-
Maintenance expenses	0	Not recorded as paid by the tenant
Utility expenses	0	Not recorded as paid by the tenant
Repair expenses	362	Judging that the estimate in the engineering report is adequate, recorded 30% of the levelled amount
PM fees	0	Not recorded as paid by the tenant
Tenant solicitation expenses, etc.	0	None
Taxes and public dues	439	Assessed based on past results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	18	Assessed by reference to the estimate, the level of similar properties, etc.
Other expenses	0	None
Net operating income (NOI)	6,962	-
Gain on management of income from lump-sum payment	3	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	844	Judging that the estimate in the engineering report is adequate, recorded 70% of the levelled amount
Net income (NCF)	6,121	-
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	91,400	-
Discount rate	6.2%	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	48,200	-
Land ratio	57.2%	-
Building ratio	42.8%	-

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 Hakozakigu I
Appraisal value	83,100 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	October 31, 2017

(Unit: thousand yen)

Item	Amount	Details
Income approach value	83,100	Estimated by relating income approach value based on direct capitalization method and value based on DCF method
Value based on direct capitalization method	83,100	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	7,286	-
Effective gross income	7,286	Assessed gross income that is stable over the medium to long term taking into account 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	823	-
Maintenance expenses	0	Not recorded as paid by the tenant
Utility expenses	0	Not recorded as paid by the tenant
Repair expenses	385	Judging that the estimate in the engineering report is adequate, recorded 30% of the levelled amount
PM fees	0	Not recorded as paid by the tenant
Tenant solicitation expenses, etc.	0	None
Taxes and public dues	420	Assessed based on past results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	18	Assessed by reference to the estimate, the level of similar properties, etc.
Other expenses	0	None
Net operating income (NOI)	6,463	-
Gain on management of income from lump-sum payment	3	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	898	Judging that the estimate in the engineering report is adequate, recorded 70% of the levelled amount
Net income (NCF)	5,568	-
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	83,100	-
Discount rate	6.2%	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	49,100	-
Land ratio	59.1%	-
Building ratio	40.9%	-

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 Nakagawa
Appraisal value	255,000 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	October 31, 2017

(Unit: thousand yen)

Item	Amount	Details
Income approach value	255,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method
Value based on direct capitalization method	258,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	19,667	-
Effective gross income	19,667	Assessed gross income that is stable over the medium to long term taking into account 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	2,327	-
Maintenance expenses	360	Assessed based on the current agreement, past results, and the level of similar properties
Utility expenses	0	Not recorded as paid by the tenant
Repair expenses	705	Judging that the estimate in the engineering report is adequate, recorded 30% of the levelled amount
PM fees	0	Not recorded as paid by the tenant
Tenant solicitation expenses, etc.	0	None
Taxes and public dues	1,209	Assessed based on past results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	53	Assessed by reference to the estimate, the level of similar properties, etc.
Other expenses	0	None
Net operating income (NOI)	17,340	-
Gain on management of income from lump-sum payment	15	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	1,645	Judging that the estimate in the engineering report is adequate, recorded 70% of the levelled amount
Net income (NCF)	15,710	-
Capitalization rate	6.1%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate
Value of earnings calculated by discounted cash flow (DCF) method	251,000	-
Discount rate	5.9%	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	6.3%	Assessed based on capitalization rate considering risks such as future uncertainties
Cost method value	130,000	-
Land ratio	53.3%	-
Building ratio	46.7%	-

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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(2) Overview of Appraisal Report of the Assets to be Acquired

Property name	Proceed K2
Appraisal value	1,200,000 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	October 31, 2017

(Unit: thousand yen)

Item	Amount	Details
Income approach value	1,200,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method
Value based on direct capitalization method	1,210,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	84,460	-
Effective gross income	89,081	Assessed gross income that is stable over the medium to long term taking into account rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	4,621	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	21,097	-
Maintenance expenses	5,714	Assessed based on the current agreement, past results, the level of similar properties, etc.
Utility expenses	1,339	Assessed based on past results, the level of similar properties, etc.
Repair expenses	3,807	Repair expenses: Judging 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 level of similar properties, past results and the turnover rate
PM fees	2,244	Assessed based on the level of similar properties, etc.
Tenant solicitation expenses, etc.	1,139	Assessed taking into account local practice and the turnover rate of the property
Taxes and public dues	5,599	Assessed based on past results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	393	Assessed by reference to the estimate, and the level of similar properties
Other expenses	862	Assessed based on past results, etc.
Net operating income (NOI)	63,363	-
Gain on management of income from lump-sum payment	110	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	2,873	Judging that the estimate in the engineering report is adequate, recorded 70% of the levelled amount
Net income (NCF)	60,600	-
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	1,180,000	-
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	986,000	-
Land ratio	69.7%	-
Building ratio	30.3%	-

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.

Property name	Proceed K3 Annex
Appraisal value	300,000 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	October 31, 2017

(Unit: thousand yen)

Item	Amount	Details
Income approach value	300,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method
Value based on direct capitalization method	304,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	24,313	-
Effective gross income	26,039	Assessed gross income that is stable over the medium to long term taking into account rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	1,726	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	7,171	-
Maintenance expenses	1,279	Assessed based on the current agreement, past results, the level of similar properties, etc.
Utility expenses	346	Assessed based on past results, the level of similar properties, etc.
Repair expenses	1,871	Repair expenses: Judging 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 level of similar properties, past results and the turnover rate
PM fees	664	Assessed based on the level of similar properties, etc.
Tenant solicitation expenses, etc.	346	Assessed taking into account local practice and the turnover rate of the property
Taxes and public dues	2,031	Assessed based on past results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	125	Assessed by reference to the estimate, and the level of similar properties
Other expenses	509	Assessed based on past results, etc.
Net operating income (NOI)	17,142	-
Gain on management of income from lump-sum payment	16	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	1,335	Judging that the estimate in the engineering report is adequate, recorded 70% of the levelled amount
Net income (NCF)	15,823	-
Capitalization rate	5.2%	Assessed by reflecting fluctuation risks of profit and principal, etc. in discount rate
Value of earnings calculated by discounted cash flow (DCF) method	296,000	-
Discount rate	5.0%	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	5.4%	Assessed based on capitalization rate considering risks such as future uncertainties
Cost method value	296,000	-
Land ratio	65.1%	-
Building ratio	34.9%	-

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 K5
Appraisal value	270,000 thousand yen
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Date of appraisal	October 31, 2017

(Unit: thousand yen)

Item	Amount	Details
Income approach value	270,000	Estimated by relating income approach value based on direct capitalization method and value based on DCF method
Value based on direct capitalization method	273,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	19,165	-
Effective gross income	20,160	Assessed gross income that is stable over the medium to long term taking into account rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	995	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	4,799	-
Maintenance expenses	1,086	Assessed based on the current agreement, past results, the level of similar properties, etc.
Utility expenses	344	Assessed based on past results, the level of similar properties, etc.
Repair expenses	865	Repair expenses: Judging 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 level of similar properties, past results and the turnover rate
PM fees	509	Assessed based on the level of similar properties, etc.
Tenant solicitation expenses, etc.	313	Assessed taking into account local practice and the turnover rate of the property
Taxes and public dues	1,244	Assessed based on past results considering fluctuation rate, age depreciation, etc.
Non-life insurance fees	67	Assessed by reference to the estimate, and the level of similar properties
Other expenses	371	Assessed based on past results, etc.
Net operating income (NOI)	14,366	-
Gain on management of income from lump-sum payment	32	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	731	Judging that the estimate in the engineering report is adequate, recorded 70% of the levelled amount
Net income (NCF)	13,667	-
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	267,000	-
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	167,000	-
Land ratio	65.2%	-
Building ratio	34.8%	-

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 Kamisugi
Appraisal value	1,600,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	November 1, 2017

(Unit: thousand yen)

Item	Amount	Details
Income approach value	1,600,000	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	1,600,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	111,136	-
Effective gross income	117,205	Assessed gross income that is stable over the medium to long term considering the building lease agreement, profitability of the property, etc. and taking into account new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	6,069	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term taking into account the building lease agreement
Operating expenses	25,909	-
Maintenance expenses	2,864	Assessed based on the business entrustment agreement
Utility expenses	1,166	Assessed based on past results
Repair expenses	3,583	Assessed based on the engineering report, past results, etc.
PM fees	3,102	Assessed based on the business entrustment agreement
Tenant solicitation expenses, etc.	3,166	Assessed based on the business entrustment agreement and past results
Taxes and public dues	8,146	Assessed based on the most recent actual amount, etc.
Non-life insurance fees	838	Recorded actual amount based on non-life insurance policy, etc.
Other expenses	3,044	Assessed based on past results
Net operating income (NOI)	85,227	-
Gain on management of income from lump-sum payment	86	Assessed assuming management yield at 1.0%
Capital expenditures	2,175	Recorded the average of accumulated total over the past 12 years of facility, etc. renewal expenses stated in the engineering report
Net income (NCF)	83,138	-
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, etc.
Value of earnings calculated by discounted cash flow (DCF) method	1,600,000	-
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	1,420,000	-
Land ratio	28.8%	-
Building ratio	71.2%	-

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

Concerning the real estate in trust for assets acquired or assets 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 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-78	Proceed K2	Starts Corporation	Joint venture between Starts and Shimizu Corporation	City of Kashiwa
C-79	Proceed K3 Annex	Starts Corporation	Starts Corporation	City of Kashiwa
C-80	Proceed K5	Starts Corporation	Starts Corporation	City of Kashiwa
G-34	Proceed Sendai Kamisugi	Starts Construction and Asset Management Co., Ltd.	Starts Construction and Asset Management Co., Ltd.	Bureau Veritas Japan Co., Ltd.

(Note) Building designers, constructors and building inspectors are their names at the time of design or construction of the property.

6. Overview of Counterparty of the Transaction

(1) Overview of Buyer

The buyer is a domestic company, but has not agreed to the disclosure and is thus not disclosed. 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 scope of a related party of Starts Proceed and the Asset Management Company.

(2) Overview of Seller

Name	Starts Development Corporation
Location	3-4-10 Nihonbashi, Chuo-ku, Tokyo
Representative	Yutaka Hikichi, President
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 company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., 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.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company 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, and it currently owns the Assets to be Acquired based on the agreement.</p> <p>The company does not fall within the scope of a related party of Starts Proceed. The company is a fellow subsidiary of the Asset Management Company under the same parent company as described above and thus falls within the scope of a related party of the Asset Management Company.</p>

7. Overview of Brokerage

The broker and brokerage fee for the Disposition are as follows. It is not applicable for the Acquisition.

Name	Starts Corporate Service Inc.
Location	3-1-8 Nihonbashi, Chuo-ku, Tokyo
Representative	Toyotaka Muraishi, President
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 company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., 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.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company does not fall within the scope of a related party of Starts Proceed. The company is a fellow subsidiary of the Asset Management Company under the same parent company as described above and thus falls within the scope of a related party of the Asset Management Company.</p>
Brokerage fee	11,965 thousand yen (excluding consumption tax, etc.)

8. Transaction with Interested Parties of the Transaction

Starts Development Corporation, which is the seller of the Assets to be Acquired, Starts Amenity Corporation, to which master lease and property management after the acquisition of the Assets to be Acquired are planned to be entrusted, Starts Pitat House Co., Ltd., to which leasing business of the property management is subcontracted, Starts Trust Co., Ltd., to which trust services after the acquisition of the Assets to be Acquired are planned to be entrusted, and Starts Corporate Service Inc., which is the broker of the Assets to be Disposed, each fall within the scope of an interested party, etc. of the Asset Management Company 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 Planned Company Entrusted with Master Lease and Property Management (as of March 31, 2017)

Name	Starts Amenity Corporation
Location	8-4-3 Ichinoe, Edogawa-ku, Tokyo
Representative	Tarouo Saito, President
Main business activities	Real estate management and operation, construction, interior finishing and other businesses
Capital	350 million yen
Established	April 1, 1985
Relationship with Starts Proceed and the Asset Management Company	<p>The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., 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.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company is leasing all the assets acquired in a lump based on the master lease agreement. The company 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.</p> <p>The company does not fall within the scope of a related party of Starts Proceed. The company is a fellow subsidiary of the Asset Management Company under the same parent company as described above and thus falls within the scope of a related party of the Asset Management Company.</p>

Overview of Planned Company Entrusted with Trust Services (as of March 31, 2017)

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 Starts Proceed and the Asset Management Company	The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., 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.

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

Property No.	Property name	Current owner		Previous owner	
		Name		Name	Other than one with a relationship of special interest
C-78	Proceed K2	Name	Starts Development Corporation	Name	Other than one with a relationship of special interest
		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	1,093,000 thousand yen	Acquisition price	—
		Acquisition period	September 1, 2017	Acquisition period	—

Property No.	Property name	Current owner		Previous owner	
		Name		Name	
C-79	Proceed K3 Annex	Name	Starts Development Corporation	Name	Other than one with a relationship of special interest
		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	262,000 thousand yen	Acquisition price	—
		Acquisition period	September 1, 2017	Acquisition period	—
C-80	Proceed K5	Name	Starts Development Corporation	Name	Other than one with a relationship of special interest
		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	255,000 thousand yen	Acquisition price	—
		Acquisition period	September 1, 2017	Acquisition period	—
G-34	Proceed Sendai Kamisugi	Name	Starts Development Corporation	Name	(Land) Other than one with a relationship of special interest
		Relationship with related parties	Please refer to “6. Overview of Counterparty of the Transaction” above.	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 current owner’s ownership exceeds one year (Building) —	Acquisition price	—
		Acquisition period	(Land) April 21, 2015 (Building) —	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 April 2018 and Management Status Forecast for the Fiscal Period Ending October 2018” separately announced today.

<Attachment>

[Attachment 1] Portfolio List after the Transaction

[Attachment 2] Photos and Map of the 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

* Starts 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 Toyocho	646,700	0.8
C-3	Proceed Kasai	688,700	0.8
C-4	Proceed Sangenjaya	555,900	0.6
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	0.5
C-21	Proceed Yachiyo Midorigaoka I	383,600	0.4
C-22	Proceed Yachiyo Midorigaoka II	339,000	0.4
C-23	Proceed Toritsudaigaku	790,400	0.9
C-24	Proceed Toritsudaigaku 2	772,200	0.9
C-25	Proceed Honjoazumabashi	339,800	0.4
C-26	Proceed Meguro Aobadai	466,700	0.5
C-27	Proceed Suginami Miyamae	454,900	0.5
C-28	Proceed Ryogoku	443,900	0.5
C-29	Proceed Mita	1,537,200	1.8
C-30	Proceed Nakanoshimbashi	638,800	0.7
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	0.7
C-40	Proceed Motoyawata	307,000	0.4
C-41	Proceed Nishiarai	5,172,000	6.0
C-42	Proceed Chofu	460,500	0.5
C-43	Proceed TX Rokucho	156,800	0.2
C-44	Proceed Nakagawara	1,141,000	1.3
C-45	Proceed Oizumigakuen	268,300	0.3
C-46	Proceed Chitosekarasuyama	289,600	0.3
C-47	Proceed Mitaka	477,200	0.6
C-48	Proceed Kashiwa Est	732,000	0.9



Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
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	1.0
C-53	Proceed Gumyoji	552,000	0.6
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	0.6
C-58	Proceed Shinozaki Tower	1,564,000	1.8
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 Fujisawa Kugenuma	729,000	0.9
C-64	Proceed Nihonbashi-horidomecho	1,485,800	1.7
C-65	Proceed TX Nagareyama Central Park	979,700	1.1
C-66	Proceed Gyotoku 2	830,000	1.0
C-67	Proceed Nishikasai	875,600	1.0
C-68	Proceed Kasai 2	750,000	0.9
C-69	Proceed Nihonbashi Honcho	2,449,000	2.9
C-70	Proceed Nishi Shinjuku	2,549,000	3.0
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	2.1
C-74	Proceed CO-Z West Building	971,000	1.1
C-75	Proceed Shin Yokohama	4,330,000	5.1
C-76	Life Support Residence Funaboriekimae	380,000	0.4
C-77	Proceed Kinshicho	2,140,000	2.5
C-78	Proceed K2	1,170,000	1.4
C-79	Proceed K3 Annex	283,000	0.3
C-80	Proceed K5	269,000	0.3
Tokyo metropolitan area major cites subtotal		60,605,700	70.8
G-8	Proceed Taikodori	403,400	0.5
G-11	Proceed Honamicho	275,000	0.3
G-13	Proceed Shinsakae	792,500	0.9
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	2.2
G-21	Proceed Nishitenma	880,000	1.0
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	2.4
G-25	Proceed Aratamabashi	2,129,600	2.5
G-26	Proceed Bentencho	2,170,000	2.5
G-27	Proceed Nagaikoendori	1,070,000	1.3
G-28	Proceed Nishinagahori	942,000	1.1
G-29	Proceed Kyobashi	2,040,000	2.4



Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
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
G-34	Proceed Sendai Kamisugi	1,560,000	1.8
Cabinet order designated cities subtotal		23,395,100	27.3
R-2	Proceed Mito	383,700	0.4
R-3	Proceed Mito 2	416,900	0.5
R-4	Proceed Tsukuba Gakuentoshi	775,600	0.9
Regional area major cities subtotal		1,576,200	1.8
Portfolio total		85,577,000	100.0

(Note 1) “Acquisition price” under “Acquisition price” is the transaction price stated in the trust beneficiary interest transaction agreement, etc. (excluding the various expenses, such as real estate transaction brokerage fee, required for the acquisition of the assets acquired or assets to be acquired).

(Note 2) “Investment share” under “Acquisition price” is the ratio of acquisition price of the assets acquired or assets to be acquired to the total acquisition price, and is rounded off to the first decimal place.

[Attachment 2] Photos and Map of the Assets to be Acquired

(C-78) Proceed K2



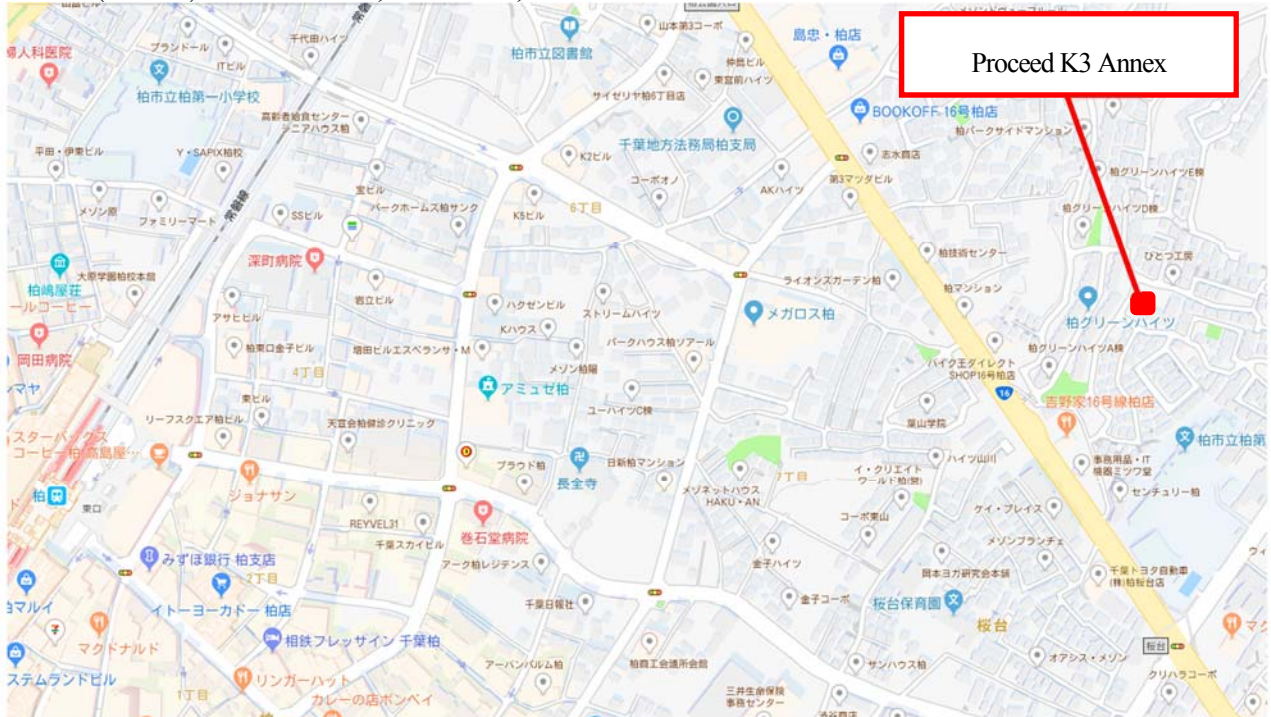
Location (Address): 6-8-37 Kashiwa, Kashiwa-shi, Chiba



(C-79) Proceed K3 Annex



Location (Address): 1023-1 Kashiwa, Kashiwa-shi, Chiba



(C-80) Proceed K5



Location (Address): 6-8-38 Kashiwa, Kashiwa-shi, Chiba



(G-34) Proceed Sendai Kamisugi



Location (Address): 2-4-30 Kamisugi, Aoba-ku, Sendai-shi, Miyagi

