



# Financial Results Briefing

18th Fiscal Period (six months ended October 31, 2014)



Starts Proceed  
Investment Corporation

Starts Proceed Investment Corporation

Starts Asset Management Co., Ltd.



Starts Asset Management  
Company Limited

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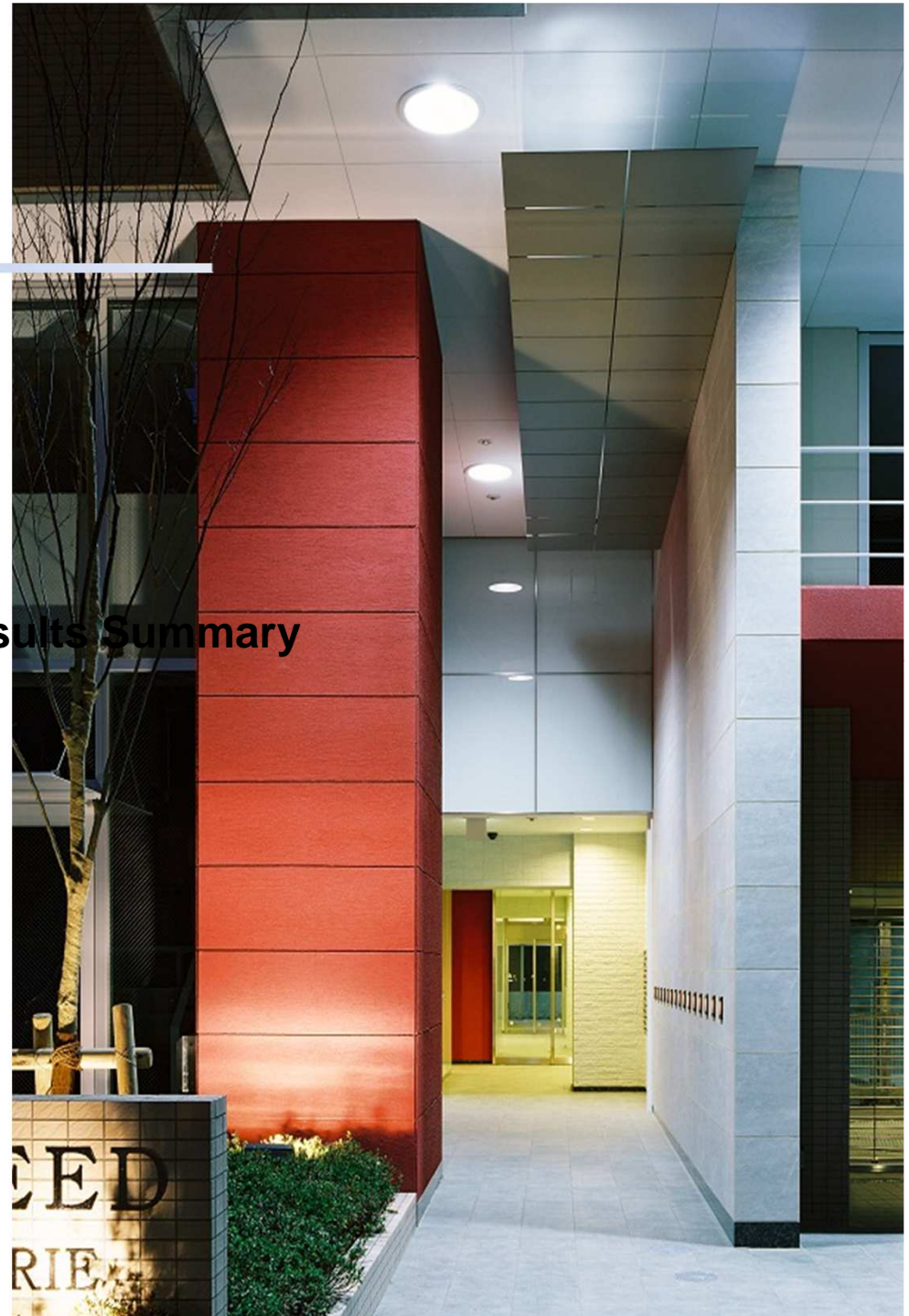
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**(1) 18th Fiscal Period Financial Results Summary**



# 18th Fiscal Period Financial Results Highlights



## Achieved Results Exceeding Forecast at Beginning of Period in 18th Period

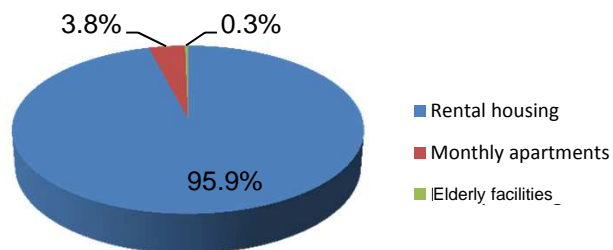
	Forecast at beginning of 18th fiscal period		Results of 18th fiscal period	Comparison with 17th fiscal period
Distribution per unit	<b>4,010 yen</b>	+18 yen (+0.4%)	<b><u>4,028 yen</u></b>	-168 yen (-4.0%)

## Overview of Portfolio Assets at End of 18th Fiscal Period (October 31, 2014)

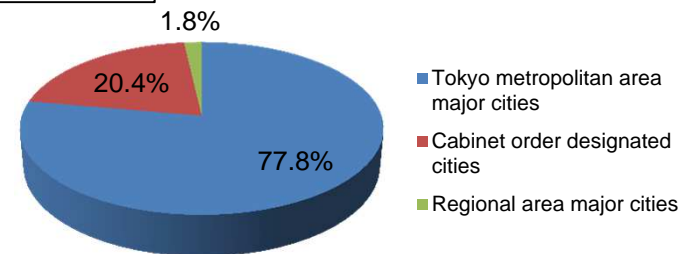
Total acquisition price	<u>47,994 million yen</u>	Total number of leasable units	<u>3,559 units</u>
Number of properties	<u>89 properties</u>	Total number of leasable parking spaces	<u>820 vehicles</u>
Gross leasable area	<u>124,700.28m<sup>2</sup></u>	Occupancy rate (at end of 18th fiscal period)	<u>96.8%</u>
Average building age	<u>14.0 years</u>	NOI yield	<u>6.0%</u>

## Portfolio Data (89 Assets)

Portfolio by use



Portfolio by region



# 18th Fiscal Period Financial Results: Comparison between Previous Period Results and Beginning of Period Forecast



(Unit: million yen)

	17th FP Results	18th FP forecast	18th FP Results	Difference from 17th FP Results	Reason for Difference	Difference From 18th FP Forecast	Reason for Difference
Operating revenue	1,926	1,920	1,916	-10	Decrease by seasonal fluctuations	-4	—
Operating expenses	1,110	1,125	1,123	13	Increase in loss on consumption taxes difference	-2	—
[Of which, expenses related to rent business]	(873)	(873)	(873)	-	—	-	—
Operating income	816	794	793	-23	—	-1	—
Non-operating income	7	1	8	1	—	7	Increase in insurance income, etc.
Non-operating expenses	214	213	216	2	—	3	—
Ordinary income	609	583	585	-24	—	2	—
Net income	608	581	584	-24	—	3	—
Distribution per unit (yen)	4,196	4,010	4,028	-168	—	18	—

**Distribution**  
**18th FP: 4,028 yen**

### **Difference from 17th Fiscal Period Results**

Operating revenue decreased due to seasonal fluctuations.  
Expenses for loss on consumption taxes difference increased due to the increase in consumption tax.

### **Difference from 18th Fiscal Period Forecast**

Both operating income and operating expenses were generally as forecasted at the beginning of the fiscal period.  
Distributions exceeded the forecast with the contribution from the improvement of non-operating income and loss.

(Note) The forecast figures for the 18th fiscal period are calculated based on certain assumptions as at June 13, 2014.

# Management Forecast for 19th and 20th Fiscal Periods



(Unit: million yen)

	18th FP results	19th FP Forecast	Difference from 18th FP Results	Reason for difference	20th FP Forecast	Difference From 19th FP Forecast	Reason for difference
Operating revenue	1,916	2,229	313	November 4, 2014 property acquisitions	2,234	5	—
Operating expenses	1,123	1,285	162		1,310	24	Increase in loss on consumption taxes difference
[Of which, expenses related to rent business]	(873)	(1,028)	(155)		(1,009)	(-19)	
Operating income	793	944	150		923	-21	—
Non-operating income	8	1	-7	Decrease in insurance income	1	-	—
Non-operating expenses	216	228	12	—	224	-4	—
Ordinary income	585	716	131	—	700	-16	—
Net income	584	715	131	—	698	-17	—
Distribution per unit (yen)	4,028	4,115	87	—	4,020	-95	—
Acquisition price	47,994	57,110	9,116	November 4, 2014 property acquisitions	57,110	-	—
Number of properties (properties)	89	96	7		96	-	—
Total number of units (units)	3,559	3,969	410		3,969	-	—

**Forecast distribution**  
**19th FP: 4,115 yen**  
**20th FP: 4,020 yen**

## 19th Fiscal Period Forecast

Operating revenue is forecast to increase due to the acquisition of 7 properties and distributions are forecast to increase 87 yen from the previous fiscal period to 4,115 yen per unit due to the absorption of increases in various expenses by the property acquisitions.

## 20th Fiscal Period Forecast

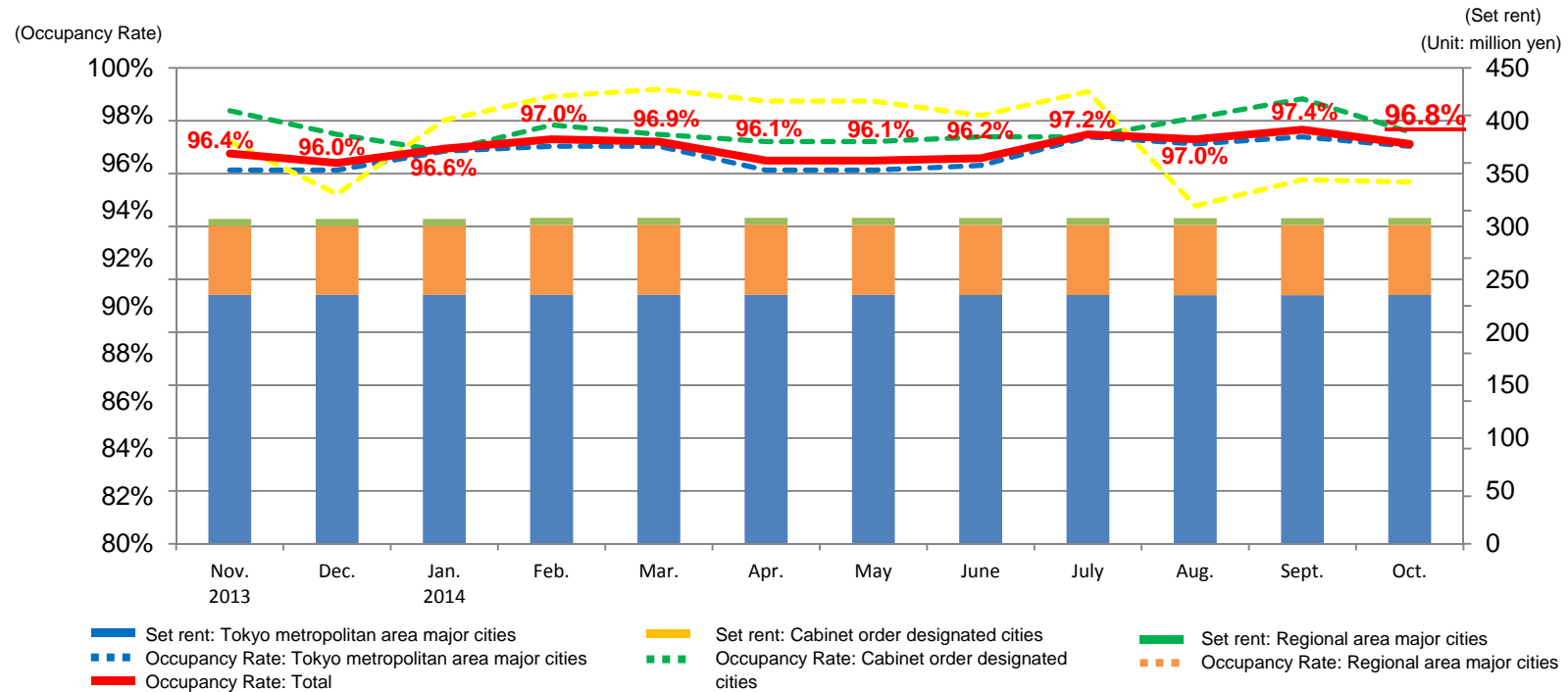
Operating revenue is forecast to increase but distributions are forecast to decrease 95 yen from the previous fiscal period to 4,020 yen per unit as the merits of the revenue increase from property acquisitions in the 19th FP (consumption taxes difference) will be absent.

(Note) The forecast figures for the 19th and 20th fiscal periods above are calculated based on certain assumptions as at December 15, 2014. Accordingly, actual operating revenue, operating expenses and (of which) expenses related to rent business, operating income, non-operating income, non-operating expenses, ordinary income, net income and distribution per unit, etc. may vary due to future additional acquisition or sale of real estate, etc., changes in the real estate market, etc., changes in the management environment or other circumstances surrounding Starts Proceed and other factors.

# Status of Occupancy Conditions of AUM



## Changes in Period-Round Occupancy Rates and Set Rent



## Comparison between Set Key Money Total Amount and Set Rent (Note)

(at end of period)

	15th FP	16th FP	17th FP	18th FP
Total (thousand yen)	141,751	182,693	187,264	184,992
Comparison with set rent (months)	0.83	0.79	0.81	0.81

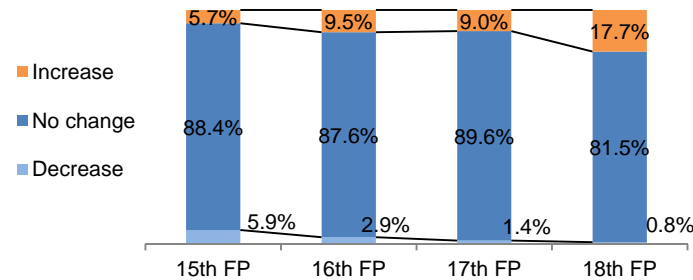
The period-round occupancy rate is stable at 96% or more.  
 The 18th fiscal period's average occupancy rate was 96.8% (96.5% for the previous fiscal period).

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

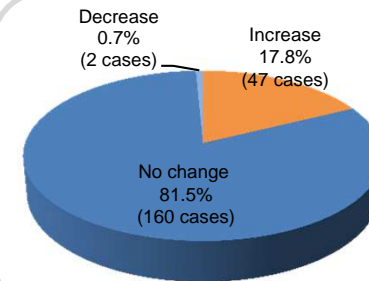
# Status of Leasing Conditions of AUM

## Renewal / Newly-Advertised Conditions Setting (Note1)

### Renewal Rent Revision



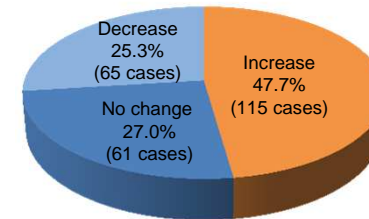
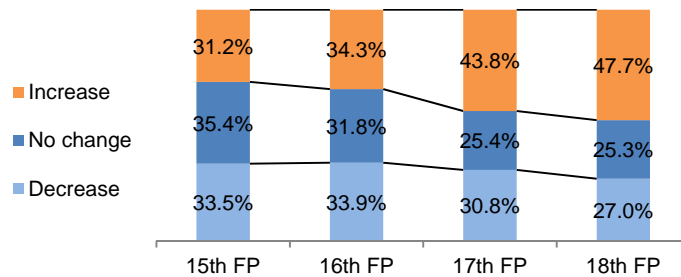
18th FP



(Unit: thousand yen)

	Cases	Change
Increase	47 cases	67
No change	216 cases	-
Decrease	2 cases	-5
<b>Total</b>	<b>265 cases</b>	<b>62</b>

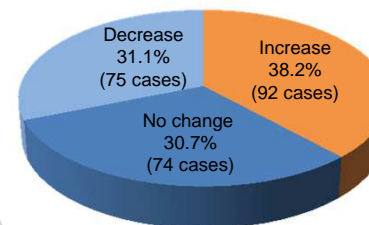
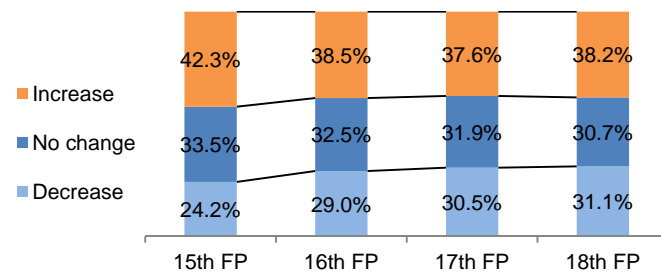
### Newly-Advertised Rent Setting



(Unit: thousand yen)

	Cases	Change
Increase	115 cases	416
No change	61 cases	-
Decrease	65 cases	-405
<b>Total</b>	<b>241 cases</b>	<b>11</b>

### Newly-Advertised Key Money Setting (Note 2)



(Unit: thousand yen)

	Cases	Change
Increase	92 cases	4,593
No change	74 cases	-
Decrease	75 cases	-5,402
<b>Total</b>	<b>241 cases</b>	<b>-809</b>

The total change in “renewal rent revision” was an **increase**, as was the case in the 17th fiscal period.

The total change in “newly-advertised rent setting” had been decrease up to the 17th fiscal period but the 18th fiscal period saw an **increase**.

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

(Note 2) “Newly-advertised key money setting” is the amount of difference between the total amount of key money received from the previous end-tenants and the total amount of the newly-advertised key money setting after the agreement cancellation.



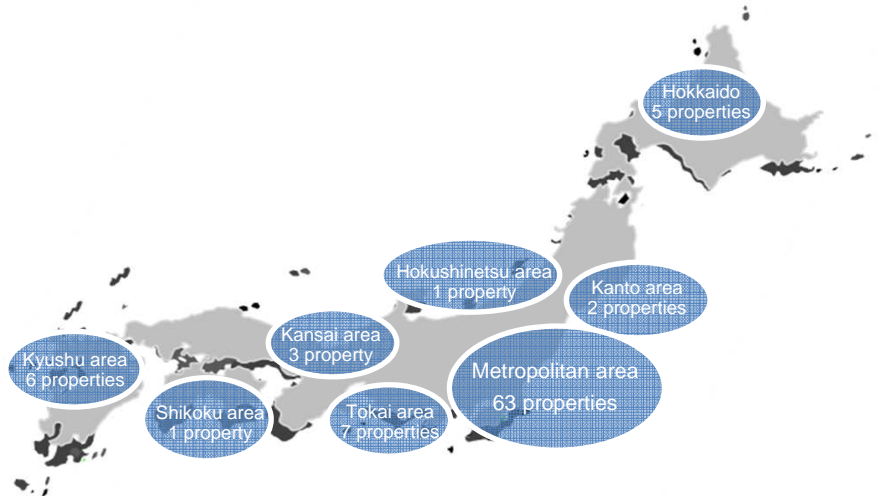
# Building a Portfolio that Responds to Various Fluctuation Risks

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

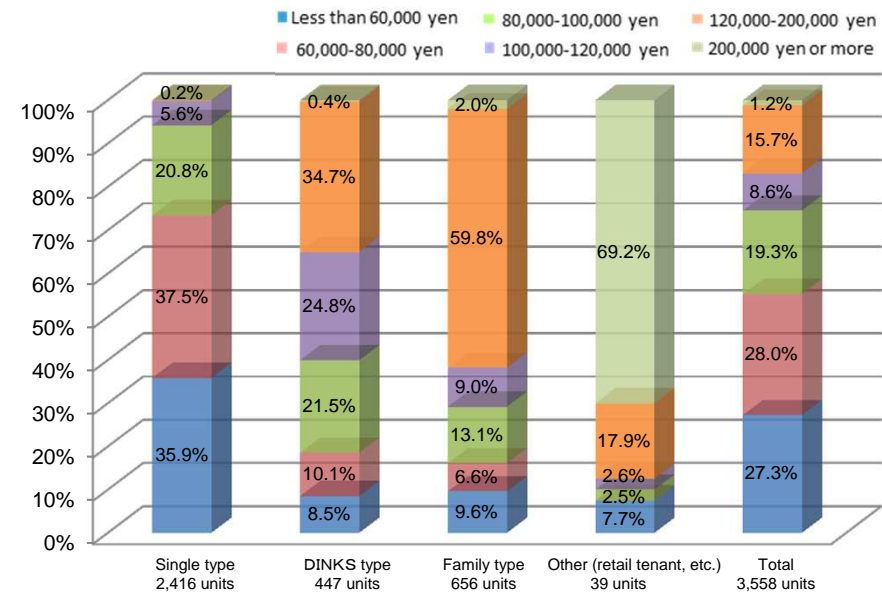
Investment is diversified across the single type to family type in an aim to build a portfolio that can respond to the rent market, resident demand and other fluctuations as much as possible. In addition, rather than large-scale high-rent properties, **investment is made primarily in rental housing for middle-income households, the demand for which is the largest**, in the view that such will enable stable management over the medium to long term.

Average Rent Range by Residential Unit Type (Note 1-5)

Residential unit type	Average rent (yen)		Change (yen)	Change (%)
	17th FP	18th FP		
Single type	68,149	68,118	-31	-0.1
DINKS type	102,916	104,617	1,701	1.7
Family type	129,547	129,105	-442	-0.4
Other (retail tenant, etc.)	358,043	357,332	-711	-0.2
Overall average	87,015	87,118	103	0.2



Starts Proceed Portfolio's Rent Range by Residential Unit Type



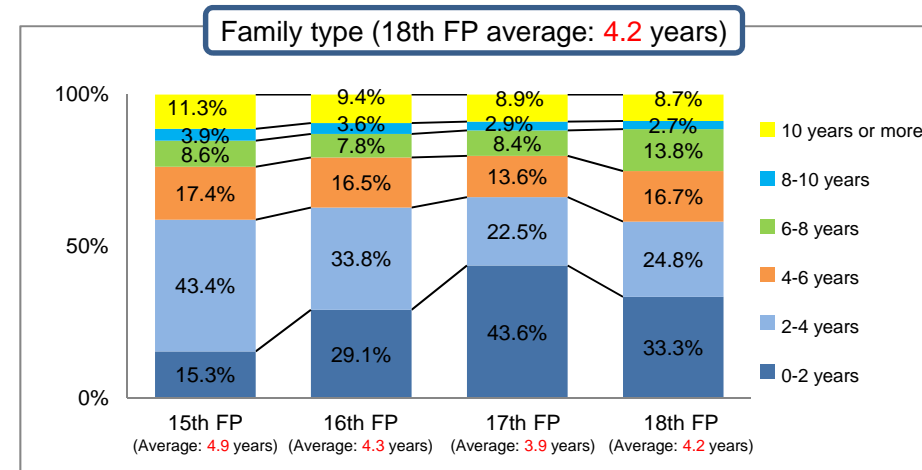
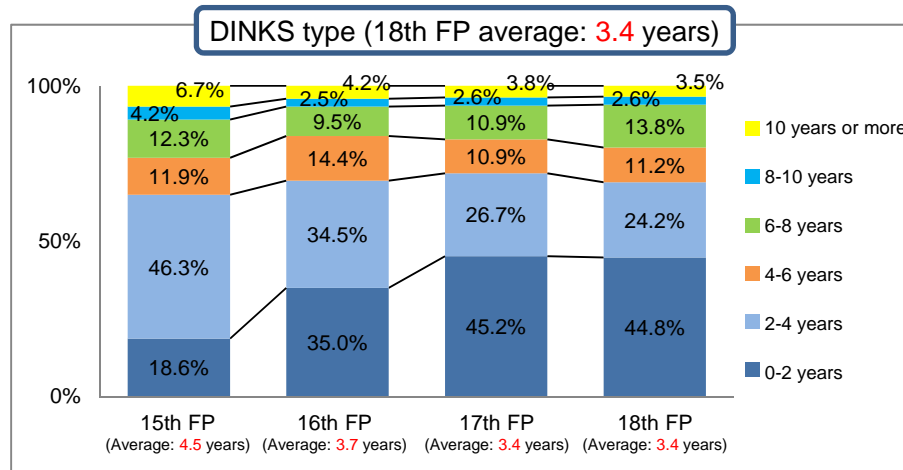
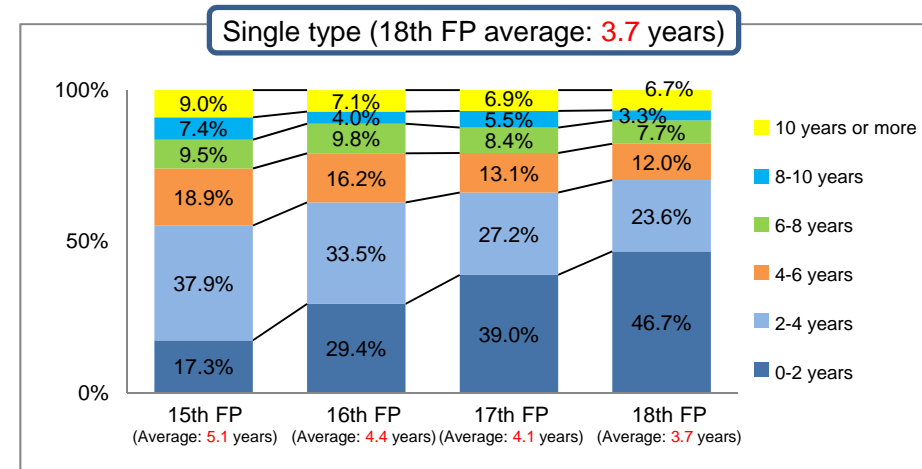
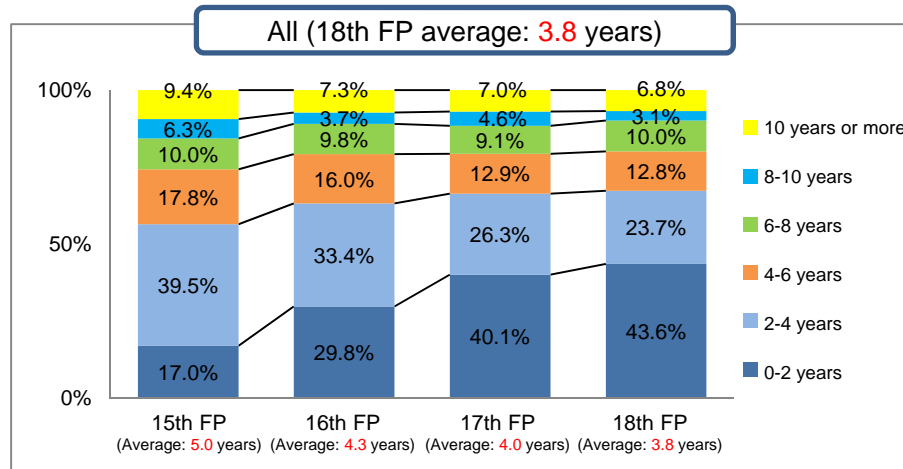
### Starts Proceed Portfolio Characteristics = Targeted at Middle-Income Households

Single type Rent range of 60,000 yen or more, but less than 100,000 yen: **58.3%**  
 DINKS type Rent range of 80,000 yen or more, but less than 120,000 yen: **46.3%**  
 Family type Rent range of less than 120,000 yen: **38.3%**

(Note 1) The figures used in the calculation of average rent range are that of the rent stated in the rent roll in order to appropriately reflect the market value and competitiveness of the portfolio.  
 (Note 2) The percentage of change in average rent is rounded to one decimal place.  
 (Note 3) "Average rent" is the figure arrived at when the aggregate total of set rent of the respective residential unit type is divided by the total number of units of the respective residential unit type. "Set rent" as used herein is the sum total of rent and common area maintenance charges stated in the lease contract in the case of occupied units and the sum total of advertised rent and common area maintenance charges in the case of vacant units as at the final day of the 18th fiscal period (October 31, 2014).  
 (Note 4) "Other" refers to the retail and office portions of a mixed-use apartment building.  
 (Note 5) As the data has been prepared for rental housing alone, (G-23) Group Home Tanoshii le Taisho is excluded from compilation.

# AUM Average Occupancy Period by Residential Unit Type

## Average Occupancy Period by Residential Unit Type (Results of 15th-18th Fiscal Period Residents)



The average occupancy period of all residents in the 18th fiscal period was **3.8** years. The ratio of occupancy period less than 4 years is on an upward trend.

(Note 1) Occupancy period is the period of occupancy of tenant households as of the end of each fiscal period.

(Note 2) Since 12 buildings were acquired in the 16th fiscal period, the total number of leasable units increased by 686 units.

(Note 3) As the data has been prepared for rental housing alone, (G-23) Group Home Tanoshii le Taisho is excluded from compilation.

# Changes in AUM Indicators



	Acquisition price (million yen)	Balance sheet (million yen)	Appraisal value (million yen)		Occupancy rate (period-end) (%)		NOI results (million yen)		NOI yield (annualized; based on acquisition price) (%)		NOI yield (annualized; based on appraisal value) (%)	
			17th FP	18th FP	17th FP	18th FP	17th FP	18th FP	17th FP	18th FP	17th FP	18th FP
	At acquisition	18th FP	17th FP	18th FP	17th FP	18th FP	17th FP	18th FP	17th FP	18th FP	17th FP	18th FP
Tokyo metropolitan area major cities (77.8%)	37,316	37,585	38,019	38,681	95.7	96.7	1,098	1,101	5.9	5.9	5.8	5.8
Cabinet order designated cities (20.4%)	9,799	9,975	10,473	10,711	96.9	97.3	314	308	6.4	6.3	6.0	5.9
Regional area major cities (1.8%)	878	866	958	988	98.6	95.2	33	32	7.6	7.3	7.0	6.7
Total	47,994	48,427	49,451	50,381	96.1	96.8	1,446	1,441	6.0	6.0	5.8	5.8

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

Total appraisal value increased by **0.93** billion yen from the 17th fiscal period, marking the eighth consecutive period-on-period increase. NOI yield (annualized and based on acquisition price) overall is maintained at **6.0%** as in the 17th fiscal period.

## ■ (C-4) Proceed Sangenjaya: Renovation of Room 502

Full-on renovation work was conducted after move-out of a tenant who had occupied the room for 9 years.



215.20m<sup>2</sup> Rent: 570,000 yen

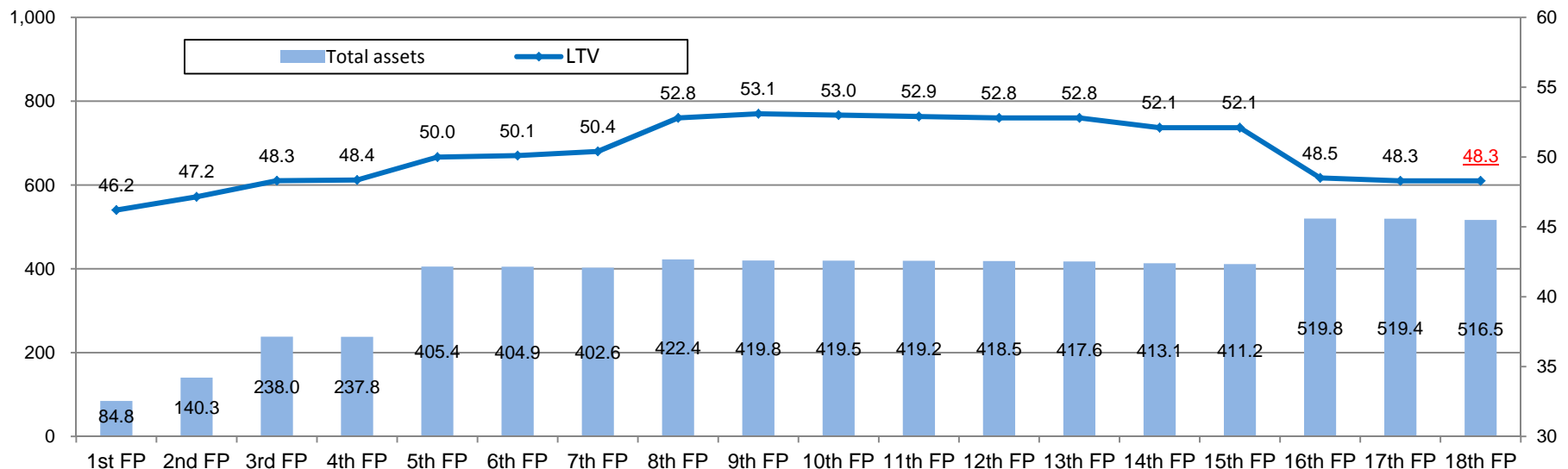


217.72m<sup>2</sup> Rent: 594,000 yen



## Changes in Total Assets and LTV Ratio

(Unit: 100 million yen)



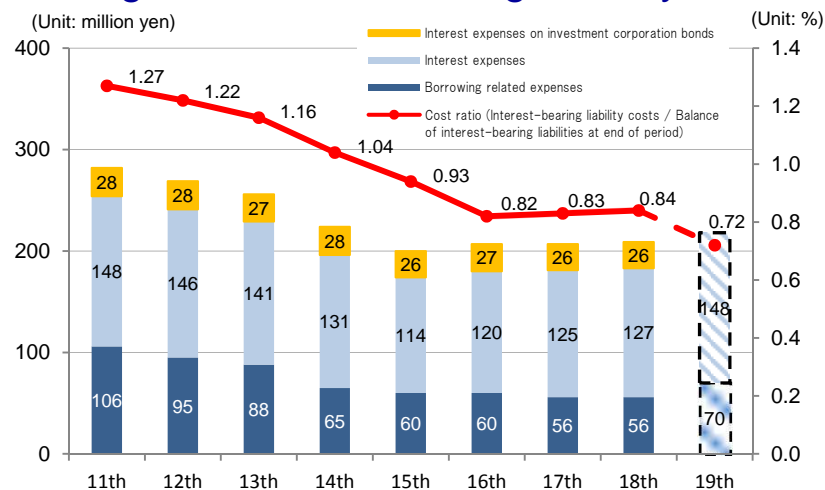
(Note) "LTV ratio" in this graph is calculated by dividing the balance of interest-bearing liabilities at the end of the period (including subordinated investment corporation bonds issued and outstanding) by total assets at the end of the period.

## Balance of Interest-Bearing Liabilities at End of 18th Fiscal Period (October 31, 2014)

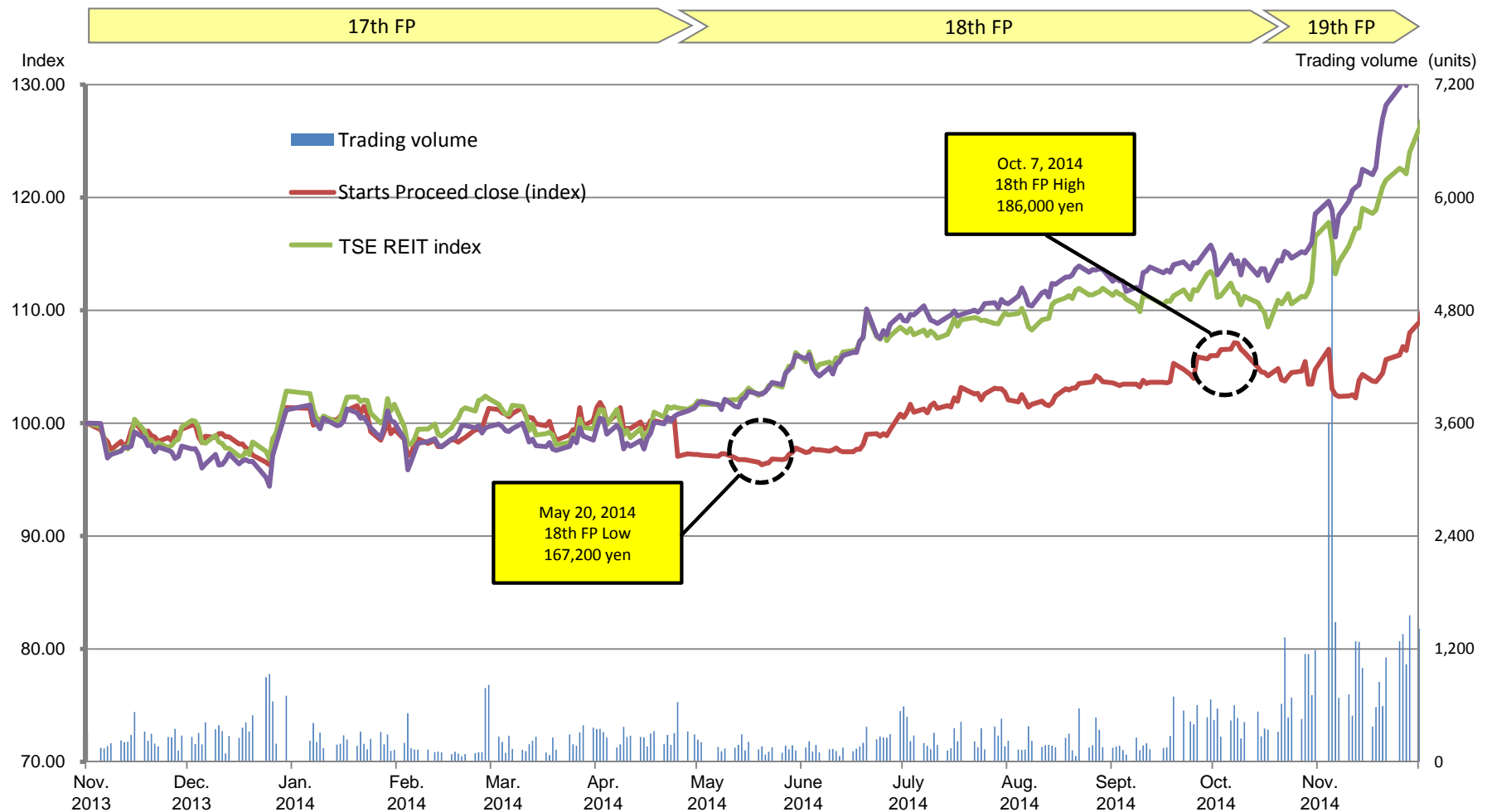
(Unit: million yen)

	Loans balance
Short-term loans payable	5,700
Current portion of long-term loans payable	4,605
Long-term loans payable	14,651
<b>Total loans</b>	<b>24,956</b>
Current portion of investment corporation bonds	-
<b>Total of loans and investment corporation bonds</b>	<b>24,956</b>
LTV ratio (%)	48.3

## Change in Interest-Bearing Liability Costs



# Changes in Investment Unit Price



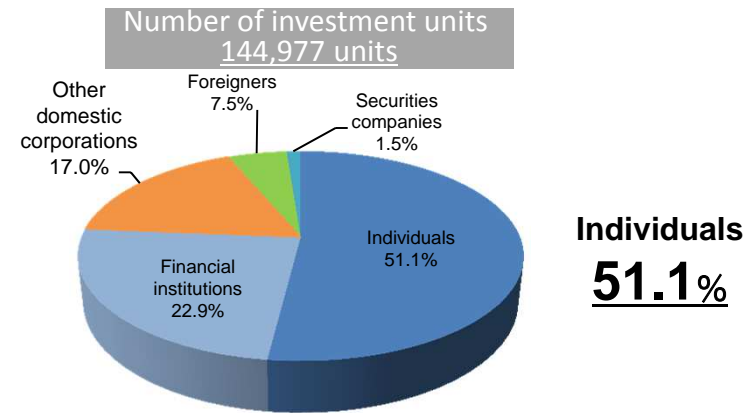
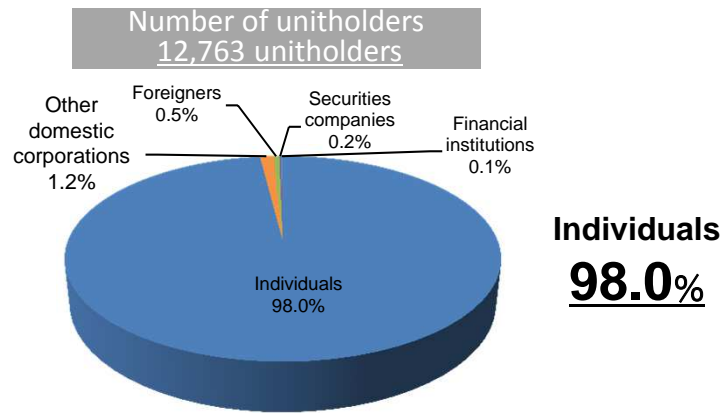
(Note) This graph presents both the changes in the price and index through to Dec. 12, 2014, based on the 173,600 yen closing investment unit price at the beginning of Starts Proceed's 17th fiscal period (Nov. 1, 2013) and the 1,472.87 TSE REIT Index on said date set as 100.

During the 18th fiscal period, the investment unit price marked a high of **186,000 yen** (October 7, 2014) and a low of **167,200 yen** (May 20, 2014), based on closing price.

# Status of Unitholders (As of October 31, 2014)

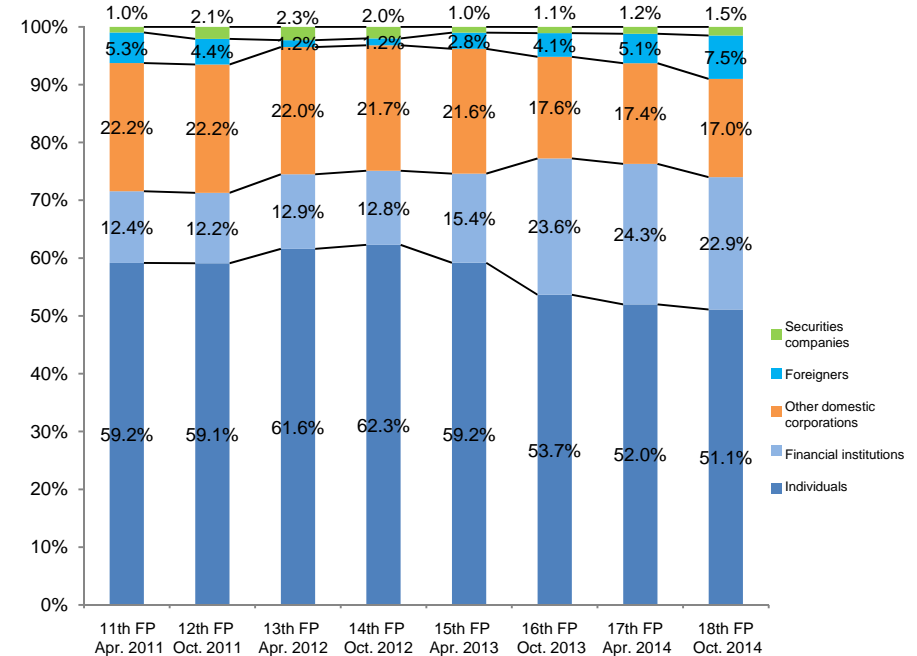


## Composition of Unitholders and Investment Units at End of 18th Fiscal Period



## Major Unitholders at End of 18th Fiscal Period (October 31, 2014) ■ Changes in Composition of Unitholders (11th to 18th Fiscal Periods)

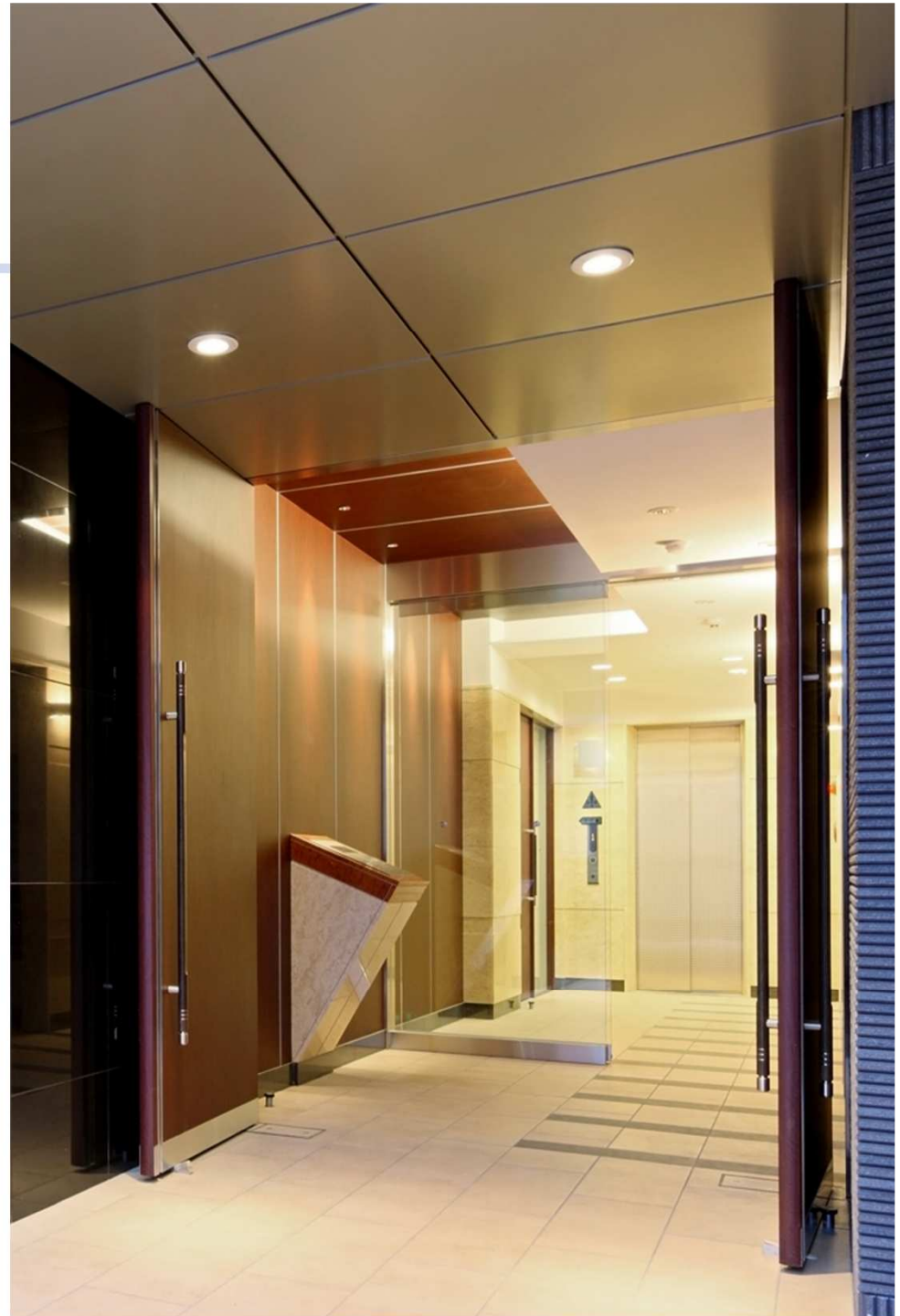
	Name	Number of investment units held (units)	As a percentage of investment units issued and outstanding (%) (Note)
1	Starts Corporation Inc.	21,311	14.69
2	Japan Trustee Services Bank, Ltd. (Trust Account)	17,785	12.26
3	JP MORGAN CHASE BANK 380180	7,130	4.91
4	The Master Trust Bank of Japan, Ltd. (Trust Account)	5,630	3.88
5	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	4,772	3.29
6	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	3,951	2.72
7	Individual investor	800	0.55
8	Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.	652	0.44
9	CBNY DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	617	0.42
10	Individual investor	600	0.41
11	Individual investor	571	0.39
12	Nomura Securities Co., Ltd.	403	0.27
13	Mizuho Trust & Banking Co., Ltd. Securities Management Account	400	0.27
14	Individual investor	380	0.26
15	Individual investor	376	0.25
16	Individual investor	370	0.25
17	Individual investor	362	0.24
18	Individual investor	357	0.24
19	Individual investor	338	0.23
20	Sekai Shindokyo (Accumulated Depreciation)	327	0.22
	Total	67,132	46.30



(Note) (Number of investment units held) As a percentage of investment units issued and outstanding is rounded down to two decimal places.

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## **(2) Future Management Policy**





# Management Policy from 19th Fiscal Period



Main Initiatives in 18th Fiscal Period

New Initiatives from 19th Fiscal Period (six months ending Apr. 30, 2015)

<b>External Growth</b>	<ul style="list-style-type: none"> <li>● Preparatory activities for public offering</li> <li>● Consideration of property acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>○ Public offering (Nov. 4, 2014) ⇒ Acquired 7 new properties (total acquisition price: 9.12 billion yen)</li> <li>○ Steady property acquisitions with a target asset size of 100 billion yen</li> <li>○ Establishing further collaborative relations with the Starts Group ⇒ Promoting acquisition of developed properties and acquisition of properties</li> </ul>
<b>Internal Growth</b>	<ul style="list-style-type: none"> <li>● (C-4) Proceed Sangenjaya Installation of automatic locks and replacement of interphones with TV monitors for all rooms</li> <li>● Brought in a NTT Docomo antenna to the rooftop of (C-63) Proceed Fujisawa Kugennuma</li> <li>● Timely equipment renewal in residential units, changing washstands to shampoo dressers</li> <li>● Strengthening of leasing through collaboration with PM companies, installation of show rooms, weekly leasing meetings</li> </ul>	<ul style="list-style-type: none"> <li>○ Consideration of costs of 7 acquisition properties                             <ul style="list-style-type: none"> <li>· Regular maintenance ⇒ Review of specs and expenses</li> <li>· Advertising expenses ⇒ Flexibly respond according to properties' locations</li> </ul> </li> <li>○ Maintaining high occupancy rates in rental housing's high-demand season                             <ul style="list-style-type: none"> <li>· Maintaining high occupancy by minimizing downtime ⇒ Prior management for scheduled departures ~ Shorten reform periods</li> <li>⇒ Campaigns that readily respond to each property's occupancy status</li> <li>· Continuation of installation of show rooms and weekly leasing meetings</li> </ul> </li> <li>○ Increasing asset value and market competitiveness though refreshment of exterior finish (C-4) Proceed Sangenjaya (C-6) Proceed Funabashi Miyamoto (C-44) Proceed Nakagawara Ichibankan &amp; Nibankan (G-16) Proceed Ohorikoen</li> </ul>
<b>Financial Strategy</b>	<ul style="list-style-type: none"> <li>● Refinancing (May 2014)</li> <li>● Redeemed subordinated investment corporation bonds and included in short-term loans (Oct. 30, 2014)</li> </ul>	<ul style="list-style-type: none"> <li>○ Transition to unsecured loans (realized in Nov. 2014)</li> <li>○ Partial conversion of interest rates into fixed rates</li> <li>○ Efforts for acquisition of credit rating</li> <li>○ Further strengthening of financial base through conservative management of LTV and extending and laddering repayment periods</li> </ul>

Securing of stable distributions

# Overview of November 4, 2014 Public Offering



■ **Proceed**  
**Nihonbashi-horidomecho**  
(Chuo Ward, Tokyo)

Structure : RC/10F  
Site area : 307.91m<sup>2</sup>  
Total floor area : 2,236.88m<sup>2</sup>  
Total number of  
leasable units : 37



■ **Proceed**  
**TX Nagareyama Central Park**  
(Nagareyama City, Chiba)

Structure : RC/13F  
Site area : 1,825.00m<sup>2</sup>  
Total floor area : 3,107.84m<sup>2</sup>  
Total number of : 73  
leasable units



■ **Proceed**  
**Aratamabashi**  
(Nagoya City, Aichi)

Structure : RC/10F  
Site area : 1,174.06m<sup>2</sup>  
Total floor area : 6,213.13m<sup>2</sup>  
Total number of : 72  
leasable units



■ **Proceed**  
**Kanayama 2**  
(Nagoya City, Aichi)

Structure : RC/14F B1  
Site area : 816.66m<sup>2</sup>  
Total floor area : 5,616.35m<sup>2</sup>  
Total number of  
leasable units : 72



■ **Proceed**  
**Gyotoku 2**  
(Ichikawa City, Chiba)

Structure : RC/5F  
Site area : 928.03m<sup>2</sup>  
Total floor area : 1,957.06m<sup>2</sup>  
Total number of  
leasable units : 59



■ **Proceed**  
**Tsukuba Gakuentoshi**  
(Tsukuba City, Ibaraki)

Structure : RC/9F  
Site area : 1,372.00m<sup>2</sup>  
Total floor area : 2,817.09m<sup>2</sup>  
Total number of  
leasable units : 34



■ **Proceed**  
**Nishikasai**  
(Edogawa Ward, Tokyo)

Structure : (A) RC/5F  
(B) S/3F  
Site area : 2,940.27m<sup>2</sup>  
Total floor area : 3,181.06m<sup>2</sup>  
Total number of : 63  
leasable units

## ■ Overview of Portfolio Assets after Acquisition of 7 Properties

Total acquisition price	<u>57,110 million yen</u>	Total number of leasable units	<u>3,969 units</u>
Number of properties	<u>96 properties</u>	Total number of leasable parking spaces	<u>992 vehicles</u>
Gross leasable area	<u>146,415.29m<sup>2</sup></u>	Average building age	<u>13.1 years</u>

## ■ Selection as Business Candidate for Kanda-Higashimatsushitacho Plan Private Residential Building Development Project



- (Tentative name) Kanda-Higashimatsushitacho Plan Private Residential Building 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 a condominium and rental housing primarily for middle-income households, with a square area of approx. 1,500m<sup>2</sup> to the east and west
- Starts Corporation was selected as a business partner with the public proposal of Chiyoda Ward in 2010, and preparations are being made ahead of the construction start

1. Location	22 Kanda Higashimatsushita-cho, Chiyoda Ward, Tokyo, and other
2. Site area	3,500 m <sup>2</sup>
3. Zoning	Commercial district, fire preventive district
4. Structure	RC / 25F (base seismic isolation)
5. Total floor area	26,534 m <sup>2</sup>
6. Height	83.1m
7. Use	Apartment, retail, office, living support facility, parking lot

## ■ Other Development Projects (Scheduled)



**Kudan Project**  
(Chiyoda Ward, Tokyo)

Structure: RC/10F  
Completion: Mar. 2015  
Number of units: 1DK: 16 units  
1R: 2 units



**Hongo Project**  
(Bunkyo Ward, Tokyo)

Structure: RC/9F  
(seismic isolation)  
Completion: Oct. 2015  
Number of units: 2DK: 1 unit  
1LDK: 15 units  
1K: 7 units



**Unoki Project**  
(Ota Ward, Tokyo)

Structure: RC/5F  
Completion: Sept. 2015  
Number of units: 1LDK: 29 units



**Osu Project**  
(Nagoya City, Aichi)

Structure: RC/12F  
Completion: Mar. 2016  
Number of units: 1K: 66 units

# Overview of November 25, 2014 Refinancing ①



## November 25, 2014 Refinancing Loans

(Unit: million yen)

Term Loan	H	T	U	Total	
Term	2 years 6 month	1 month	22 days		
Total amount	4,447	2,000	5,200	11,647	
Breakdown	Resona Bank	1,419	1,000	2,600	5,019
	Aozora Bank	662	1,000	2,600	4,262
	Chiba Bank	804	-	-	804
	Musashino Bank	804	-	-	804
	Higashi-Nippon Bank	473	-	-	473
	ORIX Bank	283	-	-	283
Interest rate	1 month Japanese Yen TIBOR+1.15%	1 month Japanese Yen TIBOR+0.30%	1 month Japanese Yen TIBOR+0.30%		
Repayment method	Lump - sum repayment on repayment date	Lump - sum repayment on repayment date	Lump - sum repayment on repayment date		

(Unit: million yen)

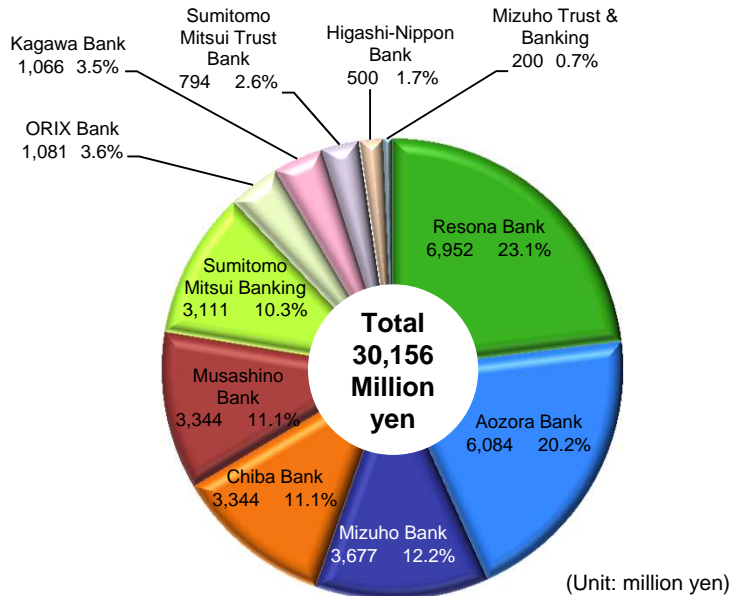
Term Loan	V	W	X	Y	Total	Change	
Term	1 years 6 month	3 years	3 years 6 month	5 years			
Total amount	2,647	4,000	2,500	2,500	11,647	0	
Breakdown	Resona Bank	752	1,137	711	711	3,311	-1,708
	Aozora Bank	465	703	441	441	2,050	-2,212
	Mizuho Bank	317	479	299	299	1,394	1,394
	Sumitomo Mitsui Banking	317	479	299	299	1,394	1,394
	Chiba Bank	275	415	259	259	1,208	403
	Musashino Bank	275	415	259	259	1,208	403
	Sumitomo Mitsui Trust Bank	113	171	107	107	498	498
	ORIX Bank	110	167	104	104	485	201
	Kagawa Bank	23	34	21	21	99	99
	Interest rate	1 month Japanese Yen TIBOR+0.50%	1 month Japanese Yen TIBOR+0.75%	1.022% (Note)	1.190% (Note)		
Repayment method	Lump - sum repayment on repayment date	Lump - sum repayment on repayment date	Lump - sum repayment on repayment date	Lump - sum repayment on repayment date			

(Note) As interest-rate swap agreements are concluded for term loans X and Y for hedging against the risk of rising interest rates, the interest rates indicated are those after the fixing of interest rates.

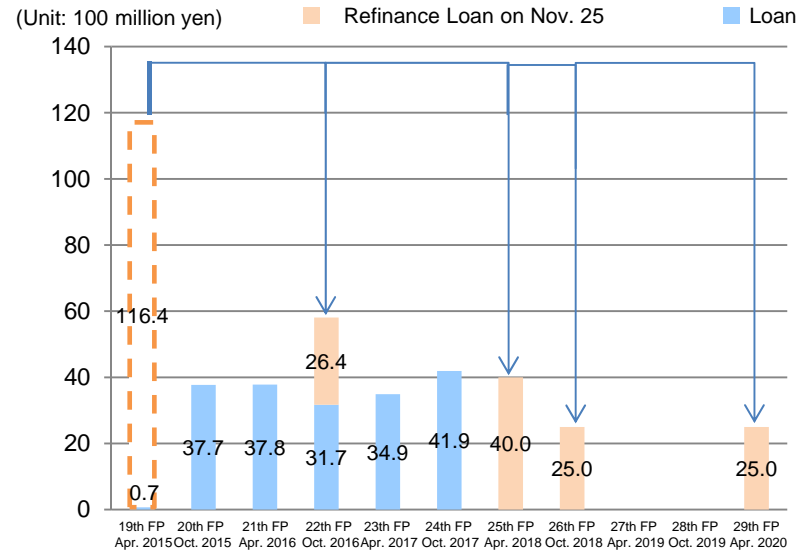
# Overview of November 25, 2014 Refinancing ②



## Change in Allocation of Total Loan Amount after Refinancing



## Status of Laddering of Interest-Bearing Liabilities after Refinancing



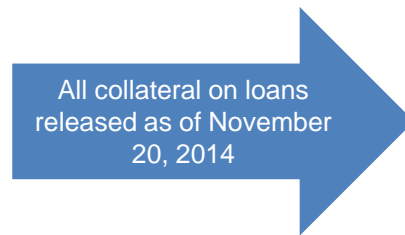
Extended and laddered repayment periods.  
Further, partially fixed interest rates.

## Realized Transition to Unsecured Loans in November 2014

All collateral on existing loans were released as of November 20, 2014 and the Investment Corporation's loans are now unsecured and unguaranteed.

Assets whose collateral were released  
96 properties / 59,606 million yen  
(real estate appraisal value as of end of 18th FP) (Note)

Total balance of loans whose collateral were released  
(value of secured claims as of release date)  
30,156 million yen

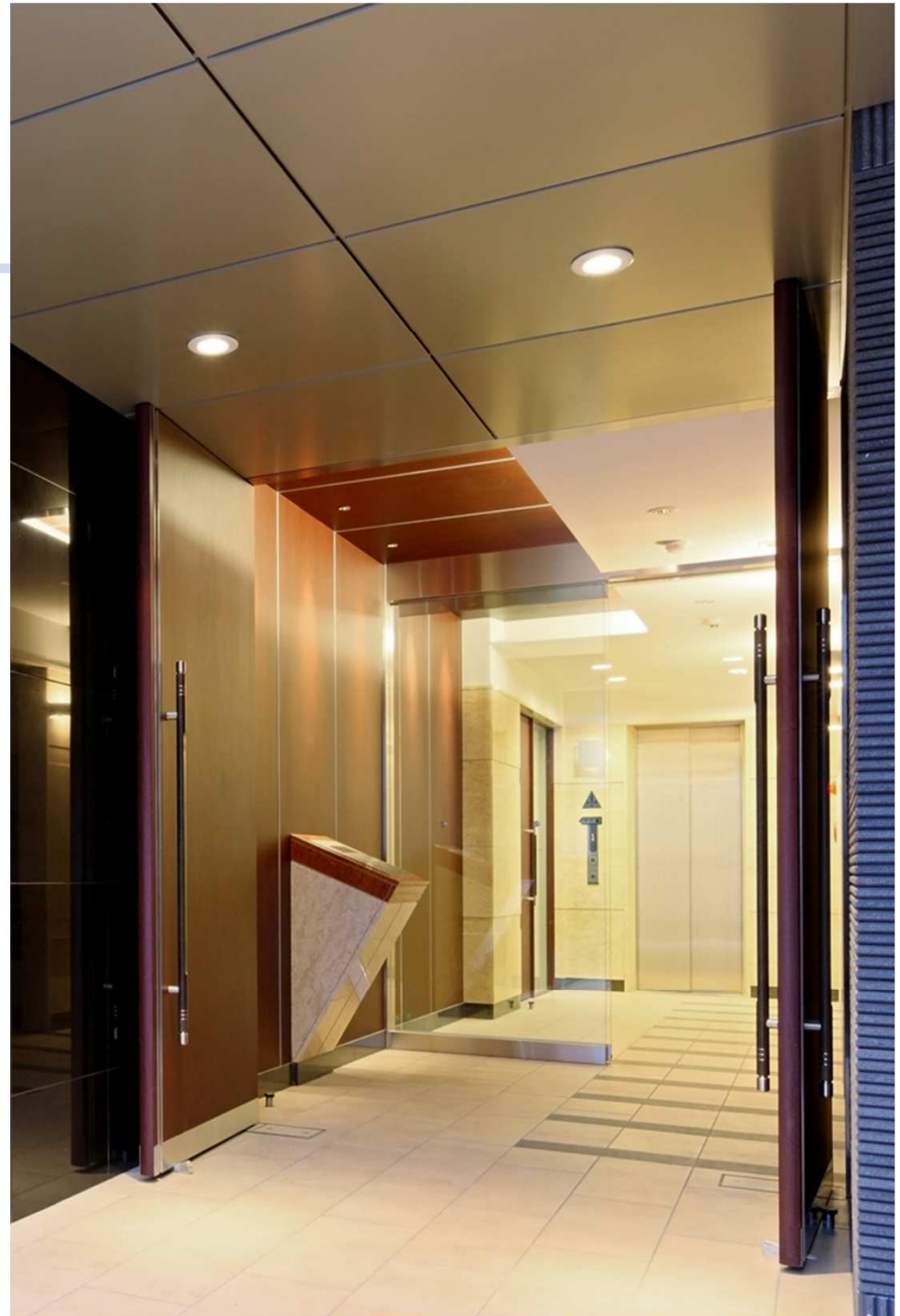


Realized unsecured status for all loans

(Note) The real estate appraisal values as of September 1, 2014 of the 7 properties acquired on November 4, 2014 are included.

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**(3) Reference Materials**



# Balance Sheet



(Unit: thousand yen)

	17th Fiscal Period As of Apr. 30, 2014	18th Fiscal Period As of Oct. 31, 2014	Change
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	1,101,081	1,153,274	52,193
Cash and deposits in trust	1,276,721	1,323,994	47,272
Operating accounts receivable	22,220	16,044	-6176
Prepaid expenses	85,835	96,215	10,380
Deferred tax assets	46	50	4
Other	2,917	1,595	-1,321
<b>Total current assets</b>	<b>2,488,822</b>	<b>2,591,175</b>	<b>102,352</b>
<b>Noncurrent assets</b>			
<b>Property, plant and equipment</b>			
Buildings in trust	27,181,098	27,211,243	30,144
Accumulated depreciation	-3,770,568	-4,127,583	-357,014
<b>Buildings in trust, net</b>	<b>23,410,530</b>	<b>23,083,660</b>	<b>-326,870</b>
Structures in trust	941,605	942,406	801
Accumulated depreciation	-321,110	-349,591	-28,480
<b>Structures in trust, net</b>	<b>620,494</b>	<b>592,814</b>	<b>-27,679</b>
Machinery and equipment in trust	5,376	5,376	-
Accumulated depreciation	-711	-1,016	-304
<b>Machinery and equipment in trust, net</b>	<b>4,665</b>	<b>4,360</b>	<b>-304</b>
Tools, furniture and fixtures in trust	197,541	210,275	12,734
Accumulated depreciation	-70,221	-83,093	-12,871
<b>Tools, furniture and fixtures in trust, net</b>	<b>127,319</b>	<b>127,181</b>	<b>-137</b>
Land in trust	24,619,676	24,619,676	-
<b>Total property, plant and equipment</b>	<b>48,782,685</b>	<b>48,427,693</b>	<b>-354,992</b>
<b>Investments and other assets</b>			
Lease and guarantee deposits	10,000	10,000	-
Lease and guarantee deposits in trust	518,514	518,514	-
Long-term prepaid expenses	118,694	85,142	-33,552
Other	7,508	8,145	636
<b>Total investments and other assets</b>	<b>654,717</b>	<b>621,801</b>	<b>-32,915</b>
<b>Total noncurrent assets</b>	<b>49,437,403</b>	<b>49,049,495</b>	<b>-387,908</b>
<b>Deferred assets</b>			
Investment corporation bond issuance costs	1,321	-	-1,321
Investment unit issuance costs	14,928	11,196	-3,732
<b>Total deferred assets</b>	<b>16,250</b>	<b>11,196</b>	<b>-5,053</b>
<b>Total assets</b>	<b>51,942,476</b>	<b>51,651,866</b>	<b>-290,609</b>

	17th Fiscal Period As of Apr. 30, 2014	18th Fiscal Period As of Oct. 31, 2014	Change
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term loans payable	2,393,000	5,700,000	3,307,000
Current portion of long-term loans payable	5,975,335	4,605,105	-1,370,230
Current portion of investment corporation bonds	2,000,000	-	-2,000,000
Operating accounts payable	218,751	86,850	-131,901
Accounts payable - other	115,349	119,842	4,492
Accrued expenses	695	806	111
Income taxes payable	1,499	1,503	4
Accrued consumption taxes	5,045	7,081	2,036
Advances received	883	269	-614
Other	266	231	-35
<b>Total current liabilities</b>	<b>10,710,826</b>	<b>10,521,689</b>	<b>-189,137</b>
<b>Noncurrent liabilities</b>			
Long-term loans payable	14,730,504	14,651,727	-78,776
Tenant leasehold and security deposits in trust	510,383	511,431	1,047
Asset retirement obligation	63,943	64,477	534
<b>Total noncurrent liabilities</b>	<b>15,304,831</b>	<b>15,227,636</b>	<b>-77,194</b>
<b>Total liabilities</b>	<b>26,015,658</b>	<b>25,749,326</b>	<b>-26,332</b>
<b>Net assets</b>			
<b>Unitholders' equity</b>			
Unitholders' capital	25,318,449	25,318,449	-
Surplus			
Unappropriated retained earnings (undisposed loss)	608,368	584,091	-24,277
<b>Total surplus</b>	<b>608,368</b>	<b>584,091</b>	<b>-24,277</b>
<b>Total unitholders' equity</b>	<b>25,926,817</b>	<b>25,902,540</b>	<b>-24,277</b>
<b>Total net assets</b>	<b>25,926,817</b>	<b>25,902,540</b>	<b>-24,277</b>
<b>Total liabilities and net assets</b>	<b>51,942,476</b>	<b>51,651,866</b>	<b>-290,609</b>

# Statements of Unitholders' Equity / Cash Distributions



(Unit: thousand yen)

	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	18th Fiscal Period (From: May 1, 2014 To: Oct. 31, 2014)	Change
Operating revenue			
Rent revenue – real estate *	1,926,553	1,916,313	-10,239
Total operating revenue	1,926,553	1,916,313	-10,239
Operating expenses			
Expenses related to rent business *	873,544	873,604	60
Asset management fee	135,072	135,983	910
Asset custody fee	7,524	7,521	-3
Administrative service fees	21,498	20,920	-577
Directors' compensations	2,400	2,400	-
Other operating expenses	70,263	82,671	12,407
Total operating expenses	1,110,302	1,123,100	12,797
Operating income	816,250	793,213	-23,037
Non-operating income			
Interest income	248	224	-23
Insurance income	5,883	7,093	1,209
Reversal of distribution payable	1,582	1,395	-187
Other	50	0	-50
Total non-operating income	7,765	8,713	947
Non-operating expenses			
Interest expenses	125,137	127,619	2,482
Interest expenses on investment corporation bonds	26,256	26,349	93
Amortization of investment corporation bond issuance costs	1,586	1,321	-264
Amortization of investment unit issuance costs	3,732	3,732	-
Borrowing related expenses	56,953	56,756	-197
Other	540	555	15
Total non-operating expenses	214,205	216,335	2,129
Ordinary income	609,810	585,591	-24,219
Income before income taxes	609,810	585,591	-24,219
Income taxes – current	1,549	1,549	-
Income taxes – deferred	10	-4	-14
Total income taxes	1,559	1,544	-15
Net income	608,250	584,046	-24,204
Retained earnings brought forward	118	45	-72
Unappropriated retained earnings (undisposed loss)	608,368	584,091	-24,277

Items with the asterisk (\*) mark represent items for property leasing income and expenses

## 1. "Real estate rent revenue"

(Unit: thousand yen)

	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	18th Fiscal Period (From: May 1, 2014 To: Oct. 31, 2014)	Change
Rent	1,685,523	1,690,005	4,482
Common area maintenance charges	92,359	93,609	1,250
Parking revenue	51,623	51,796	173
Incidental revenue	1,869	2,143	274
Other lease business revenue	95,177	78,758	- 16,419
Total	1,926,553	1,916,313	- 10,240

## 2. "Expenses related to rent business"

(Unit: thousand yen)

	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	18th Fiscal Period (From: May 1, 2014 To: Oct. 31, 2014)	Change
Management expenses	128,552	128,186	-366
Repair expenses	77,071	65,034	-12,037
Real estate taxes	92,124	109,976	17,852
Trust fees	32,451	32,620	169
Utilities expenses	42,703	40,530	-2,173
Nonlife insurance expenses	11,552	6,261	-5,291
Depreciation and amortization	393,126	398,672	5,546
Other lease business expenses	95,961	92,321	-3,640
Total	873,544	873,604	60

## Cash Distributions

	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	18th Fiscal Period (From: May 1, 2014 To: Oct. 31, 2014)	Change
I Unappropriated retained earnings	608,368,953 yen	584,091,896 yen	-24,277,057 yen
II Amount of distributions	608,323,492 yen	583,967,356 yen	-24,356,136 yen
[Amount of distribution per investment unit]	(4,196 yen)	(4,028 yen)	(-168 yen)
III Retained earnings carried forward	45,461 yen	124,540 yen	79,079



# Interest Expenses / Cash Flows



## Interest Expenses

(Unit: thousand yen)

	Initial loan principal	Item	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	18th Fiscal Period (From: May 1, 2014 To: Oct. 31, 2014)	Change
May 2012 drawdown	4,700,000	Amount	29,147	29,260	112
	(Note)	Rate	1.30	1.30	-0.00
May 2012 drawdown	1,500,000	Amount	10,131	9,976	-155
	(Note)	Rate	1.50	1.50	-0.00
May 2013 drawdown	1,318,000	Amount	4,559	553	-4,005
		Rate	0.70	0.70	-0.00
May 2013 drawdown	1,318,000	Amount	6,977	7,084	107
		Rate	1.07	1.07	-0.00
May 2013 drawdown	1,318,000	Amount	7,715	7,755	40
	(Note)	Rate	1.20	1.20	-0.00
May 2013 drawdown	2,393,000	Amount	8,277	1,004	-7,273
		Rate	0.70	0.70	-0.00
May 2013 drawdown	2,393,000	Amount	12,668	12,863	195
		Rate	1.07	1.07	-0.00
May 2013 drawdown	2,393,000	Amount	14,008	14,081	72
	(Note)	Rate	1.20	1.20	-0.00
Nov. 2013 drawdown	3,100,000	Amount	13,300	15,569	2,269
		Rate	1.00	1.00	0.00
Nov. 2013 drawdown	3,100,000	Amount	15,300	17,914	2,614
		Rate	1.15	1.15	0.00
May 2014 drawdown	3,700,000	Amount	-	11,434	11,434
		Rate	-	0.70	-
Oct. 2014 drawdown	2,000,000	Amount	-	120	120
		Rate	-	0.44	-

(Unit: thousand yen)

	Initial loan principal	Item	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	18th Fiscal Period (From: May 1, 2014 To: Oct. 31, 2014)	Change
Investment corporation bond	2,000,000	Amount	26,256	26,349	93
		Rate	2.61%	2.59%	-0.02%

(Note) For the concerned loan, the loan principal is decreasing because contractual repayments are being made.

## Statements of Cash

(Unit: thousand yen)

	17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	18th Fiscal Period (From: May 1, 2014 To: Oct. 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes	609,810	585,591
Depreciation and amortization	393,126	398,672
Amortization of investment corporation bond issuance costs	1,586	1,321
Amortization of investment unit issuance costs	3,732	3,732
Interest income	-248	-224
Interest expenses	151,393	153,969
Decrease (increase) in operating accounts receivable	-3,173	6,176
Decrease (increase) in prepaid expenses	13,639	-10,380
Decrease (increase) in consumption taxes receivable	23,866	-
Increase (decrease) in accrued consumption taxes	5,045	2,036
Increase (decrease) in operating accounts payable	-26,145	14,659
Increase (decrease) in accounts payable – other	221	5,059
Decrease (increase) in long-term prepaid expenses	-40,845	33,552
Other, net	-1,065	-189
Subtotal	1,130,943	1,193,976
Interest income received	248	224
Interest expenses paid	-151,489	-153,858
Income taxes paid	-1,658	-1,544
Net cash provided by (used in) operating activities	978,044	1,038,798
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-301,928	-190,240
Proceeds from tenant leasehold and security deposits in trust	47,919	38,679
Repayments of tenant leasehold and security deposits in trust	-43,680	-37,632
Decrease (increase) in other investments	-616	-636
Net cash provided by (used in) investing activities	-298,306	-189,829
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	-	5,700,000
Decrease in short-term loans payable	-6,200,000	-2,393,000
Proceeds from long-term loans payable	6,200,000	-
Repayment of long-term loans payable	-131,007	-1,449,007
Redemption of investment corporation bonds	-	-2,000,000
Dividends paid	-632,325	-607,495
Net cash provided by (used in) financing activities	-763,332	-749,502
Net increase (decrease) in cash and cash equivalents	-83,594	99,466
Cash and cash equivalents at beginning of period	2,461,397	2,377,802
Cash and cash equivalents at end of period	2,377,802	2,477,268

# Key Performance Indicators



(Unit: million yen)

		17th Fiscal Period (From: Nov. 1, 2013 To: Apr. 30, 2014)	18th Fiscal Period (From: May 1, 2014 To: Oct. 31, 2014)
Total assets (a)	million yen	51,942	51,651
Net assets (b)	million yen	25,926	25,902
Total unitholders' capital	million yen	25,318	25,318
Number of investment units issued and outstanding (c)	units	144,977	144,977
Net assets per unit (b) ÷ (c)	yen	178,834	178,666
Net income per unit (Note 2)	yen	4,195	4,028
Total distributions (d)	million yen	608	583
Distribution per unit (d) ÷ (c)	yen	4,196	4,028
[Of which, distribution of earnings per unit]	yen	(4,196)	(4,028)
[Of which, distribution in excess of earnings per unit]	yen	(—)	(—)
Return on assets (Note 3)	%	1.2(2.4)	1.1(2.2)
Return on equity (Note 3)	%	2.3(4.7)	2.3(4.5)
Equity ratio (b) ÷ (a)	%	49.9	50.1
Distribution payout ratio (Note 3)	%	100	100

## [Other Reference Information]

Number of investment properties (Note 4)	properties	89	89
Total number of leasable units (Note 4)	units	3,559	3,559
Gross leasable area	m <sup>2</sup>	124,700.28	124,700.28
Period-end occupancy rate (Note 4)	%	96.1	96.8
Depreciation and amortization	million yen	393	398
Capital expenditures	million yen	258	43
Property leasing NOI (Net Operating Income) (Note 3)	million yen	1,446	1,441
FFO (Funds from Operations) per unit (Note 3)	yen	6,943	6,813
FFO multiple (Note 3)	times	12.1	13.5
Debt service coverage ratio (Note 3)	times	7.6	7.4
Earnings before interest, depreciation and amortization	million yen	1,152	1,136
Interest expenses	million yen	151	153
Total interest-bearing liabilities	million yen	25,098	24,956
LTV (Loan-To-Value) ratio (Note 3)	%	48.3	48.3
Number of days of management (Note 3)	days	181	184

(Note 1) Amounts are rounded down to the nearest specified unit. Percentage figures are rounded to one decimal place.

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

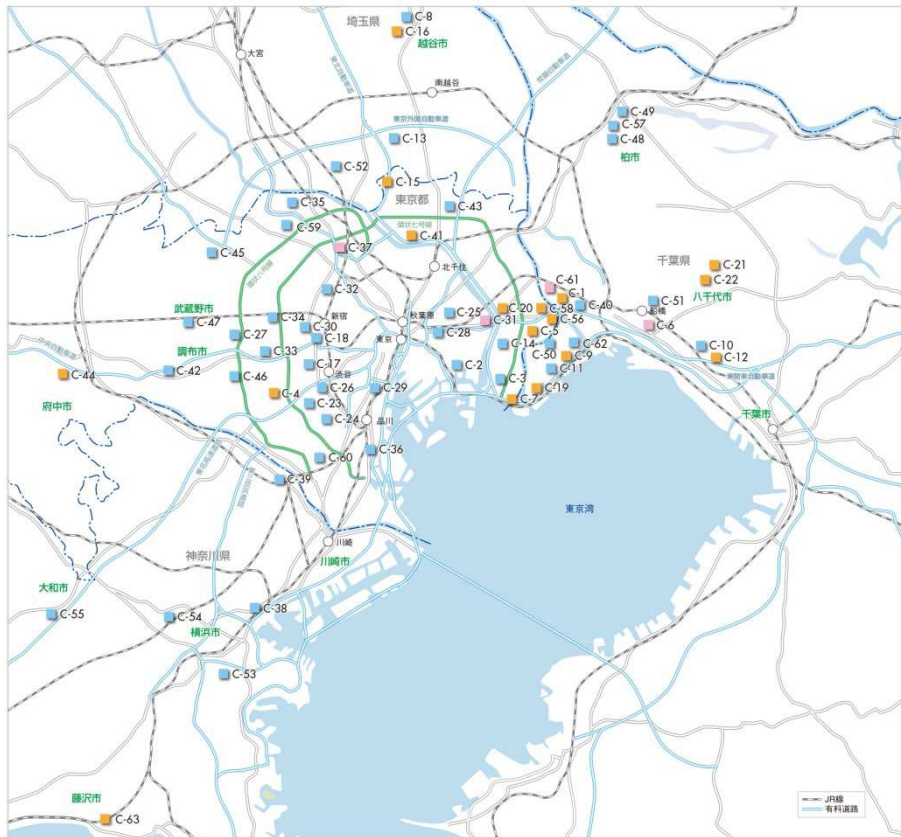
(Note 3) The indicators presented are calculated as follows. In addition, figures annualized based on the number of days of management are also shown in brackets.

Return on assets	Ordinary income ÷ Average total assets Average total assets = (Total assets at beginning of period + Total assets at end of period) ÷ 2
Return on equity	Net income ÷ Average net assets Average net assets = (Net assets at beginning of period + Net assets at end of period) ÷ 2
Distribution payout ratio	Distribution per unit ÷ Net income per unit (each rounded down to one decimal place)
Property leasing NOI	Property leasing operating income (Property leasing operating revenue – Property leasing operating expenses) + Depreciation and amortization
FFO per unit	(Net income + Depreciation and amortization + Other depreciation and amortization – Gain (loss) on sales of real estate properties) ÷ Number of investment units issued and outstanding
FFO per unit	Investment unit price at end of period ÷ Annualized FFO per unit
Debt service coverage ratio	Earnings before interest, depreciation and amortization ÷ Interest expenses (including interest expenses on investment corporation bonds)
LTV ratio	Total interest-bearing liabilities at end of period ÷ Total assets at end of period

(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.

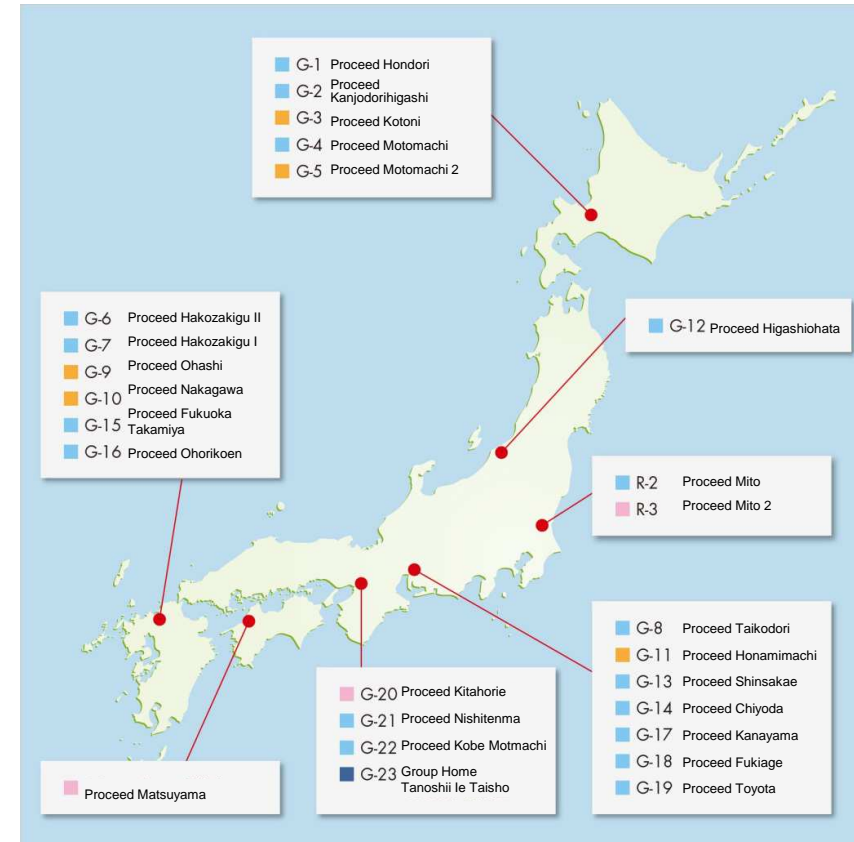
# Portfolio Map (18th Fiscal Period Results)

## Tokyo metropolitan area major cities: 63 properties



Acquired property		Single type	DINKS type	Family type
		Senior housing		
C-1 Proceed Ichikawa	C-14 Proceed Funabori	C-27 Proceed Suginami Miyamae	C-40 Proceed Motoyawata	C-53 Proceed Gumyoji
C-2 Proceed Toyochō	C-15 Proceed Takenozuka	C-28 Proceed Ryogoku	C-41 Proceed Nishiarai	C-54 Proceed Tsurugamine
C-3 Proceed Kasai	C-16 Proceed Sengendai 2	C-29 Proceed Mita	C-42 Proceed Chofu	C-55 Proceed Sagamiotsuka
C-4 Proceed Sangenjaya	C-17 Proceed Shoto	C-30 Proceed Nakanoshimbashi	C-43 Proceed TX Rokucho	C-56 Proceed Shinozaki 2
C-5 Proceed Mizue	C-18 Proceed Sangubashi	C-31 Proceed Kameido	C-44 Proceed Nakagawara	C-57 Proceed Kashiwa Trois
C-6 Proceed Funabashi Miyamoto	C-19 Proceed Urayasu	C-32 Proceed Takadanobaba	C-45 Proceed Dizumigakuen	C-58 Proceed Shinozaki Tower
C-7 Proceed Minamikasai	C-20 Proceed Shinkoiwa	C-33 Proceed Shinkoenji	C-46 Proceed Chitosekarasuyama	C-59 Proceed Tobu Nerima
C-8 Proceed Sengendai	C-21 Proceed Yachiyo Midorigaoka I	C-34 Proceed Koenjiminami	C-47 Proceed Mitaka	C-60 Proceed Yukigaya
C-9 Proceed Gyotoku	C-22 Proceed Yachiyo Midorigaoka II	C-35 Proceed Hasune	C-48 Proceed Kashiwa Est	C-61 Proceed Ichikawa Minami
C-10 Proceed Makuharihongo	C-23 Proceed Toritsudaigaku	C-36 Proceed Oimachi	C-49 Proceed Kashiwa Nord	C-62 Proceed Ichikawa Myoten
C-11 Proceed Minamigyotoku	C-24 Proceed Toritsudaigaku 2	C-37 Proceed Jujo	C-50 Proceed Gyotokuekimae	C-63 Proceed Fujijsawa Kugenuma
C-12 Proceed Makuharihongo2	C-25 Proceed Honjoazumabashi	C-38 Proceed Hakuraku	C-51 Proceed Funabashi Honcho	
C-13 Proceed Higashikawaguchi	C-26 Proceed Meguro Aobadai	C-39 Proceed Shinmaruko	C-52 Proceed Nishikawaguchi	

## Cabinet order designated cities / Regional area major cities: 26 properties



Acquired property		Single type	DINKS type	Family type
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- ◆ Tokyo metropolitan area major cities: 63 properties
- ◆ Cabinet order designated cities: 23 properties
- ◆ Regional area major cities: 3 properties

Total 89 properties

# Breakdown of Revenue of Portfolio by Geographic Area (18th Fiscal Period Results)



(Unit: thousand yen, unless otherwise indicated)

	Tokyo metropolitan area major cities	Cabinet order designated cities	Regional area major cities	Entire portfolio
Acquisition price	37,316,600	9,799,000	878,500	47,994,100
Total number of leasable units	2,536	934	89	3,559
(A) Property leasing operating revenue	1,463,072	410,777	42,463	1,916,313
Rent revenue	1,400,038	396,180	39,192	1,835,411
Other revenue	63,034	14,596	3,271	80,902
(B) Property leasing operating expenses	362,014	102,599	10,318	474,932
Rent expenses	39,489	1,091	0	40,580
Property management expenses	46,982	12,640	1,885	61,508
Real estate taxes	81,093	26,688	2,194	109,976
Utilities expenses	32,426	7,329	774	40,530
Repair expenses	44,389	19,392	1,252	65,034
Regular maintenance expenses	49,315	15,317	2,045	66,678
Insurance expenses	4,853	1,290	118	6,261
Brokerage fees and advertising expenses	14,740	8,118	313	23,172
Trust fees	22,810	8,660	1,150	32,620
Other property leasing operating expenses	25,914	2071	582	28,568
(C) Property leasing NOI = (A) – (B)	1,101,058	308,177	32,145	1,441,381
(D) Depreciation and amortization	301,818	85,857	10,996	398,672
(E) Property leasing income (loss) = (C) – (D)	799,240	222,319	21,149	1,042,708
(F) Capital expenditures	35,862	6,853	963	43,679
(G) NCF = (C) – (F)	1,065,196	301,323	31,181	1,397,701
Annualized NOI yield (based on acquisition price)	5.9%	6.3%	7.3%	6.0%
Occupancy rate (%)	96.7%	97.3%	95.2%	96.8%

(Note 1) Amounts of items from “(A) Property leasing operating revenue” and below are rounded down to the nearest thousand yen.









(Note 2) “Annualized NOI yield (based on acquisition price)” is calculated by annualizing each property’s NOI results, rounded to one decimal place.

(Note 3) “Occupancy rate” is the ratio of leased area in the gross leasable area as of the end of each fiscal period, and is rounded to one decimal place.

# Breakdown of Revenue of Major Properties (18th Fiscal Period Results)



(Unit: thousand yen)

	Tokyo metropolitan area major cities							Cabinet order designated cities	
Property number	C-1	C-17	C-29	C-41	C-44	C-58	C-63	G-17	G-20
Property name	Proceed Ichikawa	Proceed Shoto	Proceed Mita	Proceed Nishiarai	Proceed Nakagawara	Proceed Shinozaki Tower	Proceed Fujisawa Kugenuma	Proceed Kanayama	Proceed Kitahorie
Property photo									
Acquisition price	1,076,000	937,400	1,537,200	5,172,000	1,141,000	1,564,000	729,000	1,022,000	1,917,300
Location	2-chome, Shinden, Ichikawa City	2-chome, Shoto, Shibuya Ward	2-chome, Shiba, Minato Ward	1-chome, Nishiaraisakaecho, Adachi Ward	5-chome, Bubai-cho, Fuchu City	7-chome, Shinozaki-cho, Edogawa Ward	2-chome, Kugenumaishigami, Fujisawa City	3-chome, Kanayama, Naka Ward, Nagoya City	1-chome, Kitahorie, Nishi Ward, Osaka City
Structure	RC/7F	RC/12F	RC/10F	ARTIER Bldg.: RC/14F OZAREA Bldg.: RC/10F Hall Bldg.: S/2F Nursery Bldg.: S/2F	Ichibankan: RC/5F Nibankan: RC/3F	S•RC•SRC/18F•B2F	SRC/8F•B1F	RC/14F	RC/15F
Construction completion	April 1, 1997	November 18, 2005	February 6, 2006	July 20, 2007	August 1, 1989	March 17, 2008	March 30, 2001	February 18, 2008	November 29, 2007
Number of leasable units	50 units	40 units	72 units	294 units	54 units	88 units	25 units	94 units	106 units
(A) Property leasing operating revenue	43,881	26,634	40,937	291,765	41,339	90,336	32,749	45,390	71,806
(B) Property leasing operating expenses	8,892	5,290	4,658	99,028	10,497	28,817	10,779	10,351	19,463
(C) Property leasing NOI = (A) – (B)	34,998	21,343	36,279	192,737	30,841	61,519	21,969	35,059	52,343
(D) Depreciation and amortization	6,902	3,473	6,158	93,479	5,529	25,253	6,029	10,376	12,429
(E) Property leasing income (loss) = (C) – (D)	28,085	17,870	30,121	99,257	25,312	36,366	15,940	24,663	39,913
(F) Capital expenditures	1,179	-	-	-	2,906	-	1,317	-	162
(G) NCF = (C) – (F)	33,809	21,343	36,279	192,737	27,935	61,519	20,652	35,039	52,181
Annualized NOI yield	6.5%	4.6%	4.7%	7.5%	5.4%	7.9%	6.0%	6.9%	5.5%
PML value	5.9%	5.3%	8.7%	ARTIER Bldg.: 3.9% OZAREA Bldg.: 5.0% Hall Bldg.: 3.5% Nursery Bldg.: 3.5%	Ichibankan: 10.7% Nibankan: 11.8%	High-rise bldg.: 2.6% Low-rise bldg.: 4.4%	14.7%	6.0%	11.0%

# Portfolio List ① (As of October 31, 2014)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%)	Carrying amount (thousand yen) (at end of 18FP)	Real estate appraisal value (thousand yen) (at end of 18FP)	Gross leasable area (Note 2) (㎡)	Leased area (Note 3) (㎡)	Total number of leasable units (Note 4) (units)	Total number of leasable parking spaces (vehicles)	Occupancy rate (Note 5) (%)	PML (%)	Construction completion (Note 6)
C-1	Proceed Ichikawa	Chiba	1,076,000	2.2	1,049,342	1,190,000	3,322.17	3,200.13	50	42	96.3	5.9	April 1, 1997
C-2	Proceed Toyocho	Tokyo	646,700	1.3	596,060	742,000	1,085.56	1,085.56	45	5	100.0	8.6	January 31, 2003
C-3	Proceed Kasai	Tokyo	688,700	1.4	630,251	675,000	1,243.80	1,243.80	57	0	100.0	5.1	March 1, 2003
C-4	Proceed Sangenjaya	Tokyo	555,900	1.2	599,761	500,000	1,019.27	698.23	9	8	68.5	9.3	June 29, 1990
C-5	Proceed Mizue	Tokyo	602,600	1.3	637,529	703,000	2,076.68	1,999.77	28	22	96.3	7.0	June 20, 1991
C-6	Proceed Funabashi Miyamoto	Chiba	419,900	0.9	452,731	453,000	1,685.73	1,685.73	33	1	100.0	4.7	June 24, 1991
C-7	Proceed Minamikasai	Tokyo	303,500	0.6	338,683	267,000	1,045.28	1,045.28	16	7	100.0	10.4	March 12, 1993
C-8	Proceed Sengendai	Saitama	259,200	0.5	277,281	283,000	1,344.74	1,220.42	43	10	90.8	5.7	May 31, 1991
C-9	Proceed Gyotoku	Chiba	315,600	0.7	355,323	307,000	1,218.56	1,096.52	20	7	90.0	6.7	March 15, 1988
C-10	Proceed Makuharihongo	Chiba	279,300	0.6	290,723	268,000	963.00	936.00	34	3	97.2	8.7	February 22, 1989
C-11	Proceed Minamigyotoku	Chiba	287,300	0.6	307,418	303,000	838.95	798.34	26	6	95.2	6.8	February 6, 1990
C-12	Proceed Makuharihongo 2	Chiba	223,400	0.5	227,178	234,000	1,104.84	1,054.62	22	10	95.5	4.8	September 24, 1989
C-13	Proceed Higashikawaguchi	Saitama	206,500	0.4	202,390	185,000	648.11	648.11	30	14	100.0	3.6	March 15, 1993
C-14	Proceed Funabori	Tokyo	226,100	0.5	242,838	224,000	479.52	479.52	24	1	100.0	7.3	October 11, 1991
C-15	Proceed Takenozuka	Tokyo	169,400	0.4	176,619	209,000	860.55	860.55	15	10	100.0	3.4	March 10, 1994
C-16	Proceed Sengendai 2	Saitama	86,700	0.2	96,068	99,000	695.81	695.81	12	4	100.0	3.3	April 3, 1991
C-17	Proceed Shoto	Tokyo	937,400	2.0	910,841	826,000	890.22	809.53	40	6	90.9	5.3	November 18, 2005
C-18	Proceed Sangubashi	Tokyo	497,600	1.0	494,751	424,000	527.88	507.65	26	0	96.2	7.0	July 22, 2005
C-19	Proceed Urayasu	Chiba	431,400	0.9	489,343	442,000	1,786.58	1,786.58	21	8	100.0	7.8	June 4, 1992
C-20	Proceed Shinkoiva	Tokyo	465,200	1.0	495,824	528,000	1,629.07	1,507.16	27	9	92.5	7.1	March 15, 1991
C-21	Proceed Yachiyo Midorigaoka I	Chiba	383,600	0.8	414,314	375,000	1,805.76	1,738.88	27	32	96.3	6.9	February 12, 1997
C-22	Proceed Yachiyo Midorigaoka II	Chiba	339,000	0.7	367,592	339,000	1,605.12	1,471.36	24	31	91.7	6.9	February 12, 1997
C-23	Proceed Toritsudaigaku	Tokyo	790,400	1.6	770,527	703,000	808.65	744.81	37	2	92.1	8.3	March 13, 2006
C-24	Proceed Toritsudaigaku 2	Tokyo	772,200	1.6	751,395	728,000	831.74	831.74	36	2	100.0	7.8	September 7, 2006
C-25	Proceed Honjoazumabashi	Tokyo	339,800	0.7	324,505	385,000	570.53	570.53	19	0	100.0	6.7	July 7, 2006
C-26	Proceed Meguro Aobadai	Tokyo	466,700	1.0	471,769	429,000	485.15	485.15	24	1	100.0	11.6	March 27, 2003
C-27	Proceed Suginami Miyamae	Tokyo	454,900	0.9	457,789	465,000	680.50	680.50	29	1	100.0	7.1	January 26, 2004
C-28	Proceed Ryogoku	Tokyo	443,900	0.9	442,251	480,000	702.54	702.54	27	5	100.0	6.9	March 15, 2003
C-29	Proceed Mita	Tokyo	1,537,200	3.2	1,483,820	1,519,000	1,500.57	1,500.57	72	0	100.0	8.7	February 6, 2006
C-30	Proceed Nakanoshimbashi	Tokyo	638,800	1.3	698,653	631,000	849.08	849.08	50	0	100.0	10.4	September 24, 1992
C-31	Proceed Kameido	Tokyo	339,000	0.7	366,626	334,000	853.98	853.98	23	0	100.0	7.6	March 23, 1994
C-32	Proceed Takadanobaba	Tokyo	223,700	0.5	265,940	241,000	278.36	278.36	17	0	100.0	13.8	October 24, 1991
C-33	Proceed Shinkoenji	Tokyo	742,100	1.5	796,743	745,000	1,040.24	1,040.24	57	0	100.0	10.0	August 31, 1990
C-34	Proceed Koenjiminami	Tokyo	277,400	0.6	317,976	228,000	337.05	337.05	20	0	100.0	11.7	October 2, 1989

# Portfolio List ② (As of October 31, 2014)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%)	Carrying amount (thousand yen) (at end of 18FP)	Real estate appraisal value (thousand yen) (at end of 18FP)	Gross leasable area (Note 2) (㎡)	Leased area (Note 3) (㎡)	Total number of leasable units (Note 4) (units)	Total number of leasable parking spaces (vehicles)	Occupancy rate (Note 5) (%)	PML (%)	Construction completion (Note 6)
C-35	Proceed Hasune	Tokyo	284,000	0.6	338,635	244,000	587.13	587.13	29	0	100.0	6.8	July 17, 1991
C-36	Proceed Oimachi	Tokyo	944,000	2.0	1,021,858	889,000	961.88	961.88	59	0	100.0	13	April 13, 1992
C-37	Proceed Jujo	Tokyo	533,000	1.1	584,448	528,000	1,206.90	1,206.90	30	0	100.0	7.2	June 15, 1989
C-38	Proceed Hakuraku	Kanagawa	241,000	0.5	274,662	185,000	445.16	445.16	27	0	100.0	16.4	July 19, 1991
C-39	Proceed Shinmaruko	Kanagawa	635,000	1.3	686,219	616,000	759.00	759.00	46	0	100.0	11.7	September 12, 1988
C-40	Proceed Motoyawata	Chiba	307,000	0.6	288,549	298,000	602.39	577.69	25	3	95.9	4.4	January 9, 2004
C-41 *	Proceed Nishiarai	Tokyo	5,172,000	10.8	4,219,425	6,260,000	23,137.85	19,811.22	294	146	98.4	ARTIER 3.9 OZAREA 5.0 Hall 3.5 Nursery 3.5	July 20, 2007
C-42	Proceed Chofu	Tokyo	460,500	1.0	441,865	501,000	764.48	716.56	26	0	93.7	6.4	February 17, 2007
C-43	Proceed TX Rokucho	Tokyo	156,800	0.3	185,385	160,000	518.31	518.31	20	2	100.0	6.6	June 21, 1991
C-44	Proceed Nakagawara	Tokyo	1,141,000	2.4	1,188,188	1,142,000	3,061.94	2,853.77	54	35	93.2	Ichibanban 10.7 Nibankan 11.8	April 1, 1989
C-45	Proceed Oizumigakuen	Tokyo	268,300	0.6	295,006	255,000	483.43	483.43	29	0	100.0	10.6	November 26, 1991
C-46	Proceed Chitosekarasuyama	Tokyo	289,600	0.6	337,514	278,000	449.96	417.82	28	0	92.9	11.7	December 8, 1988
C-47	Proceed Mitaka	Tokyo	477,200	1.0	548,309	514,000	739.48	739.48	47	0	100.0	9.3	December 16, 1988
C-48	Proceed Kashiwa Est	Chiba	732,000	1.5	724,411	636,000	1,279.93	1,279.93	44	5	100.0	4.5	February 13, 2007
C-49	Proceed Kashiwa Nord	Chiba	689,000	1.4	677,464	571,000	1,391.55	1,363.20	47	0	98.0	5.7	February 13, 2007
C-50	Proceed Gyotokuekimae	Chiba	331,000	0.7	311,810	339,000	659.68	605	24	3	91.7	5.2	September 4, 2007
C-51	Proceed Funabashi Honcho	Chiba	531,700	1.1	532,100	553,000	996.44	971.46	40	0	97.5	5.7	July 19, 2006
C-52	Proceed Nishikawaguchi	Saitama	881,000	1.8	963,833	709,000	1,630.24	1,583.14	104	2	97.1	5.5	February 10, 1989
C-53	Proceed Gumyoji	Kanagawa	552,000	1.2	614,382	553,000	1,246.48	1,168.03	77	0	93.7	19	May 12, 1988
C-54	Proceed Tsurugamine	Kanagawa	356,000	0.7	383,598	339,000	855	837.9	50	4	98.0	7.2	March 12, 1991
C-55	Proceed Sagamiotsuka	Kanagawa	234,000	0.5	244,800	194,000	741.24	662.76	29	7	89.4	12.9	April 5, 1991
C-56 *	Proceed Shinozaki 2	Tokyo	913,300	1.9	896,468	1,050,000	2,134.07	2,017.07	35	13	94.5	4.2	September 18, 2008
C-57	Proceed Kashiwa Trois	Chiba	537,100	1.1	534,764	603,000	1,149.95	1,065.95	38	6	92.7	5.4	May 8, 2009
C-58	Proceed Shinozaki Tower	Tokyo	1,564,000	3.3	1,658,390	1,870,000	5,117.49	5,002.81	88	30	97.8	High-rise bldg. 2.6 Low-rise Bldg. 4.4	March 17, 2008
C-59	Proceed Tobu Nerima	Tokyo	422,000	0.9	438,787	470,000	779.84	719.96	35	2	92.3	7.7	August 31, 2007
C-60	Proceed Yukigaya	Tokyo	323,000	0.7	350,139	351,000	600.62	565.8	35	1	94.2	14.0	October 7, 1991
C-61	Proceed Ichikawa Minami	Tokyo	687,000	1.4	730,057	781,000	1,635.59	1,510.66	66	34	92.4	2.0	February 10, 1997
C-62	Proceed Ichikawa Myoten	Chiba	498,000	1.0	533,849	534,000	945	924	45	1	97.8	6.8	March 15, 2003
C-63	Proceed Fukujisawa Kugenuma	Kanagawa	729,000	1.5	780,013	794,000	2,005.76	1,885.76	25	20	94.0	14.7	March 30, 2001
Tokyo metropolitan area major cities subtotal			37,316,600	77.8	37,585,814	38,681,000	90,702.38	87,685.88	2,536	561	96.7		

# Portfolio List ③ (As of October 31, 2014)



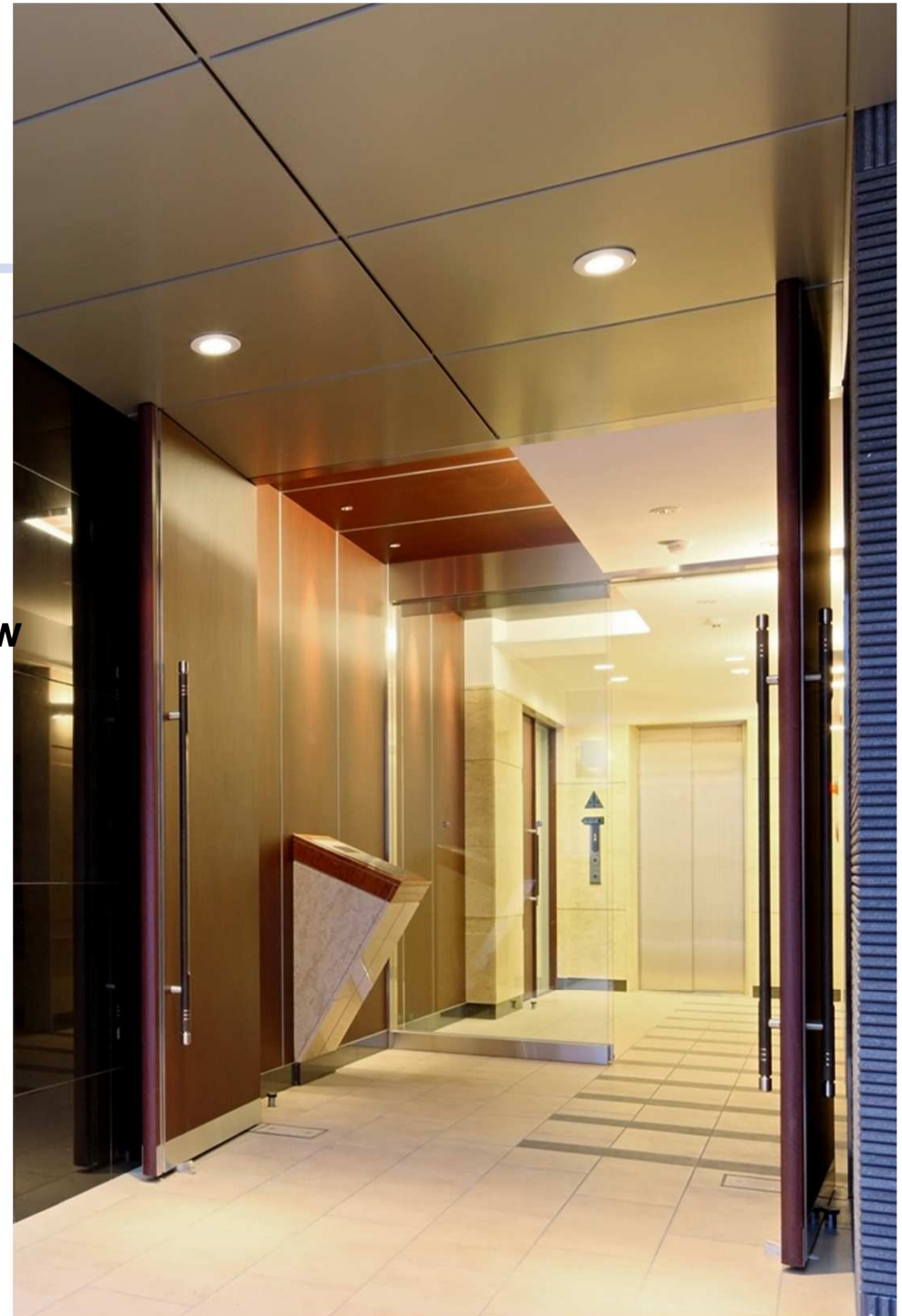
Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%)	Carrying amount (thousand yen) (at end of 18FP)	Real estate appraisal value (thousand yen) (at end of 18FP)	Gross leasable area (Note 2) (㎡)	Leased area (Note 3) (㎡)	Total number of leasable units (Note 4) (units)	Total number of leasable parking spaces (vehicles)	Occupancy rate (Note 5) (%)	PML (%)	Construction completion (Note 6)
G-1	Proceed Hondori	Hokkaido	386,000	0.8	369,300	502,000	2,624.93	2,624.93	67	37	100.0	5.0	March 14, 1989
G-2	Proceed Kanjodorihigashi	Hokkaido	233,700	0.5	241,099	282,000	1,183.47	1,183.47	34	5	100.0	5.5	October 23, 1990
G-3	Proceed Kotoni	Hokkaido	204,900	0.4	214,045	253,000	1,453.27	1,453.27	28	16	100.0	4.0	October 21, 1991
G-4	Proceed Motomachi	Hokkaido	148,700	0.3	138,512	218,000	1,120.81	1,120.81	35	9	100.0	5.1	February 20, 1991
G-5	Proceed Motomachi 2	Hokkaido	85,500	0.2	83,378	124,000	907.29	907.29	19	6	100.0	6.5	December 11, 1990
G-6	Proceed Hakozakigu II	Fukuoka	85,000	0.2	84,148	92,800	415.3	415.3	19	0	100.0	8.0	July 30, 1991
G-7	Proceed Hakozakigu I	Fukuoka	81,300	0.2	80,663	81,700	411.5	411.5	19	0	100.0	8.0	May 1, 1991
G-8	Proceed Taikodori	Aichi	403,400	0.8	351,827	421,000	1,101.56	1,029.13	44	6	93.4	11.3	March 15, 2006
G-9	Proceed Ohashi	Fukuoka	208,500	0.4	223,923	231,000	1,140.00	1,140.00	16	16	100.0	8.0	February 13, 1998
G-10	Proceed Nakagawa	Fukuoka	150,400	0.3	158,525	232,000	1,414.96	1,414.96	38	21	100.0	8.1	July 24, 1990
G-11	Proceed Honamimachi	Aichi	275,000	0.6	251,868	216,000	620.22	521.14	10	8	84.0	10.5	March 27, 2006
G-12	Proceed Higashiohata	Niigata	53,100	0.1	60,445	39,400	296.61	296.61	9	4	100.0	13.7	November 27, 1991
G-13 *	Proceed Shinsakae	Aichi	792,500	1.7	735,193	832,000	1,958.44	1,906.04	77	11	97.3	7.1	February 28, 2007
G-14 *	Proceed Chiyoda	Aichi	309,300	0.6	289,755	325,000	922.4	857.94	30	4	93.0	7.3	March 20, 2007
G-15	Proceed Fukuoka Takamiya	Fukuoka	453,600	0.9	440,969	438,000	1,312.29	1,188.85	46	10	90.6	3.2	March 12, 2007
G-16	Proceed Ohorikoen	Fukuoka	452,800	0.9	471,138	341,000	1,128.92	1,089.83	50	8	96.5	10.6	March 21, 1997
G-17 *	Proceed Kanayama	Aichi	1,022,000	2.1	1,057,834	1,150,000	2,733.58	2,699.79	94	18	98.8	6.0	February 18, 2008
G-18 *	Proceed Fukiage	Aichi	499,000	1.0	524,446	559,000	1,204.65	1,126.69	48	15	93.5	6.2	March 13, 2008
G-19 *	Proceed Toyoda	Aichi	219,000	0.5	232,706	245,000	752.04	727.49	27	8	96.7	6.7	February 29, 2008
G-20	Proceed Kitahorie	Osaka	1,917,300	4.0	2,023,183	2,130,000	4,146.18	4,024.10	106	8	97.1	11.0	November 29, 2007
G-21	Proceed Nishitenma	Osaka	880,000	1.8	931,382	979,000	1,775.89	1,735.99	56	3	97.8	13.9	November 30, 2007
G-22	Proceed Kobemotomachi	Hyogo	780,000	1.6	837,062	854,000	1,590.64	1,517.65	61	6	95.4	8.6	December 21, 2007
G-23	Group Home Tanoshii Ie Taisho	Osaka	158,000	0.3	174,171	166,000	482.72	482.72	1	0	100.0	14.8	February 28, 2007
Cabinet order designated cities subtotal			9,799,000	20.4	9,975,582	10,711,900	30,697.67	29,875.50	934	219	97.3		
R-1	Proceed Matsuyama	Ehime	77,900	0.2	107,409	91,800	695.06	654.56	17	8	94.2	7.2	August 31, 1991
R-2	Proceed Mito	Ibaraki	383,700	0.8	356,516	422,000	1,223.83	1,223.83	36	7	100.0	4.0	January 7, 2007
R-3	Proceed Mito 2	Ibaraki	416,900	0.9	402,369	475,000	1,381.34	1,263.67	36	25	91.5	3.6	March 11, 2008
Regional area major cities subtotal			878,500	1.8	866,296	988,800	3,300.23	3,142.06	89	40	95.2		
Portfolio total			47,994,100	100.0	48,427,693	50,381,700	124,700.28	120,703.44	3,559	820	96.8	3.4	

- (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 rounded to one 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) "Occupancy rate" is the leased area expressed as a percentage of gross leasable area of the respective property, rounded to one decimal place.  
 (Note 5) "Construction completion" is the date stated in the real estate registry transcript.  
 (Note 6) 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 comprises 4 independent buildings, PML for each of the 4 buildings is shown.  
 (Note 7) As (C-44) Proceed Nakagawara comprises 2 independent buildings, PML for each of the 2 buildings is shown.  
 (Note 8) 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 comprises 2 structurally-independent buildings, PML for each of the 2 buildings is shown.  
 (Note 9) (Portfolio PML) shows the PML of the 88 properties excluding (G-23) Group Home Tanoshii Ie Taisho.  
 (Note 10) Earthquake insurance is taken out for all properties.  
 (Note 11) Of the assets Starts Proceed has acquired, the seven properties with the asterisk (\*) mark attached at their property numbers are seismic isolated.) Earthquake insurance is taken out for all properties.



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## **(4) Management Company Overview**



## ■ Established

Oct. 31, 2001

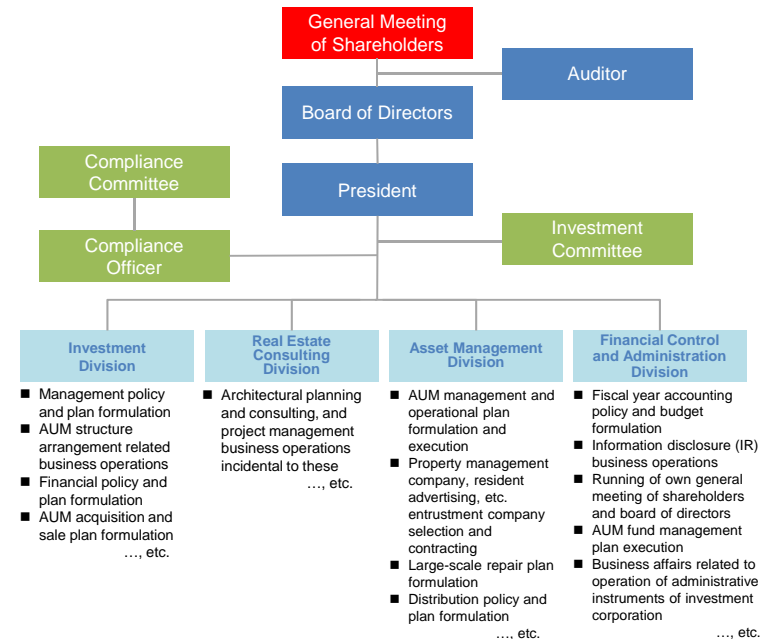
## ■ History

- Dec. 22, 2001      Obtained building lots and buildings transaction business license (Tokyo Governor (1) No.80325)
- Nov. 11, 2004      Obtained discretionary transaction agent and other approval under 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.

## ■ Outline

- President              Kazuya Hiraide
- Head office location    2-1-14 Nihonbashi, Chuo Ward, Tokyo
- Line of business        Investment management business and real estate consulting business
- Capital stock            150,000,000 yen
- Shareholder             Starts Corporation Inc. (100%)

## ■ Organizational Chart



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This document contains forward-looking statements about business performance; however, these forward-looking statements are not a guarantee of future performance or management results.

Although the information and opinions contained in this document are derived from what is believed to be reliable and accurate sources, no assurances can be given regarding the accuracy or completeness of this information.

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