



## Financial Results Briefing 31st Fiscal Period (six months ended April 30, 2021) June 15, 2021

# MEMO

A series of horizontal dotted lines for writing a memo.



## 31st Fiscal Period Financial Results Summary

31st Fiscal Period Financial Results Highlights	4
Impact of COVID-19	5
31st Fiscal Period Financial Results	7
Management Forecast	8
Current Issues and Future Initiatives Aimed at Enhancing Unitholder Value	9
Change in Investment Unit Price Since Sixth Public Offering (Implemented in November 2016)	10
Asset Replacement Results and Future Asset Replacement Policy	11
Proceed Nagareyama Otakanomori	12
City-Owned Land Development Project in Front of Nagareyama-Otakanomori Station	13
Effect of Property Replacement	14
Stable Occupancy Rates and Background	15
Building a Portfolio That Responds to Various Fluctuation Risks	16
Status of Leasing Conditions of AUM	17
AUM Average Occupancy Period by Residential Unit Type (Results of 26th–31st Fiscal Period-End Residents)	18
Acquisition Price and Appraisal Value of AUM	19
Change in LTV	20
Overview of Investment Corporation Bonds and Financial Status	21
Status of Interest-Bearing Liabilities / After Refinancing (May 24, 2021)	22
Change in Investment Unit Price	23
Initiatives on Sustainability	24
Status of Unitholders (As of April 30, 2021)	27

## Future Management Policy

Management Policy from 31st Fiscal Period	29
Change in Distribution	30
Collaborative Structure of Starts Group	31
Properties in Process of Warehousing	32
Development Projects of Starts Group	34
Case Example of Development by Starts Group	35
Case Example of Ongoing Projects by Starts Group	44
Case Example of Efforts by Management Company	45

## Reference Materials

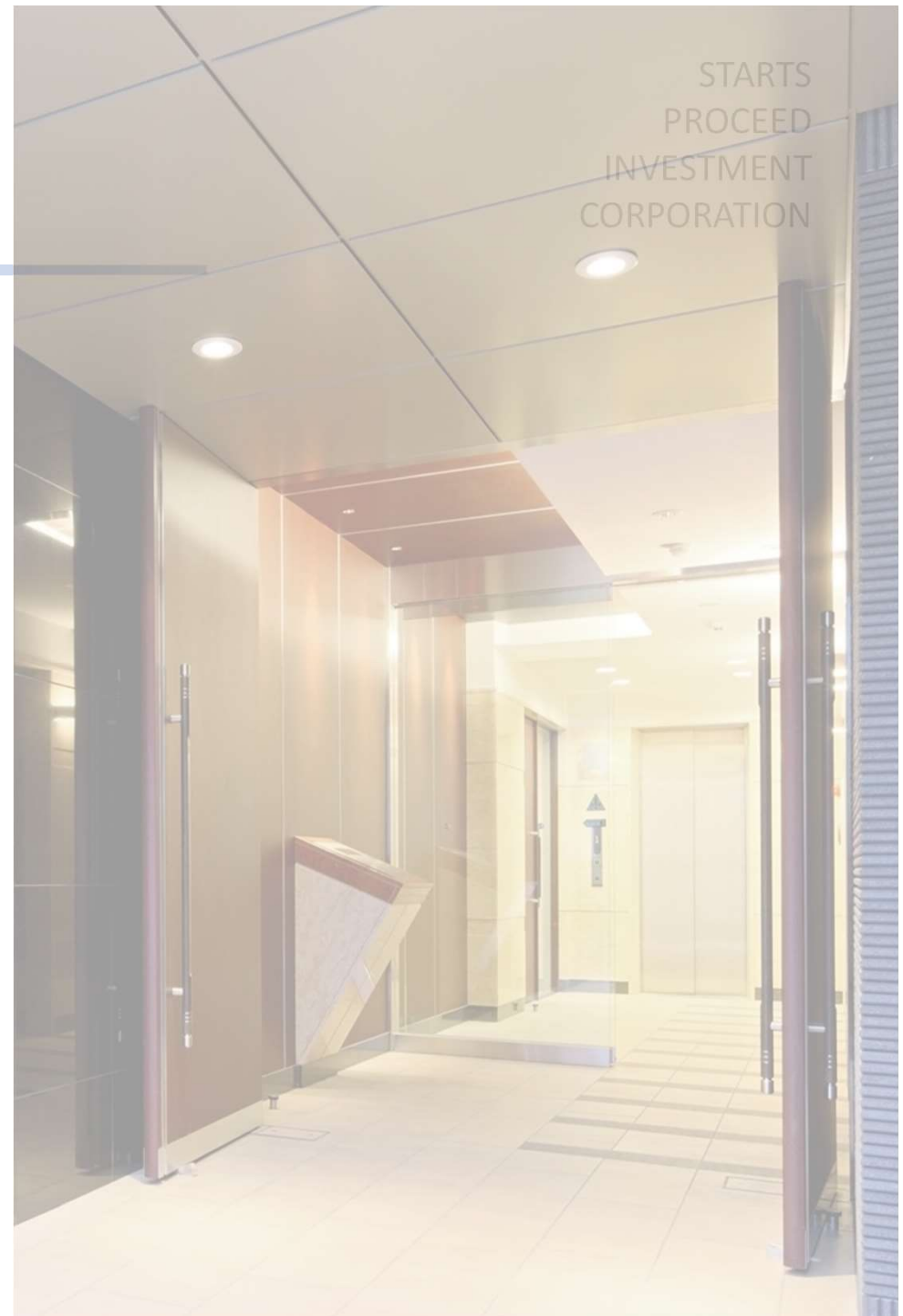
Balance Sheet	47
Statements of Income/Cash Distributions	48
Statements of Cash Flows and Key Performance Indicators	49
Status of Interest-Bearing Liabilities (As of April 30, 2021)	50
Portfolio Map (As of April 30, 2021)	53
Portfolio Policy and Current Status	54
Portfolio List (As of April 30, 2021)	55

## Management Company Overview

Starts Asset Management Co., Ltd.	59
Disclaimer	61

---

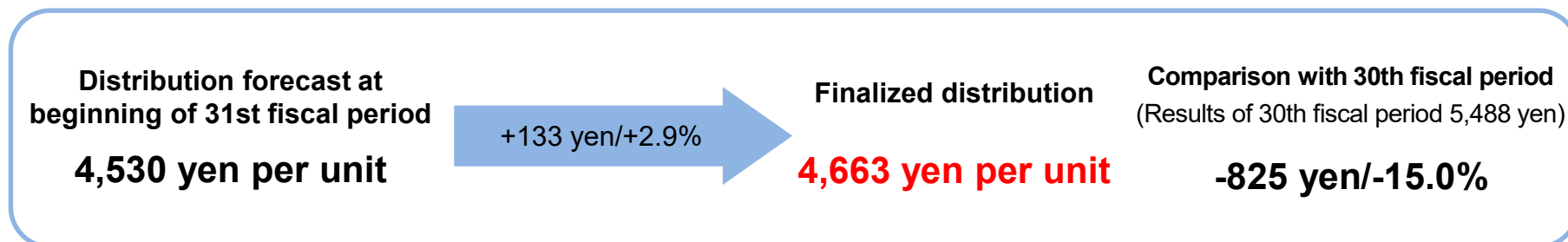
## 31st Fiscal Period Financial Results Summary



# 31st Fiscal Period Financial Results Highlights



## 31st Fiscal Period Distribution Per Unit



## 31st Fiscal Period Management Summary

External Growth	Obtain unrealized gain through asset replacement Aim to improve portfolio quality	<ul style="list-style-type: none"> <li>Disposed Proceed Yachiyo Midorigaoka I and Proceed Yachiyo Midorigaoka II at a disposition price of 785 million yen with <b>gain on sale of 46 million yen</b></li> <li>Acquired Proceed Nagareyama Otakanomori at an acquisition price of 1,069 million yen</li> </ul>
Internal Growth	Continue stable asset management	<ul style="list-style-type: none"> <li>Period average occupancy rate: 95.6%</li> <li>Maintained an occupancy rate of 95% or more for the twenty-ninth consecutive fiscal period from the 3rd fiscal period</li> <li>The period average occupancy rate was down 0.5 percentage points year on year due to the impact of COVID-19 in the Narita area</li> <li>The rate of change in rent upon new replacements increased slightly by 1.1%</li> </ul>
Financial Status	Maintain sound finances	<ul style="list-style-type: none"> <li>Reduced procurement costs by issuing investment corporation bonds through public offering (primary offering) for the second time</li> <li>Total asset LTV           End of 30th FP 50.5%→ After the refinancing this time (Note 1) 50.6% (up 0.1 percentage points)</li> <li>Appraised LTV            End of 30th FP 46.2%→ After the refinancing this time (Note 2) 45.7% (down 0.5 percentage points)</li> <li>Ratio of fixed-rate loans End of 30th FP 37.8%→ After the refinancing this time 37.8% (± 0 percentage points)</li> </ul>

(Note 1) After-refinancing total asset LTV = Balance of interest-bearing liabilities on the refinancing date (May 24, 2021) ÷ (Total assets at the end of the 31st fiscal period as recorded on the balance sheet + Amount of interest-bearing liabilities procured in the 32nd fiscal period - Amount of interest-bearing liabilities repaid in the 32nd fiscal period).

(Note 2) After-refinancing appraised LTV = Balance of interest-bearing liabilities on the refinancing date (May 24, 2021) ÷ (Total appraisal value at the end of the 31st fiscal period + Amount of interest-bearing liabilities procured in the 32nd fiscal period - Amount of interest-bearing liabilities repaid in the 32nd fiscal period).

(Note 3) All amounts are rounded down, and the figures with decimal places calculated for percentage or averaged are rounded off.

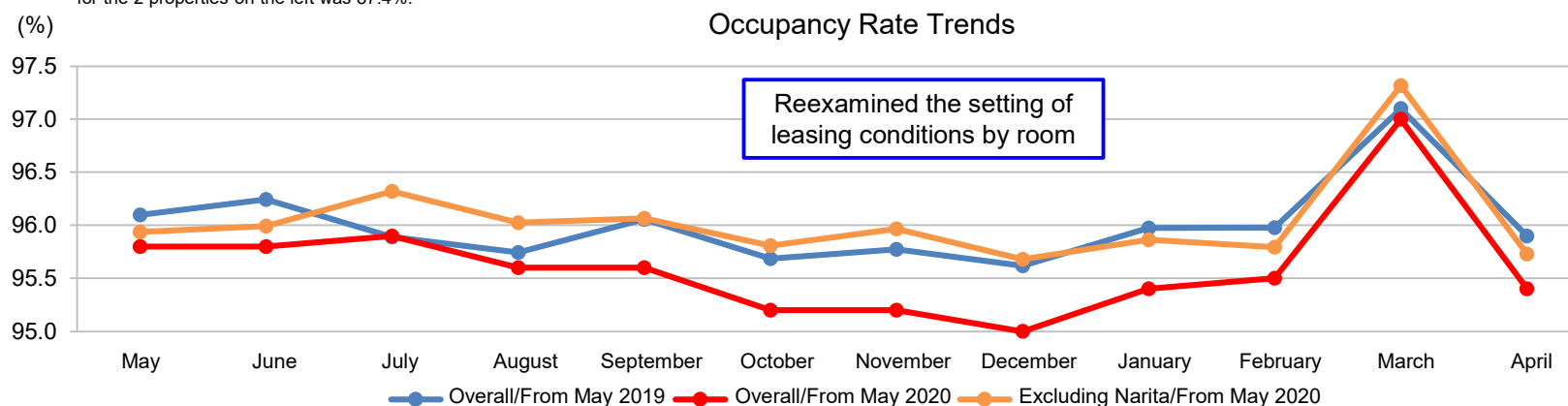
# Impact of COVID-19

- The period average occupancy rate in the 31st FP was 95.6%, down 0.5 percentage points year on year.
- The occupancy rate for those excluding the 2 properties in the Narita area with many residences of airport staff was 96.1%, remaining unchanged from the level in the same period of the previous year.
- The number of move-ins and move-outs also remained at the same level, and increased year on year in March after taking measures to promote move-ins.

## Status of Occupancy

Occupancy rate	30th FP		November	December	January	February	March	April	Total/average	Year-on-year change
All properties	95.7%	29th FP	95.8	95.6	96.0	96.0	97.1	95.9	96.1	-0.5 percentage points
		31st FP	95.2	95.0	95.4	95.5	97.0	95.4	95.6	
Excluding the 2 properties in Narita (Note 1)	96.0%	31st FP	96.0	95.7	95.9	95.8	97.3	95.7	96.1	-

(Note 1) The figure is the occupancy rate for those excluding the 2 properties namely (C-73) Proceed CO-Z East Building and (C-74) Proceed CO-Z West Building. The period average occupancy rate in the 31st FP for the 2 properties on the left was 87.4%.



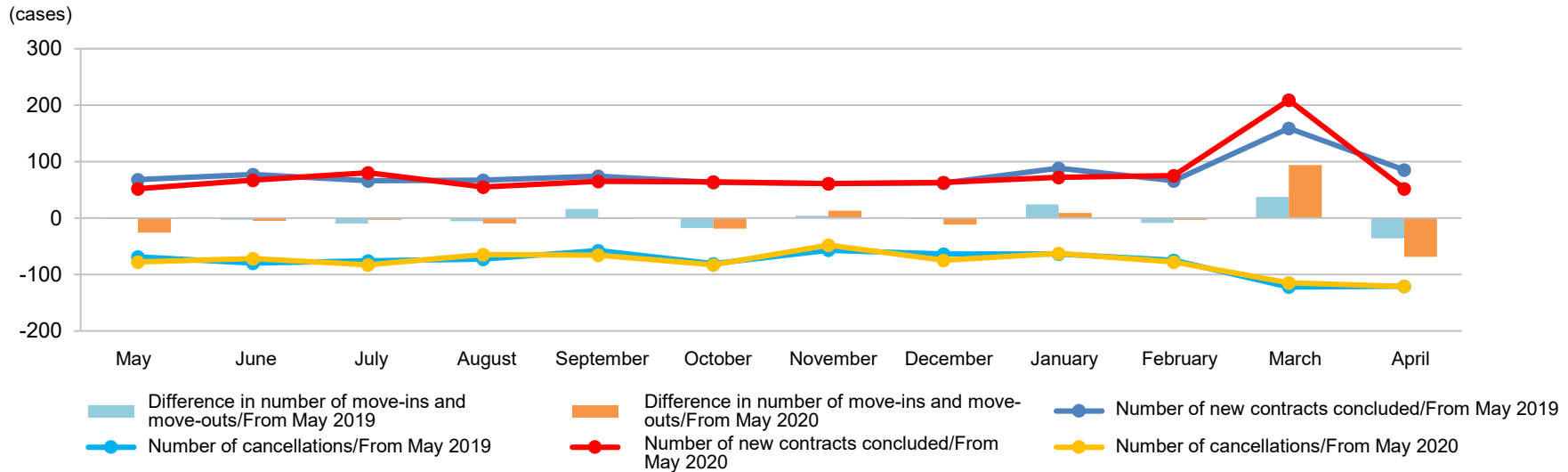
## Delinquency Rate

	30th FP		November	December	January	February	March	April	Total/average	Year-on-year change
Delinquency rate (%) (Note 2)	0.59%	29th FP	0.84	0.67	0.59	0.80	0.66	0.70	0.71	Improved by 0.14 percentage points
		31st FP	0.62	0.48	0.56	0.62	0.59	0.53	0.57	

(Note 2) Calculated by dividing the amount that remain delinquent even after a month among the delinquent rents to be paid by end tenants which occurred in the target month by the total amount of rent received by Starts Proceed.



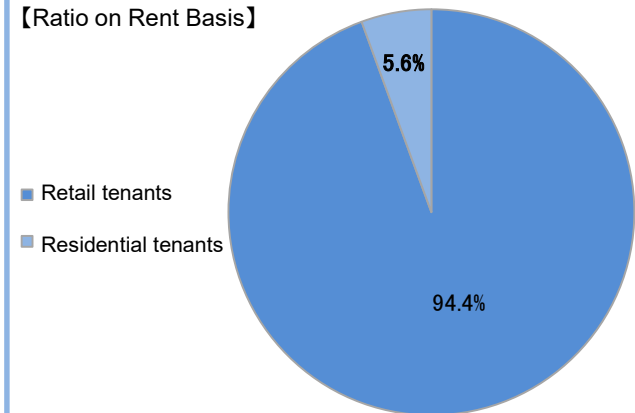
## Change in Number of Move-ins and Move-outs



## Rent Trend (From January 2020 to May 31, 2021)

- Requests for rent reduction/deferral of payment from residential tenants
  - ➔ 4 cases, 10 units (out of 5,163 units)
  - Result of response
    - ➔ Rent reduction: 1 case 7 units (total amount: 12,000 yen per month) (6 months)
    - Installment payment of renewal fee: 1 case 1 unit (Received)
    - No change : 2 cases 2 units
- Requests for rent reduction/deferral of payment from retail tenants
  - ➔ 9 (out of 63 units)
  - Result of response
    - ➔ No change upon discussion with tenants
- Only a 6-month extension of the period of rent decrease for the 7 units of the residential tenant indicated above will be implemented as the response in the 31st FP
- A rent guarantee agreement is concluded with our major property management company Starts Amenity Corporation, and even if tenants fell behind on rent, the impact on the rent revenue of Starts Proceed will be extremely limited

[Ratio on Rent Basis]



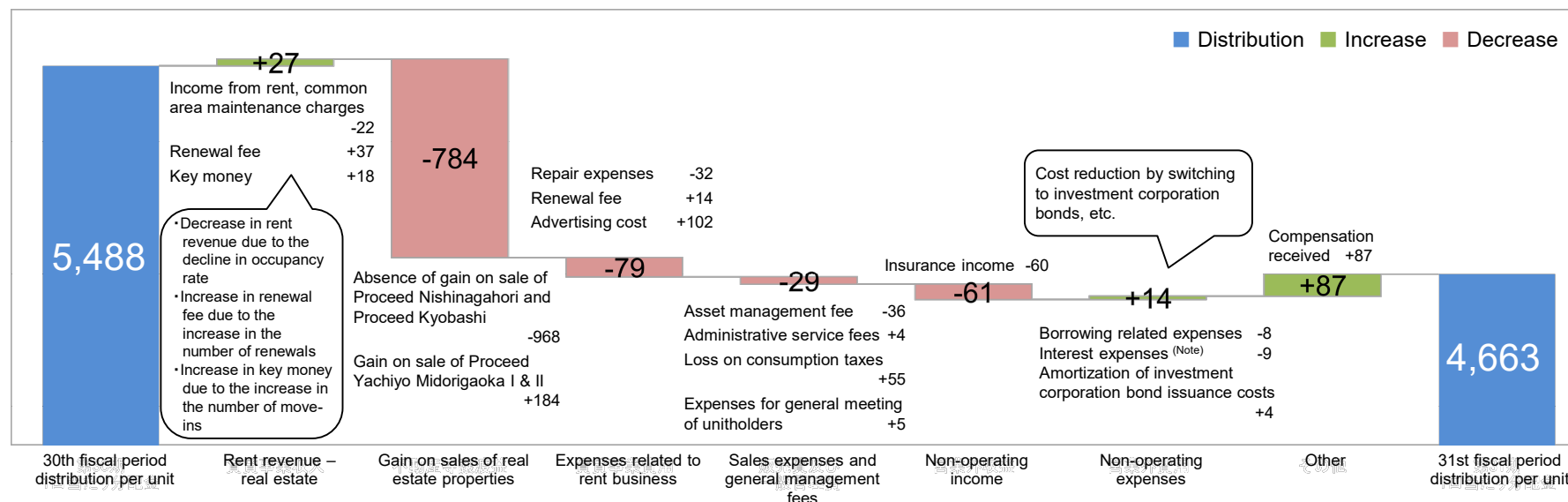
# 31st Fiscal Period Financial Results

## ■ Comparing the Results of the 31st Fiscal Period with the Results of the 30th Fiscal Period and the Forecast of the 31st Fiscal Period

	30th FP Results	31st FP Results	Against the 30th Fiscal Period	Forecast at beginning of the 31st fiscal period	Against the Forecast
Operating revenue (million yen)	3,352	3,160	-192	3,163	-3
Operating expenses (million yen)	1,769	1,797	27	1,808	-11
Operating income (million yen)	1,582	1,362	-219	1,355	7
Ordinary income (million yen)	1,394	1,163	-231	1,151	11
Net income (million yen)	1,392	1,183	-209	1,149	33
Distribution per unit (yen)	5,488	4,663	-825	4,530	133
Number of investment units issued and outstanding (Unit)	253,777	253,777	-	253,777	-
Period average occupancy rate (%)	95.7	95.6	-0.1	95.9	-0.3

## ■ Main Factors of Increase/Decrease from Distribution for the 31st Fiscal Period

(yen per unit)



(Note) Interest expenses on investment corporation bonds are included.

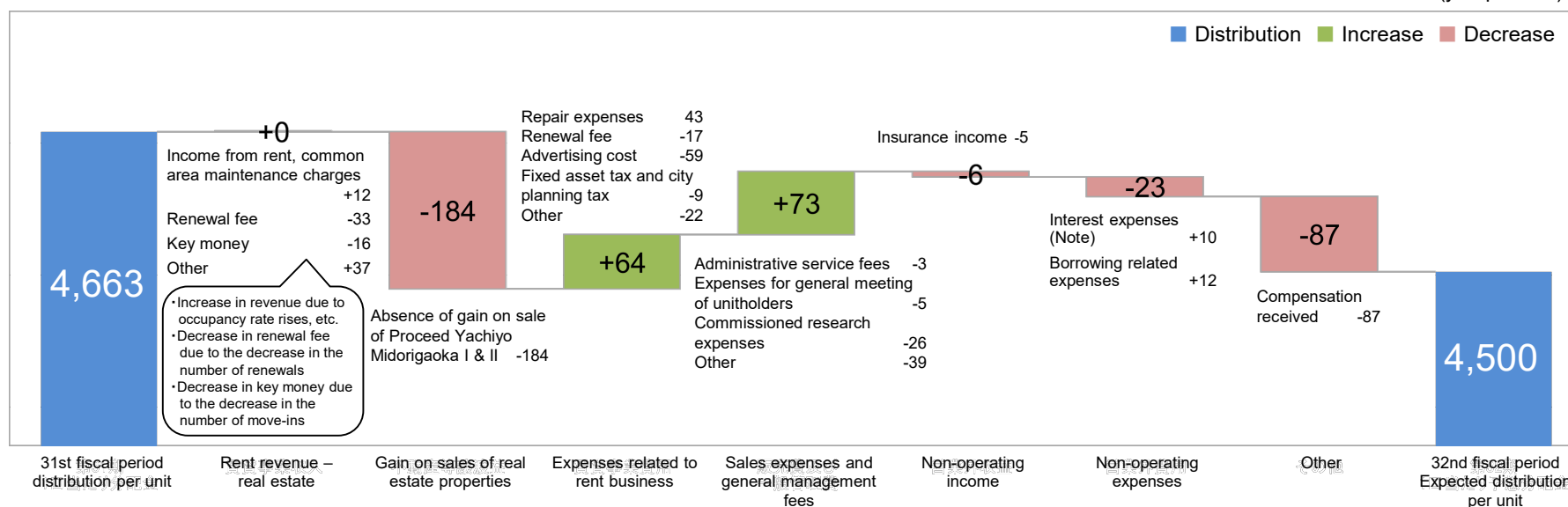


## Forecast for the 32nd and 33rd Fiscal Periods

	31st FP Results	32nd FP Forecast	Against the 31st FP Results	33rd FP Forecast	Against the 32nd FP Forecast
Operating revenue (million yen)	3,160	3,113	-46	3,136	23
Operating expenses (million yen)	1,797	1,762	-35	1,777	15
Operating income (million yen)	1,362	1,351	-11	1,358	7
Ordinary income (million yen)	1,163	1,144	-19	1,149	5
Net income (million yen)	1,183	1,142	-41	1,147	5
Distribution per unit (yen)	4,663	4,500	-163	4,520	20
Number of investment units issued and outstanding (Unit)	253,777	253,777	-	253,777	-
Period average occupancy rate (%)	95.6	95.8	0.2	96.2	0.4

## Main Factors of Increase/Decrease from Distribution for the 32nd Fiscal Period

(yen per unit)



### ■ Issues Recognized by Starts Proceed

- Although NAV multiple increased from around **0.9x** at the end of the 30th fiscal period (October 2020) to a level exceeding **1.0x** as of April 30, 2021, through various ongoing measures, it is necessary to continue improving evaluation on investment units as the amount is low when compared with competing REITs
- Need to build a highly stable and attractive portfolio as it **has no advantage** over competing REITs **in terms of scale**



### ■ Future Initiatives of Starts Proceed

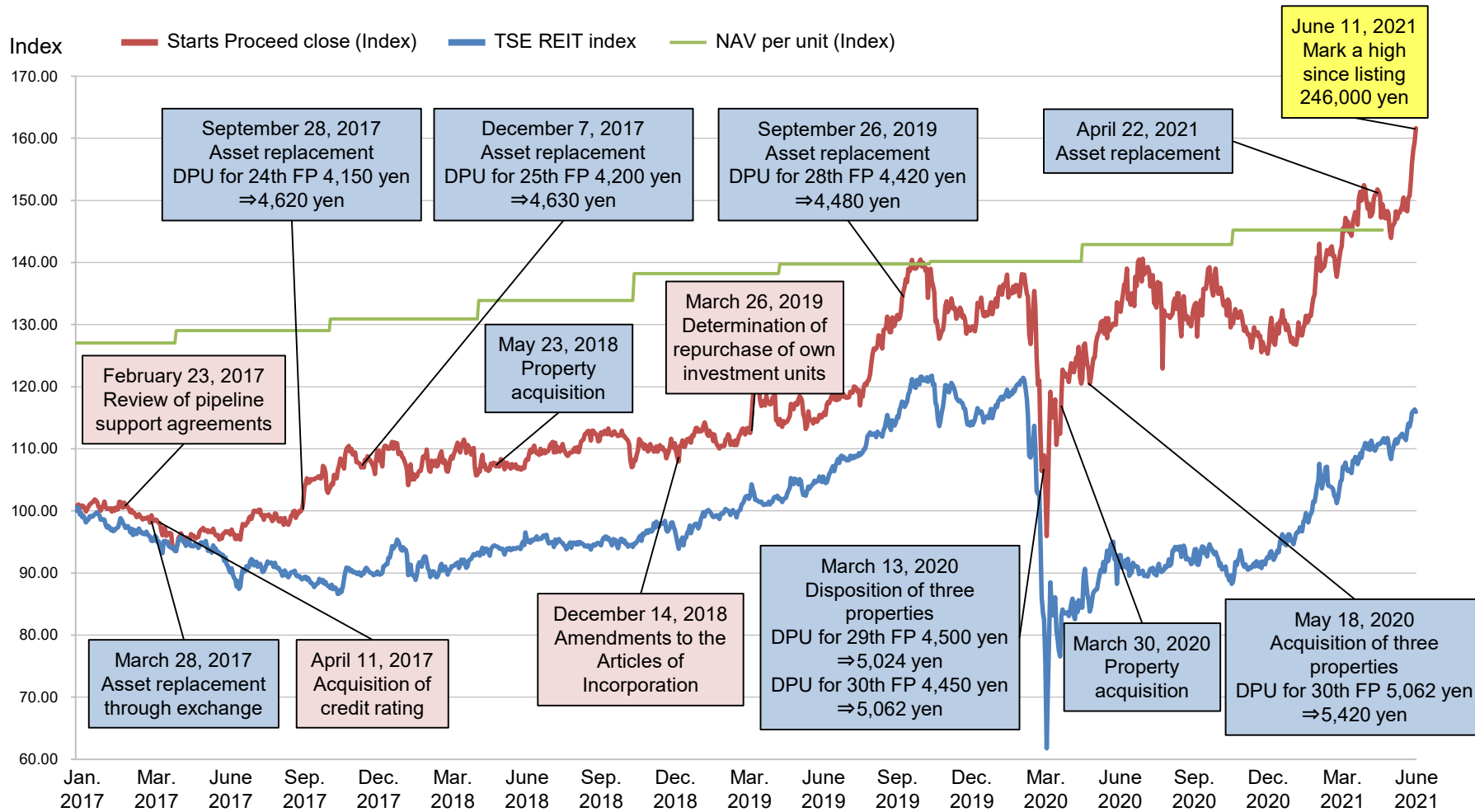
Given the current issues, Starts Proceed will implement measures with greater focus on the improvement of unitholder value

- ① Improve portfolio quality through agile property replacement
  - Return gain on sale of the disposed properties
  - Consider property acquisition as well to improve medium- to long-term NOI
- ② Improve liquidity and stability through acquisition of pipeline properties
  - Build a stable and attractive portfolio through acquisition of highly competitive properties developed by the sponsor
- ③ Proactive utilization of surplus
  - Enforce measures for unitholder return by repurchasing own investment units

# Change in Investment Unit Price Since Sixth Public Offering (Implemented in November 2016)



As of April 30, 2021, NAV multiple is at a level exceeding 1.0x under efforts such as asset replacement and repurchase of own investment units on a continuous basis.  
Even amid the COVID-19 pandemic, the investment unit price is outperforming the TSE REIT index due to the defensive portfolio.



(Note) Dates in the graph indicate the dates when the information was disclosed.

# Asset Replacement Results and Future Asset Replacement Policy

Starts Proceed is improving its portfolio quality through agile property replacements. It increased the asset size by 6,180 million yen and obtained 1,183 million yen of gain on sale and exchange of assets from the 23rd fiscal period to the 31st fiscal period through property replacements conducted since the previous public offering. Starts Proceed will continuously consider property replacement and unitholder return.

	23rd to 28th Fiscal Period	29th Fiscal Period (six months ended April 30, 2020)	30th Fiscal Period (six months ended October 31, 2020)	31st Fiscal Period (six months ended April 30, 2021)	Continuous implementation of efforts	
<b>Acquired assets</b>		 Kanagawa	 Tokyo  Ibaraki  Chiba	 Chiba	Total through 23rd FP to 31st FP	
	<b>Acquisition price</b>	7,372 million yen	3,047 million yen	3,093 million yen	1,069 million yen	14,581 million yen
	<b>Appraisal value (Note 1)</b>	7,555 million yen	3,160 million yen	3,359 million yen	1,100 million yen	15,174 million yen
	<b>Average building age (Note 2)</b>	10.9 years	4.7 years	0.7 years	1.2 years	6.7 years
<b>Disposition price</b>	3,214 million yen	2,451 million yen	3,350 million yen	785 million yen	9,800 million yen	
<b>Appraisal value (Note 1)</b>	3,192 million yen	2,580 million yen	2,974 million yen	734 million yen	9,480 million yen	
<b>Average building age (Note 2)</b>	25.2 years	12.3 years	12.3 years	24.2 years	17.6 years	
<b>Gain on sale/exchange of assets</b>	341 million yen	549 million yen	245 million yen	46 million yen	1,183 million yen	
<b>Disposed assets</b>		 Osaka	 Osaka  Osaka	 Chiba  Chiba	Total through 23rd FP to 31st FP	

## Future property replacement policy

- Consider disposition in regard to regional properties and old properties along the outer fringe of Tokyo
- In addition to adding capital gain on sale to distribution as unitholder return, consider use as acquisition funds.
- Acquire more properties than those being disposed and achieve steady external growth in addition to improved portfolio quality.

Realize Maximization of Unitholder Value

(Note 1) Appraisal value of acquired assets indicates appraisal value as of acquisition and appraisal value of disposed assets indicates appraisal value as of the end of the fiscal period before the disposition.  
 (Note 2) Building age is that of acquisition or disposition.



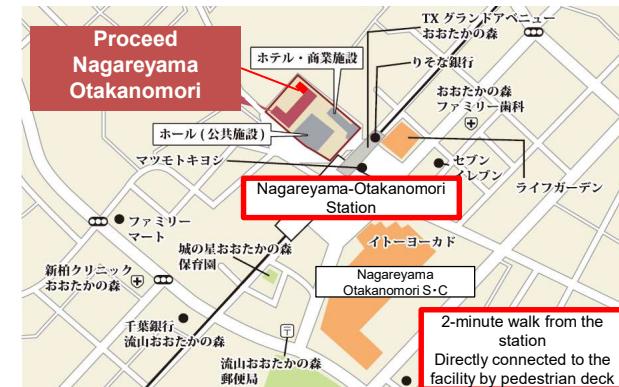
# Acquisition of Proceed Nagareyama Otakanomori

- Acquired Proceed Nagareyama Otakanomori on April 27, 2021.
- The property is part of the property designed and constructed by Starts Group in the PPP project.
- The acquisition price was 1,069 million yen, appraisal value (as of March 31, 2021) was 1,100 million yen, and the property age upon acquisition was 1.2 years.
- The Nagareyama Otakanomori area where the property is located is approximately a 25-minute ride to Akihabara Station via the Tsukuba Express rapid train.



## <Property Overview>

Structure	: RC / 14F
Completion	: February 2020
Number of leasing units (type)	: 1R 10 units; 1K 33 units; 1LDK 6 units; Nursery 1 unit; Total 50 units
Location	: 1-chome Otakanomorikita, Nagareyama-shi, Chiba
Site area (Note)	: 4,200.00 m <sup>2</sup>
Total floor area	: 1,641.62 m <sup>2</sup>
Use	: Apartment, retail
Zoning	: Commercial district



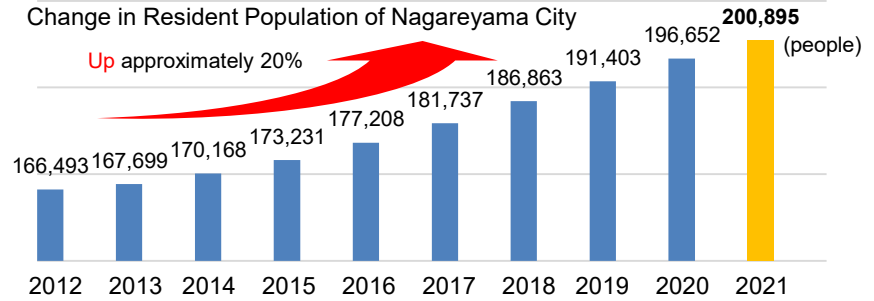
(Note) Site area indicates the area of the entire site, and the percentage of co-ownership interest (right of site) in proprietorship is 173,186/1,616,791.

# City-Owned Land Development Project in Front of Nagareyama-Otakanomori Station

## Green and lively urban development centering on new cultural exchange base “North Square 63”

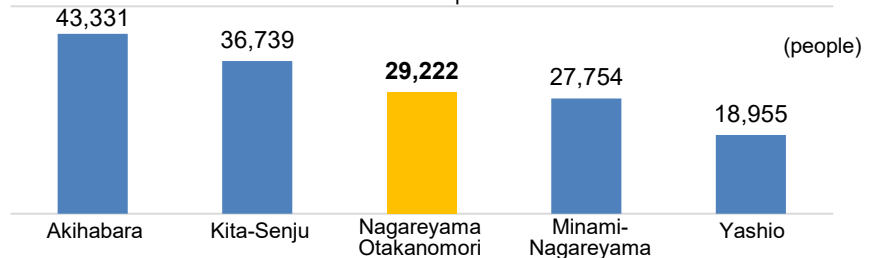


It marked the largest increase and highest increase rate of population within the prefecture in fiscal 2019 and is said to be a region with increasing needs for rental housing.

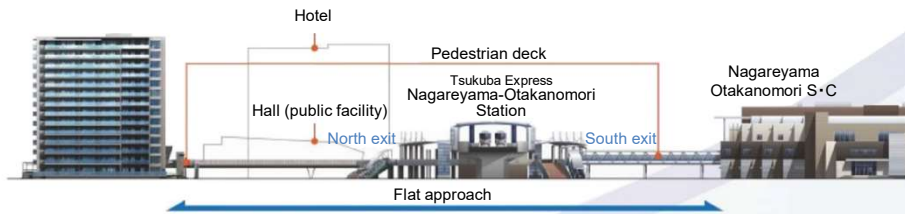


\*Source: Official website of Tsukuba Express

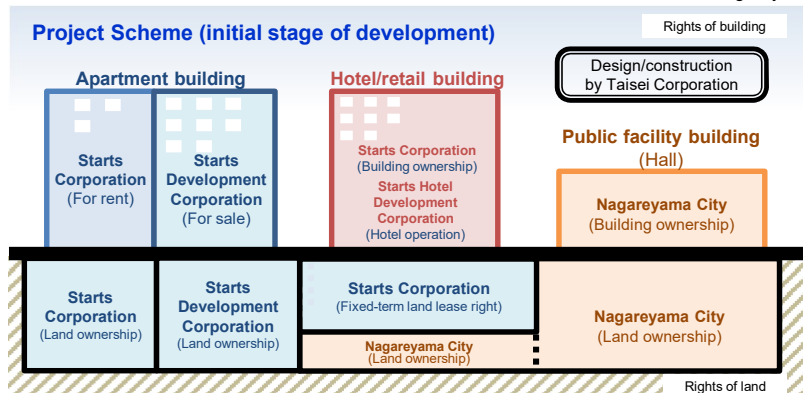
Top 5 Stations in Terms of the Average Number of Passengers Per Day on the Tsukuba Express Line



\*Source: Official website of Nagareyama City



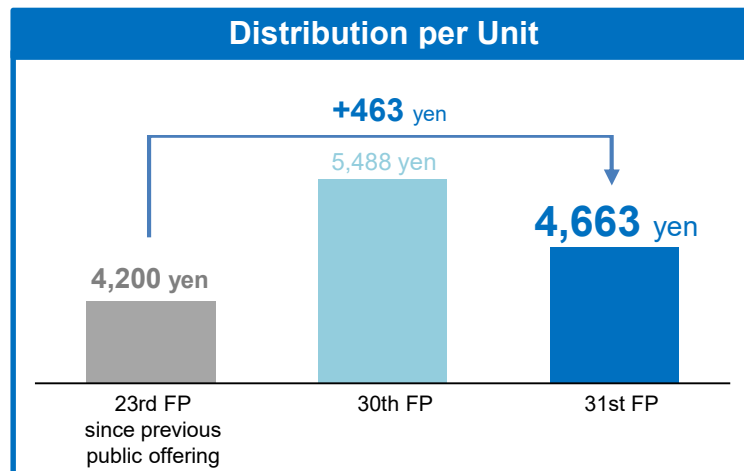
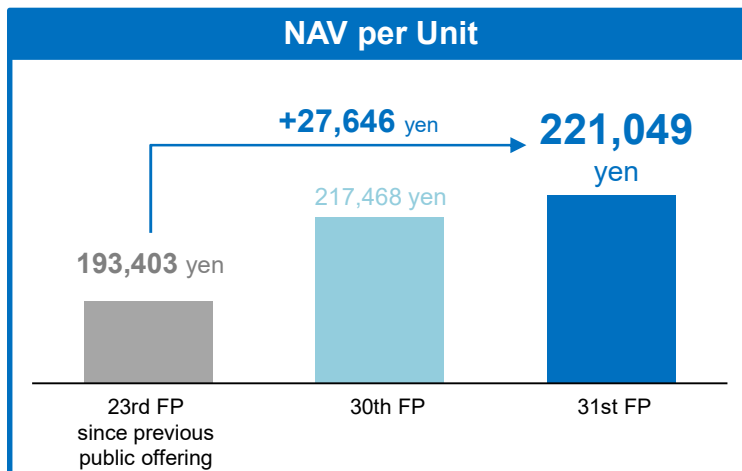
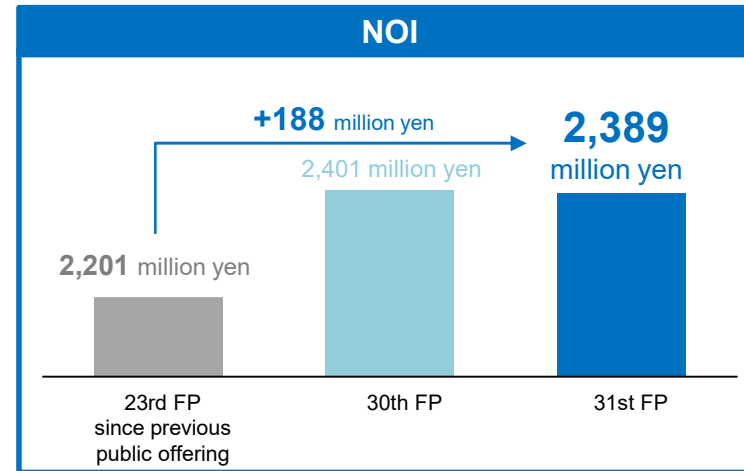
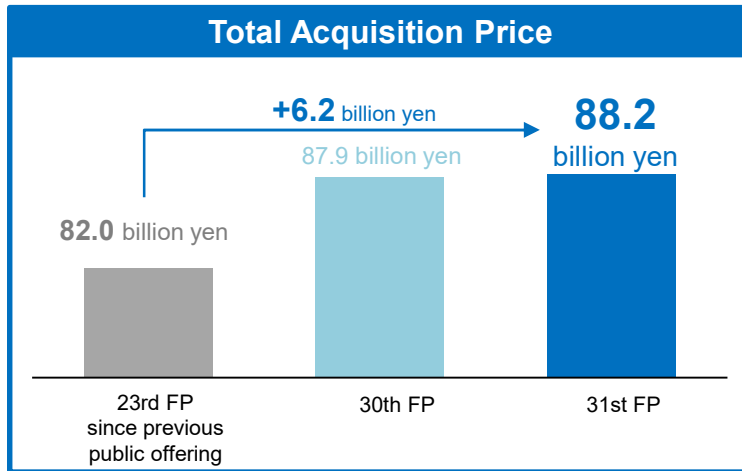
Offers flat access to the station by using a pedestrian deck directly connected to the station. A 3-minute walk to “Nagareyama Otakanomori S-C” where approximately 150 stores gather.





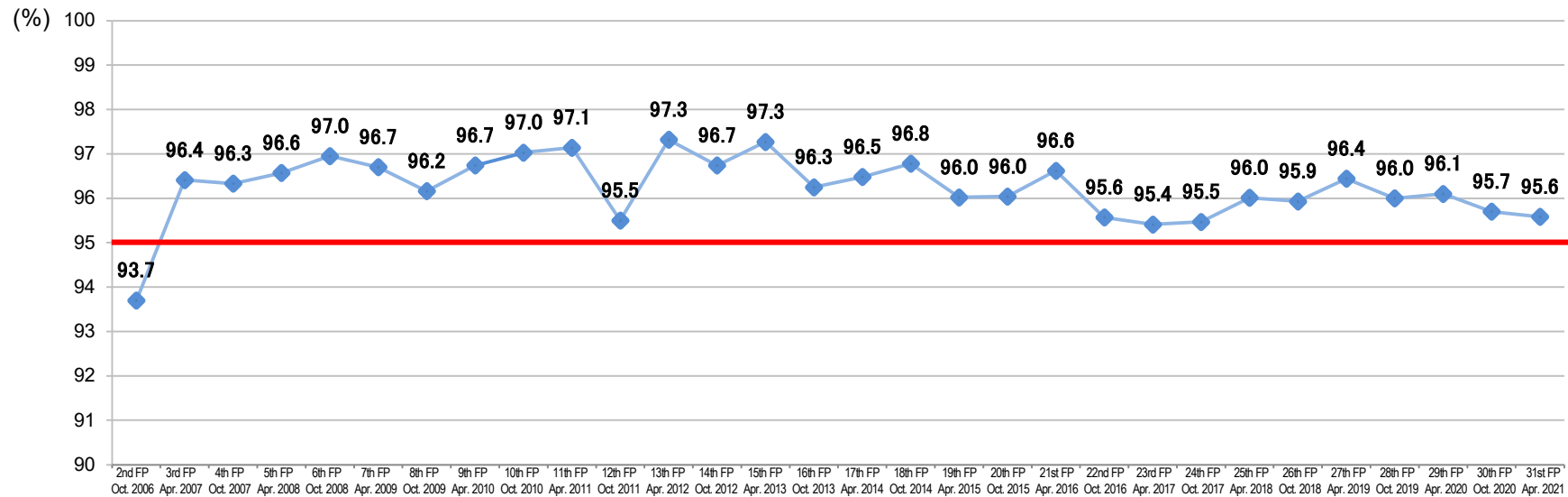
# Effect of Property Replacement

Starts Proceed achieved expansion of asset size while increasing unitholder value through property replacements. Starts Proceed will aim for further growth and improvement of unitholder value through its continuous efforts.



## Occupancy Rate Trends (from 2nd FP to 31st FP)

Properties owned by Starts Proceed have maintained a high **occupancy rate at 95% or above since the 3rd fiscal period**. Starts Proceed will carry out stable asset management continuing to target such level



## Background of Maintaining High Occupancy Rates

- ① Collaborative structure of the entire Starts Group
  - Stable leasing activities by Pitat House with 653 stores around Japan (as of April 30, 2021)
  - Advantage in a dominant area centering around the Tozai Line where the collective strength of Starts Group is exerted
- ② Establishing a portfolio targeting the needs of the market
  - Investment targets are **properties for average-income households** where demand is thought to be most stable
  - With property acquisitions mainly in the 23 wards of Tokyo and the area around Tokyo, a stable and highly profitable portfolio has been established

# Building a Portfolio That Responds to Various Fluctuation Risks

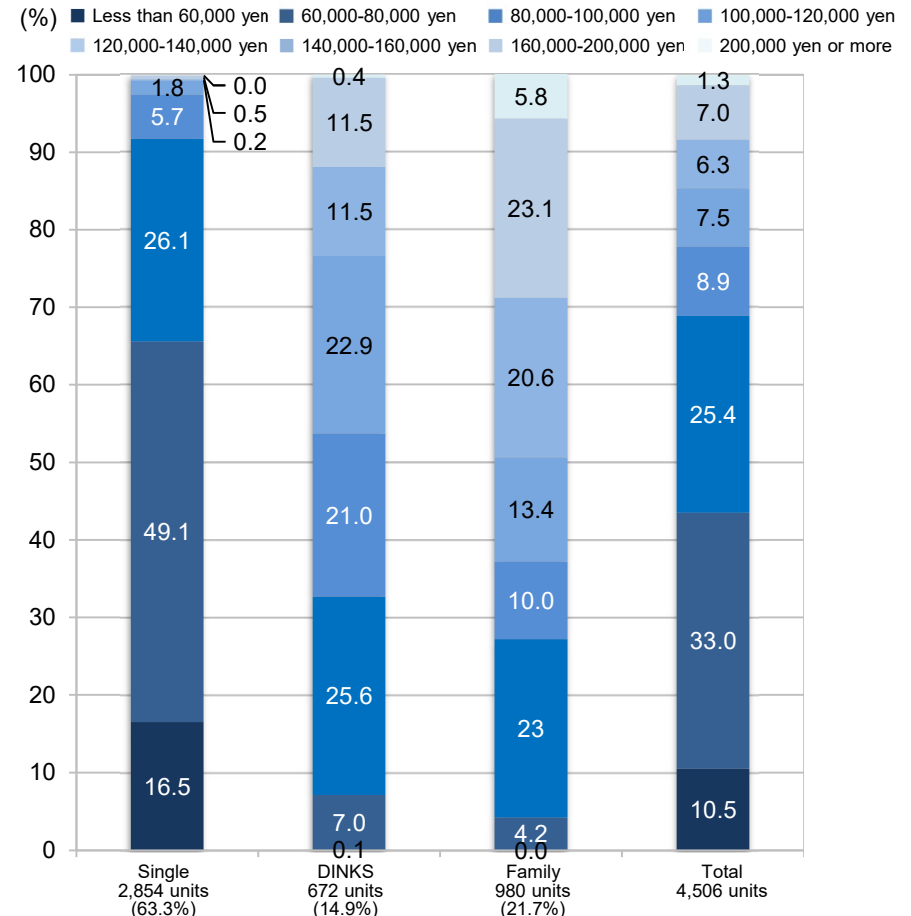
## ■ Characteristics of Rental Housing in which Starts Proceed Primarily Invests

Setting as the primary investment target single, family and other rental housing for average-income households that have the most stable demand, we aim to build a portfolio that can respond to the fluctuations of market rent, resident demand, etc. as much as possible and to carry out stable management over the medium to long term.

Average Rent by Residential Unit Type (Note)

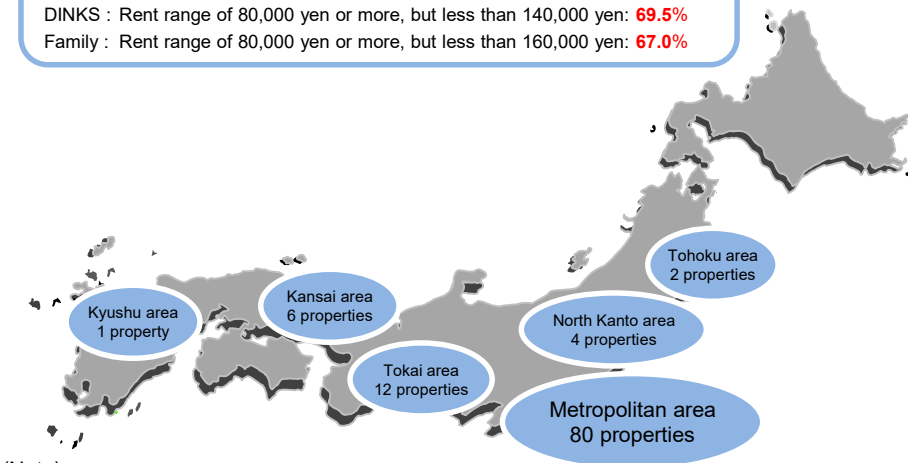
Residential unit type	Average rent (yen)		Unit price per tsubo (yen)	
	End of 30th FP	End of 31st FP	End of 30th FP	End of 31st FP
Single	75,531	75,610	9,935	9,945
DINKS	117,742	118,320	8,570	8,612
Family	136,605	136,942	6,793	6,809
Overall average	95,109	95,259	8,463	8,476

Rent Range by Residential Unit Type (Note)



### Starts Proceed Portfolio Characteristics Targeted at Middle-Income Households

- Single : Rent range of 60,000 yen or more, but less than 100,000 yen: **75.2%**
- DINKS : Rent range of 80,000 yen or more, but less than 140,000 yen: **69.5%**
- Family : Rent range of 80,000 yen or more, but less than 160,000 yen: **67.0%**



(Note)

- Average Rent and Rent Range by Residential Unit Type targets the 4,506 units in pass-through properties, excluding residential facilities for the elderly, tenants, and offices, from the 105 properties continuously operated from the end of the 30th fiscal period to the end of the 31st fiscal period (excludes (C-21) Proceed Yachiyo Midorigaoka I and (C-22) Proceed Yachiyo Midorigaoka II disposed on April 26, and (C-85) Proceed Nagareyama Otakanomori acquired on April 27).
- Average rent and rent range are calculated by dividing the sum of the rent and common area maintenance charges stated in the lease agreement by the number of units for occupied rooms and by dividing the sum of advertised rents and common area maintenance charges by the number of units for vacant rooms, each rounded down to the nearest whole number.
- Percentage of change in average rent and percentage of rent range by residential unit type are rounded to the first decimal place.

# Status of Leasing Conditions of AUM

## Rent Setting for Agreement (Note 1)

### Difference in Rent Between New Agreement and Previous Agreement

	26th FP		27th FP		28th FP		29th FP		30th FP		31st FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	191	718	278	841	218	565	315	960	232	671	284	930
No change	121	0	132	0	124	0	138	0	109	0	144	0
Decrease	100	-440	107	-353	73	-261	68	-173	42	-159	105	-387
Total	412	278	517	488	415	303	521	786	383	512	533	542
Rate of Change <small>(Note 2)</small>	0.7%		1.1%		0.8%		1.7%		1.4%		1.1%	

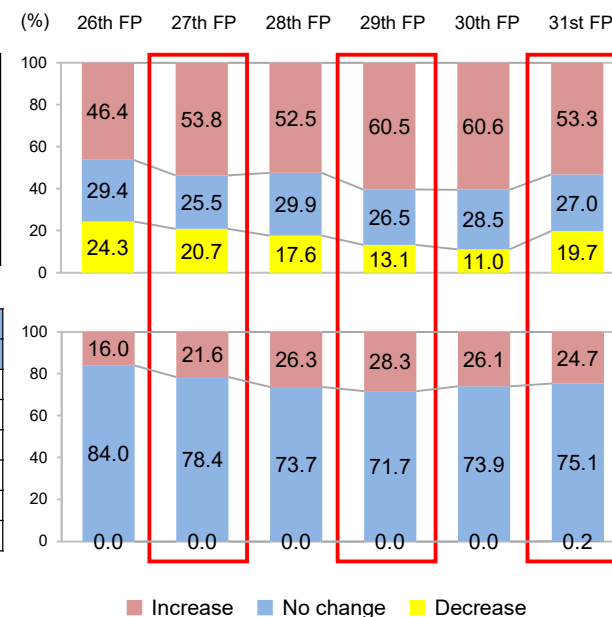
### Renewal Rent Revision

	26th FP		27th FP		28th FP		29th FP		30th FP		31st FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	75	116	126	197	120	183	152	277	132	219	164	243
No change	395	0	456	0	337	0	386	0	373	0	498	0
Decrease	0	0	0	0	0	0	0	0	0	0	1	-1
Total	470	116	582	197	457	183	538	277	505	219	663	242
Rate of Change <small>(Note 2)</small>	0.3%		0.4%		0.4%		0.5%		0.5%		0.4%	
Renewal rate	94.0%		90.4%		91.0%		92.4%		90.3%		89.2%	

(Note 1) The conditions setting figures are for pass-through properties only and fixed-rent properties are not included.

(Note 2) Rate of change refers to the total amount of monthly rent and common area maintenance charges after tenant replacement against the total amount of monthly rent and common area maintenance charges before tenant replacement for units where tenant replacement occurs.

The figure is calculated by dividing the sum of monthly rent and common area maintenance charges after tenant replacement by that before tenant replacement.



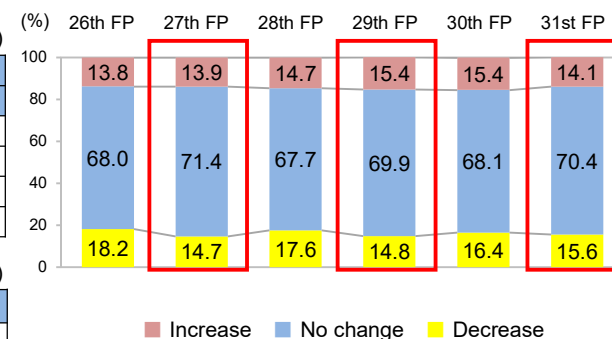
## Difference in Key Money and Rent for Agreements (Note 3)

### Difference in Key Money Between New Agreement and Previous Agreement

	26th FP		27th FP		28th FP		29th FP		30th FP		31st FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	57	6,470	72	7,762	61	6,277	80	7,924	59	6,205	75	7,240
No change	280	62	369	189	281	103	364	272	261	265	375	318
Decrease	75	-6,284	76	-6,967	73	-6,092	77	-6,660	63	-5,830	83	-7,888
Total	412	247	517	984	415	287	521	1,535	383	640	533	-329

### Total Amount and Ratio to Rent (at the end of fiscal periods)

	26th FP	27th FP	28th FP	29th FP	30th FP	31st FP
Total key money	235,488	234,787	238,145	237,517	257,485	258,807
Total rent	420,606	418,680	422,007	421,292	424,618	425,764
Ratio to rent	0.56 month	0.56 month	0.56 month	0.56 month	0.61 month	0.61 month



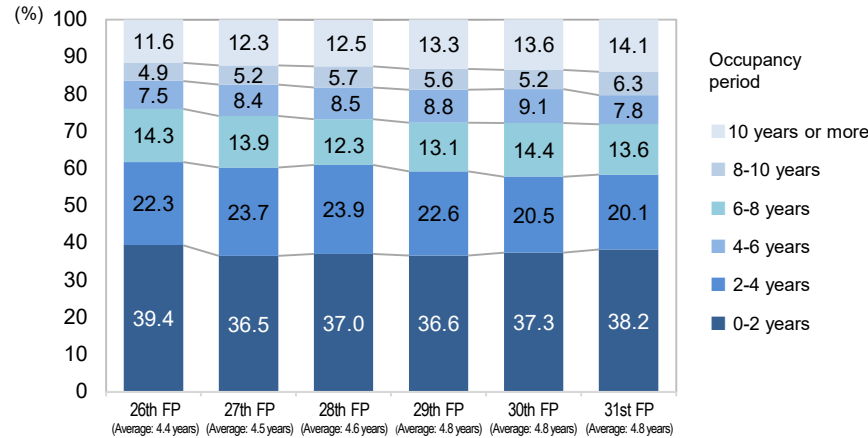
(Note 3) The ratio to rent is calculated from the sum of rents and advertised rents stated in the lease agreement and common area maintenance charges are not included. The figures are for pass-through properties only and those for fixed-rent properties are not included.

# AUM Average Occupancy Period by Residential Unit Type (Results of 26th–31st Fiscal Period-End Residents)

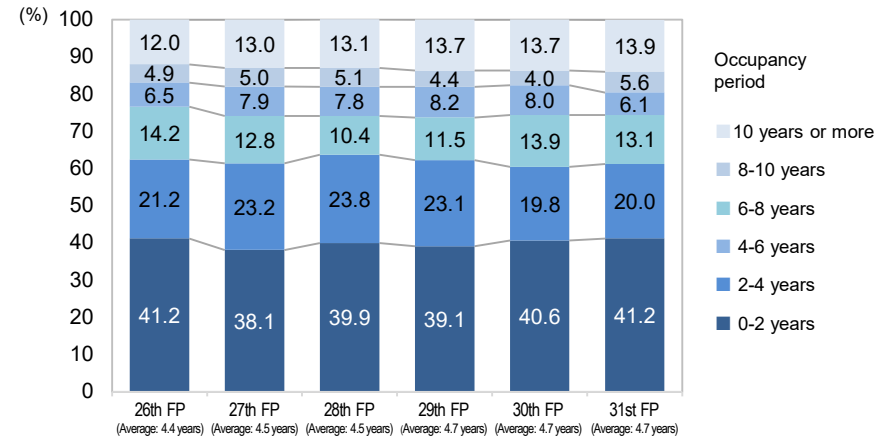


The longer average occupancy period of all residential unit types has contributed to cost reduction, revenue increase from renewal fees, etc.

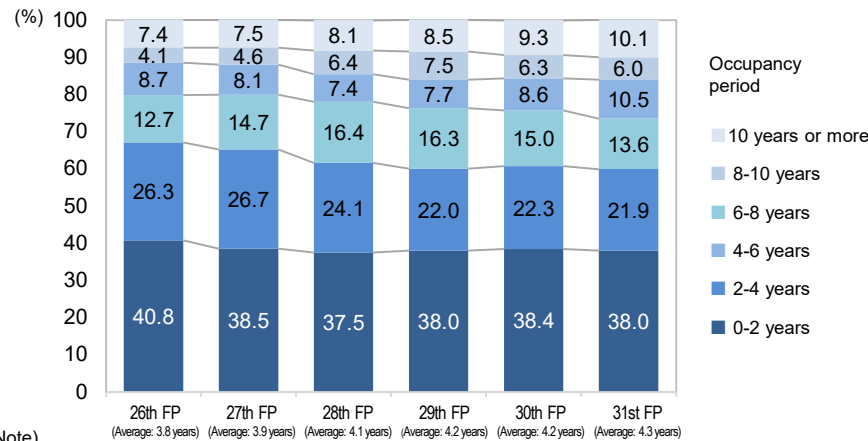
**All (End of 26th FP: average 4.4 years → End of 31st FP: average 4.8 years)**



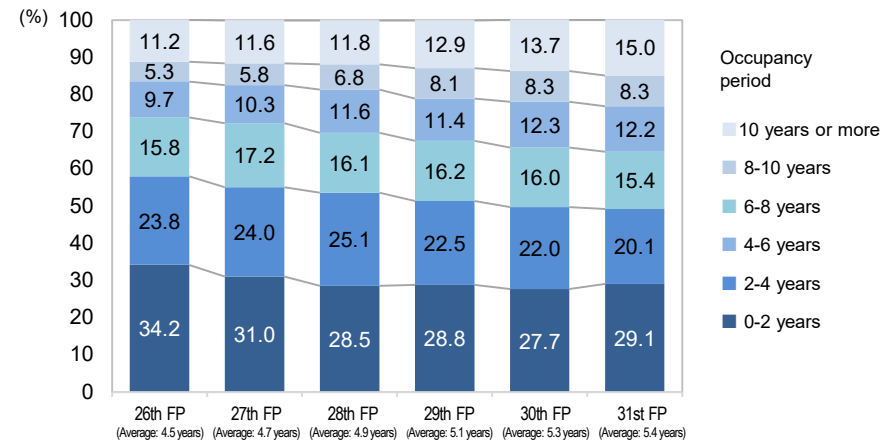
**Single (End of 26th FP: average 4.4 years → End of 31st FP: average 4.7 years)**



**DINKS (End of 26th FP: average 3.8 years → End of 31st FP: average 4.3 years)**



**Family (End of 26th FP: average 4.5 years → End of 31st FP: average 5.4 years)**



(Note)

- "Occupancy period" aggregates tenant households by period of occupancy at the end of the respective fiscal periods.
- As the data has been prepared for rental housing alone, (G-23) Group Home Tanoshii Ie Taisho and (C-76) Life Support Residence Funaboriekimae are excluded from compilation.
- "All" includes retail and office and excludes vacant units
- The average occupancy period for all, single, DINKS and family is rounded to the first decimal place, respectively.

## Acquisition Price and Appraisal Value of AUM

- Appraisal value for the 31st fiscal period was 99.97 billion yen, a period-on-period increase of 1.21 billion yen.
- Unrealized gain was 13.91 billion yen, which is **16.2% of book value**.
- NOI yield (based on acquisition price) for the entire portfolio was **5.4%**.

	Acquisition price (million yen)	Carrying amount (million yen)	Appraisal value (million yen)		Occupancy rate (period-end) (%)		NOI results (million yen)		NOI yield (based on acquisition price) (%)		NOI yield (based on appraisal value) (%)		NOI yield after depreciation (based on acquisition price) (%)	
			30th FP	31st FP	30th FP	31st FP	30th FP	31st FP	30th FP	31st FP	30th FP	31st FP	30th FP	31st FP
	At acquisition	31st FP	30th FP	31st FP	30th FP	31st FP	30th FP	31st FP	30th FP	31st FP	30th FP	31st FP	30th FP	31st FP
Tokyo metropolitan area major cities	66,602	64,878	74,431	75,514	96.1	96.4	1,819	1,824	5.5	5.5	4.9	4.8	4.1	4.1
Cabinet order designated cities	19,265	18,908	21,632	21,750	92.0	92.2	511	488	5.3	5.1	4.7	4.5	3.7	3.5
Regional area major cities	2,400	2,277	2,701	2,715	95.7	95.7	70	75	5.9	6.3	5.2	5.6	3.6	3.3
<b>Total</b>	<b>88,268</b>	<b>86,065</b>	<b>98,764</b>	<b>99,979</b>	<b>95.2</b>	<b>95.4</b>	<b>2,401</b>	<b>2,389</b>	<b>5.5</b>	<b>5.4</b>	<b>4.9</b>	<b>4.8</b>	<b>4.0</b>	<b>3.9</b>

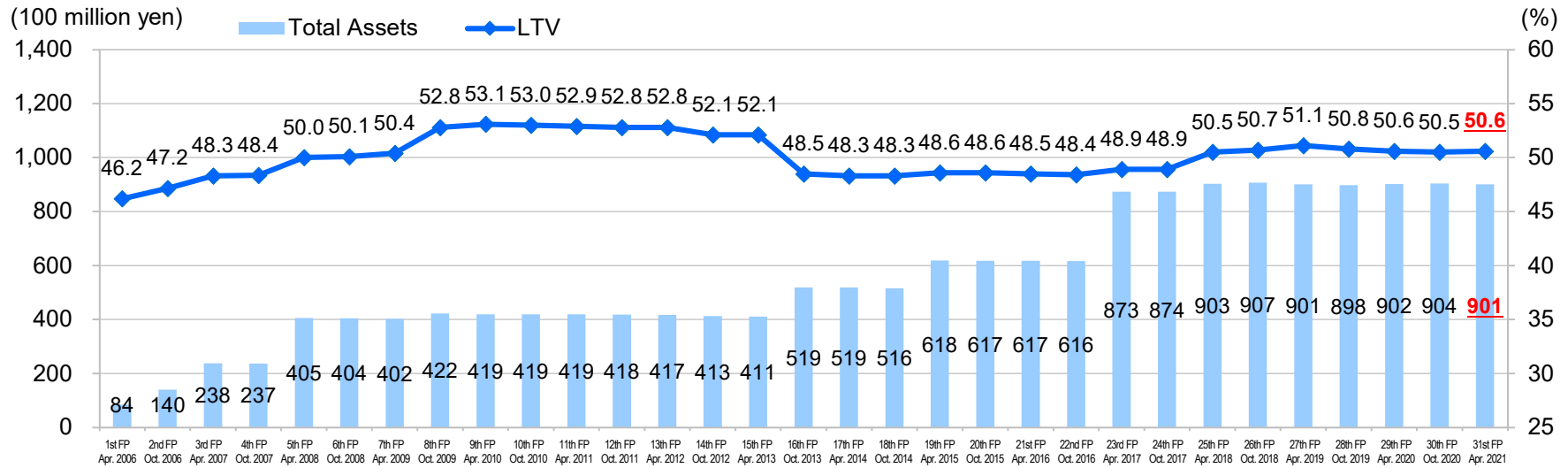
(Note) NOI yield is the figure arrived at when the annualized NOI results figure is divided by acquisition price and appraisal value, respectively.



# Change in LTV

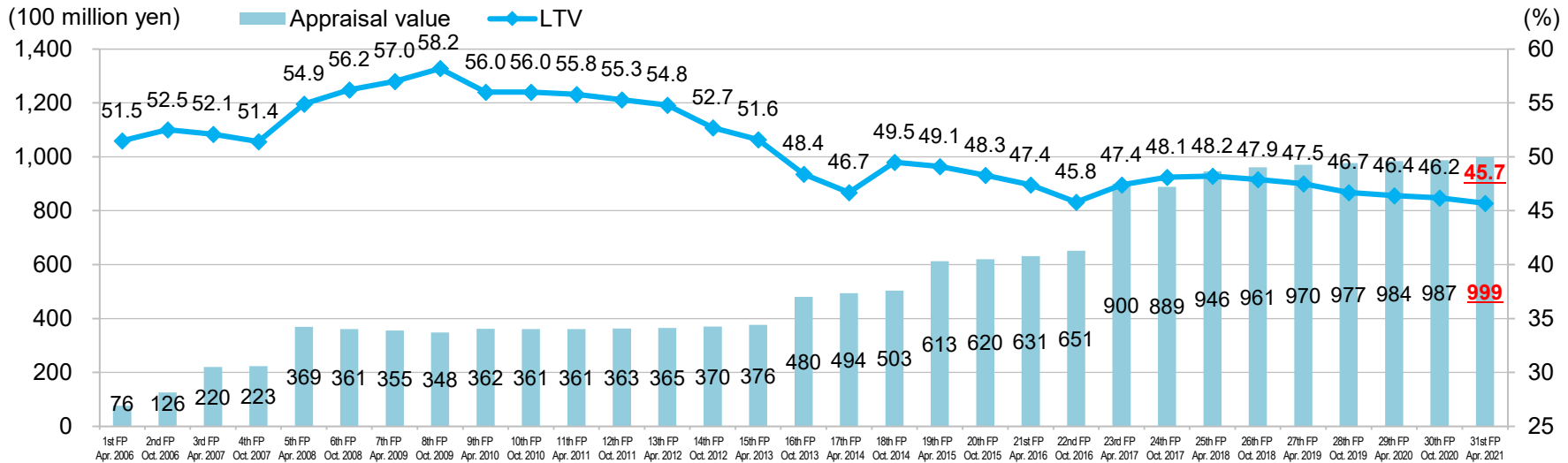


## Change in Total Assets and LTV Ratio (Note 1)



(Note 1) "LTV ratio" in this graph is calculated by dividing the balance of interest-bearing liabilities at the end of the fiscal period by total assets at the end of the fiscal period.

## Change in Appraisal Value and LTV (Note 2)



(Note 2) "LTV ratio" in this graph is calculated by dividing the balance of interest-bearing liabilities at the end of the fiscal period (excluding subordinated investment corporation bonds issued and outstanding for the 8th – 18th FP) by appraisal value at the end of the fiscal period.

## ■ Issuance of Investment Corporation Bonds

Issuance conditions

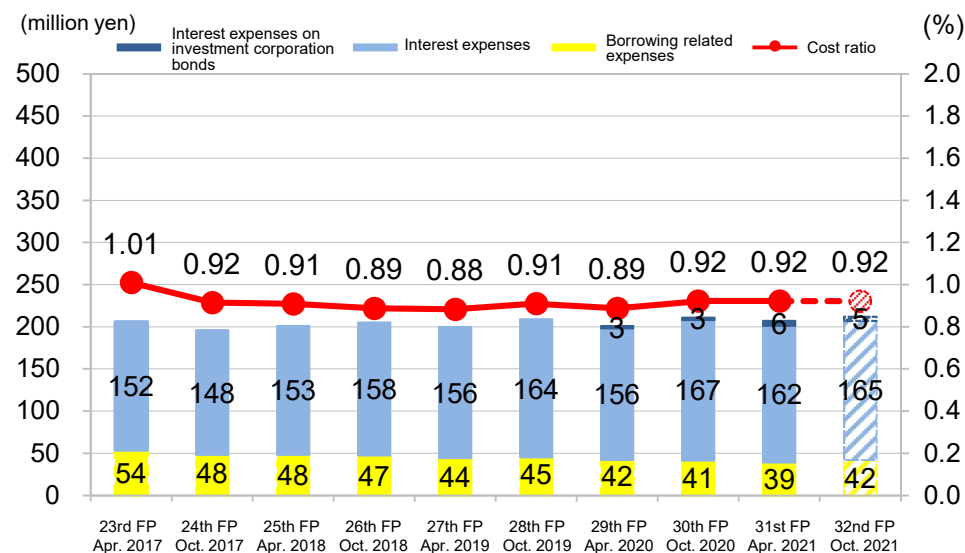
Term	5 years
Amount of issuance	1 billion yen
Coupon	0.54%
Determination date of conditions	November 13, 2020
Payment date	November 19, 2020
Redemption date	November 19, 2025
Lead manager	Mizuho Securities/SMBC Nikko Securities/ Daiwa Securities

- Obtained new procurement method in addition to fund procurement through investment units and loans as a result of successful issuance of investment corporation bonds through the second public offering
- Successfully procured funds at low interest rates

## ■ Balance of Interest-Bearing Liabilities at End of 31st Fiscal Period (April 30, 2021)

	Loans balance
Current portion of long-term loans payable	8,640 million yen
Long-term loans payable	35,006 million yen
Total loans	43,646 million yen
Investment corporation bonds	2,000 million yen
LTV ratio	50.6%

## ■ Change in Interest-Bearing Liability Costs

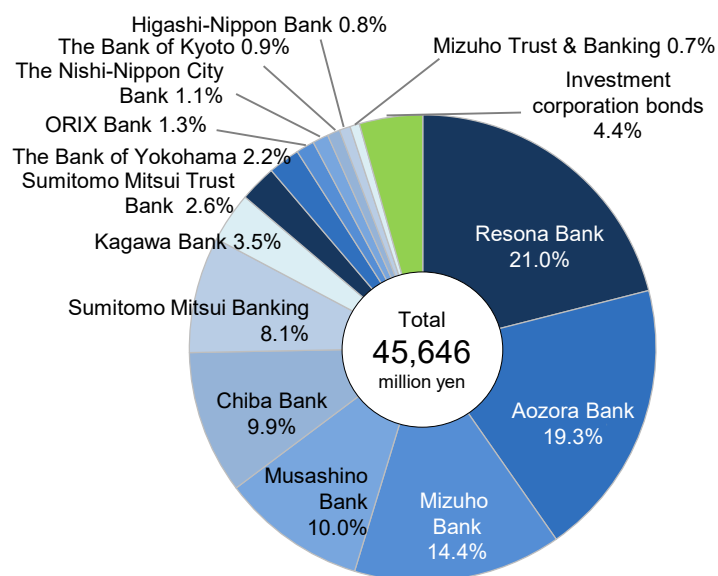


## ■ Status of Credit Rating

Japan Credit Rating Agency, Ltd. (JCR): A- (stable)

# Status of Interest-Bearing Liabilities / After Refinancing (May 24, 2021)

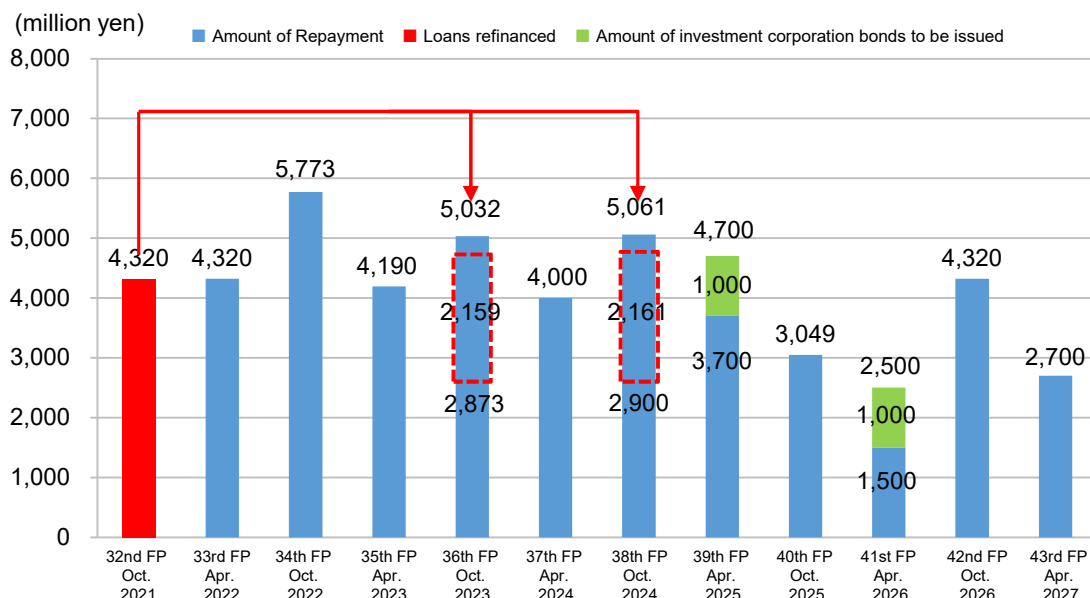
## Allocation of Total Loan Amount



## Breakdown

Lenders	Loan balance (million yen)
Resona Bank	9,602
Aozora Bank	8,795
Mizuho Bank	6,580
Musashino Bank	4,576
Chiba Bank	4,536
Sumitomo Mitsui Banking	3,676
Kagawa Bank	1,585
Sumitomo Mitsui Trust Bank	1,168
The Bank of Yokohama	1,000
ORIX Bank	577
The Nishi-Nippon City Bank	500
The Bank of Kyoto	400
Higashi-Nippon Bank	350
Mizuho Trust & Banking	300
Investment corporation bonds	2,000
<b>Total</b>	<b>45,646</b>

## Status of Diversification



## Overview of May 24, 2021, Term Loan 2R and 2S

Term Loan	Amount	Period	Floating interest rate
2R	2,159 million yen	2 years	Base interest rate + 0.420 (Note)
2S	2,161 million yen	3 years	Base interest rate + 0.480 (Note)

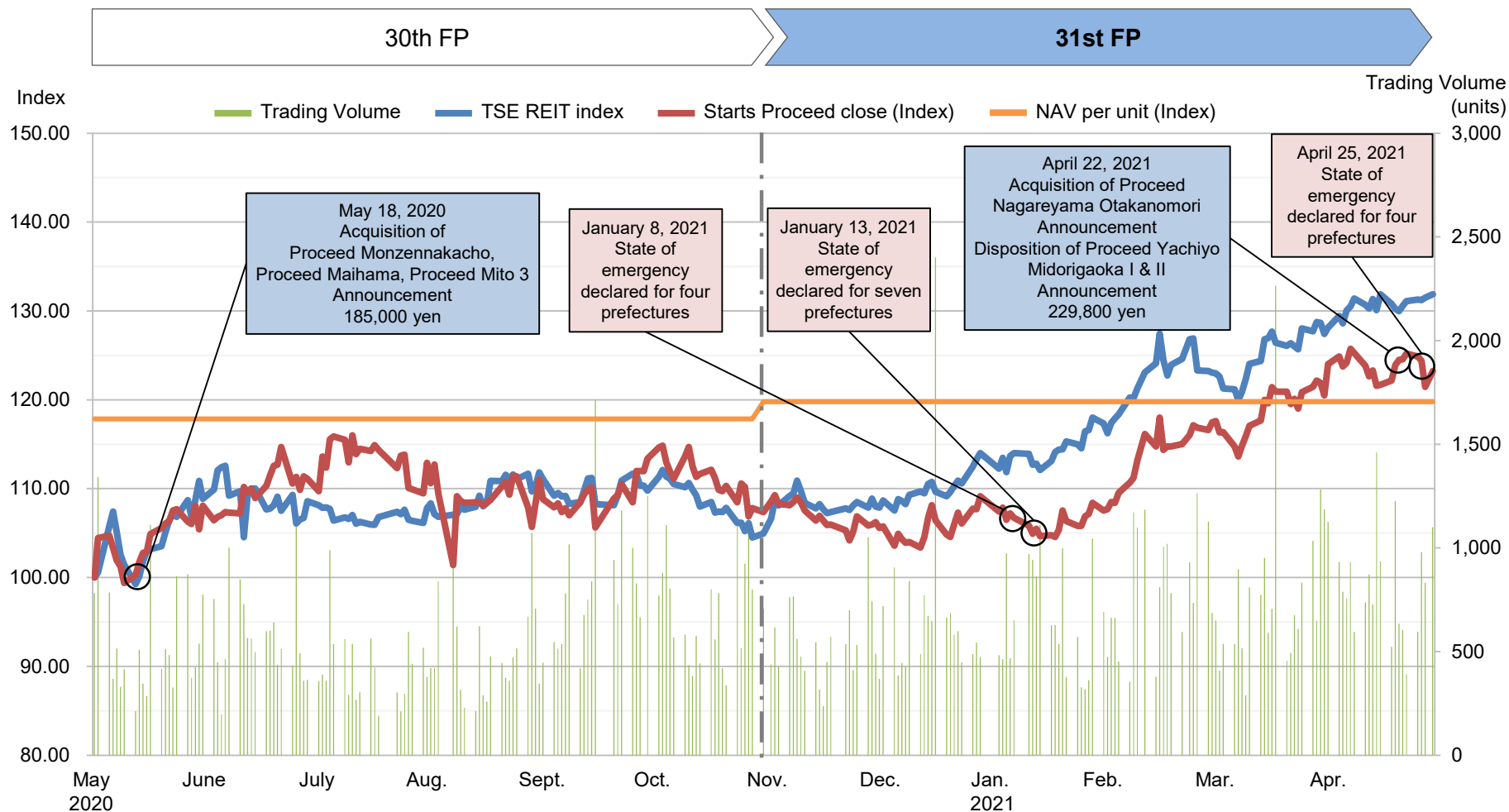
(Note) Base interest rate indicates the JBA 1-month Japanese Yen TIBOR.

## Change in Average Remaining Period, Ratio of Fixed-Rate Loans and Average Interest Rate

	End of 27th FP	End of 28th FP	End of 29th FP	End of 30th FP	End of 31st FP	May 24, 2021 After refinancing
Change in average remaining period (year)	2.8	2.7	2.6	2.6	2.6	2.8
Ratio of fixed-rate loans (%)	21.5	28.4	28.4	37.8	37.8	37.8
Average interest rate (%)	0.69	0.72	0.70	0.74	0.74	0.76

# Change in Investment Unit Price

During the 31st fiscal period, the investment unit price marked a high of **232,000 yen** (April 8, 2021) and a low of **190,700 yen** (December 14, 2020) based on closing price.



(Note) With closing price of investment unit of Starts Proceed at the beginning of the 30th fiscal period (184,500 yen) and TSE REIT index on the same day (1,564.67) deemed as 100 and set as the base, change in price and index for up to April 30, 2021, are indicated.

Starts Proceed and the Asset Management Company believe that efforts on ESG are important and intend to pay consideration to the environment and society as well as promote corporate governance. In addition, we are also proactively seeking to acquire external certifications in the future.

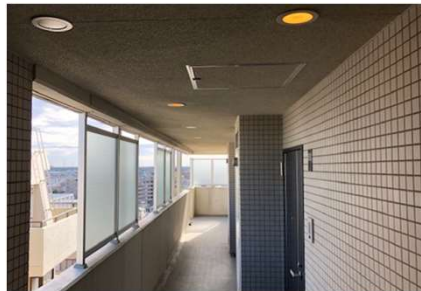
## Environment



- Introduction of LED lighting (as of April 30, 2021)  
Number of buildings where LED lighting is already installed: 25 (1 building received LED lighting in the current fiscal period)  
Number of building scheduled to be installed with LED lighting in the next fiscal period: 6
- Extension of durable life through large-scale repair and value enhancement work

### Proceed Kashiwa Est/Introduction of LED lighting

Before



After



### Proceed Sendai Kozurushinden/Large-scale repair

Before



After



- Renewal of air conditioner (as of April 30, 2021)  
Number of renewals in the current fiscal period: 117
- Exhibition of posters encouraging energy saving and 3R

### Acquisition of Building-Housing Energy-Efficiency Labelling System (BELS) Certification

Proceed Monzennakacho



Proceed Maihama





## Social



The Asset Management Company is also making efforts to develop PPP and PFI, etc. It revitalizes regions by effectively utilizing public land, etc., and is engaged in area management using the comprehensive strengths of Starts Group even after the development of facilities such as libraries, schools and childcare support facilities. In addition, it is also proactively making efforts for safety and security.

### Proceed Nishiarai

- Large-scale rental housing developed by Starts Group
- Seismic isolation structure
- Adopts all-electric system
- Anti-disaster rental apartment (installed with well, bench with oven function, etc.)
- Nursery school operated by Starts Group



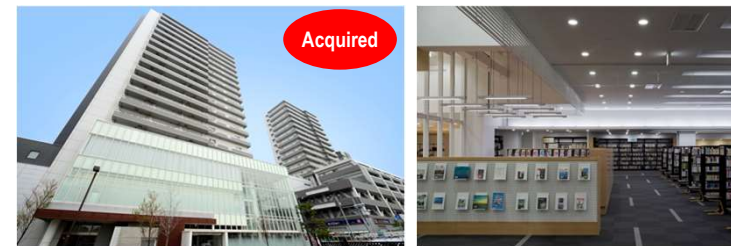
### Proceed TX Nagareyama Central Park

- City-owned land effective utilization project in Nagareyama City
- Developed a kindergarten, elementary school and rental housing in cooperation with Gyosei International School



### Proceed Shinozaki Tower

- Mixed-use facility developed by Starts Group as a development project implemented by Edogawa Ward Office
- Facilities for ward residents (library, lifelong learning facility, gallery, café)
- Private facilities (retail facility, housing)



### Proceed Ryogoku 2, Proceed Chidoricho

- Established a joint fund with the Tokyo Metropolitan Government
- Efforts on the promotion of development of childcare support facilities
- Authorized nursery school, shared house





# Initiatives on Sustainability

## Social



- Seismic isolation structure (as of April 30, 2021)  
Number of orders received by Starts CAM: 513  
Number of buildings incorporated into the AUM of Starts Proceed: 10
- Introduction of well, bench with oven function, card key, auto lock system, IoT
- Implementation of disaster prevention events using earthquake simulation vehicles owned by Starts Group
- Installation of public art  
Installed public art at many places including PPP and PFI projects and contributes to the training of artists
- Investment in healthcare facilities/nursery facilities
- Free internet infrastructure (as of April 30, 2021)  
Number of buildings installed with internet infrastructure: 56 (installed at 4 of them in the current fiscal period)  
To be installed at 3 buildings in the next fiscal period
- Recommendation and provision of expenses for the acquisition of qualifications by employees
- Promotion of health checkup of employees, success of female employees, work-life balance, special holiday
- Recommendation of remote work and staggered commuting by employees



Nishiarai Kirakira Hoikuen



Life Support Residence Funaboriekimae



Well



Bench with oven function



Disaster prevention event

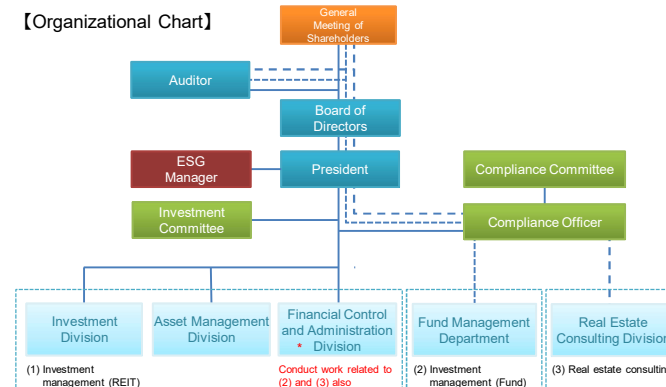


Introduction of IoT (Proceed Maihama)

## Governance



- Prevention of conflicts of interest, risk management, information disclosure, compliance with laws and regulations
- Decision-making flow on transactions
- Compliance Committee, investment Committee, implementation of periodic internal audit
- Establishment of ESG Manager
- Same-boat investment



# Status of Unitholders (As of April 30, 2021)

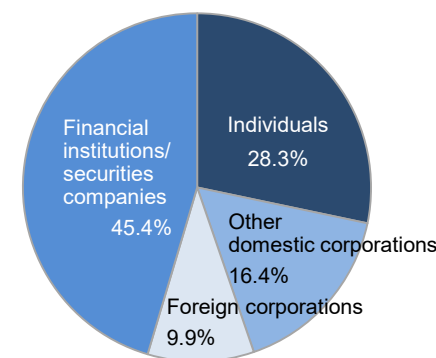
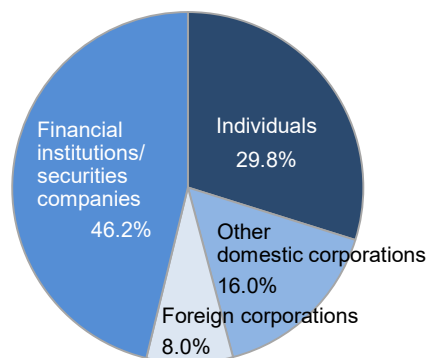
## Composition of Unitholders and Investment Units at End of 30th and 31st Fiscal Periods

Composition of Investment Units at End of 30th Fiscal Period

Composition of Investment Units at End of 31st Fiscal Period

**Number of investment units**  
**253,777 units**

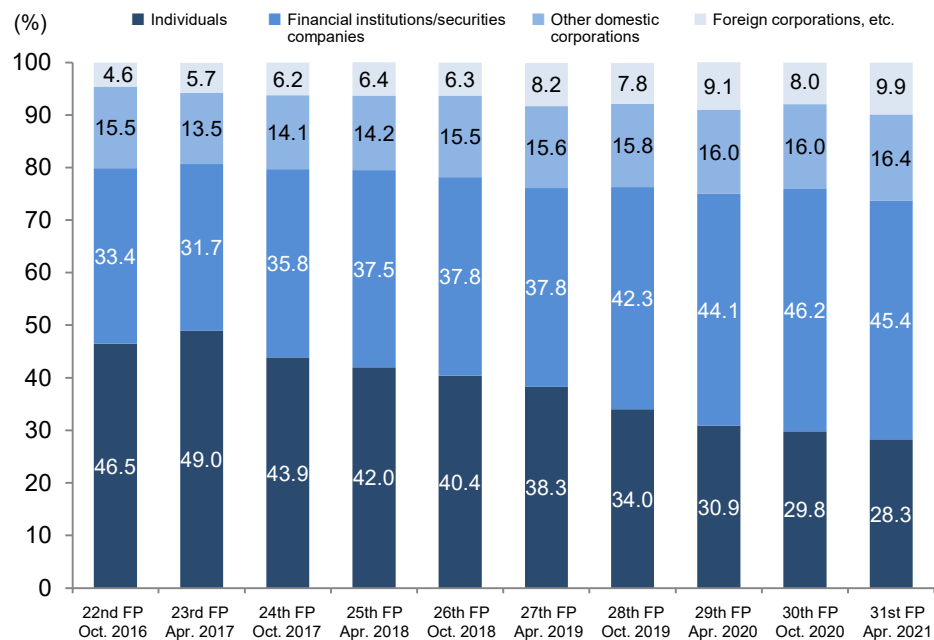
**Number of unitholders**  
**12,373 unitholders**



## Major Unitholders at End of 31st Fiscal Period (April 30, 2021)

	Name	Number of investment units held (units)	Unitholding ratio (%) (Note)
1	Custody Bank of Japan, Ltd. (Trust Account)	41,491	16.34
2	Starts Corporation Inc.	34,153	13.45
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	27,372	10.78
4	Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	14,748	5.81
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	9,341	3.68
6	Kinki Sangyo Credit Union	3,313	1.30
7	SMBC Nikko Securities Inc.	2,952	1.16
8	Morgan Stanley MUFG Securities Co., Ltd.	2,845	1.12
9	SSBTC CLIENT OMNIBUS ACCOUNT	2,206	0.86
10	Nomura Securities Co., Ltd.	2,022	0.79
11	Individual investor	2,000	0.78
12	JP MORGAN CHASE BANK 385771	1,851	0.72
13	K.K. Toyosu	1,774	0.69
14	BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	1,573	0.61
15	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,541	0.60
16	BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	1,395	0.54
17	Custody Bank of Japan, Ltd. (Trust Account 7)	1,343	0.52
18	STATE STREET BANK AND TRUST COMPANY 505012	1,139	0.44
19	STATE STREET BANK WEST CLIENT-TREATY 505234	1,106	0.43
20	J.P. MORGAN SECURITIES PLC	1,085	0.42
	Total	155,250	61.17

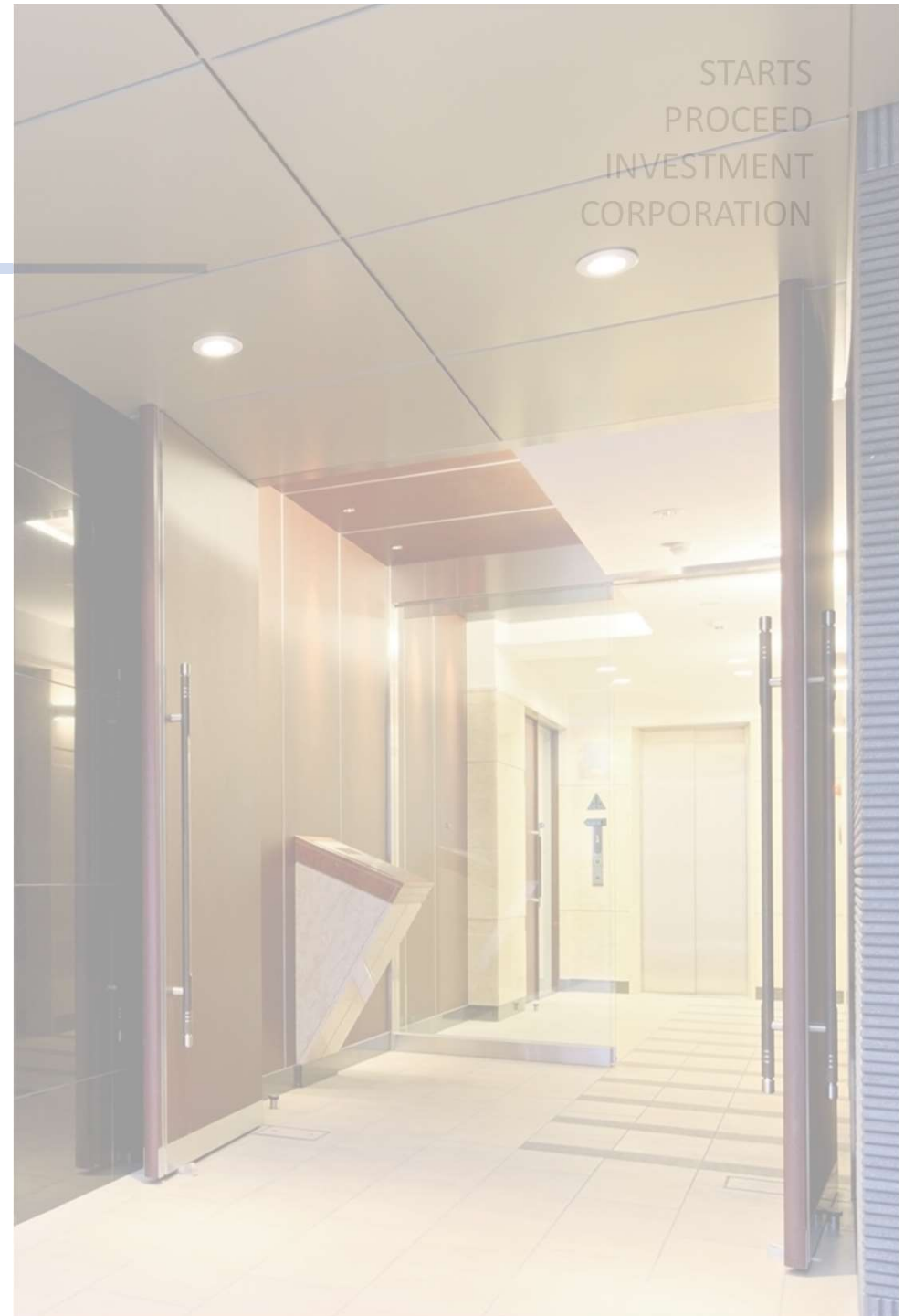
## Change in Composition of Unitholders (22nd to 31st Fiscal Periods)



(Note) Figures for unitholding ratio are rounded down to the second decimal place.

---

## Future Management Policy



## Main Initiatives in 31st Fiscal Period

## Initiatives from 32nd Fiscal Period (ending October 31, 2021)

## Securing of stable distributions

External Growth	<ul style="list-style-type: none"> <li>● Property disposition                             <ul style="list-style-type: none"> <li>• Disposed Proceed Yachiyo Midorigaoka I &amp; II</li> </ul> </li> <li>● Property acquisition                             <ul style="list-style-type: none"> <li>• Acquired Proceed Nagareyama Otakanomori</li> </ul> </li> <li>● Improvement in average building age                             <ul style="list-style-type: none"> <li>• Average building age improved by 0.24 years due to property replacements in April 2021 (Note 1) (Before replacement (Note 2): 16.85 years → after replacement: 16.61 years)</li> </ul> </li> <li>● Acquisition of warehousing properties                             <ul style="list-style-type: none"> <li>• Starts Development Corporation concluded a contract to acquire a rental apartment, which is under construction in Minami-Sunamachi, Koto-ku, and scheduled to be sold in its entirety, as a warehousing property, and the property is scheduled to be acquired in November 2021</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Promotion of property replacement                             <ul style="list-style-type: none"> <li>⇒ Promoting the replacement of properties centering on small ones at time of IPO and initial PO with properties in the Tokyo metropolitan area</li> </ul> </li> <li>● Early achievement of 100-billion-yen asset size</li> <li>● Further enhancement of relationship with each company in Starts Group and acquisition of prime properties</li> <li>● Promotion of acquisition of development properties                             <ul style="list-style-type: none"> <li>• Focusing especially on the development and acquisition of environmentally friendly properties and properties with IoT functions ⇒ To be implemented at Proceed Ishikawadai which is under development as a warehousing property</li> </ul> </li> </ul>
Internal Growth	<ul style="list-style-type: none"> <li>● Maintaining of period average occupancy rate of over 95.0%.                             <ul style="list-style-type: none"> <li>⇒ Period-end occupancy rate: 95.4%</li> <li>Period average occupancy rate: 95.6%</li> </ul> </li> <li>● Cost reduction                             <ul style="list-style-type: none"> <li>• Revision of expenses for regular maintenance</li> </ul> </li> <li>● Recycling properties for service upon restoration to their original state.                             <ul style="list-style-type: none"> <li>• Improvement of design and convenience and enhancement of competitiveness through renewal of indoor facilities</li> </ul> </li> <li>● Promotion of ESG                             <ul style="list-style-type: none"> <li>• Introduction of LED lights in common areas                                     <ul style="list-style-type: none"> <li>• Installed at 1 building</li> </ul> </li> </ul> </li> <li>● Support for telework and enhancement of competitiveness through free use of internet infrastructure                             <ul style="list-style-type: none"> <li>• Installed at 4 buildings</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Maintaining and improving period average occupancy rate of over 95.0%.                             <ul style="list-style-type: none"> <li>• Enhancement of profitability of AUM through reinforced cooperation with Starts Group companies.</li> <li>• Promotion of online posting of units for lease, enhancement of recognition of properties by brokers/advertisement agencies.</li> <li>• Enhancement of appeal by introducing model homes, strengthening of sales capability.</li> <li>• Improvement of restoration quality and promotion of value enhancement work</li> <li>• Support for telework and enhancement of competitiveness through free use of internet infrastructure</li> </ul> </li> <li>● Continuation of cost reduction                             <ul style="list-style-type: none"> <li>• Advertising, repair and building management costs, periodic maintenance costs, etc.</li> </ul> </li> <li>● Major repair and renewal of facilities under capital expenditures                             <ul style="list-style-type: none"> <li>• Improvement of asset value, increase in rent revenue and promotion of ESG (adoption of LED lights in common areas)</li> </ul> </li> </ul>
Financial Strategy	<ul style="list-style-type: none"> <li>● Conservative management of LTV</li> <li>● Extension of average remaining period of loans, lowering of average interest rates.</li> <li>● Promotion of fixing interest rates</li> </ul>	<ul style="list-style-type: none"> <li>● Establishment of stable financial base                             <ul style="list-style-type: none"> <li>• Conservative LTV control</li> <li>• Extension of repayment period upon refinancing and fixing of interest rates</li> <li>• Promotion of diversification of fund procurement including investment corporation bonds</li> </ul> </li> </ul>

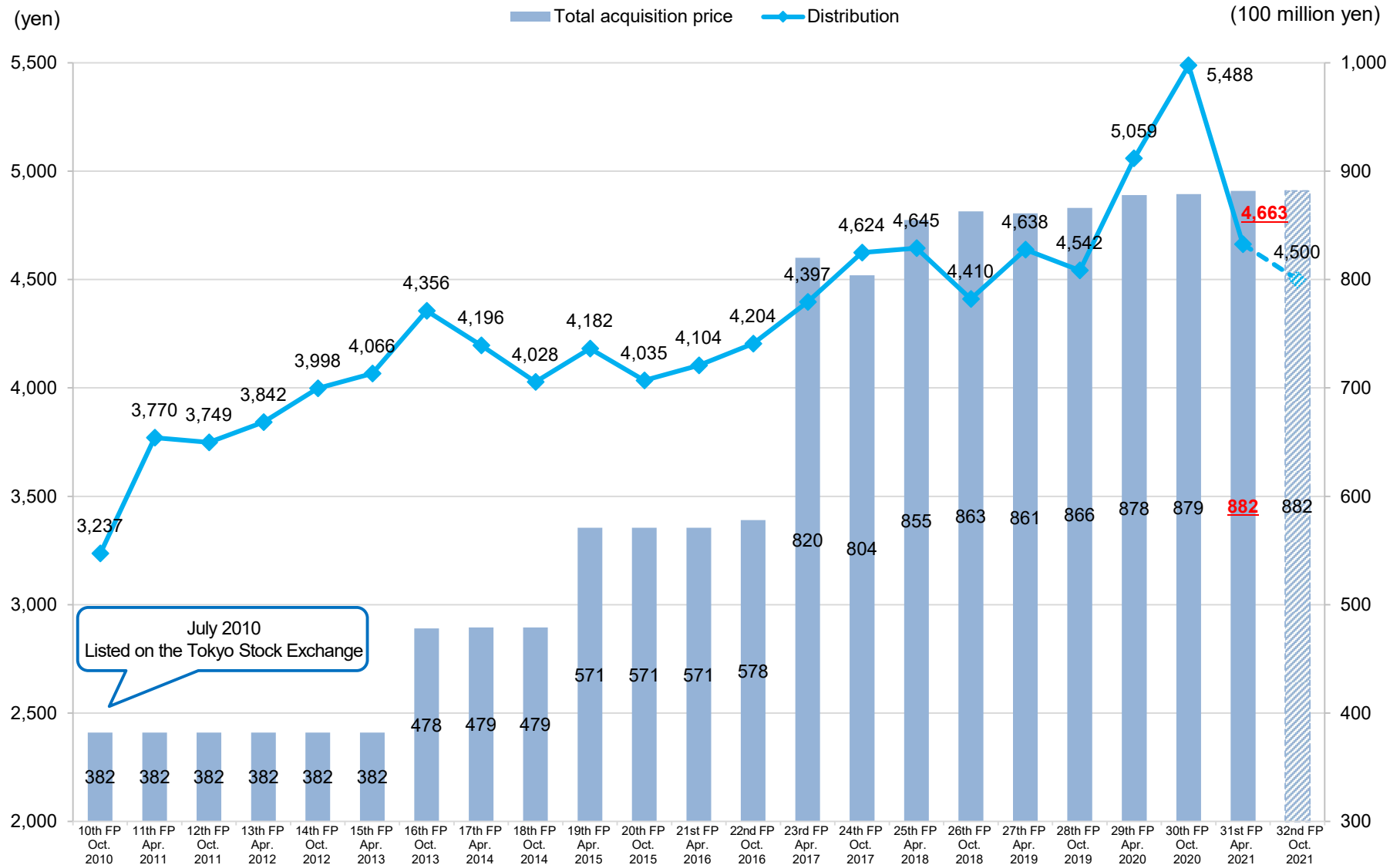
(Note 1) Average building age calculated is as of April 27, 2021.

(Note 2) Average building age before replacement is the figure calculated assuming that disposition of the two properties and acquisition of one property are not conducted.

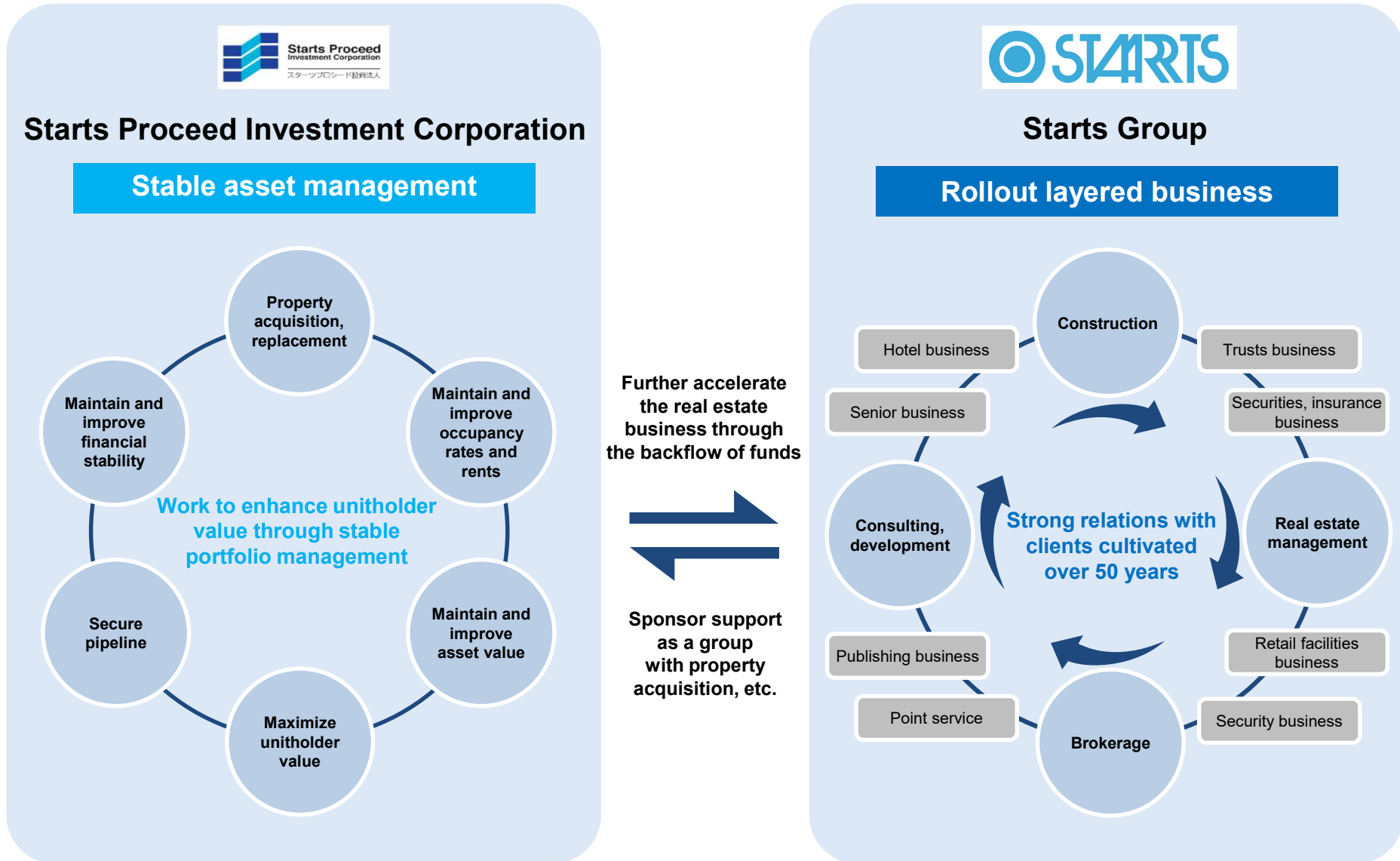
# Change in Distribution



Distribution recovered from the higher 3,000-yen range in the 11th fiscal period to 4,000 yen in the 15th fiscal period and has currently increased to 4,500 yen.



## Cooperative Relations Within the Group in the Form of Sponsor Support





## Proceed Yamashita Koen The Tower



Occupancy rate: 92.5%  
(as of April 30, 2021)

### <Property Overview>

- Structure : RC/B2F, 18F
- Completion : January 2008
- Number of leasing units (type) : 1R 84 units; 1LDK 31 units; 2LDK 24 units; 3LDK 3 units; Retail 5 units; Total 147 units
- Location : Yamashita-cho, Naka-ku, Yokohama-shi, Kanagawa
- Site area : 1,676.56 m<sup>2</sup>
- Total floor area : 12,208.74 m<sup>2</sup>
- Use : Apartment, retail, nursery, parking
- Zoning : Commercial district



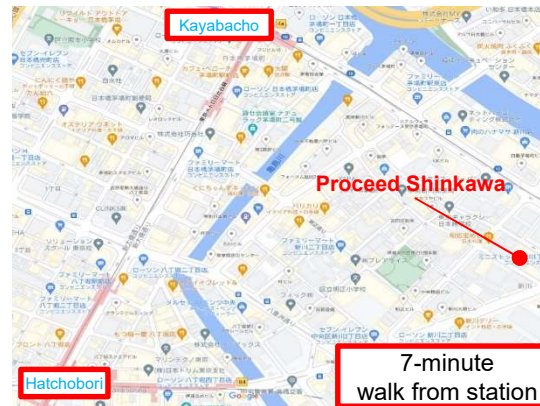
## Proceed Shinkawa



Occupancy rate: 94.4%  
(as of April 30, 2021)

### <Property Overview>

Structure	: SRC/10F
Completion	: August 2009
Number of leasing units (type)	: 1K 9 units; 1LDK 9 units; Total 18 units
Location	: 1-chome Shinkawa, Chuo-ku, Tokyo
Site area	: 136.18 m <sup>2</sup>
Total floor area	: 818.50 m <sup>2</sup>
Use	: Apartment
Zoning	: Commercial district





# Development Projects of Starts Group



**Alpha Grande Chizakura Tower**  
Chiyoda City, Tokyo  
Residence, retail, office, living support facility  
Completed in July 2018



**City-Owned Land Development Project in Front of Nagareyama-Otakanomori Station**  
Nagareyama City, Chiba Prefecture  
Public facility, hotel, apartment  
Opened in January 2019 (hotel building)  
Opened in April 2019 (public facility building)  
Completed and handed off in March 2020 (apartment building)



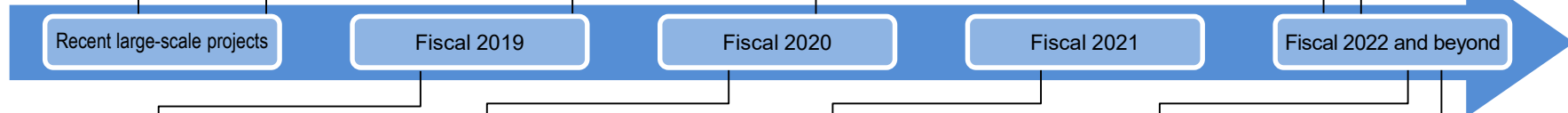
**Project Utilizing "Bustle Zone" at No. 1 Market of Kyoto Central Wholesale Market**  
Kyoto City, Kyoto  
Hotel, retail  
Opened in July 2020



**Hotei Station East Complex Public Facility Development Project**  
Konan City, Aichi  
Public facilities (library, health center, etc.)  
Private facilities (food supermarket, retail store, etc.)  
Scheduled to open in April 2023



**Sapporo Kita 8 Nishi 1 District Redevelopment Project**  
Sapporo City, Hokkaido  
Hotel, retail  
Scheduled to be completed in June 2023



**Narashino-City Okubo District Public Facility Revitalization Project**  
Narashino City, Chiba Prefecture  
Public facility (library, citizen hall, community center), park, parking lot, facilities by private sectors  
Opened in November 2019



**PFI Project for Development of Surrounding area of Yoshino-cho Ryokuchi in Hirosaki City**  
Hirosaki City, Aomori Prefecture  
Public facility (art museum)  
Facilities by private sectors (museum shop, café, cider mill)  
Grand opening in July 2020



**Utilization Project of Site of Fuchu Green Plaza**  
Fuchu City, Tokyo  
Hotel, retail, office, co-working space  
Scheduled to open sequentially from July 2021



**Yokohama Cultural Gymnasium Redevelopment Project**  
For profit private sector facility ① (hotel, etc.)  
Yokohama City, Kanagawa Prefecture  
Hotel, retail, parking lot  
Scheduled to open in April 2024



**Kannai Ekimae Minatocho District Category I Urban Redevelopment Project**  
Yokohama City, Kanagawa  
Retail facility, office, housing, etc.  
Scheduled to be completed in 2029

(Note) The images may differ from actual project.

# Case Example of Development by Starts Group I [Yokohama City, Kanagawa]

## ■ Kannai Ekimae Minatocho District Category I Urban Redevelopment Project <Scheduled to be completed in 2029>



**International industry-academia collaboration**

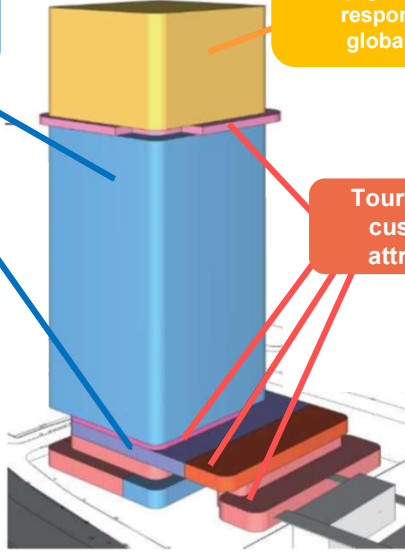
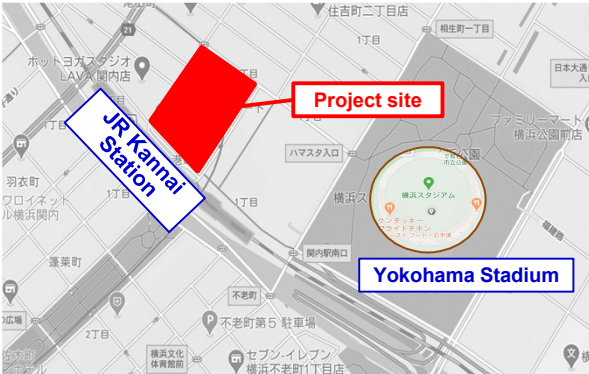
- Headquarters of global companies
- Research and development base of leading companies
- Global share campus
- Base for supporting the growth of venture companies in Kannai

**Residential function**  
Top-grade leasing responding to global needs

**Tourism and customer attraction**

### <Plan Overview>

- Size : B1F/31F
- Site area : 7,720 m<sup>2</sup>
- Total floor area : 88,551 m<sup>2</sup>
- Use : Retail facility, office, housing, etc.





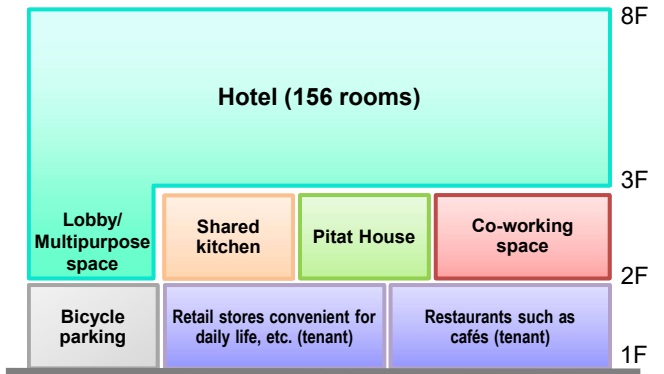
# Case Example of Development by Starts Group II [Fuchu City, Tokyo]



## Utilization Project of Site of Fuchu Green Plaza <Hotel and tenants on 2F are scheduled to open on July 27, 2021>



Connected to the station by pedestrian deck



### <Plan Overview>

- Size : 8 floors above ground
- Site area : 1,092,27 m<sup>2</sup>
- Total floor area : 5,824.01 m<sup>2</sup>
- Structure : Steel-framed
- Operation period : 50 years (Fixed-term land lease)

Official website of Hotel Keyaki Gate



# Case Example of Development by Starts Group III [Konan City, Aichi]

## Hotel Station East Complex Public Facility Development Project <Scheduled to open in April 2023>



Under the elevated railway track

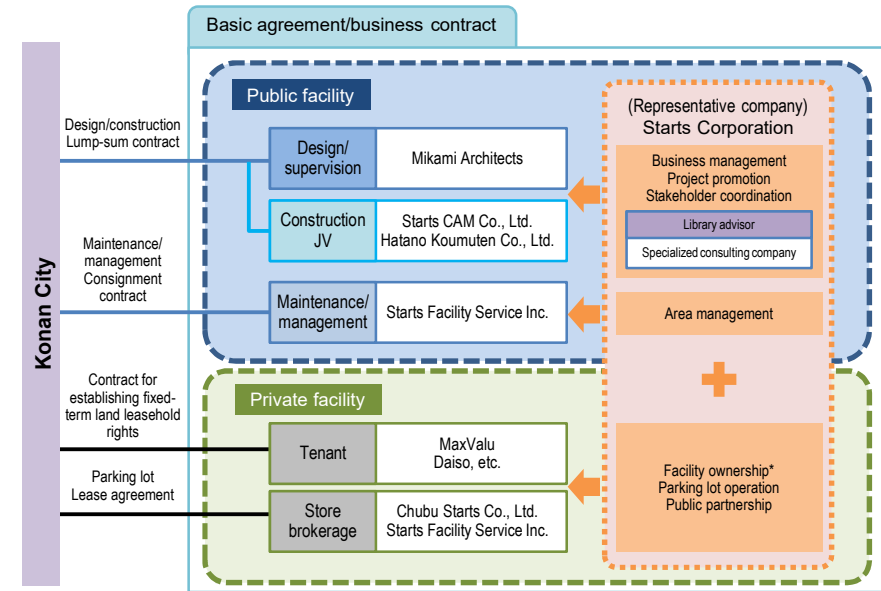


Aerial view



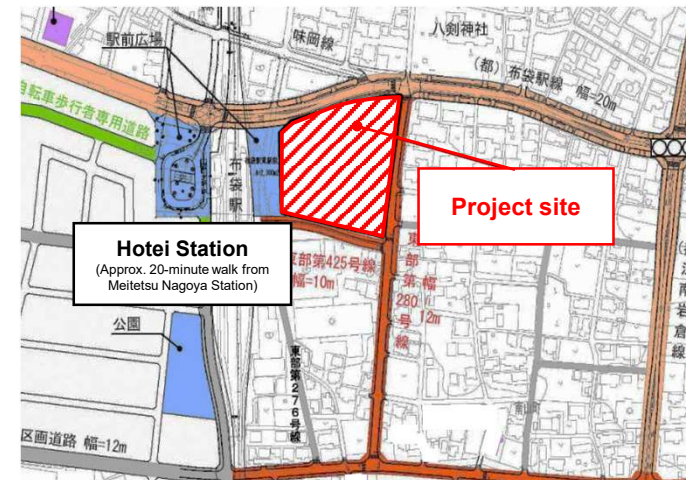
Urban planning road on the north side

### <Project Overview>



### <Property Overview>

Size	: Public facility/4F Private facility/4F
Site area	: Approx. 9,081 m <sup>2</sup>
Total floor area	: Public facility/Approx. 7,514 m <sup>2</sup> Private facility/Approx. 8,101 m <sup>2</sup>
Structure	: Steel-framed
Operation period	: 30 years (Fixed-term land lease)
Use	: Public facilities/library, health center, childcare support center, community space, etc. Private facilities/food supermarket, retail store, nursery school, local community facility (future center), etc.



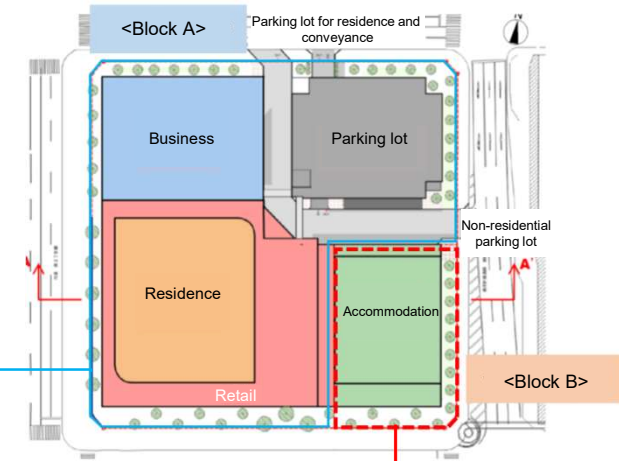
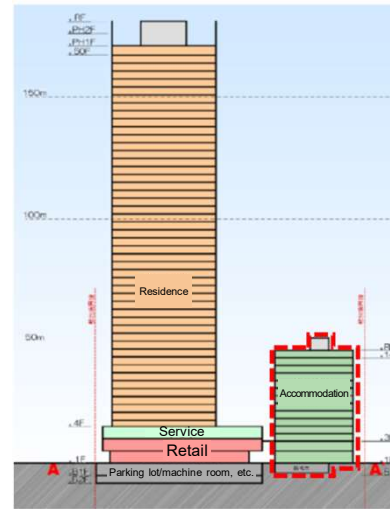
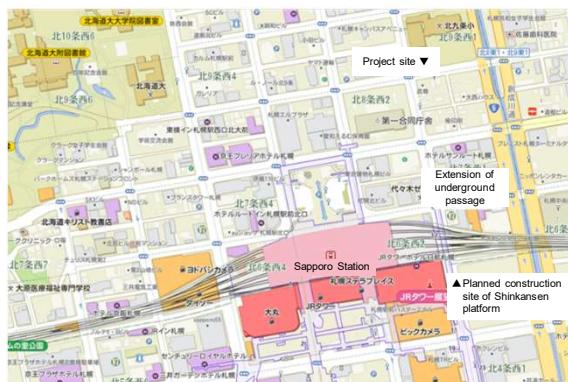


# Case Example of Development by Starts Group IV [Sapporo City, Hokkaido]

## ■ Kita 8 Nishi 1 District Category I Urban Redevelopment Project <Scheduled to open in January 2024>



Location: Kita 8-jo Nishi 1-chome, Kita-ku, Sapporo-shi



**<Block A (Residential building)>**

Site area:           Approx. 9,710 m<sup>2</sup>  
 Total floor area:   Approx. 98,600 m<sup>2</sup>  
 Size:                48 floors above ground,  
                           1 floor below ground  
 Height:             Approx. 180 m  
 Use:                 For-sale condominium,  
                           business

- Participating members (business developers)
  - Daiwa House Industry Co., Ltd.
  - Sumitomo Realty & Development Co., Ltd.
  - Tokyu Land Corporation
  - NIPPO Community
  - Tokyo Tatemono Co., Ltd.

**<Block B (Accommodation building)>**

Site area:           Approx. 1,970 m<sup>2</sup>  
 Total floor area:   Approx. 14,430 m<sup>2</sup>  
 Size:                14 floors above ground,  
                           1 floor below ground  
 Height:             Approx. 50 m  
 Use:                 Hotel, retail

- Participating member (Owner of hotel)  
Starts Corporation Inc.
- Construction period
  - Start of construction: May 2021  
(Start of construction of entire building: Around July 2020)
  - Delivery: October 2023
  - Opening: January 2024
- Hotel  
Emion brand 308 rooms (schedule)



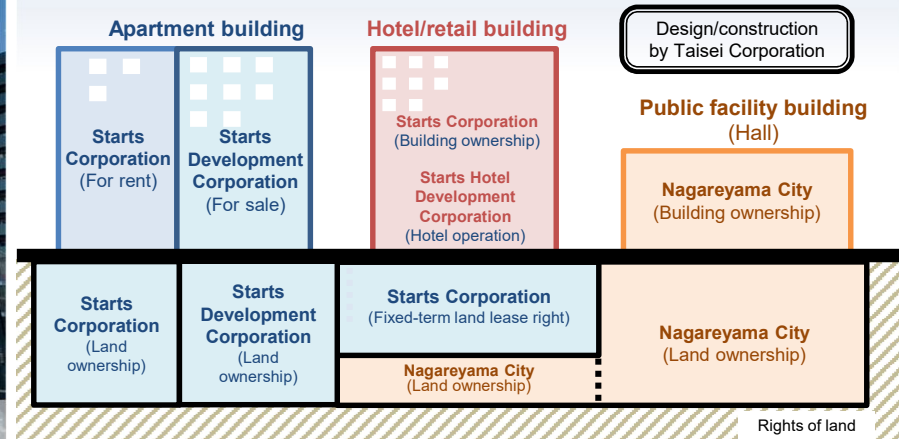
# Case Example of Development by Starts Group V [Nagareyama City, Chiba]



## City-Owned Land Development Project in Front of Nagareyama-Otakanomori Station



### Project Scheme (At the time of opening)



### Connecting three facilities by pedestrian deck

The leased space of the apartment building has already been incorporated into the REIT



### Schedule

July 2016	Disclosure of guidelines for applicants
Nov. 2016	Determination of preferred negotiation rights holder
Jan. 2017	Start of construction
Mar. 2017	Conclusion of business contract
Oct. 2018	Hotel building, completed
Dec. 2018	Public facilities building, completed
Jan. 2019	Hotel building, handed off and opened
Feb. 2019	Public facilities building handed off to Nagareyama City
Mar. 2020	Apartment building, completed and handed off

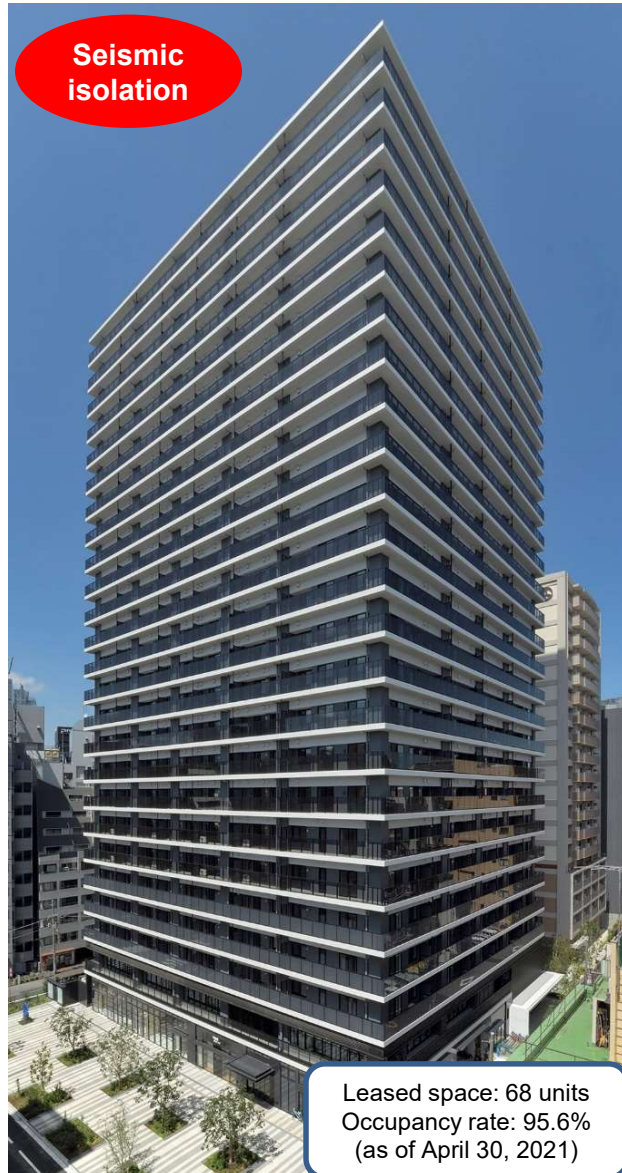
### Property Overview

	Apartment building	Hotel/retail building	Hall/resident service counter
Site area	4,200 m <sup>2</sup>	2,000 m <sup>2</sup>	3,945 m <sup>2</sup>
Building area (m <sup>2</sup> )	1,927 m <sup>2</sup>	1,047 m <sup>2</sup>	2,586 m <sup>2</sup>
Building-to-land ratio (%)	45.90%	52.36%	65.56%
Total floor area	19,393 m <sup>2</sup>	8,161 m <sup>2</sup>	3,493 m <sup>2</sup>
Floor-area ratio	399.97%	392.22%	87.34%
Structure	RC/Base with seismic isolation	Steel-framed	RC (Partial steel-frame structure)
Floors	14 floors above ground and 1 floor below	11 floors above ground, 1 PH floor	2 floors above ground
Maximum height (m)	44.9 m	45.1 m	13.3 m
Size/Features	<ul style="list-style-type: none"> <li>•For sale: 192 Units</li> <li>•For rent: 49 Units</li> <li>•Childcare center</li> </ul>	<ul style="list-style-type: none"> <li>•Guest rooms: 167</li> <li>•Banquet rooms, large bath and fitness studio</li> <li>•Plan to house a café and restaurant</li> </ul>	<ul style="list-style-type: none"> <li>•Number of audience seats: 506</li> <li>•Movable forward/backward seats</li> <li>•Can be used together with the foyer</li> <li>•Allocate resident service center and tourist information center that is convenient for users</li> </ul>

# Case Example of Development by Starts Group VI [Chiyoda City, Tokyo]



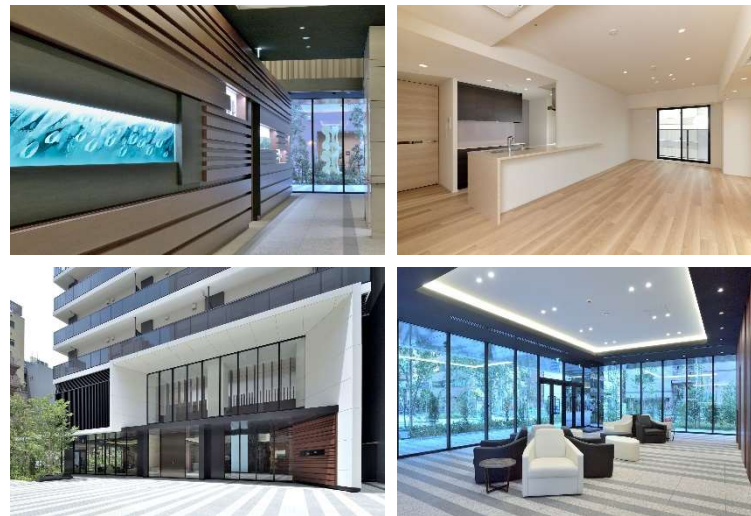
## ■ Kanda-Higashimatsushitacho Private Residential Building Development Project Alpha Grande Chizakura Tower



Leased space: 68 units  
Occupancy rate: 95.6%  
(as of April 30, 2021)

### <Property Overview >

Structure	: RC/25F
Completion	: July 2018
Number of units for sale	185 units
Number of leasing units (type)	: 2LDK 45 units; 2SLDK 10 units; 3LDK 10 units; Retail 3 units; Total 68 units
Site area	: 3,428.28 m <sup>2</sup>
Total floor area	: 26,971.61 m <sup>2</sup>
Use	: Apartment, retail, office, living support facility
Zoning	: Commercial district, fire preventive district

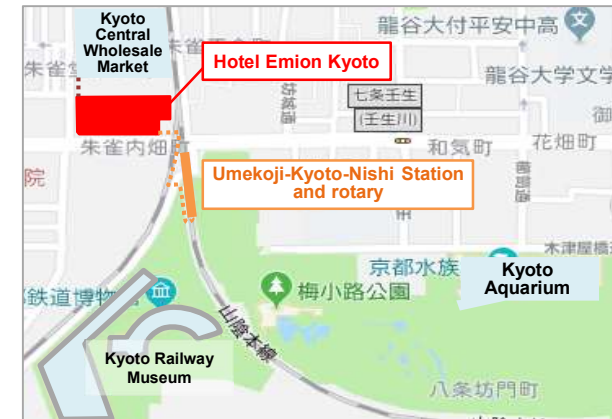


- Kanda-Higashimatsushitacho Private Residential Building Development Project (Alpha Grande Chizakura Tower) is a plan to set a fixed-term land leasehold to private land adjacent to the former lot of Chizakura Elementary School (kuyuchi), develop integrally with business parties and establish condominiums and rental housing primarily for average-income households with a square area to the east and west.
- Starts Corporation was selected as a business partner through a public proposal of Chiyoda City Office in 2010, and the property was completed in July 2018.



# Case Example of Development by Starts Group VII [Kyoto City, Kyoto]

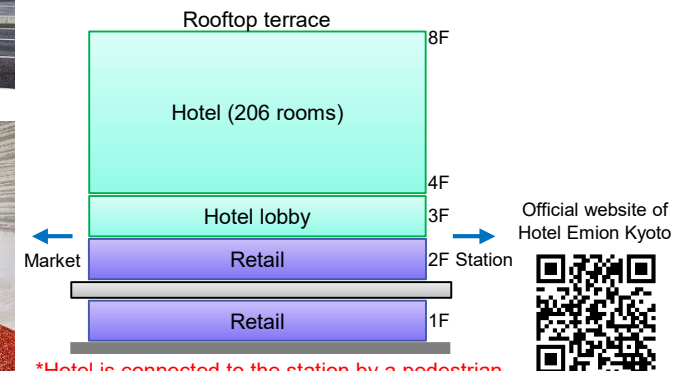
## Project Utilizing “Bustle Zone” at No. 1 Market of Kyoto Central Wholesale Market <Opened on July 23, 2020>



Connected to JR Umekoji-Kyoto-Nishi Station by pedestrian deck

### <Plan Overview>

- Size : 8 floors above ground, 1 floor below ground, 1 PH floor
- Site area : 4,000 m<sup>2</sup>
- Total floor area : 17,673.71 m<sup>2</sup>
- Use : Hotel, retail facility
- Operation period : 60 years (Fixed-term land lease)



\*Hotel is connected to the station by a pedestrian deck outside the ticket gate



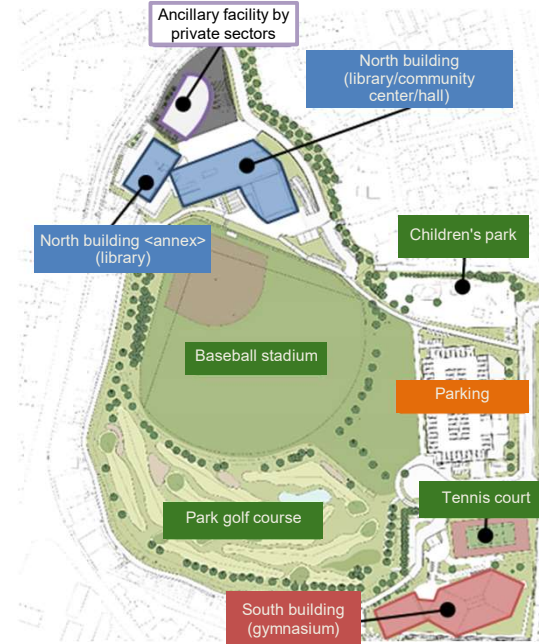
# Case Example of Development by Starts Group VIII [Narashino City, Chiba]



## Revitalization Project of Existing Public Facility in Front of Keisei Okubo Station <Opened on November 2, 2019>



### <Project Overview>



Platz Narashino  
Official HP



### <Overview of Facilities>

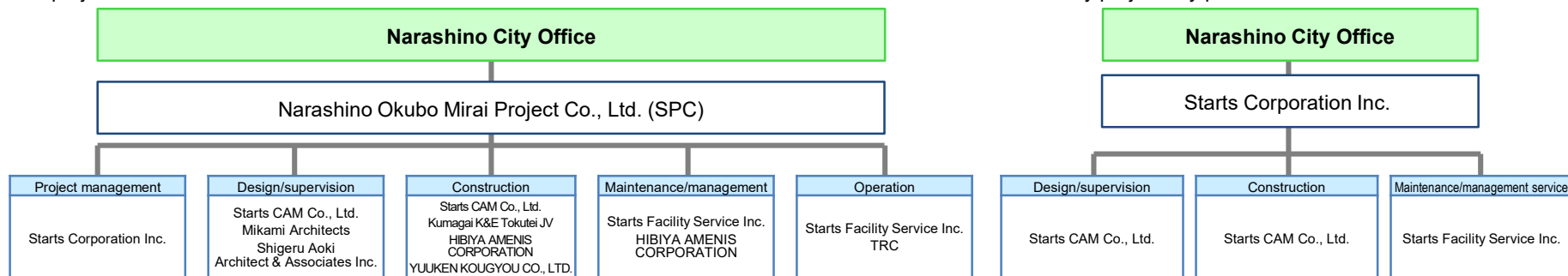
- North building (community center, library, hall)
- South building (arena, kids' space, etc.)
- Park (park golf course, baseball field, parking, open space)
- Facilities by private sectors (rental housing, café, Mini supermarket)  
Scheduled to be completed in September 2021

### <Site Overview>

Land for PFI projects : 45,583 m<sup>2</sup>  
Land for ancillary projects by private sectors : 1,337 m<sup>2</sup>

### <Project Execution Structure>

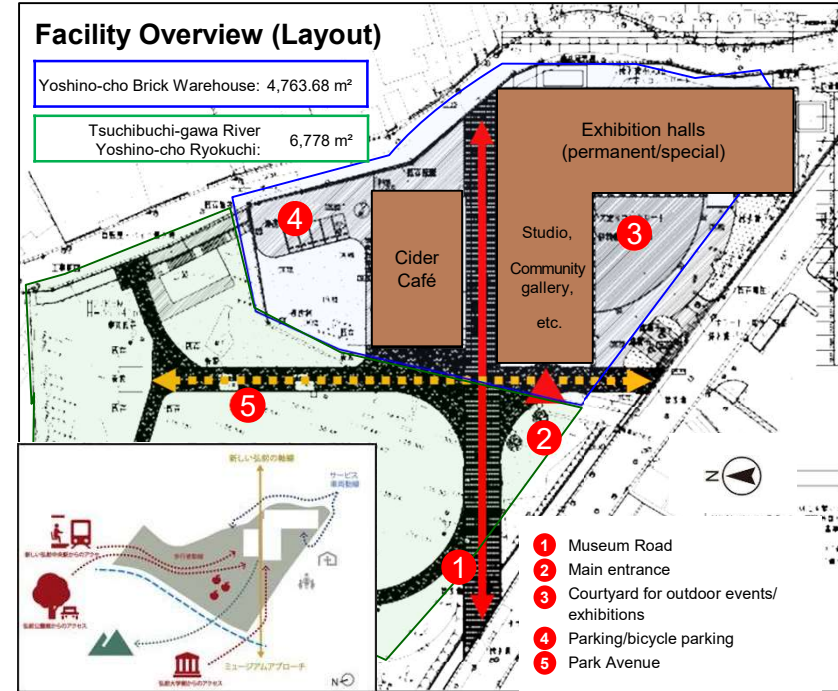
(PFI project)



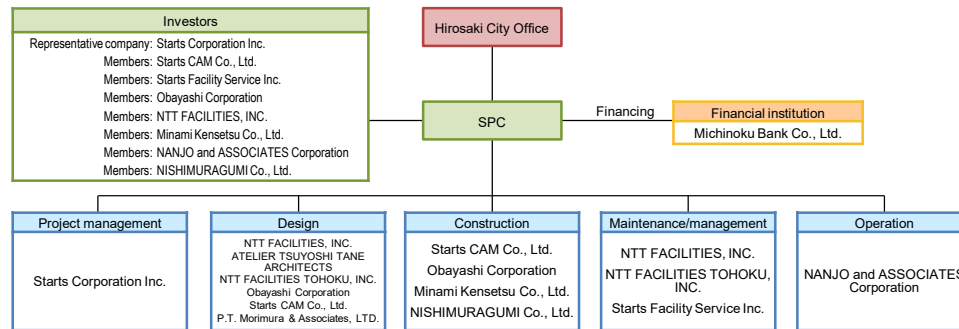


# Case Example of Development by Starts Group IX [Hirosaki City, Aomori]

PFI Project for Development of Surrounding Area of Yoshino-cho Ryokuchi in Hirosaki City <Grand opening on July 11, 2020>



## <Project Structure> (PFI project)



## <Ancillary Projects>

Museum shop & café, cider factory

Won the Grand Prix of the French Foreign Architecture Award (Grand Prix AFEX 2021)





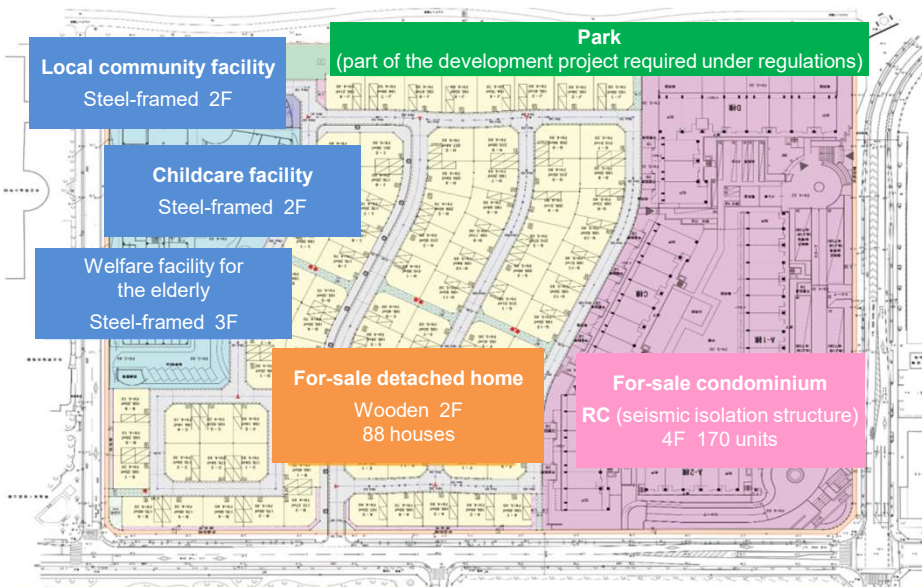
## Project Under Way in Shin-Urayasu: Timeless Town Shin-Urayasu (Urayasu City, Chiba)



### <Project Overview>

Site area: Approx. 51,900 m<sup>2</sup>

- For-sale condominium: RC/Seismic isolation structure 4F, 170 units
- For-sale detached home: Wooden structure 2F, 88 houses
- Facilities: Welfare facility for the elderly, childcare facility, local community facility

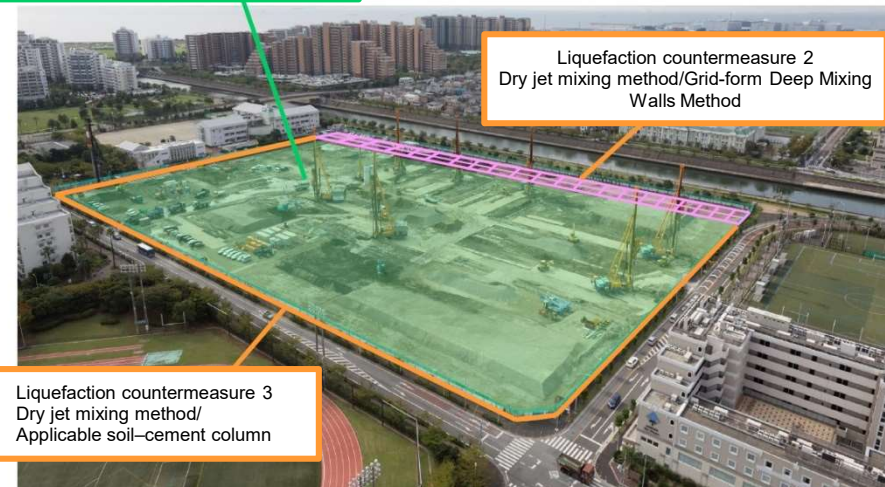


Liquefaction countermeasure 1  
Static sand compaction pile method  
(Approx. 18,000 piles)

Advanced liquefaction countermeasure engineering work

Liquefaction countermeasure 2  
Dry jet mixing method/Grid-form Deep Mixing Walls Method

Liquefaction countermeasure 3  
Dry jet mixing method/  
Applicable soil-cement column

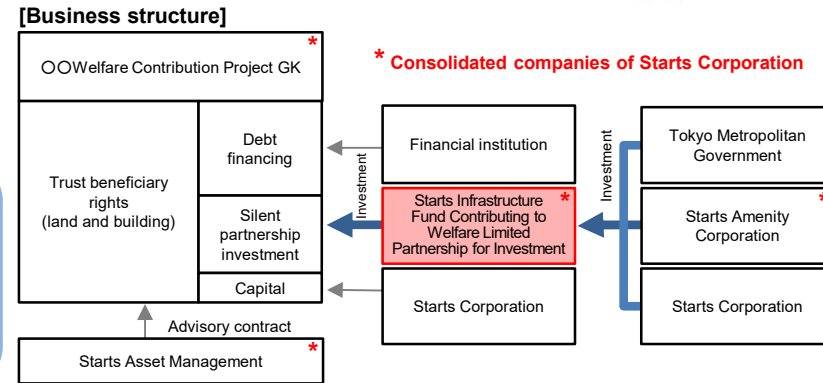




# Case Example of Efforts by Management Company

## Initiatives by Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare

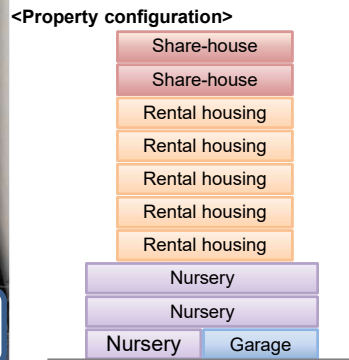
Starts Group is making efforts in development and promotion of buildings contributing to welfare including childcare support facilities in Tokyo in cooperation with the Tokyo Metropolitan Government.



## Proceed Ryogoku 2

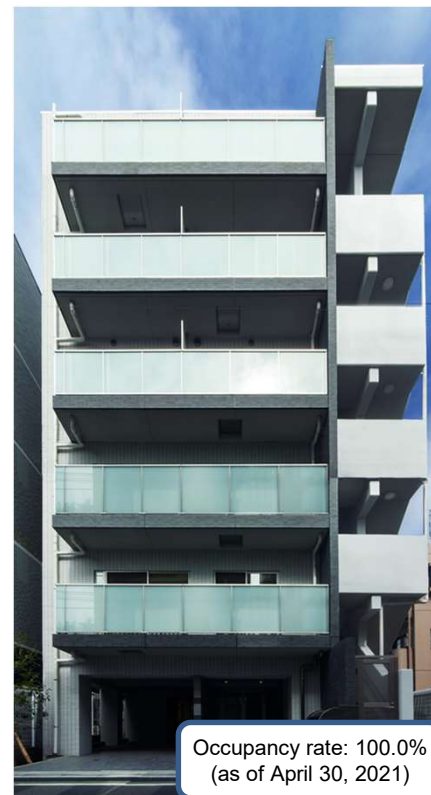


**<Project overview>**  
 Location : 1-chome Midori, Sumida-ku, Tokyo  
 Site area : 444.17 m<sup>2</sup>  
 Structure : RC (seismic isolation)/10F  
 Use : Authorized nursery school  
 Apartment (24 units)  
 Shared house (2 floors for 8 people)  
 Completion : January 2019

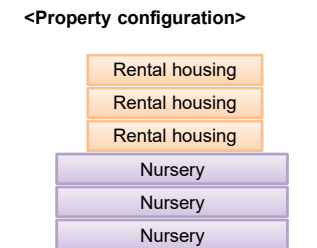


Occupancy rate: 96.0%  
(as of April 30, 2021)

## Proceed Chidoricho



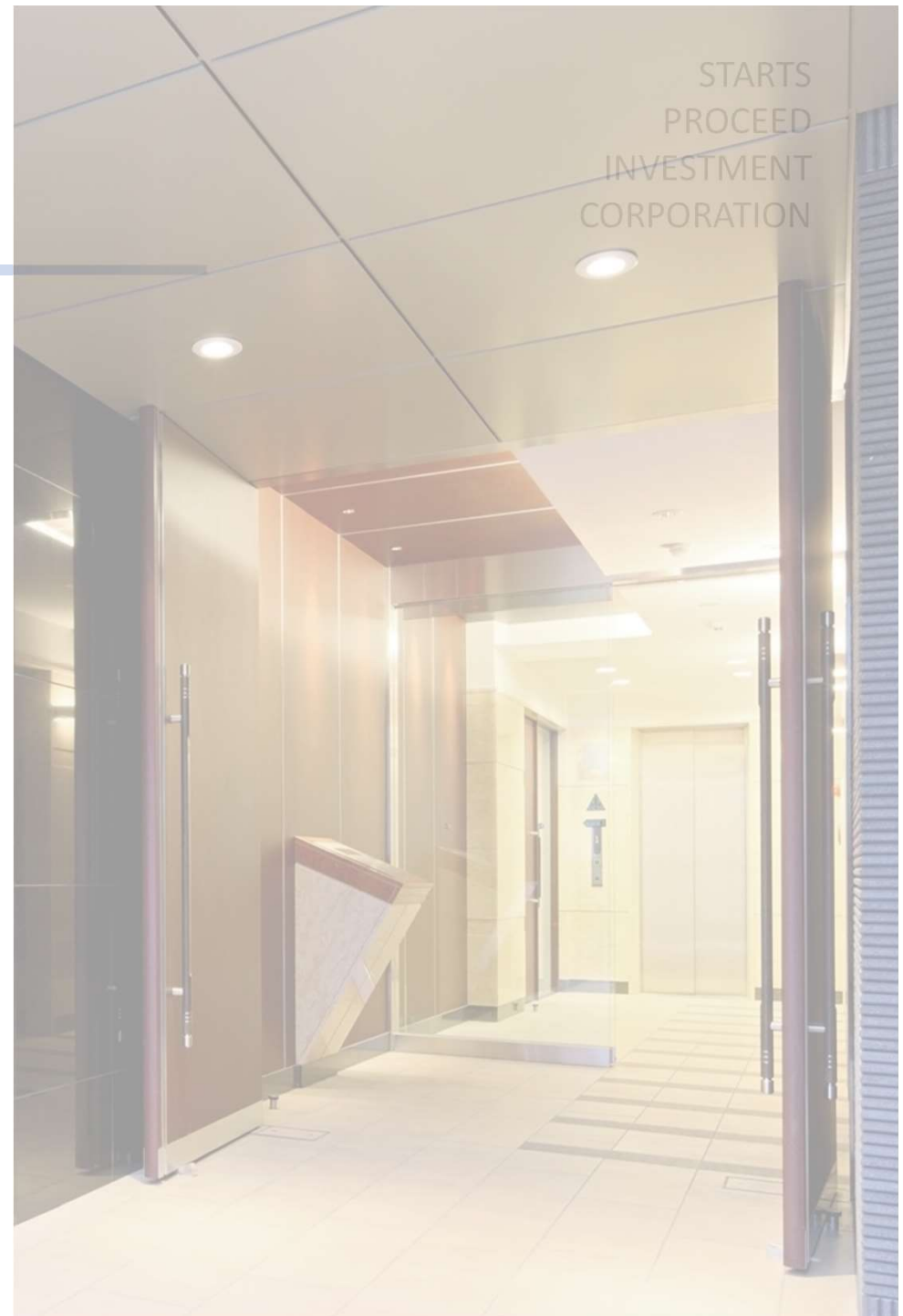
**<Project overview>**  
 Location : 1-chome Chidori, Ota-ku, Tokyo  
 Site area : 364.82 m<sup>2</sup>  
 Structure : RC/6F  
 Use : Authorized nursery school  
 Apartment (11 units)  
 Completion : January 2019



Occupancy rate: 100.0%  
(as of April 30, 2021)

---

## Reference Materials



# Balance Sheet



(thousand yen)

	30th Fiscal Period As of Oct. 31, 2020	31st Fiscal Period As of Apr. 30, 2021	Change
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	1,407,615	1,389,472	-18,143
Cash and deposits in trust	2,026,692	1,920,383	-106,308
Operating accounts receivable	26,748	31,641	4,892
Prepaid expenses	79,446	79,859	412
Other	1,711	994	-717
<b>Total current assets</b>	<b>3,542,214</b>	<b>3,422,350</b>	<b>-119,863</b>
<b>Noncurrent assets</b>			
<b>Property, plant and equipment</b>			
Buildings in trust	46,291,826	46,820,953	529,126
Accumulated depreciation	-9,669,274	-10,151,186	-481,911
Buildings in trust, net	36,622,551	36,669,766	47,215
Structures in trust	1,270,835	1,286,882	16,046
Accumulated depreciation	-758,837	-787,356	-28,518
Structures in trust, net	511,998	499,525	-12,472
Machinery and equipment in trust	5,376	5,376	-
Accumulated depreciation	-4,674	-4,978	-304
Machinery and equipment in trust, net	702	397	-304
Tools, furniture and fixtures in trust	453,306	473,714	20,407
Accumulated depreciation	-253,560	-266,404	-12,843
Tools, furniture and fixtures in trust, net	199,745	207,310	7,564
Land in trust	48,824,300	48,688,187	-136,113
<b>Total property, plant and equipment</b>	<b>86,159,298</b>	<b>86,065,187</b>	<b>-94,110</b>
<b>Intangible assets</b>			
Software	396	-	-396
<b>Total intangible assets</b>	<b>396</b>	<b>-</b>	<b>-396</b>
<b>Investments and other assets</b>			
Lease and guarantee deposits	10,000	10,000	-
Lease and guarantee deposits in trust	535,874	535,874	-
Long-term prepaid expenses	139,258	124,870	-14,388
Deferred tax assets	80	79	-0
Other	15,568	16,223	655
<b>Total investments and other assets</b>	<b>700,781</b>	<b>687,048</b>	<b>-13,733</b>
<b>Total noncurrent assets</b>	<b>86,860,475</b>	<b>86,752,235</b>	<b>-108,239</b>
<b>Deferred assets</b>			
Investment corporation bonds issuance expenses	9,016	17,372	8,356
<b>Total deferred assets</b>	<b>9,016</b>	<b>17,372</b>	<b>8,356</b>
<b>Total assets</b>	<b>90,411,706</b>	<b>90,191,958</b>	<b>-219,747</b>

(thousand yen)

	30th Fiscal Period As of Oct. 31, 2020	31st Fiscal Period As of Apr. 30, 2021	Change
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current portion of long-term loans payable	8,020,000	8,640,000	620,000
Operating accounts payable	136,206	128,736	-7,470
Accounts payable –other	213,058	205,759	-7,298
Accrued expenses	3,966	5,396	1,429
Income taxes payable	1,951	1,944	-7
Accrued consumption taxes	12,056	15,110	3,054
Advances received	2,033	1,515	-518
Other	338	265	-73
<b>Total current liabilities</b>	<b>8,389,612</b>	<b>8,998,727</b>	<b>609,115</b>
<b>Noncurrent liabilities</b>			
Investment corporation bonds	1,000,000	2,000,000	1,000,000
Long-term loans payable	36,626,000	35,006,000	-1,620,000
Tenant leasehold and security deposits in trust	685,727	685,153	-573
Asset retirement obligation	134,031	135,137	1,105
<b>Total noncurrent liabilities</b>	<b>38,445,759</b>	<b>37,826,291</b>	<b>-619,468</b>
<b>Total liabilities</b>	<b>46,835,372</b>	<b>46,825,019</b>	<b>-10,353</b>
<b>Net assets</b>			
<b>Unitholders' equity</b>			
Unitholders' capital	42,230,457	42,230,457	-
Deduction from unitholders' capital	-545,913	-545,913	-
Unitholders' capital (net)	41,684,544	41,684,544	-
<b>Surplus</b>			
Voluntary retained earnings			
Reserve for reduction entry	99,000	99,000	-
Reserve for reduction entry under special provisions for property replacement	400,000	400,000	-
Total voluntary retained earnings	499,000	499,000	-
Unappropriated retained earnings (undisposed loss)	1,392,789	1,183,395	-209,394
<b>Total surplus</b>	<b>1,891,789</b>	<b>1,682,395</b>	<b>-209,394</b>
<b>Total unitholders' equity</b>	<b>43,576,333</b>	<b>43,366,939</b>	<b>-209,394</b>
<b>Total net assets</b>	<b>43,576,333</b>	<b>43,366,939</b>	<b>-209,394</b>
<b>Total liabilities and net assets</b>	<b>90,411,706</b>	<b>90,191,958</b>	<b>-219,747</b>

# Statements of Income/Cash Distributions



## Statements of Income

(thousand yen)

	30th Fiscal Period (From: May 1, 2020 To: Oct. 31, 2020)	31st Fiscal Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	Change
Operating revenue			
Rent revenue – real estate	3,106,613	3,113,450	6,837
Gain on sales of real estate properties	245,591	46,672	-198,918
<b>Total operating revenue</b>	<b>3,352,205</b>	<b>3,160,123</b>	<b>-192,081</b>
Operating expenses			
Expenses related to rent business	1,354,282	1,374,418	20,135
Asset management fee	270,199	261,041	-9,158
Asset custody fee	8,473	8,480	7
Administrative service fees	26,112	27,033	921
Directors' compensations	1,200	1,200	-
Other operating expenses	109,230	124,985	15,755
<b>Total operating expenses</b>	<b>1,769,498</b>	<b>1,797,159</b>	<b>27,661</b>
<b>Operating income</b>	<b>1,582,707</b>	<b>1,362,963</b>	<b>-219,743</b>
Non-operating income			
Interest income	15	16	0
Insurance income	23,412	8,300	-15,111
Reversal of distribution payable	1,247	958	-289
<b>Total non-operating income</b>	<b>24,675</b>	<b>9,275</b>	<b>-15,400</b>
Non-operating expenses			
Interest expenses	167,004	162,311	-4,692
Interest expenses on investment corporation bonds	2,375	4,708	2,332
Amortization of investment corporation bond issuance costs	1,127	2,180	1,053
Borrowing related expenses	41,547	39,404	-2,142
Other	649	465	-183
<b>Total non-operating expenses</b>	<b>212,703</b>	<b>209,071</b>	<b>-3,632</b>
<b>Ordinary income</b>	<b>1,394,679</b>	<b>1,163,168</b>	<b>-231,510</b>
Extraordinary income			
Compensation received	-	22,113	22,113
<b>Total extraordinary income</b>	<b>-</b>	<b>22,113</b>	<b>22,113</b>
<b>Income before income taxes</b>	<b>1,394,679</b>	<b>1,185,281</b>	<b>-209,397</b>
Income taxes – current	1,954	1,946	-7
Income taxes – deferred	0	0	0
<b>Total income taxes</b>	<b>1,954</b>	<b>1,947</b>	<b>-7</b>
<b>Net income</b>	<b>1,392,724</b>	<b>1,183,334</b>	<b>-209,390</b>
Retained earnings brought forward	65	61	-3
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>1,392,789</b>	<b>1,183,395</b>	<b>-209,394</b>

## (1) "Real estate rent revenue"

(thousand yen)

	30th Fiscal Period (From: May 1, 2020 To: Oct. 31, 2020)	31st Fiscal Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	Change
Rent	2,704,099	2,699,690	-4,409
Common area maintenance charges	185,485	184,202	-1,283
Parking revenue	86,160	85,451	-709
Incidental revenue	1,781	1,589	-192
Other lease business revenue	129,087	142,516	13,429
<b>Total</b>	<b>3,106,613</b>	<b>3,113,450</b>	<b>6,837</b>

## (2) "Expenses related to rent business"

(thousand yen)

	30th Fiscal Period (From: May 1, 2020 To: Oct. 31, 2020)	31st Fiscal Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	Change
Management expenses	201,080	200,876	-204
Repair expenses	95,193	87,057	-8,136
Real estate taxes	182,177	182,199	22
Trust fees	34,476	34,871	395
Utilities expenses	50,328	49,269	-1,059
Nonlife insurance expenses	7,967	7,775	-192
Depreciation and amortization	649,533	650,181	648
Other lease business expenses	133,524	162,185	28,661
<b>Total</b>	<b>1,354,282</b>	<b>1,374,418</b>	<b>20,136</b>

## Cash Distributions

	30th Fiscal Period (From: May 1, 2020 To: Oct. 31, 2020)	31st Fiscal Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	Change
I. Unappropriated retained earnings	1,392,789,809 yen	1,183,395,764 yen	-209,394,045 yen
II. Amount of distributions	1,392,728,176 yen	1,183,362,151 yen	-209,366,025 yen
(Amount of distribution per investment unit)	(5,488 yen)	(4,663 yen)	(-825 yen)
III. Retained earnings carried forward	61,633 yen	33,613 yen	-28,020 yen

# Statements of Cash Flows and Key Performance Indicators



## Statements of Cash Flows

(thousand yen)

	30th Fiscal Period (From: May 1, 2020 To: Oct. 31, 2020)	31st Fiscal Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
Net cash provided by (used in) operating activities		
Income before income taxes	1,394,679	1,185,281
Depreciation and amortization	650,127	650,577
Amortization of investment corporation bond issuance costs	1,127	2,180
Compensation received	-	-22,113
Interest income	-15	-16
Interest expenses	169,380	167,019
Decrease (increase) in operating accounts receivable	5,753	-4,892
Decrease (increase) in prepaid expenses	6,865	-412
Increase (decrease) in accrued consumption taxes	-24,999	3,054
Increase (decrease) in operating accounts payable	36,998	-45,095
Increase (decrease) in accounts payable – other	-13,003	-8,123
Decrease (increase) in long-term prepaid expenses	6,589	14,388
Decrease from sales of property, plant and equipment in trust	3,079,494	736,960
Other, net	-9,235	273
<b>Subtotal</b>	<b>5,303,760</b>	<b>2,679,080</b>
Interest income received	15	16
Interest expenses paid	-168,387	-165,590
Amount of compensation received	-	22,113
Income taxes paid	-1,959	-1,954
<b>Net cash provided by (used in) operating activities</b>	<b>5,133,429</b>	<b>2,533,666</b>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-3,400,936	-1,255,405
Proceeds from tenant leasehold and security deposits in trust	50,800	62,648
Repayments of tenant leasehold and security deposits in trust	-50,900	-63,222
Decrease (increase) in other investments	-636	-655
<b>Net cash provided by (used in) investing activities</b>	<b>-3,401,672</b>	<b>-1,256,635</b>
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	4,320,000	2,700,000
Repayment of long-term loans payable	-4,320,000	-3,700,000
Proceeds from issuance of investment corporation bonds	-	1,000,000
Payment of investment corporation bond issuance costs	-	-10,537
Dividends paid	-1,282,768	-1,390,945
<b>Net cash provided by (used in) financing activities</b>	<b>-1,282,768</b>	<b>-1,401,482</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>448,988</b>	<b>-124,451</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,985,319</b>	<b>3,434,307</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,434,307</b>	<b>3,309,856</b>

## Key Performance Indicators

	Unit	30th Fiscal Period (From: May 1, 2020 To: Oct. 31, 2020)	31st Fiscal Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
Total assets (a)	million yen	90,411	90,191
Net assets (b)	million yen	43,576	43,366
Unitholders' capital (net) (Note 1)	million yen	41,684	41,684
Total number of investment units issued and outstanding (c)	units	253,777	253,777
Net assets per unit (b) ÷ (c)	yen	171,711	170,886
Net income per unit (Note 2)	yen	5,487	4,662
Total distributions (d)	million yen	1,392	1,183
Distribution per unit (d) ÷ (c)	yen	5,488	4,663
[Of which, distribution of earnings per unit]	yen	(5,488)	(4,663)
[Of which, distribution in excess of earnings per unit]	yen	(-)	(-)
Return on assets (Note 3)	%	1.5(3.1)	1.3(2.6)
Return on equity (Note 3)	%	3.2(6.3)	2.7(5.5)
Equity ratio (b) ÷ (a)	%	48.2	48.1
Distribution payout ratio (Note 3)	%	100.0	100.0

### [Other Reference Information]

Number of investment properties (Note 4)	properties	107	106
Total number of leasable units (Note 4)	units	5,227	5,226
Gross leasable area	m <sup>2</sup>	193,846.29	192,166.37
Period-end occupancy rate (Note 4)	%	95.2	95.4
Depreciation and amortization	million yen	649	650
Capital expenditures	million yen	81	114
Property leasing NOI (Net Operating Income) (Note 3)	million yen	2,401	2,389
FFO (Funds from Operations) per unit (Note 3)	yen	7,086	7,051
FFO multiple (Note 3)	times	14.4	16.0
Debt service coverage ratio (Note 3)	times	13.1	12.0
Earnings before interest, depreciation and amortization	million yen	2,211	2,000
Interest expenses	million yen	169	167
Total interest-bearing liabilities	million yen	45,646	45,646
LTV (Loan-To-Value) ratio (Note 3)	%	50.5	50.6
Number of days of management	days	184	181

(Note 1) Unitholders' capital (net) indicates the amount for unitholders' capital after subtracting the amount of deduction from unitholders' capital.

(Note 2) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units issued and outstanding.

(Note 3) The indicators presented are calculated as follows.

In addition, for return on assets and return on equity, figures converted based on the number of days of management are shown in brackets.

Return on assets	$\text{Ordinary income} \div \text{Average total assets}$ $\text{Average total assets} = (\text{Total assets at beginning of period} + \text{Total assets at end of period}) \div 2$
Return on equity	$\text{Net income} \div \text{Average net assets}$ $\text{Average net assets} = (\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2$
Distribution payout ratio	$\text{Distribution per unit} \div \text{Net income per unit}$
Property leasing NOI	$\text{Property leasing income (loss) [Real estate rent revenue} - \text{Expenses related to rent business]} + \text{Depreciation and amortization}$
FFO per unit	$(\text{Net income} + \text{Depreciation and amortization} + \text{Other depreciation and amortization} - \text{Gain (loss) on sales of real estate properties}) \div \text{Total number of investment units issued and outstanding}$
FFO multiple	$\text{Investment unit price at end of period} \div \text{Annualized FFO per unit}$
Debt service coverage ratio	$\text{Earnings before interest, depreciation and amortization} \div \text{Interest expenses}$
LTV ratio	$\text{Total interest-bearing liabilities} \div \text{Total assets}$

(Note 4) The number of investment properties are indicated in units that are generally accepted to be one. In addition, the total number of leasable units is the number of units that are leasable for residential, office, retail and other uses, and the period-end occupancy rate is the leased area expressed as a percentage of gross leasable area as at the date of settlement of accounts.

# Status of Interest-Bearing Liabilities I (As of April 30, 2021)



## Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 31st FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Resona Bank, Limited Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd. The Kagawa Bank, Ltd.	May 24, 2016	763,500 520,000 408,500 387,500 387,500 158,500 130,000 56,500 50,000 11,500	0.86319	May 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2B
<b>Subtotal</b>		<b>2,873,500</b>						
Resona Bank, Limited Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd. The Kagawa Bank, Ltd.	May 24, 2016	763,500 520,000 408,500 387,500 387,500 158,500 130,000 56,500 50,000 11,500	0.92320	May 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2C
<b>Subtotal</b>		<b>2,873,500</b>						
Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	Dec. 9, 2016	1,095,500 1,060,500 917,000 480,000 470,000 152,000 145,000	0.36320	May 24, 2021	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2G
<b>Subtotal</b>		<b>4,320,000</b>						
Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	Dec. 9, 2016	1,105,000 1,061,000 917,000 480,000 460,000 152,000 145,000	0.39320	November 24, 2021	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2H
<b>Subtotal</b>		<b>4,320,000</b>						



# Status of Interest-Bearing Liabilities II (As of April 30, 2021)



## Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 31st FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Mizuho Bank, Ltd. The Chiba Bank, Ltd. The Nishi-Nippon City Bank, Ltd. Sumitomo Mitsui Banking Corporation The Musashino Bank, Ltd. Resona Bank, Limited Higashi-Nippon Bank, Ltd. Aozora Bank, Ltd. ORIX Bank Corporation Mizuho Trust & Banking Co., Ltd.	May 24, 2017	1,090,000 500,000 500,000 500,000 500,000 385,000 250,000 215,000 150,000 100,000	0.74213	Nov. 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2I
<b>Subtotal</b>		<b>4,190,000</b>						
The Bank of Yokohama, Ltd. Resona Bank, Limited Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Musashino Bank, Ltd. The Chiba Bank, Ltd. Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited ORIX Bank Corporation The Kagawa Bank, Ltd.	Nov. 24, 2017	1,000,000 519,000 479,000 479,000 415,000 415,000 321,000 171,000 167,000 34,000	0.77196	Nov. 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2J
<b>Subtotal</b>		<b>4,000,000</b>						
Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Kagawa Bank, Ltd. Higashi-Nippon Bank Mizuho Trust & Banking Co., Ltd	Dec.15, 2017	650,000 600,000 600,000 600,000 150,000 100,000 100,000 100,000	0.67251	May 24, 2022	Lump-sum repayment on repayment date	Funds for acquisition of AUM	Unsecured Unguaranteed	Term Loan 2K
<b>Subtotal</b>		<b>2,900,000</b>						
Resona Bank, Limited Aozora Bank, Ltd. The Bank of Kyoto, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited The Kagawa Bank, Ltd.	May 25, 2018	727,000 450,000 400,000 299,000 299,000 259,000 259,000 107,000 100,000	0.77320	May 24, 2024	Lump-sum repayment on repayment date	Part of funds for refinancing and acquisition of AUM	Unsecured Unguaranteed	Term Loan 2L
<b>Subtotal</b>		<b>2,900,000</b>						
Aozora Bank, Ltd. Resona Bank, Limited The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited	Nov. 22, 2018	1,089,000 825,000 382,000 382,000 357,000 325,000 241,000 99,000	0.93000 (Note 2)	Nov. 22, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2M
<b>Subtotal</b>		<b>3,700,000</b>						

# Status of Interest-Bearing Liabilities III (As of April 30, 2021)



## Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 31st FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Aozora Bank, Ltd. Resona Bank, Limited The Chiba Bank, Ltd. The Musashino Bank, Ltd. The Kagawa Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited	May 24, 2019	831,000 635,000 356,000 356,000 303,000 250,000 225,000 93,000	0.86000 (Note 2)	May 23, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2N
<b>Subtotal</b>		<b>3,049,000</b>						
Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	Nov. 25, 2019	449,000 278,000 189,000 189,000 163,000 163,000 69,000	0.87000 (Note 2)	Nov. 25, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2O
<b>Subtotal</b>		<b>1,500,000</b>						
Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	May 22, 2020	1,095,000 1,060,000 917,000 480,000 470,000 152,000 146,000	0.92000 (Note 2)	May 22, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2P
<b>Subtotal</b>		<b>4,320,000</b>						
Aozora Bank, Ltd. Resona Bank, Limited The Musashino Bank, Ltd. The Chiba Bank, Ltd. Mizuho Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited	Nov. 24, 2020	790,000 590,000 286,000 286,000 248,000 244,000 181,000 75,000	0.90000 (Note 2)	Nov. 24, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2Q
<b>Subtotal</b>		<b>2,700,000</b>						
<b>Total</b>		<b>43,646,000</b>						

Total interest-bearing liabilities (Note 3)

45,646,000 thousand yen

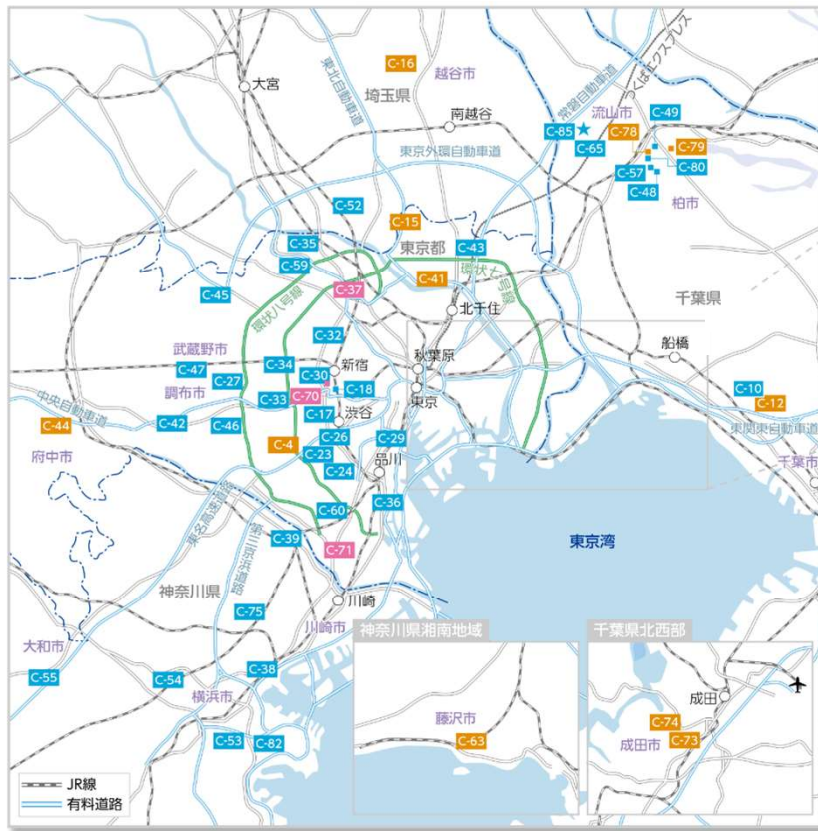
(Note 1) Average interest rate is the weighted average for the period, rounded to the fifth decimal place.

(Note 2) As an interest rate swap agreement has been concluded for the purpose of hedging the risk of interest rate fluctuations, the fixed interest rate is shown.

(Note 3) Total interest-bearing liabilities includes investment corporation bonds (2,000,000 thousand yen).

# Portfolio Map (As of April 30, 2021)

## Cities Surrounding Tokyo



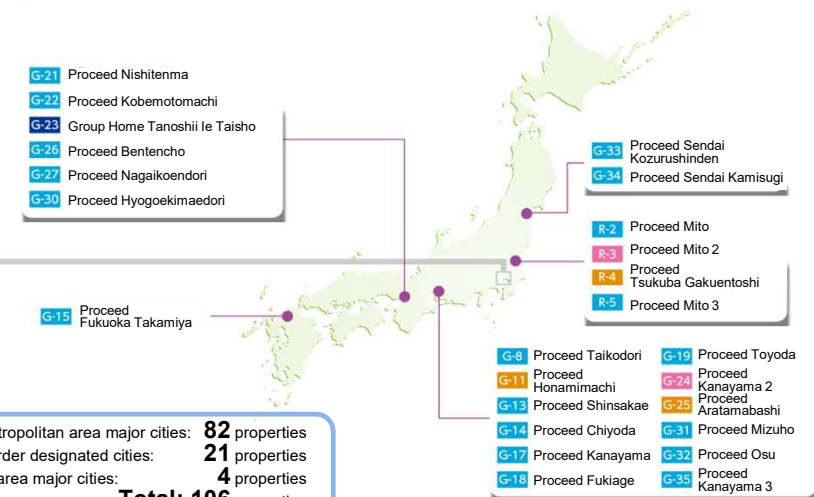
C-4 Proceed Sangenjaya	C-32 Proceed Takadanobaba	C-46 Proceed Chitosekarasuyama	C-70 Proceed Nishi Shinjuku
C-10 Proceed Makuharihongo	C-33 Proceed Shinkoenji	C-47 Proceed Mitaka	C-71 Proceed Unoki
C-12 Proceed Makuharihongo 2	C-34 Proceed Koenjiminami	C-48 Proceed Kashiwa Est	C-73 Proceed CO-Z East Building
C-15 Proceed Takenozuka	C-35 Proceed Hasune	C-49 Proceed Kashiwa Nord	C-74 Proceed CO-Z West Building
C-16 Proceed Sengendai 2	C-36 Proceed Oimachi	C-52 Proceed Nishikawaguchi	C-75 Proceed Shin Yokohama
C-17 Proceed Shoto	C-37 Proceed Jujo	C-53 Proceed Gumyoji	C-78 Proceed K2
C-18 Proceed Sangubashi	C-38 Proceed Hakuraku	C-54 Proceed Tsurugamine	C-79 Proceed K3 Annex
C-23 Proceed Toritsudaigaku	C-39 Proceed Shinmaruko	C-55 Proceed Sagamiotsuka	C-80 Proceed K5
C-24 Proceed Toritsudaigaku 2	C-41 Proceed Nishiarai	C-57 Proceed Kashiwa Trois	C-82 The Parkhabio Yokohamayamate
C-26 Proceed Meguro Aobadai	C-42 Proceed Chofu	C-59 Proceed Tobu Nerima	C-85 Proceed Nagareyama Otakanomori <b>NEW</b>
C-27 Proceed Suginami Miyamae	C-43 Proceed TX Rokucho	C-60 Proceed Yukigaya	
C-29 Proceed Mita	C-44 Proceed Nakagawara	C-63 Proceed Fujisawa Kugenuma	
C-30 Proceed Nakanoshimbashi	C-45 Proceed Oizumigakuen	C-65 Proceed TX Nagareyama Central Park	

## Enlarged map of Tokyo and the surrounding area



C-1 Proceed Ichikawa	C-14 Proceed Funabori	C-51 Proceed Funabashi Honcho	C-68 Proceed Kasai 2
C-2 Proceed Toyochi	C-19 Proceed Urayasu	C-56 Proceed Shinozaki 2	C-69 Proceed Nihonbashi Honcho
C-3 Proceed Kasai	C-20 Proceed Shinkoiwa	C-58 Proceed Shinozaki Tower	C-72 Proceed Minamigyotoku 2
C-5 Proceed Mizue	C-25 Proceed Honjoazumabashi	C-61 Proceed Ichikawa Minami	C-76 Life Support Residence Funaboriekimae
C-6 Proceed Funabashi Miyamoto	C-28 Proceed Ryogoku	C-62 Proceed Ichikawa Myoden	C-77 Proceed Kinshicho
C-7 Proceed Minamikasai	C-31 Proceed Kameido	C-64 Proceed Nihonbashi-horidomecho	C-81 Proceed Ichikawa Myoden II
C-9 Proceed Gyotoku	C-40 Proceed Motoyawata	C-66 Proceed Gyotoku 2	C-83 Proceed Monzennakacho
C-11 Proceed Minamigyotoku	C-50 Proceed Gyotokuekimae	C-67 Proceed Nishikasai	C-84 Proceed Maihama

## Cabinet Order-Designated Cities / Regional Area Major Cities



◆Tokyo metropolitan area major cities: **82** properties  
 ◆Cabinet order designated cities: **21** properties  
 ◆Regional area major cities: **4** properties  
**Total: 106** properties

Acquired assets: Single, DINKS, Family, Facility for the elderly  
 Assets Acquired in 31st Fiscal Period: **NEW** ★ Single

## Portfolio Policy and the Status as of the End of the 31st FP

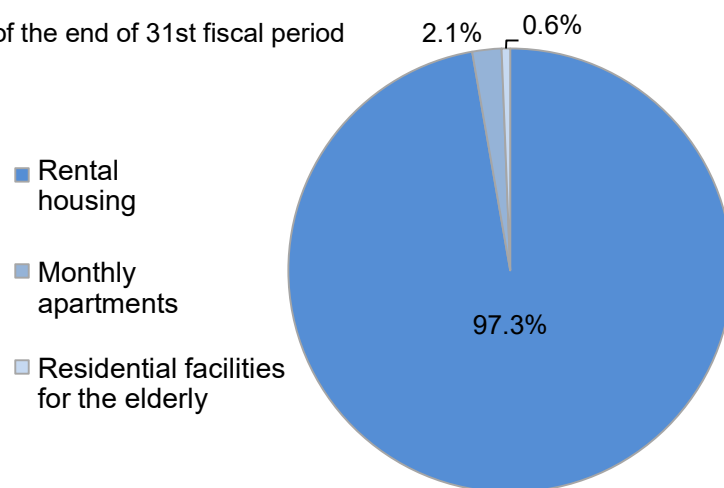
Portfolio policy by use (Note)

Investment target	Characteristics	Price ratio
Rental housing	Regular rental housing for singles, DINKS, families, etc.	70% or more
Monthly apartments	Rental housing with furniture that accepts short-term contracts such as a monthly contract.	25% or less
Serviced apartments	Rental housing with furniture that provides services such as linen changes.	
Hotels	Primarily hotels specialized in lodging, etc.	
Residential facilities for the elderly	Rental housing in the form of paid nursing homes, etc., and elderly nursing facilities such as insurance-covered nursing care facilities, etc.	10% or less
Others	Property developments, etc., through PFI, PPP, and urban redevelopment work, etc. which are not targeted for any of such uses as rental housing, etc. and have been constructed and designed, etc. through the real estate consulting business concurrently conducted by the Asset Management Company.	25% or less

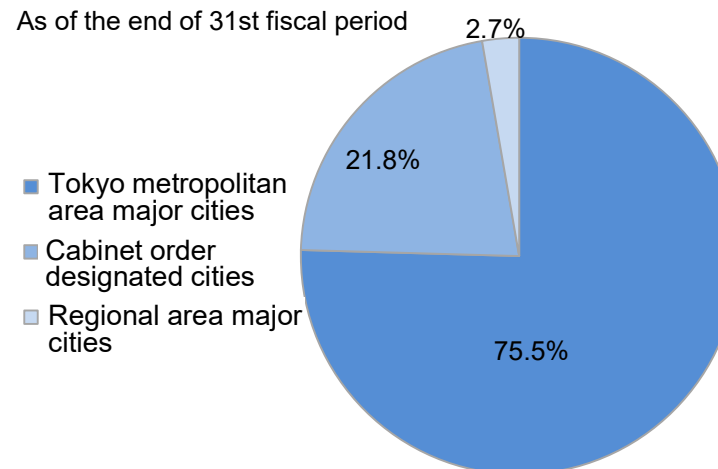
Portfolio policy by area (Note)

Area category	Price ratio
Tokyo metropolitan area major cities	70% or more
Cabinet order designated cities (excluding cities included in the above.)	20% or less
Regional area major cities (prefectural capitals, etc.) (excluding cities included in the above.)	10% or less

As of the end of 31st fiscal period



As of the end of 31st fiscal period



(Note) Price ratio is calculated by dividing subtotal of acquisition prices in each category by total acquisition price of entire portfolio. Moreover, actual price ratios may not meet the target ratios due to economic climate, real estate market conditions and other factors.

# Portfolio List I (As of April 30, 2021)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%) (Note 2)	Carrying amount (thousand yen)	Real estate appraisal value or research price (thousand yen)	Gross leasable area (m <sup>2</sup> )	Leased area (m <sup>2</sup> )	Total number of leasable units (units) (Note 3)	Total number of leasable parking spaces (vehicles)	Period-end occupancy rate (%) (Note 4)	Leasing revenue and expenditure (thousand yen) (31st FP results)	PML (%)	Construction completion (Note 5)	Building age (year)
C-1	Proceed Ichikawa	Chiba	1,076,000	1.2	1,000,712	1,390,000	3,322.17	3,259.12	50	42	98.1	34,689	5.9	April 1, 1997	24.1
C-2	Proceed Toyocho	Tokyo	646,700	0.7	567,738	893,000	1,085.56	1,085.56	45	5	100.0	21,469	8.6	January 31, 2003	18.3
C-3	Proceed Kasai	Tokyo	688,700	0.8	592,277	830,000	1,243.80	1,243.80	57	0	100.0	18,925	5.1	March 1, 2003	18.2
C-4	Proceed Sangenjaya	Tokyo	555,900	0.6	619,735	621,000	1,019.27	1,019.27	9	8	100.0	13,140	9.3	June 29, 1990	30.9
C-5	Proceed Mizue	Tokyo	602,600	0.7	616,019	778,000	2,076.68	2,002.97	28	22	96.5	18,975	7.0	June 20, 1991	29.9
C-6	Proceed Funabashi Miyamoto	Chiba	419,900	0.5	443,978	587,000	1,685.73	1,685.73	33	1	100.0	17,340	4.7	June 24, 1991	29.9
C-7	Proceed Minamikasai	Tokyo	303,500	0.3	322,833	306,000	1,045.28	1,045.28	16	7	100.0	8,379	10.4	March 12, 1993	28.2
C-9	Proceed Gyotoku	Chiba	315,600	0.4	334,853	346,000	1,218.56	1,096.52	20	7	90.0	10,605	6.7	March 15, 1988	33.1
C-10	Proceed Makuharihongo	Chiba	279,300	0.3	271,402	320,000	963.00	934.50	34	3	97.0	9,433	8.7	February 22, 1989	32.2
C-11	Proceed Minamigyotoku	Chiba	287,300	0.3	294,213	330,000	838.95	786.85	26	6	93.8	8,606	6.8	February 6, 1990	31.2
C-12	Proceed Makuharihongo 2	Chiba	223,400	0.3	224,127	247,000	1,104.84	954.18	22	10	86.4	8,124	4.8	September 24, 1989	31.6
C-14	Proceed Funabori	Tokyo	226,100	0.3	234,852	247,000	479.52	479.52	24	1	100.0	6,665	7.3	October 11, 1991	29.6
C-15	Proceed Takenozuka	Tokyo	169,400	0.2	170,907	249,000	860.55	860.55	15	7	100.0	6,772	3.4	March 10, 1994	27.2
C-16	Proceed Sengendai 2	Saitama	86,700	0.1	91,177	111,000	695.81	695.81	12	3	100.0	3,778	3.3	April 3, 1991	30.1
C-17	Proceed Shoto	Tokyo	937,400	1.1	872,930	982,000	890.22	870.09	40	6	97.7	22,773	5.3	November 18, 2005	15.5
C-18	Proceed Sangubashi	Tokyo	497,600	0.6	478,787	496,000	527.88	487.88	26	0	92.4	11,751	7.0	July 22, 2005	15.8
C-19	Proceed Urayasu	Chiba	431,400	0.5	457,349	456,000	1,786.58	1,698.28	21	8	95.1	15,354	7.8	June 4, 1992	28.9
C-20	Proceed Shinkoiwa	Tokyo	465,200	0.5	496,425	553,000	1,629.07	1,629.07	27	9	100.0	13,300	7.1	March 15, 1991	30.1
C-21	Proceed Yachiyo Midorigaoka I (Note 6)	Chiba										9,491			
C-22	Proceed Yachiyo Midorigaoka II (Note 6)	Chiba										6,775			
C-23	Proceed Toritsudaigaku	Tokyo	790,400	0.9	761,325	818,000	808.65	787.37	37	2	97.4	16,491	8.3	March 13, 2006	15.1
C-24	Proceed Toritsudaigaku 2	Tokyo	772,200	0.9	704,091	839,000	831.74	831.74	36	2	100.0	20,031	7.8	September 7, 2006	14.7
C-25	Proceed Honjozumabashi	Tokyo	339,800	0.4	291,985	466,000	570.53	570.53	19	0	100.0	10,369	6.7	July 7, 2006	14.8
C-26	Proceed Meguro Aobadai	Tokyo	466,700	0.5	448,444	466,000	485.15	485.15	24	1	100.0	11,057	11.6	March 27, 2003	18.1
C-27	Proceed Suginami Miyamae	Tokyo	454,900	0.5	424,352	485,000	680.50	680.50	29	1	100.0	12,704	7.1	January 26, 2004	17.3
C-28	Proceed Ryogoku	Tokyo	443,900	0.5	423,417	587,000	702.54	702.54	27	5	100.0	13,604	6.9	March 15, 2003	18.1
C-29	Proceed Mita	Tokyo	1,537,200	1.7	1,405,394	1,700,000	1,500.57	1,500.57	72	0	100.0	36,226	8.7	February 6, 2006	15.2
C-30	Proceed Nakanoshimbashi	Tokyo	638,800	0.7	667,179	700,000	849.08	849.08	50	0	100.0	18,513	10.4	September 24, 1992	28.6
C-31	Proceed Kameido	Tokyo	339,000	0.4	341,659	346,000	853.98	853.98	23	0	100.0	9,864	7.6	March 23, 1994	27.1
C-32	Proceed Takadanobaba	Tokyo	223,700	0.3	249,374	274,000	278.36	278.36	17	0	100.0	6,951	13.8	October 24, 1991	29.5
C-33	Proceed Shinkoenji	Tokyo	742,100	0.8	774,867	894,000	1,040.24	1,040.24	57	0	100.0	22,729	10.0	August 31, 1990	30.7
C-34	Proceed Koenjiminami	Tokyo	277,400	0.3	306,653	251,000	337.05	337.05	20	0	100.0	7,358	11.7	October 2, 1989	31.6
C-35	Proceed Hasune	Tokyo	284,000	0.3	311,335	267,000	587.13	587.13	29	0	100.0	8,461	6.8	July 17, 1991	29.8
C-36	Proceed Oimachi	Tokyo	944,000	1.1	972,345	950,000	961.88	961.88	59	0	100.0	23,172	13.0	April 13, 1992	29.1
C-37	Proceed Jujo	Tokyo	533,000	0.6	553,114	558,000	1,206.90	1,206.90	30	0	100.0	14,801	7.2	June 15, 1989	31.9
C-38	Proceed Hakuraku	Kanagawa	241,000	0.3	256,755	185,000	445.16	445.16	27	0	100.0	7,740	16.4	July 19, 1991	29.8
C-39	Proceed Shinmaruko	Kanagawa	635,000	0.7	661,344	605,000	759.00	759.00	46	0	100.0	16,307	11.7	September 12, 1988	32.7
C-40	Proceed Motoyawata	Chiba	307,000	0.3	264,541	336,000	602.39	602.39	25	1	100.0	8,584	4.4	January 9, 2004	17.3
C-41*	Proceed Nishiarai (Note 7)	Tokyo	5,172,000	5.9	3,020,187	6,900,000	20,137.85	19,626.88	294	146	97.5	206,119	ARTIER: 3.9 OZAREA: 5.0 Hall: 3.5 Nursery: 3.5	July 20, 2007	13.8
C-42	Proceed Chofu	Tokyo	460,500	0.5	395,249	586,000	764.48	764.48	26	0	100.0	14,095	6.4	February 17, 2007	14.2
C-43	Proceed TX Rokucho	Tokyo	156,800	0.2	175,736	178,000	518.31	518.31	20	2	100.0	5,337	6.6	June 21, 1991	29.9



# Portfolio List II (As of April 30, 2021)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%) (Note 2)	Carrying amount (thousand yen)	Real estate appraisal value or research price (thousand yen)	Gross leasable area (m <sup>2</sup> )	Leased area (m <sup>2</sup> )	Total number of leasable units (units) (Note 3)	Total number of leasable parking spaces (vehicles)	Period-end occupancy rate (%) (Note 4)	Leasing revenue and expenditure (thousand yen) (31st FP results)	PML (%)	Construction completion (Note 5)	Building age (year)
C-44	Proceed Nakagawara (Note 8)	Tokyo	1,141,000	1.3	1,210,701	1,340,000	3,061.94	3,009.25	54	35	98.3	33,306	Ichibankan: 10.7 Nibankan: 11.8	April 1, 1989	32.1
C-45	Proceed Oizumigakuen	Tokyo	268,300	0.3	287,711	282,000	483.43	466.76	29	0	96.6	7,706	10.6	November 26, 1991	29.4
C-46	Proceed Chitosekarasuyama	Tokyo	289,600	0.3	326,239	334,000	449.96	449.96	28	0	100.0	7,982	11.7	December 8, 1988	32.4
C-47	Proceed Mitaka	Tokyo	477,200	0.5	522,100	581,000	739.48	739.48	47	0	100.0	13,980	9.3	December 16, 1988	32.4
C-48	Proceed Kashiwa Est	Chiba	732,000	0.8	666,378	720,000	1,279.93	1,224.49	44	5	95.7	17,834	4.5	February 13, 2007	14.2
C-49	Proceed Kashiwa Nord	Chiba	689,000	0.8	612,819	623,000	1,391.55	1,362.78	47	0	97.9	16,306	5.7	February 13, 2007	14.2
C-50	Proceed Gyotokuekimae	Chiba	331,000	0.4	268,237	372,000	659.68	659.68	24	3	100.0	9,009	5.2	September 4, 2007	13.7
C-51	Proceed Funabashi Honcho	Chiba	531,700	0.6	487,713	598,000	996.44	971.69	40	0	97.5	15,729	5.7	July 19, 2006	14.8
C-52	Proceed Nishikawaguchi	Saitama	881,000	1.0	948,811	839,000	1,630.24	1,473.56	104	1	90.4	21,641	5.5	February 10, 1989	32.2
C-53	Proceed Gumyoji	Kanagawa	552,000	0.6	558,045	586,000	1,246.48	1,101.74	77	0	88.4	14,804	19.0	May 12, 1988	33.0
C-54	Proceed Tsurugamine	Kanagawa	356,000	0.4	361,315	378,000	855.00	820.80	50	4	96.0	8,950	7.2	March 12, 1991	30.2
C-55	Proceed Sagamiotsuka	Kanagawa	234,000	0.3	228,549	217,000	741.24	722.57	29	7	97.5	5,631	12.9	April 5, 1991	30.1
C-56*	Proceed Shinozaki 2	Tokyo	913,300	1.0	782,987	1,140,000	2,134.07	2,134.07	35	13	100.0	27,890	4.2	September 18, 2008	12.6
C-57	Proceed Kashiwa Trois	Chiba	537,100	0.6	463,269	674,000	1,149.95	1,121.95	38	6	97.6	17,090	5.4	May 8, 2009	12.0
C-58	Proceed Shinozaki Tower (Note 9)	Tokyo	1,564,000	1.8	1,334,369	2,250,000	5,117.49	4,925.00	88	30	96.2	61,959	High-rise Bldg.: 2.6 Low-rise Bldg.: 4.4	March 17, 2008	13.1
C-59	Proceed Tobu Nerima	Tokyo	422,000	0.5	403,756	573,000	779.84	719.96	35	2	92.3	14,195	7.7	August 31, 2007	13.7
C-60	Proceed Yukigaya	Tokyo	323,000	0.4	359,105	393,000	600.62	515.44	35	0	85.8	9,465	14.0	October 7, 1991	29.6
C-61	Proceed Ichikawa Minami	Chiba	687,000	0.8	694,899	966,000	1,635.59	1,539.77	66	17	94.1	23,906	2.0	February 10, 1997	24.2
C-62	Proceed Ichikawa Myoden	Chiba	498,000	0.6	521,496	637,000	945.00	945.00	45	1	100.0	14,985	6.8	March 15, 2003	18.1
C-63	Proceed Fujisawa Kugenuma	Kanagawa	729,000	0.8	752,707	900,000	2,005.76	1,883.23	25	20	93.9	25,615	14.7	March 30, 2001	20.1
C-64	Proceed Nihonbashi-horidomecho	Tokyo	1,485,800	1.7	1,508,137	1,760,000	1,904.45	1,844.76	37	2	96.9	36,866	7.5	April 7, 2006	15.1
C-65*	Proceed TX Nagareyama Central Park (Note 10)	Chiba	979,700	1.1	893,633	1,170,000	2,976.85	2,882.79	73	0	96.8	33,441	2.9	April 11, 2014	7.1
C-66	Proceed Gyotoku 2	Chiba	830,000	0.9	825,835	910,000	1,626.54	1,599.47	59	20	98.3	20,960	6.5	October 7, 2006	14.6
C-67	Proceed Nishikasai (Note 11)	Tokyo	875,600	1.0	955,983	1,020,000	2,993.52	2,993.52	63	39	100.0	30,673	Ichibankan: 11.0 Nibankan: 8.1	Ichibankan: October 17, 1993 Nibankan: March 2, 1997 July 23, 1985	Ichibankan: 27.6 Nibankan: 35.8
C-68*	Proceed Kasai 2	Tokyo	750,000	0.8	837,248	933,000	2,140.59	2,044.46	29	6	95.5	22,993	7.1	September 12, 2003	17.6
C-69	Proceed Nihonbashi Honcho	Tokyo	2,449,000	2.8	2,590,441	2,600,000	2,553.89	2,284.71	84	7	89.5	48,059	8.3	February 25, 2003	18.2
C-70	Proceed Nishi Shinjuku	Tokyo	2,549,000	2.9	2,635,773	2,680,000	2,461.88	2,247.15	66	5	91.3	47,988	4.5	February 25, 2003	18.2
C-71	Proceed Unoki	Tokyo	917,000	1.0	922,497	999,000	1,260.58	1,173.64	29	4	93.1	22,647	13.9	September 5, 2015	5.7
C-72*	Proceed Minamigyotoku 2	Chiba	1,080,000	1.2	1,079,218	1,160,000	2,832.74	2,832.74	36	18	100.0	31,357	6.4	May 15, 2014	7.0
C-73	Proceed CO-Z East Building	Chiba	1,830,000	2.1	1,915,924	2,040,000	6,873.33	6,278.55	112	121	91.3	50,935	6.0	March 10, 1997	24.2
C-74	Proceed CO-Z West Building	Chiba	971,000	1.1	1,033,174	1,080,000	3,716.05	3,301.34	71	87	88.8	26,660	6.0	January 9, 1998	23.3
C-75	Proceed Shin Yokohama	Kanagawa	4,330,000	4.9	4,413,737	4,450,000	5,457.56	5,159.88	226	68	94.5	86,566	6.9	April 19, 2007	14.0
C-76	Life Support Residence Funaboriekimae	Tokyo	380,000	0.4	253,895	432,000	1,408.71	1,408.71	2	0	100.0	9,726	6.6	January 14, 2013	8.3
C-77	Proceed Kinshicho	Tokyo	2,140,000	2.4	2,237,135	2,190,000	2,302.92	2,099.81	64	11	91.2	40,759	6.1	July 1, 2005	15.8
C-78	Proceed K2	Chiba	1,170,000	1.3	1,244,939	1,290,000	4,099.04	3,983.03	59	20	97.2	36,074	3.9	February 10, 1995	26.2
C-79	Proceed K3 Annex	Chiba	283,000	0.3	305,423	313,000	1,590.30	1,590.30	24	25	100.0	9,117	5.5	March 2, 1997	24.2
C-80	Proceed K5	Chiba	269,000	0.3	288,258	276,000	788.95	729.08	17	0	92.4	6,347	6.3	February 13, 1998	23.2
C-81	Proceed Ichikawa Myoden II	Chiba	800,000	0.9	837,888	845,000	1,218.00	1,218.00	58	1	100.0	23,668	6.7	March 15, 2003	18.1
C-82	The Parkhabio Yokohamayamate	Kanagawa	3,047,000	3.5	3,235,338	3,160,000	2,654.69	2,599.52	76	23	97.9	54,722	15.0	July 2, 2015	5.8
C-83	Proceed Monzenmakacho	Tokyo	1,240,000	1.4	1,303,563	1,350,000	1,515.81	1,480.38	48	3	97.7	31,516	9.7	January 18, 2020	1.3
C-84	Proceed Maihama	Chiba	1,029,000	1.2	1,097,073	1,220,000	1,735.31	1,628.96	66	9	93.9	28,382	7.4	March 10, 2020	1.1
C-85*	Proceed Nagareyama Otakanomori	Chiba	1,069,000	1.2	1,172,614	1,100,000	1,730.96	1,705.88	50	0	98.6	622	0.1	February 4, 2020	1.2
<b>Properties in Tokyo</b>			<b>37,854,300</b>	<b>42.8</b>	<b>35,670,849</b>	<b>44,077,000</b>	<b>75,881.95</b>	<b>73,843.74</b>	<b>1,929</b>	<b>381</b>	<b>97.3</b>	<b>1,067,741</b>			<b>18.6</b>
<b>Properties in the Tokyo metropolitan area excluding Tokyo</b>			<b>28,748,100</b>	<b>32.6</b>	<b>29,207,743</b>	<b>31,437,000</b>	<b>65,259.37</b>	<b>62,254.34</b>	<b>1,832</b>	<b>537</b>	<b>95.4</b>	<b>757,177</b>			<b>17.4</b>
<b>Tokyo metropolitan area major cities subtotal</b>			<b>66,602,400</b>	<b>75.5</b>	<b>64,878,633</b>	<b>75,514,000</b>	<b>141,141.32</b>	<b>136,098.08</b>	<b>3,761</b>	<b>918</b>	<b>96.4</b>	<b>1,824,918</b>			<b>18.1</b>



# Portfolio List III (As of April 30, 2021)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%) (Note 2)	Carrying amount (thousand yen)	Real estate appraisal value or research price (thousand yen)	Gross leasable area (m <sup>2</sup> )	Leased area (m <sup>2</sup> )	Total number of leasable units (units) (Note 3)	Total number of leasable parking spaces (vehicles)	Period-end occupancy rate (%) (Note 4)	Leasing revenue and expenditure (thousand yen) (31st FP results)	PML (%)	Construction completion (Note 5)	Building age (year)
G-8	Proceed Taikodori	Aichi	403,400	0.5	327,384	487,000	1,101.56	982.08	44	6	89.2	13,349	11.3	March 15, 2006	15.1
G-11	Proceed Honamimachi	Aichi	275,000	0.3	220,353	243,000	620.22	398.60	10	8	64.3	968	10.5	March 27, 2006	15.1
G-13*	Proceed Shinsakae	Aichi	792,500	0.9	621,007	979,000	1,958.44	1,833.59	77	11	93.6	24,031	7.1	February 28, 2007	14.2
G-14	Proceed Chiyoda	Aichi	309,300	0.4	242,886	386,000	922.40	830.79	30	4	90.1	6,250	7.3	March 20, 2007	14.1
G-15	Proceed Fukuoka Takamiya	Fukuoka	453,600	0.5	418,507	503,000	1,312.29	1,221.45	46	10	93.1	12,718	3.2	March 12, 2007	14.1
G-17*	Proceed Kanayama	Aichi	1,022,000	1.2	924,123	1,400,000	2,733.58	2,578.67	94	18	94.3	33,608	6.0	February 18, 2008	13.2
G-18*	Proceed Fukiage	Aichi	499,000	0.6	449,914	652,000	1,204.65	1,132.47	48	15	94.0	15,228	6.2	March 13, 2008	13.1
G-19*	Proceed Toyota	Aichi	219,000	0.2	199,282	304,000	752.04	680.43	27	8	90.5	9,912	6.7	February 29, 2008	13.2
G-21	Proceed Nishitenma	Osaka	880,000	1.0	861,492	1,180,000	1,775.89	1,749.56	56	3	98.5	26,689	13.9	November 30, 2007	13.4
G-22	Proceed Kobemotomachi	Hyogo	780,000	0.9	769,667	1,020,000	1,590.64	1,515.27	61	6	95.3	20,044	8.6	December 21, 2007	13.4
G-23	Group Home Tanoshii Ie Taisho	Osaka	158,000	0.2	154,629	185,000	482.72	482.72	1	0	100.0	5,155	14.8	February 28, 2007	14.2
G-24	Proceed Kanayama 2	Aichi	2,040,400	2.3	2,002,865	2,310,000	4,218.01	3,897.88	72	31	92.4	47,091	6.2	August 22, 2007	13.7
G-25	Proceed Aratamabashi	Aichi	2,129,600	2.4	2,120,014	2,220,000	5,335.93	4,287.31	72	45	80.3	42,933	6.2	August 19, 2005	15.7
G-26	Proceed Bentencho	Osaka	2,170,000	2.5	2,232,493	2,310,000	4,134.70	4,109.61	126	21	99.4	55,267	8.1	January 11, 2008	13.3
G-27	Proceed Nagaikeodori	Osaka	1,070,000	1.2	1,100,400	1,070,000	2,170.80	2,064.16	81	24	95.1	19,489	14.4	May 28, 2007	13.9
G-30	Proceed Hyogoekimaedori	Hyogo	1,670,000	1.9	1,713,271	1,750,000	3,086.99	3,011.75	117	18	97.6	37,978	9.2	February 8, 2008	13.2
G-31	Proceed Mizuho	Aichi	535,000	0.6	554,896	538,000	1,126.40	1,044.70	40	5	92.7	12,118	6.2	February 28, 2007	14.2
G-32	Proceed Osu	Aichi	831,000	0.9	828,105	887,000	1,851.30	1,654.95	66	10	89.4	20,660	7.6	March 7, 2016	5.2
G-33	Proceed Sendai Kozurushinden	Miyagi	698,000	0.8	764,458	781,000	1,913.28	1,668.56	63	32	87.2	15,868	8.4	March 20, 2006	15.1
G-34	Proceed Sendai Kamisugi	Miyagi	1,560,000	1.8	1,577,362	1,710,000	3,409.93	3,259.95	108	16	95.6	47,175	4.8	February 21, 2017	4.2
G-35	Proceed Kanayama 3	Aichi	770,000	0.9	825,847	835,000	1,799.52	1,703.59	60	15	94.7	21,885	6.4	August 9, 2018	2.7
	Cabinet order designated cities subtotal		19,265,800	21.8	18,908,964	21,750,000	43,501.29	40,108.09	1,299	306	92.2	488,416			12.4
R-2	Proceed Mito	Ibaraki	383,700	0.4	295,820	486,000	1,223.83	1,066.10	36	7	87.1	12,423	4.0	January 7, 2007	14.3
R-3	Proceed Mito 2	Ibaraki	416,900	0.5	333,419	521,000	1,381.34	1,304.09	36	25	94.4	15,113	3.6	March 11, 2008	13.1
R-4	Proceed Tsukuba Gakuentoshi	Ibaraki	775,600	0.9	754,915	832,000	2,659.71	2,568.35	34	35	96.6	21,484	3.8	March 3, 2008	13.2
R-5	Proceed Mito 3	Ibaraki	824,000	0.9	893,433	876,000	2,258.88	2,258.88	60	15	100.0	26,809	2.5	September 20, 2018	2.6
	Regional area major cities subtotal		2,400,200	2.7	2,277,588	2,715,000	7,523.76	7,197.42	166	82	95.7	75,829			9.7
	<b>Portfolio total</b>		<b>88,268,400</b>	<b>100.0</b>	<b>86,065,187</b>	<b>99,979,000</b>	<b>192,166.37</b>	<b>183,403.59</b>	<b>5,226</b>	<b>1,306</b>	<b>95.4</b>	<b>2,389,163</b>	<b>3.1</b>		<b>16.6</b>

(Note 1) "Property No." is the properties grouped into 3 classifications "C" (= Tokyo metropolitan area major cities), "G" (= Cabinet order designated cities) and "R" (= Regional area major cities) and numbered per classification.

(Note 2) "Investment share" is the proportion of acquisition price of each acquired property to total acquisition prices of the portfolio and is rounded to the first decimal place.

(Note 3) "Total number of leasable units" is the number of units that are leasable for residential, office, retail and other uses.

(Note 4) "Period-end occupancy rate" is the proportion of leased area to the gross leasable area of the respective property, rounded to the first decimal place. For properties with fixed rent, 100% is indicated.

(Note 5) "Construction completion" is the date stated in the real estate registry transcript.

(Note 6) As (G-21) Proceed Yachiyo-Midorigaoka I and (G-22) Proceed Yachiyo-Midorigaoka II were disposed during the 31st fiscal period, only the leasing revenue and expenditure is shown.

(Note 7) The right to the land of (C-41) Proceed Nishiarai is a 50-year fixed-term land leasehold right. In addition, as (C-41) Proceed Nishiarai consists of 4 independent buildings, PML for each of the 4 buildings is shown.

(Note 8) As (C-44) Proceed Nakagawara comprises 2 independent buildings, PML for each of the 2 buildings is shown.

(Note 9) The right to the land of (C-58) Proceed Shinozaki Tower is a 70-year fixed-term land leasehold right and fixed-term land sublease right. In addition, as (C-58) Proceed Shinozaki Tower consists of 2 structurally independent buildings, PML for each of the 2 buildings is shown.

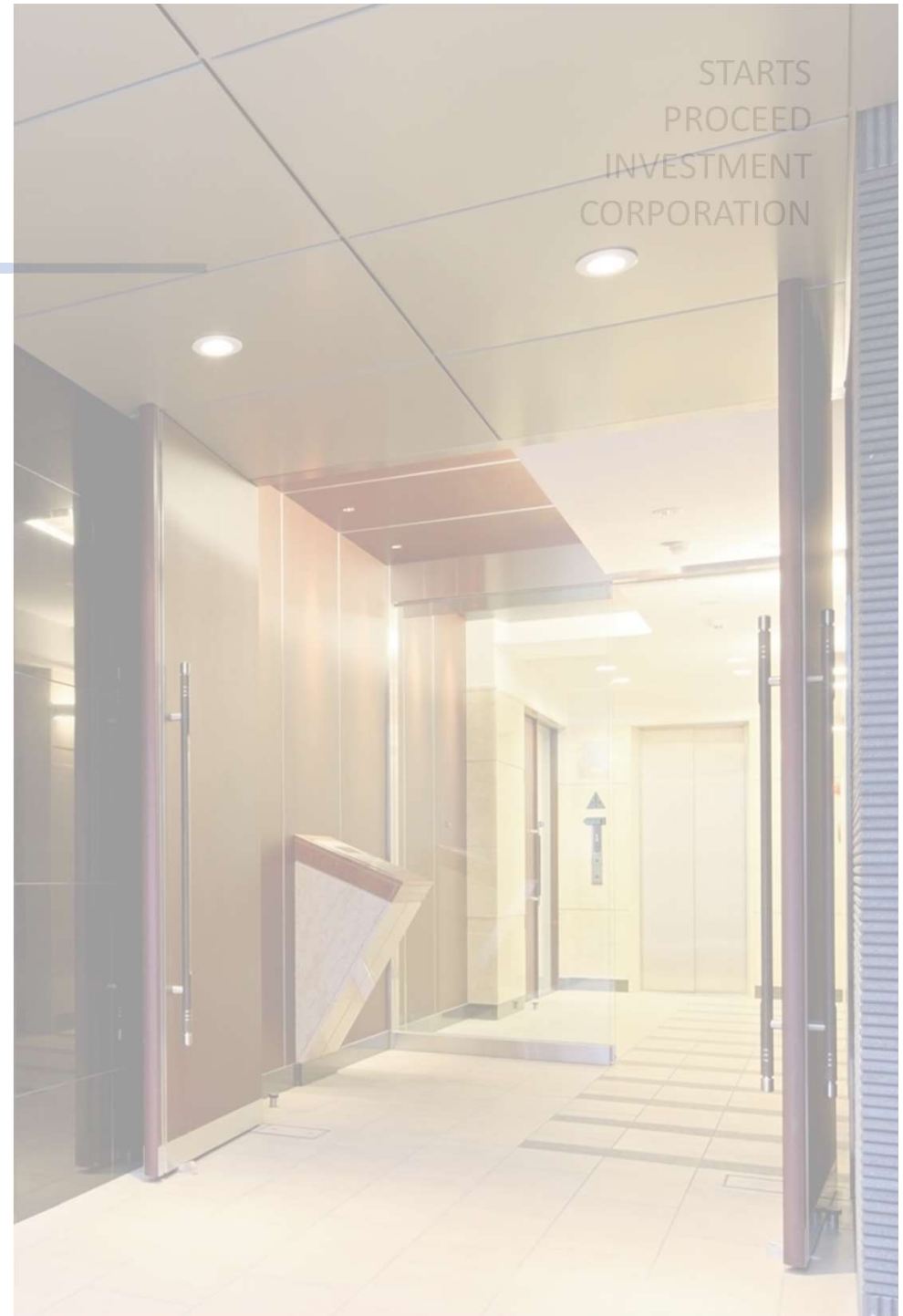
(Note 10) The right to the land of (C-65) Proceed TX Nagareyama Central Park is a 52-year fixed-term land sublease right.

(Note 11) As (C-67) Proceed Nishikasai comprises 2 independent buildings, PML and construction completion for each of the 2 buildings is shown.

(Note 12) Of the assets Starts Proceed has acquired, the properties with the asterisk (\*) mark attached at their property numbers are seismic isolated.

---

## Management Company Overview

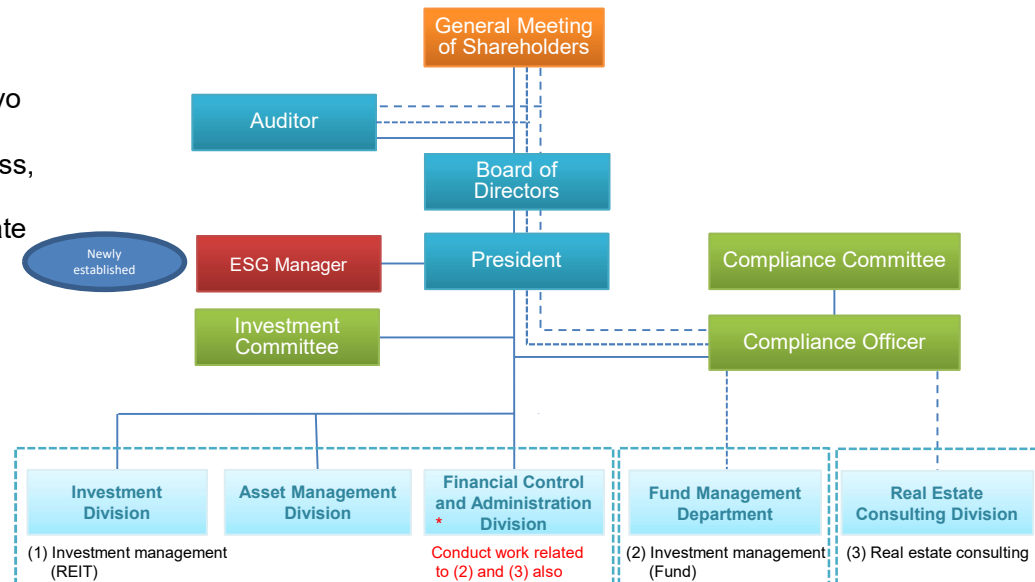


- **Established** Oct. 31, 2001
- **History**
  - Dec. 22, 2001 Obtained building lots and buildings transaction business license (Tokyo Governor (4) No.80325)
  - Nov. 11, 2004 Obtained discretionary transaction agent and other approval under the Building Lots and Buildings Transaction Business Act (Minister of Land, Infrastructure, Transport and Tourism Approval No. 25)
  - Dec. 20, 2004 Obtained investment corporation asset management business approval (Prime Minister No. 36)
  - Sept. 30, 2007 Registered as financial instruments business operator under Financial Instruments and Exchange Act (Director-General of the Kanto Local Finance Bureau (Kinsho) No. 343)
  - Oct. 1, 2010 Commenced real estate consulting business operations  
Changed trade name from Starts Asset Management Investment Trust Co., Ltd. to Starts Asset Management Co., Ltd.
  - Feb. 1, 2016 Notification of change in content and method of business concerning commencement of discretionary investment management business
  - Feb. 7, 2018 Registered Change in Type of Financial Instruments Business  
(Addition of investment advisory and agency business)

## ■ Outline

- President Kazuya Hiraide
- Head office location 3-1-8 Nihonbashi, Chuo-ku, Tokyo
- Line of business Investment management business, investment advisory and agency business and real estate consulting business
- Capital stock 150,000,000 yen
- Shareholder Starts Corporation Inc. (100%)

## ■ Organizational Chart





A series of horizontal dotted lines spanning the width of the page, providing a template for handwritten notes or text.



This document has been prepared for informational purposes only and should not be construed as an offer or solicitation of an offer to buy or sell any specific product.

This document includes charts, data and other information prepared by Starts Asset Management Co., Ltd. (the “Asset Management Company”) based on data, indices and other information disclosed by third parties, in addition to statements related to Starts Proceed Investment Corporation (“Starts Proceed”). Statements on analysis, judgments and other opinions concerning those charts, data and other information of the Asset Management Company as of the date of this document are also included.

The Asset Management Company is a financial services provider under the Financial Instruments and Exchange Act.

The contents of this document have not been audited and their accuracy and completeness are not guaranteed. Analysis, judgments and such of the Asset Management Company only reflect the views of the Asset Management Company as of the date of the document. Therefore, the contents may be changed or abolished without prior notice.

Neither Starts Proceed nor the Asset Management Company accepts responsibility for the accuracy of data, indices and other information (including data based on appraisal reports) disclosed by third parties.

This document includes statements concerning future forecast and operating results, but such statements do not guarantee the future operating results, financial standing, etc. of Starts Proceed.

While reasonable attention is paid in the preparation of this document, there may be errors and the contents may be corrected or amended without prior notice.

Unless otherwise stated, information in this document is as of April 30, 2021.