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For Immediate Release

REIT Issuer

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 (Security Code: 8979)

Asset Management Company

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

Starts Proceed Investment Corporation (“Starts Proceed”) announces that Starts Asset Management Co., Ltd., to which Starts Proceed entrusts the management of its assets (the “Asset Management Company”), today decided to conduct disposition and acquisition of trust beneficiary interest in domestic real estate (respectively the “Disposition” and the “Acquisition,” and collectively the “Transaction”). The details are as follows.

Because the counterparty of the Acquisition is an interested party, etc. as defined in the Act on Investment Trusts and Investment Corporations (Act No.198, 1951, as amended (the “Investment Trusts Act”)), the Asset Management Company, pursuant to its internal rules, has obtained consent from Starts Proceed to proceed with the transaction based on approval from the board of directors’ meeting of Starts Proceed held today.

1. Overview of the Transaction

(1) Asset to Be Disposed Through the Disposition (the “Asset to Be Disposed”)

Property No.	Property name	Buyer (Note 1)	Planned contract conclusion date	Planned disposition date (Note 2)	Planned disposition price (thousand yen) (Note 3)	Assumed book value (thousand yen) (Note 4)	Amount of difference between planned disposition price and assumed book value (thousand yen)
C-40	Proceed Motoyawata	A domestic company	July 1, 2021	July 1, 2021	336,000	263,089	72,911

(Note 1) The buyer has not agreed to the disclosure and is thus not disclosed.

(Note 2) The settlement method for the property is scheduled to be settlement of the entire amount on the planned disposition date.

(Note 3) “Planned disposition price” does not include miscellaneous disposition-related expenses, fixed property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 4) “Assumed book value” is the book value assumed as of the planned disposition date.

(2) Asset to Be Acquired Through the Acquisition (the “Asset to Be Acquired”)

Property No.	Property name	Seller (Note 1)	Planned contract conclusion date	Planned acquisition date (Note 2)	Planned acquisition price (thousand yen) (Note 3)
C-86	Proceed Shinkawa	Starts Development Corporation	July 2, 2021	July 2, 2021	500,000

(Note 1) The seller is an interested party, etc. of the Asset Management Company as defined in the Investment Trusts Act. For details, please refer to “5. Overview of Counterparty of the Transaction” below.

(Note 2) The settlement method is scheduled to be settlement of the entire amount on the planned acquisition date. The acquisition financing is scheduled to be the funds from the disposition of the Asset to Be Disposed and cash on hand.

(Note 3) “Planned acquisition price” does not include miscellaneous acquisition related expenses, fixed property taxes, city planning taxes, consumption taxes and local consumption taxes.

2. Reason for the Transaction

Starts Proceed is promoting an asset replacement strategy to enhance the competitiveness of the portfolio. It conducted a careful examination of its portfolio in terms of management status over the medium to long term as well as individual property characteristics, etc. based on such strategy. As a result, Starts Proceed decided on the Disposition of the Asset to Be Disposed upon comprehensively considering the market trends and the competitiveness of the Asset to Be Disposed as well as the acquisition of the Asset to Be Acquired as an asset replacing the Asset to Be Disposed.

As the property is 17 years old, the disposition of the Asset to Be Disposed was judged to be ideal at this point in time upon comprehensively taking into account the impacts to NOI caused by maintenance overhead including daily repair work.

In addition, the decision was made to acquire the Asset to Be Acquired based on the asset management targets and policies provided in the Articles of Incorporation of Starts Proceed on the judgment that it is an asset featuring a combination of younger property age, profitability, growth potential and stability as outlined in “3. Description of the Asset to Be Disposed and Asset to Be Acquired (2) Description of the Asset to Be Acquired Area/Property characteristics” below.

3. Description of the Asset to Be Disposed and Asset to Be Acquired

(1) Description of the Asset to Be Disposed

C-40: Proceed Motoyawata

Overview of specified asset		Overview of leasing (as of May 31, 2021)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leased units	24 (25)	
Planned disposition price	336,000 thousand yen	(Total number of leasable units)		
Location (Address)	5-10-8 Minamiyawata, Ichikawa, Chiba	Number of leased parking units (Total number of leasable parking units)	1 (1)	
PM Company / ML Company	Starts Amenity Corporation	Leased floor area	577.69 m ²	
Master lease type	Pass-through	Total leasable floor area	602.39 m ²	
Trustee	Resona Bank, Limited	Annual rent revenue	21,732 thousand yen	
Period of trust agreement	From: February 9, 2007	Security and guarantee deposits, etc.	1,880 thousand yen	
	To: October 31, 2027	Occupancy rate	95.9%	
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	168.80 m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Commercial district	Date of appraisal	April 30, 2021
	Building-to-land ratio	80%	Appraisal value	336,000 thousand yen
	Floor-area ratio	400%	Overview of building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Japan Constructive Inspect Association
	Structure	Steel-frame structure with flat roof / 10F	Date of evaluation	October 2020
	Construction completion date	January 9, 2004	Building replacement value	205,101 thousand yen
	Total floor area	707.68 m ²	Long-term repair costs (12 years)	11,344 thousand yen
	Use	Apartment complex	PML (Date of evaluation: April 2021)	4.4%
Collateral				
None				
Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The road abutting the east side of the property is a city planning road (3・5・1 Minamiyawata Yawata Line) established under the City Planning Act. Certain restrictions apply within the line of approx. 3.5 meters from the boundary line of the road (building restrictions as laid out in Article 53 of the City Planning Act) so that the types of buildings allowed for construction are limited and construction requires permission. However, with regard to the property, there are no buildings within the area where limitations apply				
Remarks				
A 4-minute walk from Moto-Yawata Station on the JR Sobu Line and a 6-minute walk from Moto-Yawata Station on the Toei Subway Shinjuku Line and Keisei Main Line				

(2) Description of the Asset to Be Acquired

C-86: Proceed Shinkawa

Overview of specified asset		Overview of leasing (as of May 31, 2021)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leased units	17(18)
Planned acquisition price	500,000 thousand yen	(Total number of leasable units)	
Location (Address)	1-25-14 Shinkawa, Chuo-ku, Tokyo	Number of leased parking units (Total number of leasable parking units)	1(1)
PM Company / ML Company	Starts Amenity Corporation	Leased floor area	540.42 m ²
Master lease type	Pass-through	Total leasable floor area	579.96 m ²
Trustee	Starts Trust Co., Ltd.	Annual rent revenue	24,744 thousand yen
Period of trust agreement	From: June 1, 2020	Security and guarantee deposits, etc.	1,992 thousand yen
	To: April 30, 2051	Occupancy rate	93.2%
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	136.18 m ²	Appraiser
	Zoning	Commercial district	Date of appraisal
	Building-to-land ratio	100%	Appraisal value
	Floor-area ratio	480%	522,000 thousand yen
Building	Ownership form	Proprietorship	Overview of building condition evaluation report
	Structure	Steel framed reinforced concrete structure with flat roof / 10F	Evaluation company
	Construction completion date	August 5, 2009	Date of evaluation
	Total floor area	818.50 m ²	Building replacement value
	Use	Apartment complex and garage	Long-term repair costs (12 years)
Collateral			
None			
Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)			
1. The building-to-land ratio of the property is essentially 80% as it stands in a commercial district. However, due to the mitigation measures for fireproof buildings in fire-prevention districts, it is set at 100%.			
2. The floor-area ratio of the property is essentially 500% as it stands in a commercial district. However, due to the restriction from the width of the front road, it is set at 480%.			
Remarks			
A 9-minute walk from Kayabacho Station on the Tokyo Metro Hibiya Line and Tozai Line and a 10-minute walk from Hatchobori Station on the Tokyo Metro Hibiya Line and JR Keiyo Line			
Area/Property characteristics			
<p>The Shinkawa area is located to the southeast of the Nihonbashi Kabutocho and Nihonbashi Kayabacho areas where the Tokyo Stock Exchange is located in addition to many securities firms. The area therefore hosts an assemblage of related companies. It is also adjacent to Marunouchi, Otemachi, Yaesu and other business areas around Tokyo Station, making it highly convenient. In recent years, there have been developments of many condominiums targeting business people working in downtown Tokyo. Also, the bank along Sumida River has been developed as Chuo Ward's Shinkawa Park, which serves as a place of relaxation for residents.</p> <p>The area surrounding the property is a mixed commercial-residential area with medium- to high-rise condominiums, office buildings, etc., being located behind Eitai-dori Street and Kajibashi-dori Street and within walking distance of Hatchobori Station and Kayabacho Station.</p> <p>Strong demand is anticipated for the property as the building and equipment specifications meet the basic standards and the property is suitable for single persons and working bachelors owing to the excellent location, as well as based on the property's occupancy status.</p>			

[Explanation]

1. "Type of specified asset" indicates the type as a specified asset, such as trust beneficiary interests, real estate, etc. "Use" is indicated in accordance with the stated categories in "Part I. Fund Information, Item 1. Situation of the Fund, 2. Investment Policies, (1) Investment Policies, 3) Portfolio Construction Policies" set out in the Securities Report.
2. "Planned disposition price" and "Planned acquisition price" indicate the amount (transaction price stated in the trust beneficiary interest transaction agreement, etc.) excluding the various expenses (real estate transaction brokerage fee, etc.) required for the disposition and acquisition of the Asset to Be Disposed and Asset to Be Acquired.
3. "PM Company / ML Company" indicates the property management company that has concluded a property management agreement and the master lease company that has concluded a master lease agreement, agreements that are effective as of today for each property, or indicates the property management company that is scheduled to conclude a property management agreement and the master lease company that is scheduled to conclude a master lease agreement at the time of acquisition by Starts Proceed. For "Master lease type," "Pass-through" is indicated for a master lease in which the trustee and the master lease company has agreed that the master lease company pays the same amount as the rent stated in the sublease agreement concluded between the master lease company and the end tenant to the trustee.
4. "Trustee" indicates the trustee or planned trustee at the time of disposition or acquisition by Starts Proceed. As to "Period of trust agreement," the starting date is the effective date of the trust agreement that is effective as of today (for trust agreement that is scheduled to be concluded, the scheduled effective date is indicated), and the ending date is the termination date of the trust agreement that is scheduled to be agreed (including agreement for amendments) between the parties of the trust agreement on the same date as acquisition by Starts Proceed.
5. Concerning the description of "Land" and "Building"
 - "Site area," "Structure," "Construction completion date" and "Total floor area" are in accordance with information described in the certificate of entry in real estate registration. For properties that have annex buildings, the annex buildings are not included in "Total floor area." However, it may be different if the description has been found incorrect as a result of investigation.
 - "Zoning" indicates the type of zoning district classified in accordance with Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, as amended).
 - "Building-to-land ratio" is the ratio of the building area of the building to the site area as stipulated in Article 53 of the Building Standards Act (Act No. 201 of 1950, as amended; the "Building Standards Act") and indicates the maximum figures stipulated in the city plan in accordance with the zoning, etc. Pursuant to Article 53, Paragraph 3 or Paragraph 5 of the Building Standards Act, corner lots in a block and fireproof buildings, etc. in fire prevention districts may be subject to mitigation of building-to-land ratio or may not be subject to building-to-land ratio restriction itself. There are cases in which separate restrictions, mitigations, etc. may apply in accordance with the Building Standards Act or other administrative laws and regulations. In such cases, figures after application of such restrictions, mitigations, etc. are indicated.
 - "Floor-area ratio" is the ratio of the total floor area of the building to the site area as stipulated in Article 52 of the Building Standards Act and indicates the maximum figures stipulated in the city plan in accordance with the zoning, etc. Pursuant to Article 52, Paragraph 2 or Paragraph 9 of the Building Standards Act, restrictions due to frontage road width rules or mitigations due to specified road rules may apply in some cases. There are cases in which separate restrictions, mitigations, etc. may apply in accordance with the Building Standards Act or other administrative laws and regulations. In such cases, figures after application of such restrictions, mitigations, etc. are indicated.
 - If more than one zoning exists for one property, pursuant to Article 53, Paragraph 2 or Article 52, Paragraph 7 of the Building Standards Act, "Building-to-land ratio" and "Floor-area ratio" indicate the weighted average figures in accordance with the size of area of each zoning that are on the design drawing / completion drawing, etc. from the time of construction.
6. Concerning the description of "Overview of leasing"
 - For all Asset to Be Disposed and Asset to Be Acquired, a master lease agreement with Starts Amenity Corporation as a lessee and a sublessor is concluded or scheduled to be concluded among Starts Proceed, the trustee and Starts Amenity Corporation at the time of disposition or acquisition by Starts Proceed. Thus "Total number of tenants" indicates the number with the master lease company as a tenant as of now or after the acquisition.
 - "Number of leased units (Total number of leasable units)," "Leased floor area," "Total leasable floor area," "Annual rent revenue" and "Security and guarantee deposits, etc." are indicated in accordance with the same standards as the description of notes for the table illustrated in "Part I. Fund Information, Item 1. Situation of the Fund, 5. Management Status, (2) Investment Assets, 3) Other Major Investment Assets, (iv) Overview of Leasing Status, a. Overview of Leasing Status" set out in the Securities Report. "Number of leased parking units (Total number of leasable parking units)" is indicated in accordance with the same standards as the description of notes at the beginning of "Part I. Fund Information, Item 1. Situation of the Fund, 5. Management Status, (2) Investment Assets, 3) Other Major Investment Assets, (vi) Individual Overview of Real Estate in Trust for Acquired Assets" set out in the Securities Report.
 - "Occupancy rate" is the ratio of leased floor area to each tenant to the total leasable floor area of each property and is rounded off to the first decimal place.
7. "Overview of appraisal report" describes the content indicated in the appraisal report prepared for the Asset to Be Disposed and Asset to Be Acquired.
8. Concerning the description of "Overview of building condition evaluation report"
 - Contents described in the building condition evaluation report and the seismic risk evaluation report that were prepared for the Asset to Be Disposed and Asset to Be Acquired are provided.
 - "Building replacement value" is the total amount of appropriate costs required assuming to reconstruct the subject building on the date of evaluation.
 - "Long-term repair costs" is the total amount of expected long-term repair costs (12 years) based on the building condition evaluation report.
 - Figures of "PML" are the figures in the report prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd. "PML" represents the probable maximum loss that the subject facility or group of facilities may suffer from an earthquake with a 10% probability of exceedance in 50 years (earthquake corresponding to a 475-year return period) by expressing the amount of physical loss corresponding to a 90% non-exceedance probability in the event of such earthquake as a percentage of the building replacement value.
9. "Collateral" describes the existence/non-existence of collateral as on the date of disposition and acquisition of the Asset to Be Disposed and Asset to Be Acquired.
10. Concerning the description of "Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)"
 - In principle, it describes (1) the rights of third parties other than the tenants housed in the Asset to Be Disposed and Asset to Be Acquired and restrictions, etc. based on such rights, and (2) restrictions, etc. from administrative laws and regulations related to the Asset to Be Disposed and Asset to Be Acquired, as of today. In case a specific description refers to fact situations as on the date of disposition and acquisition by Starts Proceed, description is made based on future prediction that is as rational as possible as of today.
 - When the type of a specified asset that Starts Proceed is acquiring is trust beneficiary interest, description of "acquired by Starts Proceed" also refers to acquisition by Starts Proceed through trust beneficiary interest. In such cases, legal owner or right holder of the real estate that is the trust asset of the trust beneficiary interest is the trustee, and Starts Proceed acquires the trust beneficiary interest.
11. "Area/Property characteristics" is based on the description on the appraisal report, market report, etc. prepared for the Asset to Be Acquired.

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

(1) Overview of Appraisal Report of the Asset to Be Disposed

Property name	Proceed Motoyawata
Appraisal value	336,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	April 30, 2021

(Unit: thousand yen)

Item	Amount	Details
Income approach value	336,000	Estimated by emphasizing income approach value obtained through the DCF method while also relating value based on direct capitalization method
Value based on direct capitalization method	339,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	22,662	-
Effective gross income	23,790	Assessed gross income that is stable over the medium to long term, taking into account rent based on the current lease agreement, new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	1,128	Assessed by taking into account the current lease agreement conditions and setting an occupancy rate (vacancy rate) that is stable over the medium to long term
Operating expenses	6,021	-
Maintenance expenses	1,084	Assessed by taking into account the historical data, the level of expenses of similar properties, etc., based on the current PM contract terms
Utility expenses	309	Assessed by taking into account the level of expenses of similar properties, etc., based on the historical data
Repair expenses	1,124	Assessed by taking into account the estimated repair expenses stated in the engineering report, the historical data and the level of expenses of similar properties
PM fees	806	Assessed by taking into account the level of expenses of similar properties, etc., based on the current PM contract terms
Tenant solicitation expenses, etc.	1,075	Assessed by taking into account the level of expenses of similar properties, assumed tenant turnover rate (average turnover period), etc., based on the current PM contract terms
Taxes and public dues	1,223	Employed the most recent actual amount
Non-life insurance fees	70	Employed the most recent actual amount
Other expenses	330	Assessed based on past performance, etc.
Net operating income (NOI)	16,641	-
Gain on management of income from lump-sum payment	17	Assessed assuming management yield at 1.0%
Capital expenditures	1,050	Assessed by taking into account the estimated renewal expenses stated in the engineering report and the assessment value calculated from a stable perspective over the medium to long term based on the use, age, structure, management status of the target building
Net income (NCF)	15,608	-
Capitalization rate	4.6%	Assessed by taking into account the characteristics of the property such as location, specifications, rights, etc., using investment yield relating to transactions of similar properties as reference
Value of earnings calculated by discounted cash flow (DCF) method	335,000	-
Discount rate	4.4%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Terminal capitalization rate	4.8%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Cost method value	226,000	-
Land ratio	58.4%	-
Building ratio	41.6%	-

Other items considered by real estate appraisal agent upon appraisal

Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.

(2) Overview of Appraisal Report of the Asset to Be Acquired

Property name	Proceed Shinkawa
Appraisal value	522,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	June 1, 2021

(Unit: thousand yen)

Item	Amount	Details
Income approach value	522,000	Estimated by emphasizing income approach value obtained through the DCF method while also relating value based on direct capitalization method
Value based on direct capitalization method	533,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenue	27,277	-
Effective gross income	28,602	Assessed gross income that is stable over the medium to long term, considering the building lease agreement, profitability of the property, etc. and taking into account new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	1,325	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term, taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	6,614	-
Maintenance expenses	1,531	Assessed by taking into account the historical data, the level of expenses of similar properties, etc., based on the current PM contract terms
Utility expenses	334	Assessed by taking into account the level of expenses of similar properties, etc., based on the historical data
Repair expenses	1,050	Assessed by taking into account the estimated repair expenses stated in the engineering report, the historical data and the level of expenses of similar properties
PM fees	728	Assessed by taking into account the level of expenses of similar properties, etc., based on the current PM contract terms
Tenant solicitation expenses, etc.	1,084	Assessed by taking into account the level of expenses of similar properties, assumed tenant turnover rate (average turnover period), etc., based on the current PM contract terms
Taxes and public dues	1,644	Employed the most recent actual amount
Non-life insurance fees	37	Recorded estimated amount
Other expenses	206	Assessed based on current contract terms, past performance, etc.
Net operating income (NOI)	20,663	-
Gain on management of income from lump-sum payment	20	Assessed assuming management yield at 1.0%
Capital expenditures	954	Assessed by taking into account the estimated renewal expenses stated in the engineering report and the assessment value calculated from a stable perspective over the medium to long term based on the use, age, structure, management status of the target building
Net income (NCF)	19,729	-
Capitalization rate	3.7%	Assessed by taking into account the characteristics of the property such as location, specifications, rights, etc., using investment yield relating to transactions of similar properties as reference.
Value of earnings calculated by discounted cash flow (DCF) method	517,000	-
Discount rate	3.5%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Terminal capitalization rate	3.9%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Cost method value	518,000	-
Land ratio	75.3%	-
Building ratio	24.7%	-

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

(1) Overview of Buyer

The name, etc., of the buyer (a domestic company) are not disclosed as consent for disclosure has not been obtained. There is no capital, personal or business relationship to report concerning Starts Proceed and the Asset Management Company with the buyer. The buyer does not fall within the scope of a related party of Starts Proceed and the Asset Management Company.

(2) Overview of Seller (as of March 31, 2020)

Name	Starts Development Corporation
Location	3-1-8 Nihonbashi, Chuo-ku, Tokyo
Representative	Kazuyoshi Yoshizawa, President
Main business activities	Real estate development, planning and sales
Capital	320 million yen
Established	October 3, 2005
Net assets	-4,645 million yen
Total assets	33,628 million yen
Major shareholder and shareholding ratio	Starts Corporation Inc. (100%)
Relationship with Starts Proceed and the Asset Management Company	<p>The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company has concluded a pipeline support agreement with the Asset Management Company and has been providing the Asset Management Company with property information, warehousing function, etc. The company falls within the scope of a related party of Starts Proceed and the Asset Management Company.</p> <p>Starts Proceed sold two properties (785 million yen) to the company in the fiscal period ended April 2021.</p>

6. Overview of Brokerage (as of March 31, 2020)

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

Name	Starts Corporate Service Inc.
Location	3-1-8 Nihonbashi, Chuo-ku, Tokyo
Representative	Toshiya Arai, President
Main business activities	Lease brokerage, transaction brokerage and real estate management
Capital	100 million yen
Established	October 3, 2005
Relationship with Starts Proceed and the Asset Management Company	<p>The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company falls within the scope of a related party of Starts Proceed and the Asset Management Company.</p>
Brokerage fee	10,140 thousand yen (excluding consumption tax, etc.)

7. Transaction with Interested Parties of the Transaction

Starts Development Corporation, which is the seller of the Asset to Be Acquired, Starts Amenity Corporation, to which master lease and property management after the acquisition of the Asset to Be Acquired are planned to be entrusted, Starts Pitat House Co., Ltd., to which leasing business of the property management is subcontracted, Starts Trust Co., Ltd., to which trust services of the Asset to Be Acquired are planned to be entrusted, and Starts Corporate Service Inc., which is the broker of the Asset to Be Disposed, each fall within the scope of an interested party, etc. of the Asset Management Company as defined in the Investment Trusts Act. Accordingly, all transactions have been determined after following appropriate procedures based on the internal rules of the Asset Management Company and pursuant to standards stipulated by laws and regulations.

Overview of Planned Company Entrusted with Master Lease and Property Management (as of March 31, 2020)

Name	Starts Amenity Corporation
Location	8-4-3 Ichinoe, Edogawa-ku, Tokyo
Representative	Manabu Nakamatsu, President
Main business activities	Real estate management and operation, construction, interior finishing and other businesses
Capital	350 million yen
Established	April 1, 1985
Relationship with Starts Proceed and the Asset Management Company	<p>The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company is leasing all properties excluding one of the assets acquired in a lump based on the master lease agreement. The company has concluded a pipeline support agreement with the Asset Management Company and has been providing the Asset Management Company with property information, warehousing function and such.</p> <p>The company falls within the scope of a related party of Starts Proceed and the Asset Management Company.</p>

Overview of Planned Company Entrusted with Trust Services (as of March 31, 2020)

Name	Starts Trust Co., Ltd.
Location	3-1-8 Nihonbashi, Chuo-ku, Tokyo
Representative	Sadao Watanabe, President
Main business activities	Trust services, purchase/sales of trust beneficiary interest in real estate, purchase/sales and leasing agent and brokerage, etc. of real estate
Capital	300 million yen
Established	September 3, 2009
Relationship with Starts Proceed and the Asset Management Company	<p>The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company falls within the scope of a related party of Starts Proceed and the Asset Management Company.</p>

8. Status of Parties Related to the Acquisition of the Asset to Be Acquired

Property No.	Property name	Current owner		Previous owner	
		Name	Starts Development Corporation	Name	Other than one with a relationship of special interest
C-86	Proceed Shinkawa	Relationship with related parties	Please refer to "5. Overview of Counterparty of the Transaction" above	Relationship with related parties	—
		Acquisition background and reason, etc.	Acquisition for provision of warehousing function before acquisition by Starts Proceed	Acquisition background and reason, etc.	—
		Acquisition price	Omitted as the current owner's ownership exceeds one year	Acquisition price	—
		Acquisition period	June 1, 2020	Acquisition period	—

9. Future Outlook

Because the impact on the management status for the fiscal period ending October 2021 (May 1, 2021 to October 31, 2021) and the fiscal period ending April 2022 (November 1, 2021 to April 30, 2022) announced on June 15, 2021, is minimal, there will be no revisions to the management status forecast.

<Attachment>

[Attachment 1] Portfolio List After the Transaction

[Attachment 2] Photos and Map of the Asset to Be Acquired

* Distribution: Kabuto Club, Ministry of Land, Infrastructure, Transport and Tourism Press Club, and Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications

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

[Attachment 1] Portfolio List After the Transaction

Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
C-1	Proceed Ichikawa	1,076,000	1.2
C-2	Proceed Toyocho	646,700	0.7
C-3	Proceed Kasai	688,700	0.8
C-4	Proceed Sangenjaya	555,900	0.6
C-5	Proceed Mizue	602,600	0.7
C-6	Proceed Funabashi Miyamoto	419,900	0.5
C-7	Proceed Minamikasai	303,500	0.3
C-9	Proceed Gyotoku	315,600	0.4
C-10	Proceed Makuharihongo	279,300	0.3
C-11	Proceed Minamigyotoku	287,300	0.3
C-12	Proceed Makuharihongo 2	223,400	0.3
C-14	Proceed Funabori	226,100	0.3
C-15	Proceed Takenozuka	169,400	0.2
C-16	Proceed Sengendai 2	86,700	0.1
C-17	Proceed Shoto	937,400	1.1
C-18	Proceed Sangubashi	497,600	0.6
C-19	Proceed Urayasu	431,400	0.5
C-20	Proceed Shinkoiwa	465,200	0.5
C-23	Proceed Toritsudaigaku	790,400	0.9
C-24	Proceed Toritsudaigaku 2	772,200	0.9
C-25	Proceed Honjoazumabashi	339,800	0.4
C-26	Proceed Meguro Aobadai	466,700	0.5
C-27	Proceed Suginami Miyamae	454,900	0.5
C-28	Proceed Ryogoku	443,900	0.5
C-29	Proceed Mita	1,537,200	1.7
C-30	Proceed Nakanoshimbashi	638,800	0.7
C-31	Proceed Kameido	339,000	0.4
C-32	Proceed Takadanobaba	223,700	0.3
C-33	Proceed Shinkoenji	742,100	0.8
C-34	Proceed Koenjiminami	277,400	0.3
C-35	Proceed Hasune	284,000	0.3
C-36	Proceed Oimachi	944,000	1.1
C-37	Proceed Jujo	533,000	0.6
C-38	Proceed Hakuraku	241,000	0.3
C-39	Proceed Shinmaruko	635,000	0.7
C-41	Proceed Nishiarai	5,172,000	5.8
C-42	Proceed Chofu	460,500	0.5
C-43	Proceed TX Rokucho	156,800	0.2
C-44	Proceed Nakagawara	1,141,000	1.3
C-45	Proceed Oizumigakuen	268,300	0.3
C-46	Proceed Chitosekarasuyama	289,600	0.3
C-47	Proceed Mitaka	477,200	0.5
C-48	Proceed Kashiwa Est	732,000	0.8
C-49	Proceed Kashiwa Nord	689,000	0.8



Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
C-50	Proceed Gyotokuekimae	331,000	0.4
C-51	Proceed Funabashi Honcho	531,700	0.6
C-52	Proceed Nishikawaguchi	881,000	1.0
C-53	Proceed Gumyoji	552,000	0.6
C-54	Proceed Tsurugamine	356,000	0.4
C-55	Proceed Sagamiotsuka	234,000	0.3
C-56	Proceed Shinozaki 2	913,300	1.0
C-57	Proceed Kashiwa Trois	537,100	0.6
C-58	Proceed Shinozaki Tower	1,564,000	1.8
C-59	Proceed Tobu Nerima	422,000	0.5
C-60	Proceed Yukigaya	323,000	0.4
C-61	Proceed Ichikawa Minami	687,000	0.8
C-62	Proceed Ichikawa Myoden	498,000	0.6
C-63	Proceed Fujisawa Kugenuma	729,000	0.8
C-64	Proceed Nihonbashi-horidomecho	1,485,800	1.7
C-65	Proceed TX Nagareyama Central Park	979,700	1.1
C-66	Proceed Gyotoku 2	830,000	0.9
C-67	Proceed Nishikasai	875,600	1.0
C-68	Proceed Kasai 2	750,000	0.8
C-69	Proceed Nihonbashi Honcho	2,449,000	2.8
C-70	Proceed Nishi Shinjuku	2,549,000	2.9
C-71	Proceed Unoki	917,000	1.0
C-72	Proceed Minamigyotoku 2	1,080,000	1.2
C-73	Proceed CO-Z East Building	1,830,000	2.1
C-74	Proceed CO-Z West Building	971,000	1.1
C-75	Proceed Shin Yokohama	4,330,000	4.9
C-76	Life Support Residence Funaboriekimae	380,000	0.4
C-77	Proceed Kinshicho	2,140,000	2.4
C-78	Proceed K2	1,170,000	1.3
C-79	Proceed K3 Annex	283,000	0.3
C-80	Proceed K5	269,000	0.3
C-81	Proceed Ichikawa Myoden II	800,000	0.9
C-82	The Parkhabio Yokohama Yamate	3,047,000	3.4
C-83	Proceed Monzennakacho	1,240,000	1.4
C-84	Proceed Maihama	1,029,000	1.2
C-85	Proceed Nagareyama Otakanomori	1,069,000	1.2
C-86	Proceed Shinkawa	500,000	0.6
Tokyo metropolitan area major cites subtotal		66,795,400	75.5
G-8	Proceed Taikodori	403,400	0.5
G-11	Proceed Honamicho	275,000	0.3
G-13	Proceed Shinsakae	792,500	0.9
G-14	Proceed Chiyoda	309,300	0.3
G-15	Proceed Fukuoka Takamiya	453,600	0.5
G-17	Proceed Kanayama	1,022,000	1.2
G-18	Proceed Fukiage	499,000	0.6
G-19	Proceed Toyota	219,000	0.2



Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
G-21	Proceed Nishitenma	880,000	1.0
G-22	Proceed Kobemotomachi	780,000	0.9
G-23	Group Home Tanoshii Ie Taisho	158,000	0.2
G-24	Proceed Kanayama 2	2,040,400	2.3
G-25	Proceed Aratamabashi	2,129,600	2.4
G-26	Proceed Bentencho	2,170,000	2.5
G-27	Proceed Nagaikoendori	1,070,000	1.2
G-30	Proceed Hyogoekimaedori	1,670,000	1.9
G-31	Proceed Mizuho	535,000	0.6
G-32	Proceed Osu	831,000	0.9
G-33	Proceed Sendai Kozurushinden	698,000	0.8
G-34	Proceed Sendai Kamisugi	1,560,000	1.8
G-35	Proceed Kanayama 3	770,000	0.9
Cabinet order designated cities subtotal		19,265,800	21.8
R-2	Proceed Mito	383,700	0.4
R-3	Proceed Mito 2	416,900	0.5
R-4	Proceed Tsukuba Gakuentoshi	775,600	0.9
R-5	Proceed Mito 3	824,000	0.9
Regional area major cities subtotal		2,400,200	2.7
Portfolio total		88,461,400	100.0

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

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

[Attachment 2] Photos and Map of the Asset to Be Acquired
(C-86) Proceed Shinkawa



Location (Address): 1-25-14 Shinkawa, Chuo-ku, Tokyo

