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Notice Concerning Properties Using Quake-Absorbing Oil Dampers  
Manufactured by KYB Corporation and Kayaba System Machinery (Follow-up)

Starts Proceed Investment Corporation (“Starts Proceed”) announces that, with regard to “Notice Concerning Properties Using Quake-Absorbing Oil Dampers Manufactured by KYB Corporation and Kayaba System Machinery” announced on October 29, 2018, it has received a new report on the properties (the “Properties”) which use products manufactured by KYB Corporation (“KYB”) or Kayaba System Machinery Co., Ltd. (“KSM”) among the properties owned by Starts Proceed as of today, from the company (the “Construction Company”) which constructed or was in charge of structural designing of the Properties. Details are as follows.

1. Subject properties

The Construction Company has checked the safety of the Property in accordance with the notice concerning the method for performing immediate safety verification in the inspection of buildings which use quake-absorbing and vibration control oil dampers manufactured by KYB Corporation and Kayaba System Machinery Co., Ltd. announced on December 19, 2018 by the Ministry of Land, Infrastructure, Transport and Tourism. The result revealed that non-conforming products were used in one property which was mentioned in “Notice Concerning Properties Using Quake-Absorbing Oil Dampers Manufactured by KYB Corporation and Kayaba System Machinery” announced on October 29, 2018 as well as in another property which at that time was reported as using a conforming product.

2. Confirmation of safety of the Properties

Based on documents of the verification results submitted by the Construction Company, a third-party organization carefully examined the appropriateness of the verification results and confirmed their validity. The third-party organization also confirmed that seismic motion in extremely rare earthquakes would not cause the Properties to collapse or crash, and delivered to the Construction Company a written assessment report stating the aforementioned.

3. Future actions

With regard to products manufactured by KYB or KSM that are used in the Properties, the Construction Company has reported that it will ensure conformity of all products through replacement and such.

Starts Proceed will make an announcement again in case it finds any new facts that would significantly impact its management status.