

| |
|--------------------------|
| Translation Purpose Only |
|--------------------------|

For Immediate Release

REIT Issuer

 Starts Proceed Investment Corporation
 3-1-8 Nihonbashi, Chuo-ku, Tokyo
 Kazuya Hiraide, Executive Director
 (Security Code: 8979)

Asset Management Company

 Starts Asset Management Co., Ltd.
 Kazuya Hiraide, Representative Director
 Inquiries: Hideki Hamaguchi, General Manager of
 Financial Control and Administration Division
 TEL. +81-3-6202-0856

Notice Concerning Disposition of Trust Beneficiary Interest 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 a disposition of trust beneficiary interests in domestic real estate (individually and collectively the “Disposition”). The details are as follows.

1. Overview of the 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-20 | Proceed Kitahorie | A domestic company (Note 4) | March 13, 2020 | March 27, 2020 | 2,451,000 | 1,896,356 | 554,643 |
| G-28 | Proceed Nishinagahori | A domestic company (Note 4) | | May 29, 2020 | 1,050,000 | 975,689 | 74,310 |
| G-29 | Proceed Kyobashi | A domestic company (Note 4) | | | 2,300,000 | 2,108,426 | 191,573 |
| Total | | | | | 5,801,000 | 4,980,471 | 820,528 |

(Note 1) The settlement method is scheduled to be settlement of the entire amount on the planned disposition date.

(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. Reason for the Disposition

The Disposition is part of our ongoing asset replacement strategy. The total transaction price of the above three assets is 16% in excess of its’ total book value and will realize a substantial increase in dividends upon accounting for unrealized gains. Starts Proceed aims to enhance DPU over the medium-long term by utilizing the sales proceeds and reserves for reduction entries to strengthen the portfolio going forward by acquiring prime properties drawing on the sponsor pipeline, replacing or repairing portfolio assets.

Starts Proceed conducted an assessment on its portfolio in terms of operational efficiency over the medium to long term as well as individual property characteristics, etc., and decided on the Disposition upon comprehensively considering the competitiveness of the properties as well as market trends. Starts Proceed decided that it was an opportune time to sell the Assets to be Disposed upon

| |
|---|
| Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment. |
|---|

comprehensively taking into account the comparatively lower occupancy rates of the properties and impacts to NOI caused by maintenance overhead. Furthermore, in the fiscal period ending April 2020, 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 a portion of the 539 million yen in capital gains derived from the Disposition amounting to 400 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. Starts Proceed expects capital gains of approximately 235 million yen ^(Note) from the Disposition in the fiscal period ending October 2020.

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

3. Description of the Assets to be Disposed
 G-20: Proceed Kitahorie

| Overview of specified asset | | Overview of leasing (as of January 31, 2020) | |
|--|--|--|---|
| Type of specified asset | Trust beneficiary interest | Total number of tenants | 1 |
| Use | Rental housing | Number of leased units (Total number of leasable units) | 90 (106) |
| Planned disposition price | 2,451,000 thousand yen | Number of leased parking units (Total number of leasable parking units) | 7 (8) |
| Location (Address) | 1-23-9 Kitahorie, Nishi-ku, Osaka-shi, Osaka | Leased floor area | 3,533.78 m ² |
| PM Company / ML Company | Starts Amenity Corporation | Total leasable floor area | 4,146.18 m ² |
| Master lease type | Pass-through | Annual rent revenue | 126,120 thousand yen |
| Trustee | Aozora Bank, Ltd. | Security and guarantee deposits, etc. | 7,245 thousand yen |
| | From: May 1, 2013 To: April 30, 2023 | Occupancy rate | 85.2% |
| Land | Ownership form | Proprietorship | Overview of appraisal report |
| | Site area | 573.88 m ² | Appraiser |
| | Zoning | Commercial district | Date of appraisal |
| | Building-to-land ratio | 100% | Appraisal value |
| | Floor-area ratio | 800% | Overview of building condition evaluation report |
| Building | Ownership form | Proprietorship | Evaluation company |
| | Structure | Reinforced concrete structure with flat roof / 15F | Date of evaluation |
| | Construction completion date | November 29, 2007 | Building replacement value |
| | Total floor area | 5,490.32 m ² | Long-term repair costs (12 years) |
| | Use | Apartment complex and retail | PML (Date of evaluation: October 2019) |
| 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 | | | |
| 5-minute walk from Yotsubashi Station on the Osaka Metro Yotsubashi Line | | | |

Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment.

G-28: Proceed Nishinagahori

| Overview of specified asset | | Overview of leasing (as of January 31, 2020) | |
|--|--|--|---|
| Type of specified asset | Trust beneficiary interest | Total number of tenants | 1 |
| Use | Rental housing | Number of leased units | 50(52) |
| Planned disposition price | 1,050,000 thousand yen | (Total number of leasable units) | |
| Location (Address) | 4-10-24, Shinmachi, Nishi-ku, Osaka-shi, Osaka | Number of leased parking units (Total number of leasable parking units) | 4(5) |
| PM Company / ML Company | Starts Amenity Corporation | Leased floor area | 1,448.25 m ² |
| Master lease type | Pass-through | Total leasable floor area | 1,506.18 m ² |
| Trustee | Sumitomo Mitsui Trust Bank, Limited. | Annual rent revenue | 48,588 thousand yen |
| Period of trust agreement | From: September 30, 2013 | Security and guarantee deposits, etc. | 777 thousand yen |
| | To: October 31, 2026 | Occupancy rate | 96.2% |
| Land | Ownership form | Proprietorship | Overview of appraisal report |
| | Site area | 267.73 m ² | Appraiser |
| | Zoning | Commercial district | Date of appraisal |
| | Building-to-land ratio | 80% | Appraisal value |
| | Floor-area ratio | 600% | |
| Building | Ownership form | Proprietorship | Overview of building condition evaluation report |
| | Structure | Reinforced concrete structure with flat roof / 14F | Evaluation company |
| | Construction completion date | February 15, 2008 | Date of evaluation |
| | Total floor area | 1,893.87 m ² | Building replacement value |
| | Use | Apartment complex | Long-term repair costs (12 years) |
| | | PML (Date of evaluation: October 2019) | 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 | | | |
| 2-minute walk from Nishinagahori Station on the Osaka Metro Sennichimae Line and Nagahori Tsurumi-ryokuchi Line | | | |

Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment.

G-29: Proceed Kyobashi

| Overview of specified asset | | Overview of leasing (as of January 31, 2020) | | |
|--|---|---|---|---|
| Type of specified asset | Trust beneficiary interest | Total number of tenants | 1 | |
| Use | Rental housing | Number of leased units | 108 (120) | |
| Planned disposition price | 2,300,000 thousand yen | (Total number of leasable units) | | |
| Location (Address) | 2-10-12 Miyakojima Minamidori, Miyakojima- ku, Osaka-shi, Osaka | Number of leased parking units (Total number of leasable parking units) | 24 (30) | |
| PM Company / ML Company | Starts Amenity Corporation | Leased floor area | 2,948.76 m ² | |
| Master lease type | Pass-through | Total leasable floor area | 3,274.56 m ² | |
| Trustee | Sumitomo Mitsui Trust Bank, Limited. | Annual rent revenue | 97,752 thousand yen | |
| Period of trust agreement | From: September 30, 2013 | Security and guarantee deposits, etc. | 1,611 thousand yen | |
| | To: October 31, 2026 | Occupancy rate | 90.1% | |
| Land | Ownership form | Proprietorship | Overview of appraisal report | |
| | Site area | 1,152.52 m ² | Appraiser | JLL Morii Valuation & Advisory K.K. |
| | Zoning | Category I residential district | Date of appraisal | October 31, 2019 |
| | Building-to-land ratio | 90% | Appraisal value | 2,040,000 thousand yen |
| | Floor-area ratio | 300% | Overview of building condition evaluation report | |
| Building | Ownership form | Proprietorship | Evaluation company | Tokio Marine & Nichido Risk Consulting Co., Ltd. |
| | Structure | Reinforced concrete structure with flat roof / 13F | Date of evaluation | September 2016 |
| | Construction completion date | January 16, 2008 | Building replacement value | 702,800 thousand yen |
| | Total floor area | 3,682.60 m ² | Long-term repair costs (12 years) | 25,309 thousand yen |
| | Use | Apartment complex | PML (Date of evaluation: October 2019) | 13.0% |
| Collateral | | | | |
| None | | | | |
| Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property) | | | | |
| None | | | | |
| Remarks | | | | |
| 9-minute walk from Kyobashi Station on the JR Osaka Loop Line, etc. and 10-minute walk from Kyobashi Station on the Osaka Metro Nagahori Tsurumi-ryokuchi Line | | | | |

Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment.

[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" indicates the amount (transaction price stated in the trust beneficiary interest transaction agreement, etc.) excluding the various expenses (real estate transaction brokerage fee, etc.) required for the disposition of the asset to be disposed.
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 at the time of disposition 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 and the ending date is the termination date of the trust agreement.
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 the asset to be disposed, a master lease agreement with Starts Amenity Corporation as a lessee and a sublessor is concluded among Starts Proceed, the trustee and Starts Amenity Corporation at the time of disposition by Starts Proceed. Thus, "Total number of tenants" indicates the number regarding the master lease company as a tenant as of now.
 - "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 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 asset to be disposed.
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 asset to be disposed is 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 of the date of disposition of the asset to be disposed.
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 asset to be disposed and restrictions, etc., based on such rights, and (2) restrictions, etc., from administrative laws and regulations related to the asset to be disposed, as of today. In case a specific description refers to factual situations as of the date of disposition by Starts Proceed, description is made based on future prediction that is as rational as possible as of today.

4. Overview of Appraisal Report

| | |
|-------------------|-------------------------------------|
| Property name | Proceed Kitahorie |
| Appraisal value | 2,580,000 thousand yen |
| Appraiser | JLL Morii Valuation & Advisory K.K. |
| Date of appraisal | October 31, 2019 |

(unit: thousands of yen)

| Item | Amount | Details |
|---|-----------|---|
| Income approach value | 2,580,000 | Estimated by relating income approach value based on direct capitalization method and value based on DCF method |
| Value based on direct capitalization method | 2,620,000 | Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate |
| Operating revenue | 143,890 | - |
| Effective gross income | 151,969 | 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. | 8,079 | Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the current lease agreement terms and conditions |
| Operating expenses | 31,753 | - |
| Maintenance expenses | 5,900 | Assessed based on current terms and conditions of the agreement, past results of the property and that of similar properties |
| Utility expenses | 4,515 | Assessed based on current terms and conditions of the agreement, past results of the property and that of similar properties |
| Repair expenses | 3,287 | Repair expenses: Recorded 30% of the levelled amount of the estimate in the engineering report. Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties. |
| PM fees | 3,966 | Assessed based on the current agreement, the level of similar properties, etc. |
| Tenant solicitation expenses, etc. | 5,563 | Assessed based on the current agreement. |
| Taxes and public dues | 7,327 | Assessed based on actual results considering fluctuation rate, age depreciation, etc. |
| Non-life insurance fees | 250 | Calculated based on the actual fee amount in the non-life insurance policy |
| Other expenses | 945 | Assessed based on actuals |
| Net operating income (NOI) | 112,137 | - |
| Gain on management of income from lump-sum payment | 54 | Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. by yield at 1.0%. |
| Capital expenditures | 2,243 | Recording 70% of the levelled amount of estimate in the engineering report. |
| Net income (NCF) | 109,948 | - |
| Capitalization rate | 4.2% | Assessed by reflecting fluctuation risks of profit and principal, etc. into the discount rate. |
| Value of earnings calculated by discounted cash flow (DCF) method | 2,530,000 | - |
| Discount rate | 4.0% | Assessed based on the basis yield comprehensively taking into account market trends, etc. after considering risk factors of regional factors/individual characteristics of the property. |
| Terminal capitalization rate | 4.4% | Assessed based on capitalization rate taking into account future unpredictability of fluctuation in net income, future deterioration of buildings and sales risks. |
| Cost method value | 1,360,000 | - |
| Land ratio | 70.0% | - |
| Building ratio | 30.0% | - |

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

Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment.

| | |
|-------------------|------------------------------------|
| Property name | Proceed Nishinagahori |
| Appraisal value | 934,000 thousand yen |
| Appraiser | JLL Morii Valuation & Advisory K.K |
| Date of appraisal | October 31, 2019 |

(unit: thousands of yen)

| Item | Amount | Details |
|---|---------|---|
| Income approach value | 934,000 | Estimated by relating income approach value based on direct capitalization method and value based on DCF method |
| Value based on direct capitalization method | 952,000 | Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate |
| Operating revenue | 49,661 | - |
| Effective gross income | 52,437 | Assessed gross income that is stable over the medium to long term considering rent based on the current lease agreement, new rent assumed when the property is newly leased, etc. |
| Vacancy loss, etc. | 2,776 | Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the current lease agreement terms and conditions |
| Operating expenses | 8,947 | - |
| Maintenance expenses | 2,004 | Assessed based on current terms and conditions of the agreement, past results of the property and that of similar properties |
| Utility expenses | 711 | Assessed based on current terms and conditions of the agreement, past results of the property and that of similar properties |
| Repair expenses | 1,119 | Repair expenses: Recorded 30% of the levelled amount of the estimate in the engineering report. Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties. |
| PM fees | 1,354 | Assessed based on the current agreement, the level of similar properties, etc. |
| Tenant solicitation expenses, etc. | 772 | Assessed based on the current agreement. |
| Taxes and public dues | 2,900 | Assessed based on actual results considering fluctuation rate, age depreciation, etc. |
| Non-life insurance fees | 87 | Assessed based on actual results considering fluctuation rate, age depreciation, etc. |
| Other expenses | 0 | Calculated based on the actual fee amount in the non-life insurance policy |
| Other expenses | 0 | Assessed based on actuals |
| Net operating income (NOI) | 40,714 | - |
| Gain on management of income from lump-sum payment | 19 | Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. by yield at 1.0%. |
| Capital expenditures | 758 | Recording 70% of the levelled amount of estimate in the engineering report. |
| Net income (NCF) | 39,975 | - |
| Capitalization rate | 4.2% | Assessed by reflecting fluctuation risks of profit and principal, etc. into the discount rate. |
| Value of earnings calculated by discounted cash flow (DCF) method | 916,000 | - |
| Discount rate | 4.0% | Assessed based on the basis yield comprehensively taking into account market trends, etc. after considering risk factors of regional factors/individual characteristics of the property. |
| Terminal capitalization rate | 4.4% | Assessed based on capitalization rate taking into account future unpredictability of fluctuation in net income, future deterioration of buildings and sales risks. |
| Cost method value | 496,000 | - |
| Land ratio | 71.4% | - |
| Building ratio | 28.6% | - |

| | |
|--|---|
| 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. |
|--|---|

Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment.

| | |
|-------------------|-------------------------------------|
| Property name | Proceed Kyobashi |
| Appraisal value | 2,040,000 thousand yen |
| Appraiser | JLL Morii Valuation & Advisory K.K. |
| Date of appraisal | October 31, 2019 |

(unit: thousands of yen)

| Item | Amount | Details |
|---|-----------|---|
| Income approach value | 2,040,000 | Estimated by relating income approach value based on direct capitalization method and value based on DCF method |
| Value based on direct capitalization method | 2,080,000 | Assessed by returning net income (NCF) that is stable over the medium- to long-term by capitalization rate |
| Operating revenue | 111,360 | - |
| Effective gross income | 118,264 | 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. | 6,904 | Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium- to long-term taking into account the current lease agreement terms and conditions |
| Operating expenses | 20,327 | - |
| Maintenance expenses | 2,971 | Assessed based on current terms and conditions of the agreement, past results of the property and that of similar properties |
| Utility expenses | 1,188 | Assessed based on current terms and conditions of the agreement, past results of the property and that of similar properties |
| Repair expenses | 2,358 | Repair expenses: Recorded 30% of the levelled amount of the estimate in the engineering report. Expenses to restore original state: Assessed taking into account the levels, actual results and turnover rates of similar properties. |
| PM fees | 3,057 | Assessed based on the current agreement, the level of similar properties, etc. |
| Tenant solicitation expenses, etc. | 4,090 | Assessed based on the current agreement. |
| Taxes and public dues | 5,427 | Assessed based on actual results considering fluctuation rate, age depreciation, etc. |
| Non-life insurance fees | 178 | Calculated based on the actual fee amount in the non-life insurance policy |
| Other expenses | 1,058 | Assessed based on actuals |
| Net operating income (NOI) | 91,033 | - |
| Gain on management of income from lump-sum payment | 82 | Assessed by multiplying the amount which is obtained by subtracting vacancy loss equivalent from the amount of security deposit, etc. by yield at 1.0%. |
| Capital expenditures | 1,476 | Recording 70% of the levelled amount of estimate in the engineering report. |
| Net income (NCF) | 89,639 | - |
| Capitalization rate | 4.3% | Assessed by reflecting fluctuation risks of profit and principal, etc. into the discount rate. |
| Value of earnings calculated by discounted cash flow (DCF) method | 2,000,000 | - |
| Discount rate | 4.1% | Assessed based on the basis yield comprehensively taking into account market trends, etc. after considering risk factors of regional factors/individual characteristics of the property. |
| Terminal capitalization rate | 4.5% | Assessed based on capitalization rate taking into account future unpredictability of fluctuation in net income, future deterioration of buildings and sales risks. |
| Cost method value | 805,000 | - |
| Land ratio | 64.3% | - |
| Building ratio | 35.7% | - |

| | |
|--|---|
| 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. |
|--|---|

Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment.

5. Overview of Buyer

The name, etc., of the buyer (a domestic company) are not disclosed as consent for disclosure has not been obtained. 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.

6. Overview of Brokerage

None

7. Transaction with Interested Parties of the Disposition

None

8. Forward commitment

Of the Assets to be Disposed, the scheduled transfer date for Proceed Nishinagahori and Proceed Kyobashi is May 29, 2020 which is over one month after the execution date of the sale and purchase agreement. This transaction is a “forward commitment, etc. (Note)” as defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” by the Financial Services Agency.

When either the seller or the buyer breaches the provisions of the sale and purchase agreement (such party referred to as the “Breaching Party”), the counterparty shall set a certain period and demand the Breaching Party to meet its obligations within the specified period. If the Breaching Party fails to correct its violations within that period, the counterparty shall be able to cancel the agreement without notifying the Breaching Party. In accordance with the terms and conditions of the sale and purchase agreement, if the event that the agreement is cancelled, the Breaching Party shall pay an amount equivalent to 20% of the transaction price excluding any consumption taxes and regional consumption taxes as a penalty fee to the counterparty. Given that Starts Proceed is the seller of the asset, Starts Proceed assumes that there is no concerns of Starts Proceed failing to fulfill its contractual obligations as well as any financing risk, and that the possibility of an adverse impact to Start Proceed’s financial profile is deemed to be low.

(Note) Forward commitment, etc. is defined as “postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto.”

9. Use of Proceeds from Disposal

Starts Proceed intends to allocate all sales proceeds from the Disposition towards the acquisition of additional properties. Such anticipated acquisitions are still under consideration and further disclosures will be made once a decision has been reached.

10. Future Outlook

Please refer to the press release “Notice Concerning Revisions to Management Status and Distribution Forecast for the Fiscal Period Ending April 2020 and October 2020” separately announced today.

<Attachment>

[Attachment] Portfolio List after the Disposition of the Assets to be Disposed

*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: <https://www.sp-inv.co.jp/en/>

[Attachment] Portfolio List after the Disposition of the Assets to be Disposed

| 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 | 0.7 |
| 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-9 | Proceed Gyotoku | 315,600 | 0.4 |
| C-10 | Proceed Makuharihongo | 279,300 | 0.3 |
| C-11 | Proceed Minamigyotoku | 287,300 | 0.4 |
| C-12 | Proceed Makuharihongo 2 | 223,400 | 0.3 |
| C-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 Sugunami Miyamae | 454,900 | 0.6 |
| C-28 | Proceed Ryogoku | 443,900 | 0.5 |
| C-29 | Proceed Mita | 1,537,200 | 1.9 |
| C-30 | Proceed Nakanoshimbashi | 638,800 | 0.8 |
| C-31 | Proceed Kameido | 339,000 | 0.4 |
| C-32 | Proceed Takadanobaba | 223,700 | 0.3 |
| C-33 | Proceed Shinkoenji | 742,100 | 0.9 |
| C-34 | Proceed Koenjiminami | 277,400 | 0.3 |
| C-35 | Proceed Hasune | 284,000 | 0.3 |
| C-36 | Proceed Oimachi | 944,000 | 1.2 |
| C-37 | Proceed Jujo | 533,000 | 0.7 |
| C-38 | Proceed Hakuraku | 241,000 | 0.3 |
| C-39 | Proceed Shinmaruko | 635,000 | 0.8 |
| C-40 | Proceed Motoyawata | 307,000 | 0.4 |
| C-41 | Proceed Nishiarai | 5,172,000 | 6.3 |
| C-42 | Proceed Chofu | 460,500 | 0.6 |
| C-43 | Proceed TX Rokucho | 156,800 | 0.2 |
| C-44 | Proceed Nakagawara | 1,141,000 | 1.4 |
| C-45 | Proceed Oizumigakuen | 268,300 | 0.3 |
| C-46 | Proceed Chitosekarasuyama | 289,600 | 0.4 |
| C-47 | Proceed Mitaka | 477,200 | 0.6 |
| C-48 | Proceed Kashiwa Est | 732,000 | 0.9 |
| C-49 | Proceed Kashiwa Nord | 689,000 | 0.8 |
| C-50 | Proceed Gyotokuekimae | 331,000 | 0.4 |
| C-51 | Proceed Funabashi Honcho | 531,700 | 0.7 |

Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment.



| Property No. | Property name | Acquisition price | |
|--|---------------------------------------|---|-------------------------------------|
| | | Acquisition price (thousand yen) (Note 1) | Investment share (%) (Note 2) |
| C-52 | Proceed Nishikawaguchi | 881,000 | 1.1 |
| C-53 | Proceed Gummyoji | 552,000 | 0.7 |
| C-54 | Proceed Tsurugamine | 356,000 | 0.4 |
| C-55 | Proceed Sagamiotsuka | 234,000 | 0.3 |
| C-56 | Proceed Shinozaki 2 | 913,300 | 1.1 |
| C-57 | Proceed Kashiwa Trois | 537,100 | 0.7 |
| C-58 | Proceed Shinozaki Tower | 1,564,000 | 1.9 |
| C-59 | Proceed Tobu Nerima | 422,000 | 0.5 |
| C-60 | Proceed Yukigaya | 323,000 | 0.4 |
| C-61 | Proceed Ichikawa Minami | 687,000 | 0.8 |
| C-62 | Proceed Ichikawa Myoten | 498,000 | 0.6 |
| C-63 | Proceed Fujisawa Kugenuma | 729,000 | 0.9 |
| C-64 | Proceed Nihonbashi-horidomecho | 1,485,800 | 1.8 |
| C-65 | Proceed TX Nagareyama Central Park | 979,700 | 1.2 |
| C-66 | Proceed Gyotoku 2 | 830,000 | 1.0 |
| C-67 | Proceed Nishikasai | 875,600 | 1.1 |
| C-68 | Proceed Kasai 2 | 750,000 | 0.9 |
| C-69 | Proceed Nihonbashi Honcho | 2,449,000 | 3.0 |
| C-70 | Proceed Nishi Shinjuku | 2,549,000 | 3.1 |
| C-71 | Proceed Unoki | 917,000 | 1.1 |
| C-72 | Proceed Minamigyotoku 2 | 1,080,000 | 1.3 |
| C-73 | Proceed CO-Z East Building | 1,830,000 | 2.2 |
| C-74 | Proceed CO-Z West Building | 971,000 | 1.2 |
| C-75 | Proceed Shin Yokohama | 4,330,000 | 5.3 |
| C-76 | Life Support Residence Funaboriekimae | 380,000 | 0.5 |
| C-77 | Proceed Kinshicho | 2,140,000 | 2.6 |
| 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 |
| C-81 | Proceed Ichikawa Myoten II | 800,000 | 1.0 |
| Tokyo metropolitan area major cites subtotal | | 60,940,000 | 74.5 |
| G-8 | Proceed Taikodori | 403,400 | 0.5 |
| 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 | 0.6 |
| G-17 | Proceed Kanayama | 1,022,000 | 1.2 |
| G-18 | Proceed Fukiage | 499,000 | 0.6 |
| G-19 | Proceed Toyoda | 219,000 | 0.3 |
| G-21 | Proceed Nishitenma | 880,000 | 1.1 |
| G-22 | Proceed Kobemotomachi | 780,000 | 1.0 |
| G-23 | Group Home Tanoshii Ie Taisho | 158,000 | 0.2 |
| G-24 | Proceed Kanayama 2 | 2,040,400 | 2.5 |
| G-25 | Proceed Aratamabashi | 2,129,600 | 2.6 |
| G-26 | Proceed Bentencho | 2,170,000 | 2.7 |
| G-27 | Proceed Nagaikoendori | 1,070,000 | 1.3 |
| G-30 | Proceed Hyogoekimaedori | 1,670,000 | 2.0 |
| G-31 | Proceed Mizuho | 535,000 | 0.7 |
| G-32 | Proceed Osu | 831,000 | 1.0 |
| G-33 | Proceed Sendai Kozurushinden | 698,000 | 0.9 |

Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment.



| Property No. | Property name | Acquisition price | |
|--|-----------------------------|--|----------------------------------|
| | | Acquisition price (thousand yen) (Note 1) | Investment share (%) (Note 2) |
| G-34 | Proceed Sendai Kamisugi | 1,560,000 | 1.9 |
| G-35 | Proceed Kanayama 3 | 770,000 | 0.9 |
| Cabinet order designated cities subtotal | | 19,265,800 | 23.6 |
| R-2 | Proceed Mito | 383,700 | 0.5 |
| R-3 | Proceed Mito 2 | 416,900 | 0.5 |
| R-4 | Proceed Tsukuba Gakuentoshi | 775,600 | 0.9 |
| Regional area major cities subtotal | | 1,576,200 | 1.9 |
| Portfolio total | | 81,782,000 | 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).

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

Notice: This text is a press release intended to communicate the disposition of trust beneficiary interests in domestic real estate to the general public, and was not compiled for the purpose of soliciting investment.