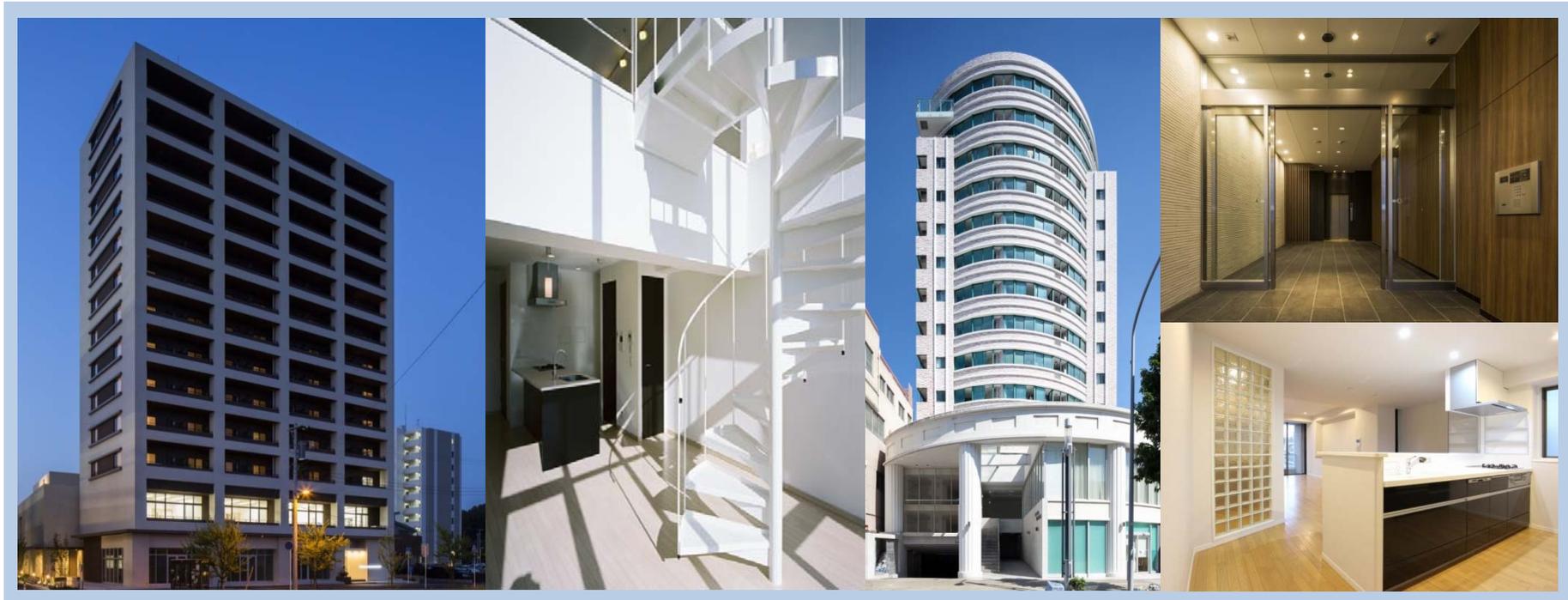




Starts Proceed Investment Corporation



Financial Results Briefing

21st Fiscal Period (six months ended April 30, 2016)

June 15, 2016



(Asset Management Company)
Starts Asset Management Co., Ltd.

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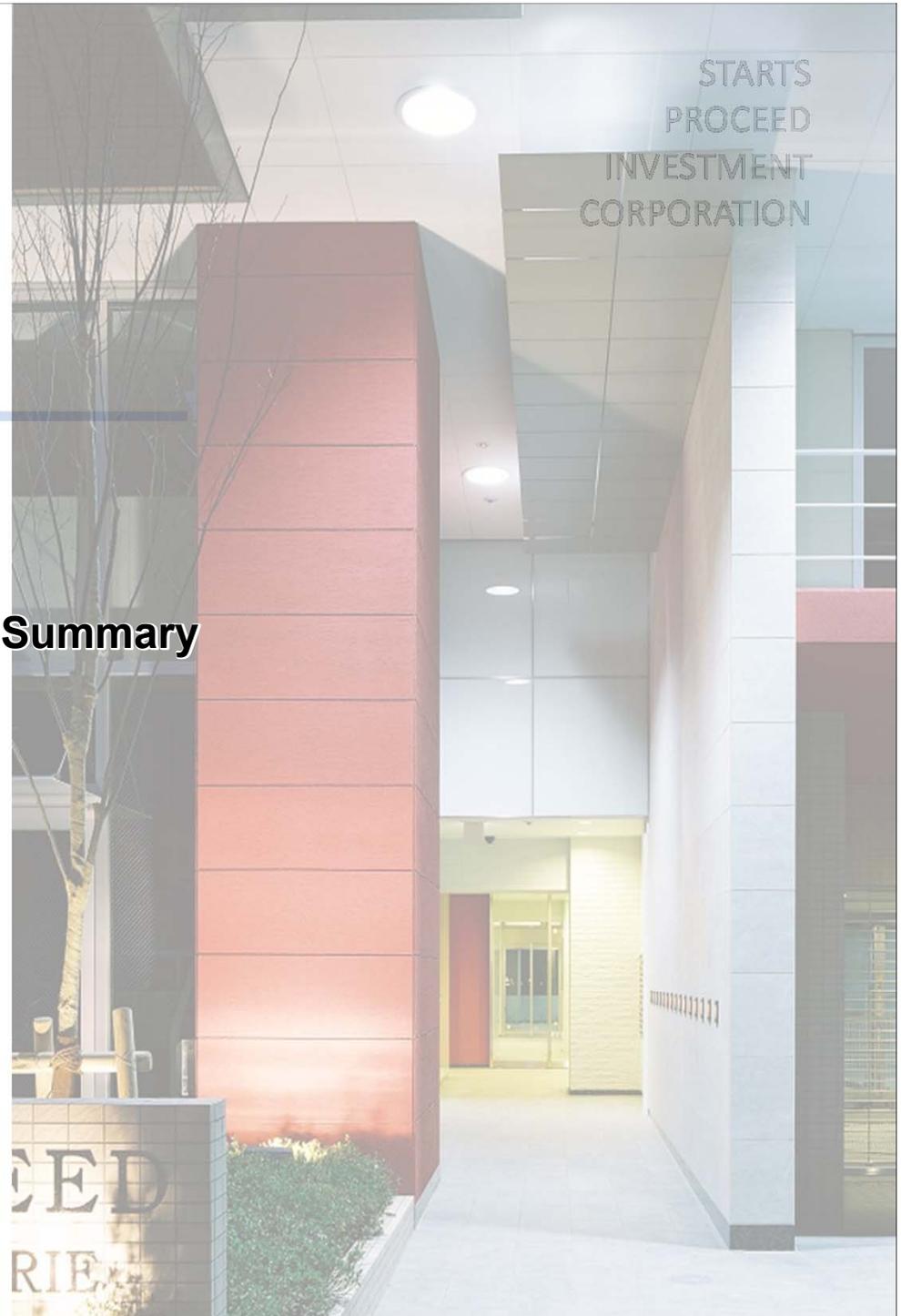
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21st Fiscal Period Financial Results Summary



21st Fiscal Period Financial Results Highlights



Achieved Results Exceeding Forecast at Beginning of Period in 21st Period

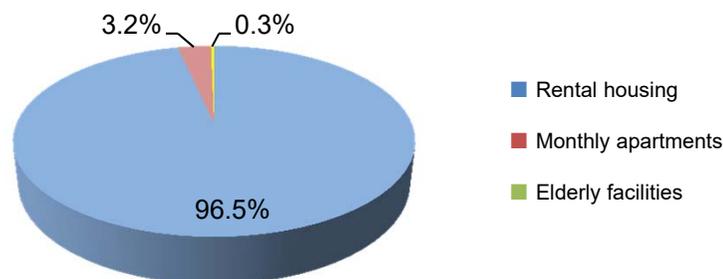
	Forecast at beginning of 21st fiscal period	Results of 21st fiscal period	Comparison with 20th fiscal period
Distribution per unit	4,030 yen	4,104 yen	(Results of 20th fiscal period 4,035 yen) +69 yen (+1.7%)
		+74 yen (+1.8%)	

Overview of Portfolio Assets at End of 21st Fiscal Period (April 30, 2016)

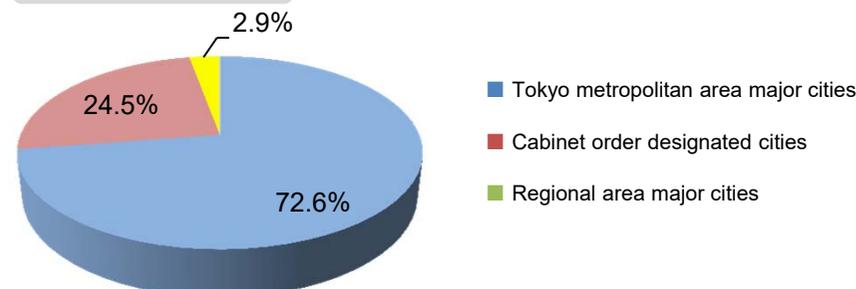
Total acquisition price	<u>57,110 million yen</u>	Total number of leasable units	<u>3,969 units</u>
Number of properties	<u>96 properties</u>	Total number of leasable parking spaces	<u>992 vehicles</u>
Gross leasable area	<u>146,415.29m²</u>	Occupancy rate (at end of 21st fiscal period)	<u>95.9%</u>
Average building age	<u>14.7 years</u>	NOI yield (Annualized and based on acquisition price)	<u>5.9%</u>
		Yield after depreciation	<u>4.2%</u>

Portfolio Data (96 Assets)

Portfolio by use



Portfolio by region



(Note) Unless otherwise specified, all amounts are round down , and figures with decimal places calculated for percentage or averaged are rounded off. The same shall apply hereinafter.

21st Fiscal Period Financial Results: Comparison with Previous Period Results and with Beginning of Period Forecast



(million yen)

	20th FP Results	21st FP Forecast (Note)	21st FP Results	Difference from 20th FP Results	Main Reason for Difference	Difference From 21st FP Forecast	Main Reason for Difference	
Operating revenue	2,220	2,240	2,239	18		-1		
Operating expenses	1,306	1,326	1,321	14	■ Operating revenue Rent +11 Key money +3 Renewal fee +5	-5	■ Operating revenue Rent +5 Key money -3 Renewal fee -1	
	Expenses related to rent business	1,011	1,028	1,029		17		1
	Other expenses	294	298	291		-3		-7
Operating income	914	913	918	3	■ Operating expenses Expenses related to rent business Repair expenses +22 Regular maintenance expenses -3 Other expenses Asset management fee -1 Common commissioned survey expenses -1	4	■ Operating expenses Expenses related to rent business Advertising expenses -5 Repair expenses +12 Depreciation and amortization -2 Utilities expenses -5 Other expenses Real estate taxes -1 Expert compensations, etc. -5	
Non-operating income	6	1	6	0		5		
Non-operating expenses	217	212	209	-8	■ Non-operating expenses Borrowing related expenses -5 Interest expenses -4	-2	■ Non-operating expenses Interest expenses -2	
Ordinary income	703	702	715	11		12		
Net income	701	700	713	11		12		
Distribution per unit (yen)	4,035	4,030	4,104	69	—	74	—	

Distribution
21st FP: 4,104 yen

Difference from 20th Fiscal Period Results

In the 21st fiscal period, distribution surpassed that of the previous fiscal period due to increases in rent, etc. and reduction in borrowing related expenses and interest expenses.

Difference from 21st Fiscal Period Forecast

Distribution surpassed the forecast due to reduction of various expenses/interest expenses, etc.

(Note) The forecast figures for the 21st fiscal period are calculated based on certain assumptions as at December 15, 2015.

Management Forecast for 22nd and 23rd Fiscal Periods



(million yen)

	21st FP Results	22nd FP Forecast	Difference from 21st FP Results	Reason for Difference	23rd FP Forecast	Difference From 22nd FP Forecast	Reason for Difference
Operating revenue	2,239	2,246	7	<ul style="list-style-type: none"> ■ Operating revenue Rent +15 Key money -3 Renewal fee -5 Repair expenses borne by lessees -1 ■ Operating expenses Expenses related to rent business Repair expenses -7 Regular maintenance expenses +2 Depreciation and amortization +8 Other expenses Asset management fee +4 Common commissioned survey expenses +3 Other various expenses +4 Real estate taxes -2 ■ Non-operating expenses Borrowing related expenses -10 Interest expenses -1 Amortization of new investment unit issuance costs -3 	2,264	18	<ul style="list-style-type: none"> ■ Operating revenue Rent +9 Key money +2 Renewal fee +3 ■ Operating expenses Expenses related to rent business Advertising expenses +4 Repair expenses +4 Depreciation and amortization +3 Renewal fee +2 Other expenses Asset management fee -3 Real estate taxes +4 Others +4 ■ Non-operating expenses Borrowing related expenses -3 Interest expenses -2
Operating expenses	1,321	1,337	16		1,359	22	
Expenses related to rent business	1,029	1,036	6		1,051	15	
Other expenses	291	300	9		307	7	
Operating income	918	909	-8		904	-4	
Non-operating income	6	1	-5		1	0	
Non-operating expenses	209	193	-15		187	-6	
Ordinary income	715	716	1		718	1	
Net income	713	714	1	716	1		
Distribution per unit (yen)	4,104	4,110	6	—	4,120	10	—
Acquisition price (million yen)	57,110	57,860	750	—	57,860	—	—
Number of properties (properties)	96	97	1		97	—	
Total number of units (units)	3,969	3,998	29		3,998	—	

Forecast distribution
22nd FP: 4,110 yen
23rd FP: 4,120 yen

22nd Fiscal Period Forecast

Although there a decrease in rent revenue from seasonal fluctuations (off-season), distribution of 4,110 yen is forecast (up 6 yen from the previous fiscal period) due to effects of the increase in rent revenue from the acquired one property (Proceed Kasai 2), reduction of non-operating expenses such as financial costs, etc. Average occupancy rate during the period of 95.8% is forecast.

23rd Fiscal Period Forecast

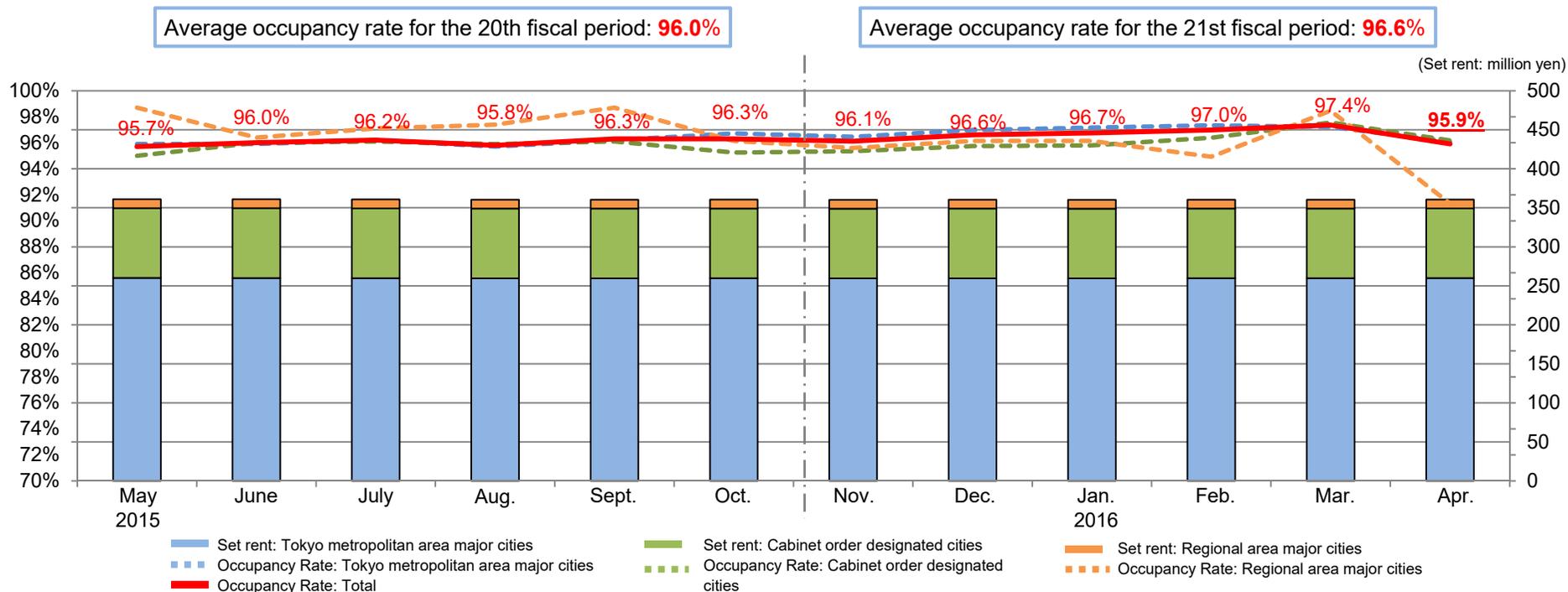
Although there is some increase/decrease in operating revenue, operating expenses, etc. due to seasonal fluctuations (on season) and such, distribution of 4,120 yen is forecast due to expected reduction in interest expenses affected by the market conditions surrounding interest rates as well as reduction in financing charges, etc. through negotiation with financial institutions. Average occupancy rate during the period of 96.0% is forecast.

(Note) The forecast figures for the 22nd and 23rd fiscal periods above are calculated based on certain assumptions as at June14, 2016. 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 (Note 1)



(Note 1) Set rent is the sum total of rent and common area maintenance charges.

Comparison between Set Key Money Total Amount and Set Rent (Note 2)

(at end of period)

	18th FP	19th FP	20th FP	21st FP
Number of properties	89 properties	96 properties	96 properties	96 properties
Set key money total amount (thousand yen)	184,992	192,622	190,298	191,543
Ratio to set rent (month)	0.81	0.69 (Note 3)	0.68	0.68

During the 21st fiscal period, occupancy rate maintained at a stable level of **95%** or more.

The average occupancy rate during the period achieved **96.6%**, an increase of 0.6% from the previous fiscal period.

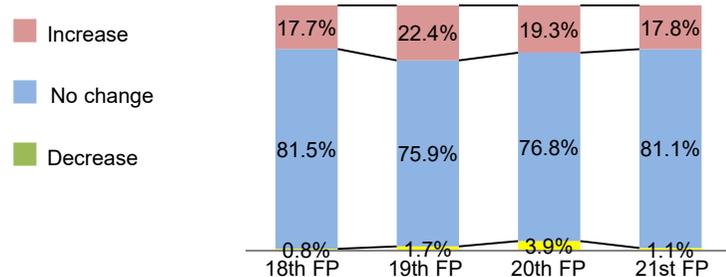
(Note 2) In the calculation of the ratio to set rent, calculations are based on rent and common area maintenance charges are not included. The figures are for pass-through type properties only and fixed-rent type properties are not included.

(Note 3) The comparison with set rent for the 7 properties acquired in the 19th fiscal period is 0.11 month. The comparison with set rent for the 19th fiscal period for the 89 properties excluding the 7 properties is 0.81 month.

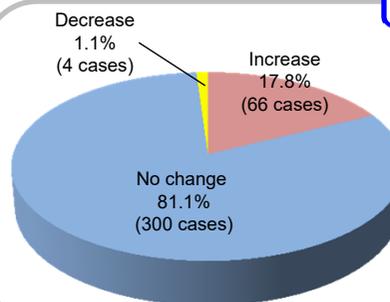
Status of Leasing Conditions of AUM

Renewal / Newly-Advertised Conditions Setting (Note1)

Renewal Rent Revision



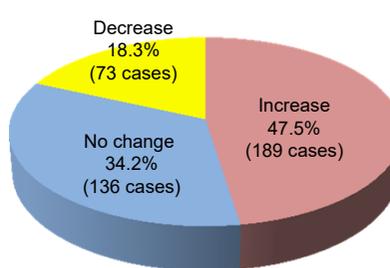
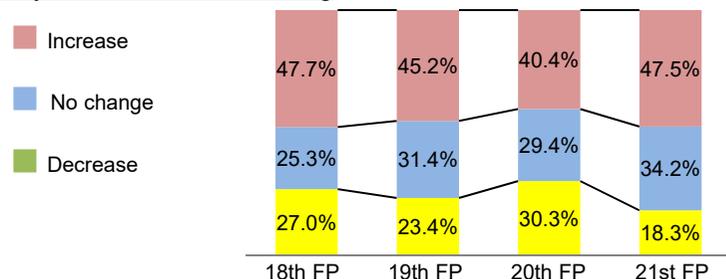
21st FP



(thousand yen)

	Cases	Change
Increase	66 cases	100
No change	300 cases	-
Decrease	4 cases	-25
Total	370 cases	75

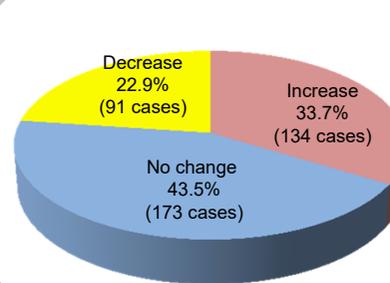
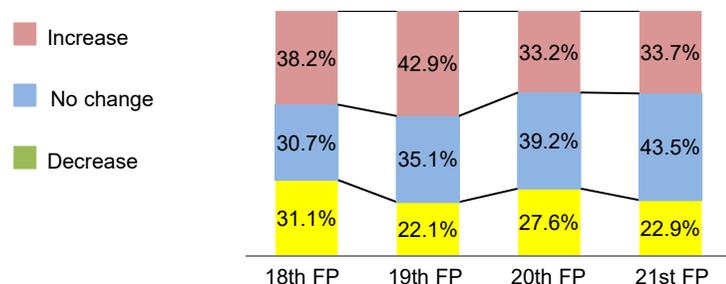
Newly-Advertised Rent Setting



(thousand yen)

	Cases	Change
Increase	189 cases	684
No change	136 cases	-
Decrease	73 cases	-393
Total	398 cases	290

Newly-Advertised Key Money Setting (Note 2)



(thousand yen)

	Cases	Change
Increase	134 cases	8,289
No change	173 cases	-
Decrease	91 cases	-7,220
Total	398 cases	1,068

The newly-advertised rent setting turned positive this fiscal period.

Renewal setting realized upward revision for the 6th consecutive period and the key-money setting for the 3rd consecutive period.

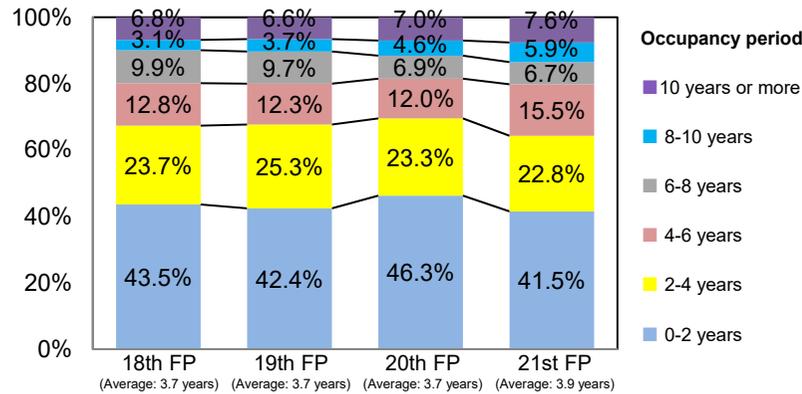
(Note 1) The conditions setting figures are for pass-through type properties only and fixed-rent type properties are not included.

(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.

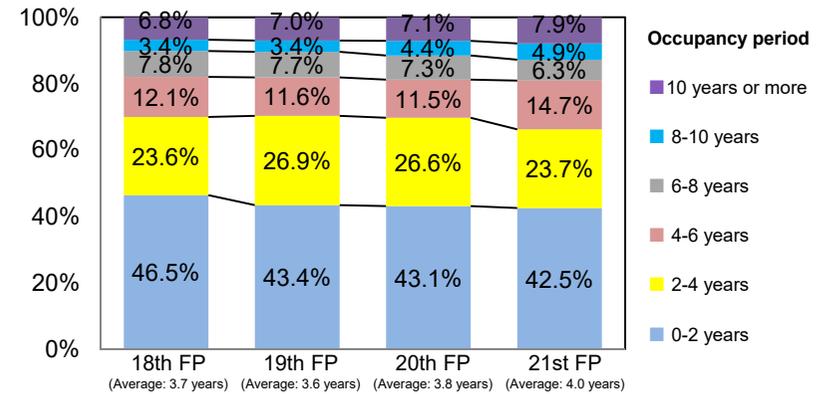
AUM Average Occupancy Period by Residential Unit Type (Results of 18th–21st Fiscal Period Residents)



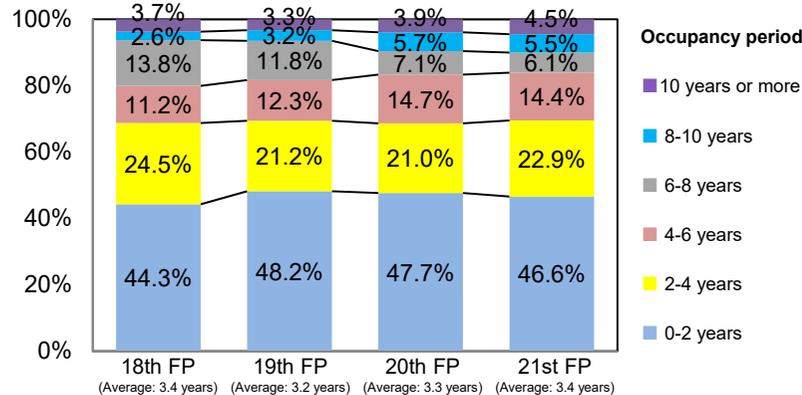
All (End of 21st FP: average **3.9** years)



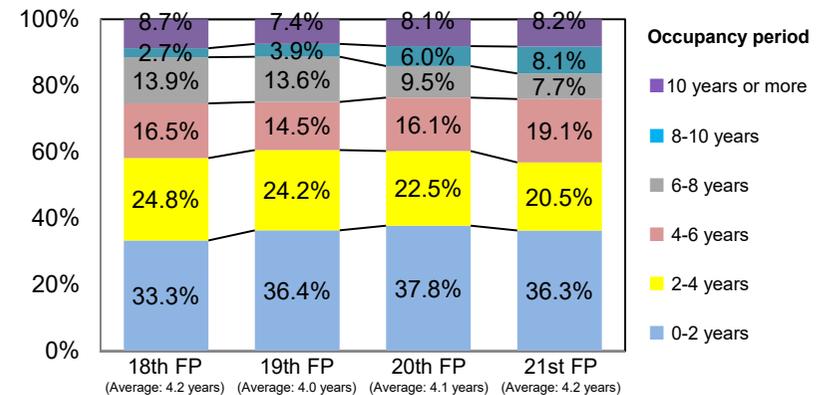
Single type (End of 21st FP : average **4.0** years)



DINKS type (End of 21st FP : average **3.4** years)



Family type (End of 21st FP : average **4.2** years)



The number of residents with occupancy period less than 2 years has decreased throughout all types. However, the number of residents with occupancy period of 4 years or more has increased, bringing a trend of longer average occupancy period.

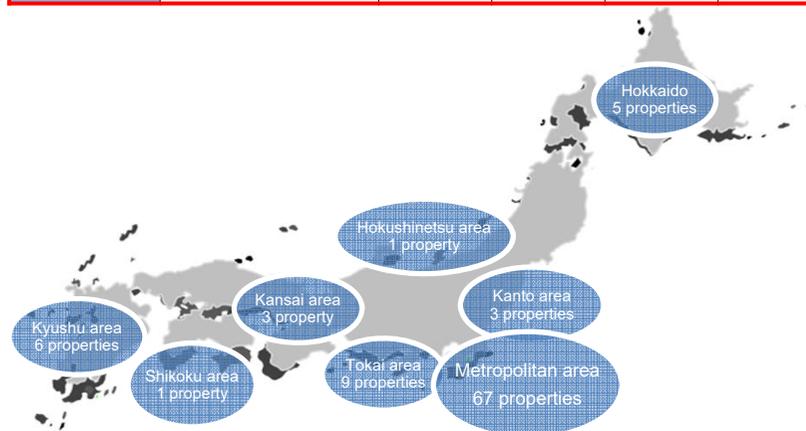
(Note 1) "Occupancy period" compiles tenant households by their period of occupancy as at the end of the respective fiscal period.
 (Note 2) As the data has been prepared for rental housing alone, (G-23) Group Home Tanoshii le Taisho is excluded from compilation.
 (Note 3) "All" includes retail and office (48 units). Moreover, vacant units are excluded.
 (Note 4) All, single, DINKS and family types' respective average occupancy period is rounded down to one decimal place.

■ Characteristics of Rental Housing in which Starts Proceed Primarily Invests

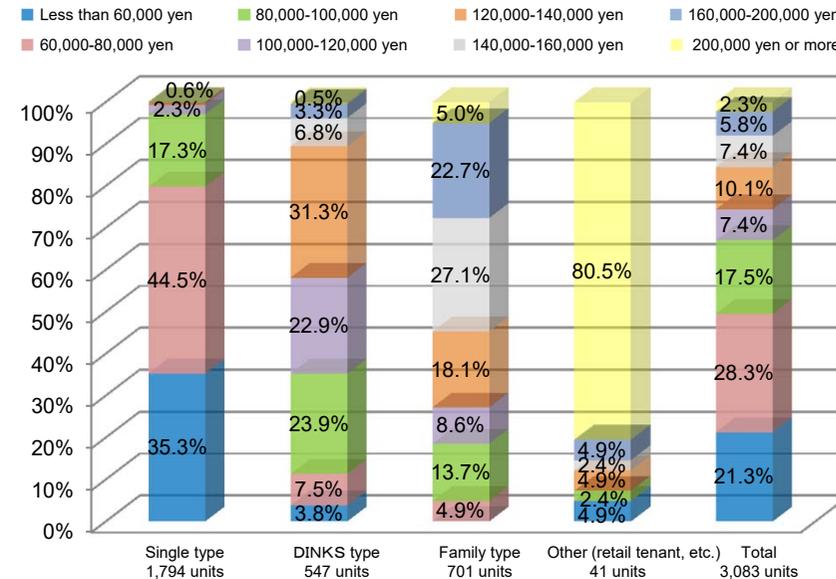
Investment is diversified across the single type to family type with an aim to build a portfolio that can respond to the market rent, resident demand and other fluctuations as much as possible. In addition, **rental housing for average-income households, the demand for which is the most stable, is set as the primary investment target**, 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)

Type of master lease	Residential unit type	Average rent (yen)		Change (yen)	Change (%)
		20th FP	21st FP		
Pass-through	Single type	67,640	67,655	15	0.0
	DINKS type	110,380	110,348	-32	-0.0
	Family type	140,642	140,599	-43	-0.0
	Other (retail tenant, etc.)	461,322	463,517	2,195	0.5
Fixed-rent	All types	68,153	68,153	0	0.0
All	Overall average	90,611	90,628	17	0.0



Starts Proceed Portfolio's Rent Range by Residential Unit Type (Note 6)



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: **61.8%**
 DINKS type: Rent range of 80,000 yen or more, but less than 120,000 yen: **46.8%**
 Family type: Rent range of 80,000 yen or more, but less than 160,000 yen: **67.5%**

(Note 1) The figures used in the calculation of average rent range are that of the rents stated in the rent roll for the path-through type properties (3,083 units); and that obtained by dividing the total sum of monthly master lease rents set in the master lease agreements concluded between Starts Proceed Investment Corporation and Starts Amenity Corporation by the number of units, each rounded down to the nearest whole number for the fixed-rent type properties (885 units).
 (Note 2) The percentage of change in average rent is rounded to one decimal place.
 (Note 3) "Average rent" for pass-through type properties 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 agreement 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 21st fiscal period (April 30, 2016).
 (Note 4) "Other" refers to the retail and office portions of a mixed-use apartment building.
 (Note 5) As Average Rent Range by Residential Unit Type has been prepared for rental housing alone, (G-23) Group Home Tanoshii Ie Taisho is excluded from compilation.
 (Note 6) The figures are for pass-through type properties only and fixed-rent type properties are not included.

Changes in AUM Indicators

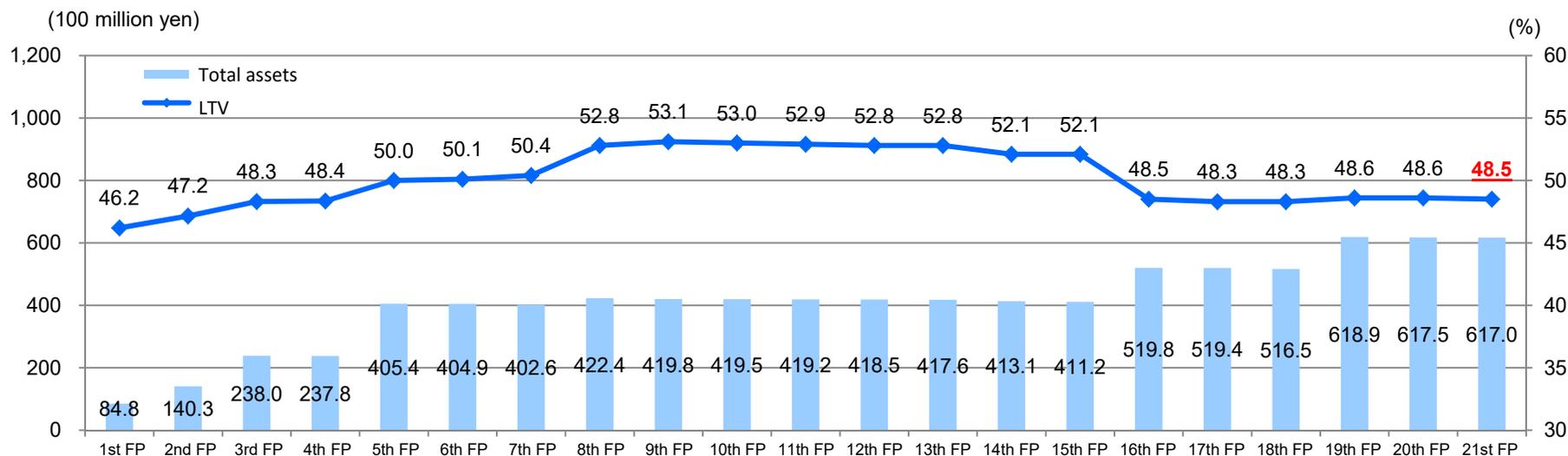


	Acquisition price (million yen)	Carrying amount (million yen)	Appraisal value (million yen)		Occupancy rate (period-end) (%)		NOI results (million yen)		NOI yield (annualized; based on acquisition price) (%) (Note)		NOI yield (annualized; based on appraisal value) (%) (Note)		NOI yield after depreciation (based on acquisition price) (%)	
			20th FP	21st FP	20th FP	21st FP	20th FP	21st FP	20th FP	21st FP	20th FP	21st FP	20th FP	21st FP
	At acquisition	21st FP	20th FP	21st FP	20th FP	21st FP	20th FP	21st FP	20th FP	21st FP	20th FP	21st FP	20th FP	21st FP
Tokyo metropolitan area major cities (72.6%)	41,487	41,452	44,732	45,499	96.7	96.1	1,217	1,224	5.9	5.9	5.4	5.4	4.2	4.3
Cabinet order designated cities (24.5%)	13,969	14,217	15,505	15,731	95.3	96.2	408	408	5.8	5.8	5.3	5.2	4.1	4.1
Regional area major cities (2.9%)	1,654	1,666	1,839	1,873	96.1	91.3	57	52	6.9	6.4	6.2	5.6	4.6	4.1
Total	57,110	57,336	62,077	63,103	96.3	95.9	1,683	1,685	5.9	5.9	5.4	5.3	4.2	4.2

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

Appraisal value for the 21st fiscal period increased by **1.02 billion** yen period-on-period with unrealized gains of **5.76 billion** yen.
NOI yield (annualized and based on acquisition price) for the entire portfolio was **5.9%**.

Changes in Total Assets and LTV Ratio



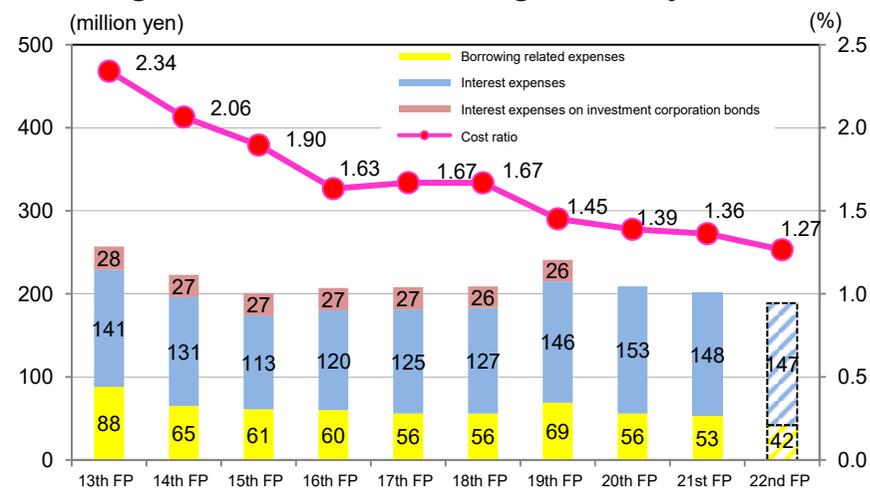
(Note) "LTV ratio" in this graph is calculated by dividing the balance of interest-bearing liabilities at the end of the period (including subordinated investment corporation bonds issued and outstanding for 8th-18th FP) by total assets at the end of the period.

Balance of Interest-Bearing Liabilities at End of 21st Fiscal Period (April 30, 2016)

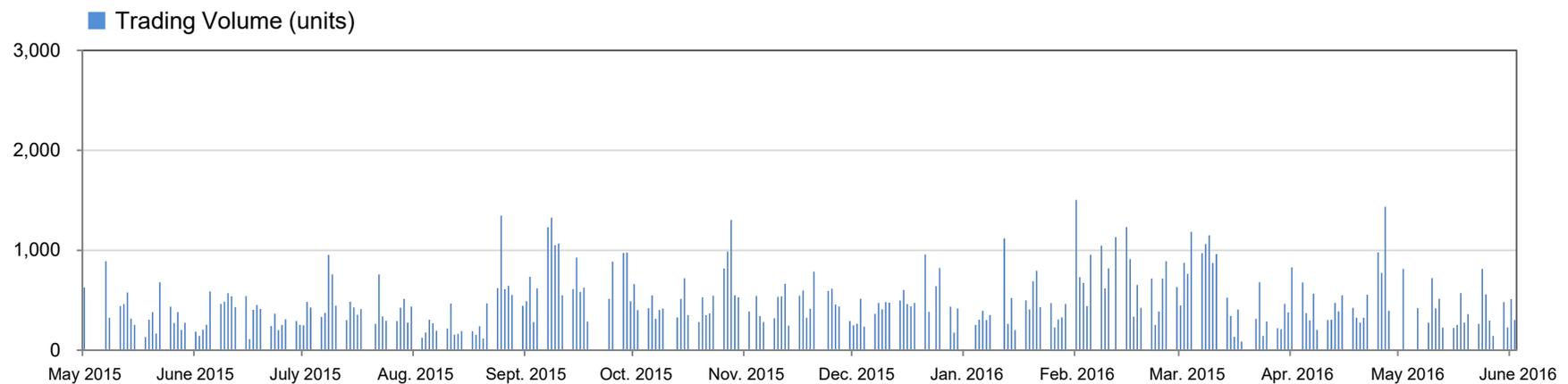
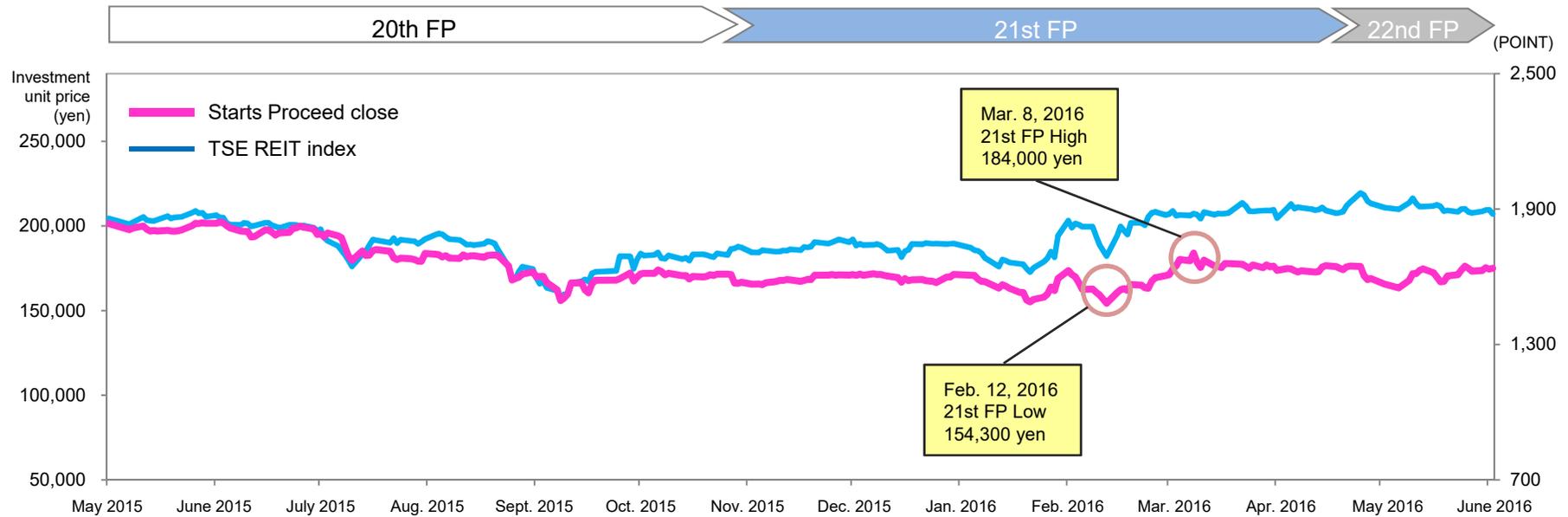
(million yen)

	Loans balance
Current portion of long-term loans payable	9,318
Long-term loans payable	20,590
Total loans	29,908
LTV ratio (%)	48.5

Change in Interest-Bearing Liability Costs



Changes in Investment Unit Price

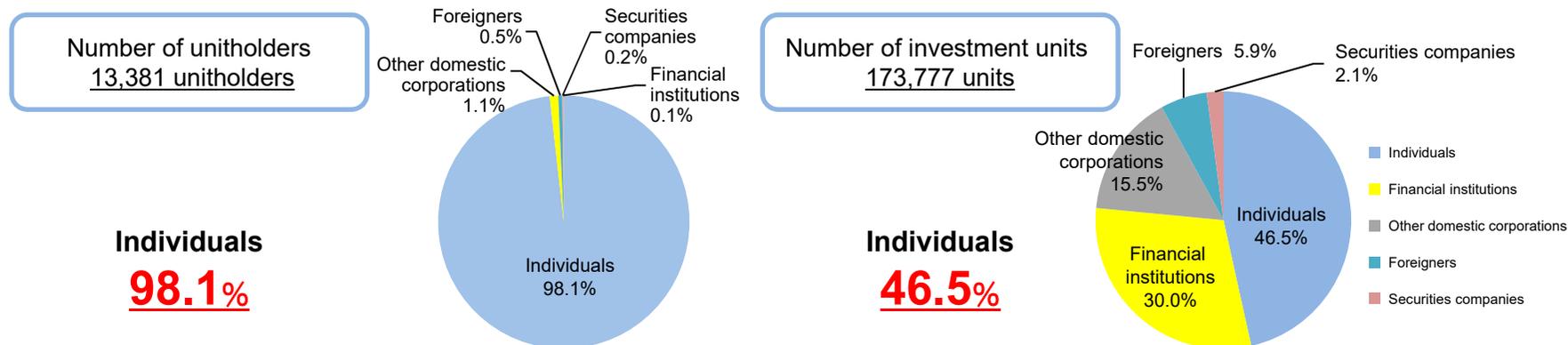


During the 21st fiscal period, the investment unit price marked a high of **184,000 yen** (March 8, 2016) and a low of **154,300 yen** (February 12, 2016), based on closing price.

Status of Unitholders (As of April 30, 2016)



Composition of Unitholders and Investment Units at End of 21st Fiscal Period

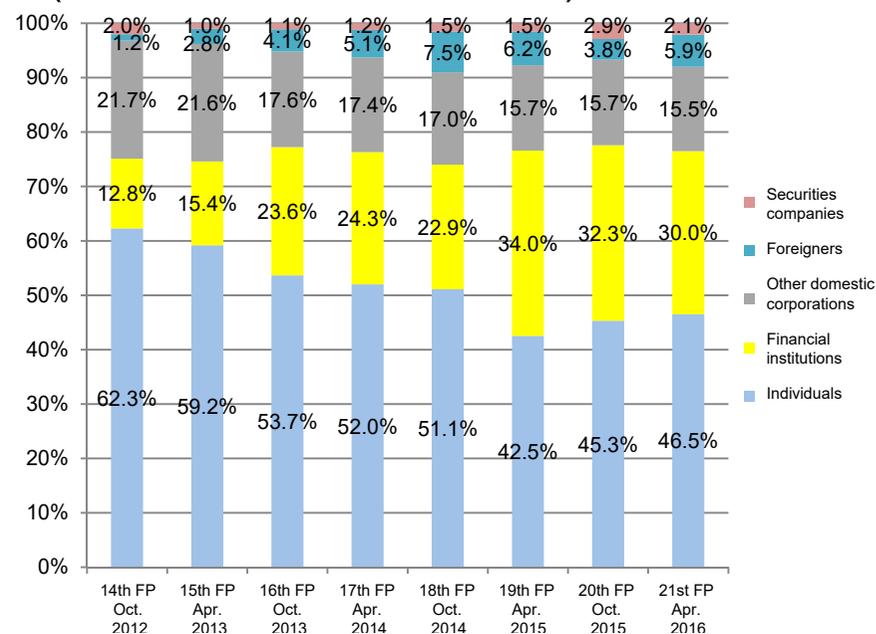


Major Unitholders at End of 21st Fiscal Period (April 30, 2016)

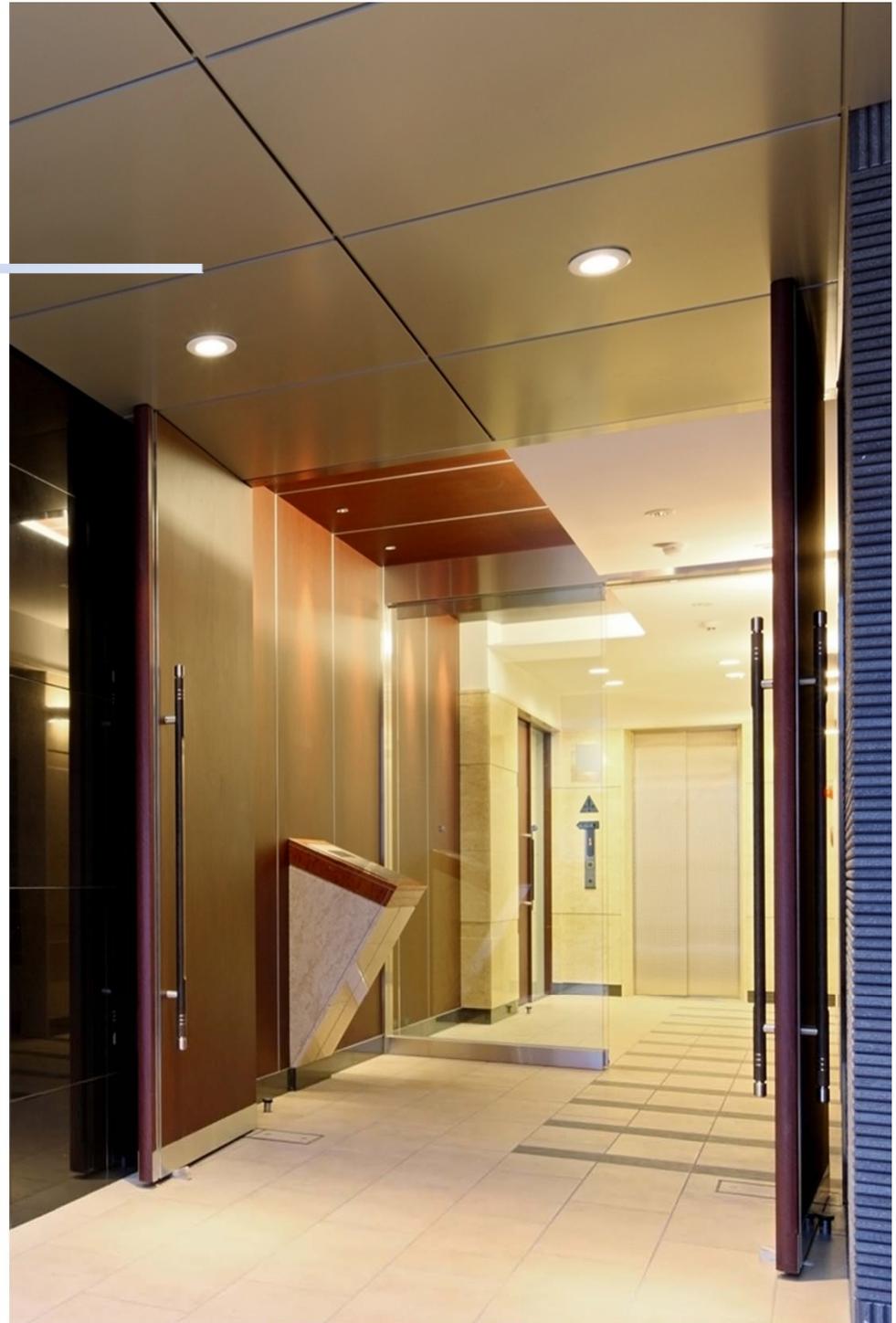
	Name	Number of investment units held (units)	Unitholding ratio (%) (Note)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	28,379	16.33
2	Starts Corporation Inc.	22,591	12.99
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	8,295	4.77
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	5,936	3.41
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	5,418	3.11
6	STATE STREET BANK AND TRUST COMPANY 505001	2,204	1.26
7	Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,853	1.06
8	Individual investor	1,806	1.03
9	CBNY DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	1,170	0.67
10	Yoshida Shoji Co., Ltd.	1,000	0.57
11	NOMURA BANK (LUXEMBOURG) S.A.	939	0.54
12	MSIP CLIENT SECURITIES	928	0.53
13	Individual investor	800	0.46
14	Nomura Securities Co., Ltd.	681	0.39
15	YONEZAWA SHINKIN BANK	650	0.37
16	BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	646	0.37
17	MORGAN STANLEY & CO. LLC	635	0.36
18	SBI SECURITIES Co., Ltd.	621	0.35
19	Individual investor	534	0.30
20	BBH FOR VANGUARD GLOBAL EX-U.S. REAL ESTATE INDEX FUND	532	0.30
	Total	85,618	49.26

(Note) Figures for unitholding ratio are rounded down to two decimal places.

Changes in Composition of Unitholders (14th to 21st Fiscal Periods)



Future Management Policy



Management Policy from 22nd Fiscal Period

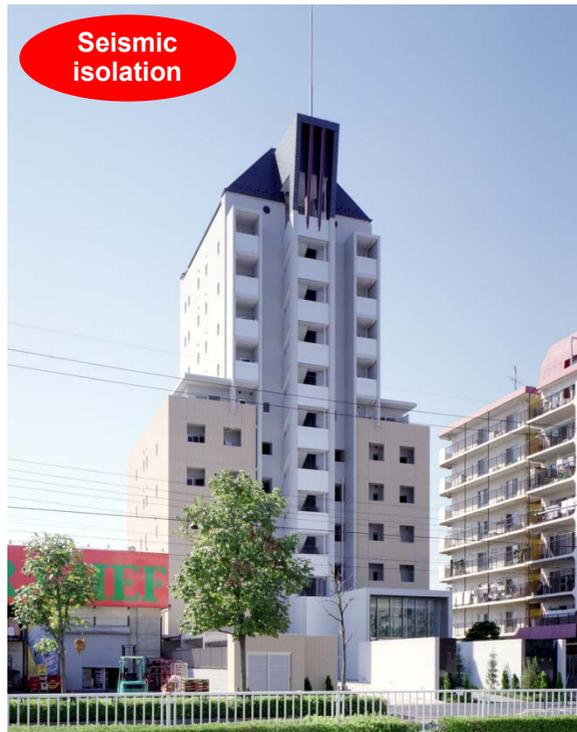


	Main Initiatives in 21st Fiscal Period	New Initiatives from 22nd Fiscal Period (six months ending Oct. 31, 2016)
External Growth	<ul style="list-style-type: none"> ○Strengthening of collaborative relationship with the Starts Group ⇒Acquiring high return properties by avoiding bids ○Accumulation of warehousing properties ⇒Completion and stable operation of Hongo and Osu ⇒Launching a large property construction in Sendai ⇒Selected as an operator for utilization of the station-front city-owned land at Nagareyama Otaka Forest 	<ul style="list-style-type: none"> ○Steady property acquisitions with a target asset size of 100 billion yen ○Acquisition of Proceed Kasai 2 with cash on hand ⇒Seismic isolated property by Starts CAM Co., Ltd. ○Further strengthening of collaborative relationship with the Starts Group <ul style="list-style-type: none"> • Acquiring high return properties through development • Working on hotel transactions • Development of prime properties through public proposals, etc.
Internal Growth	<ul style="list-style-type: none"> ○Reduction of regular maintenance and repair costs <ul style="list-style-type: none"> • Continuation of negotiation for cost reductions through maximum effective utilization of economies of scale • Cost reduction by further reviewing estimates and promotion of reasonable expenditures ○Raising of leasing conditions (rent and key money) <ul style="list-style-type: none"> • Continuation of maintaining the rent level by design-oriented renovation • Improvement of designs (accent wallpaper, doors/windows, flooring material) and upgrading of facilities and equipment ○Enhancement of occupancy rate <ul style="list-style-type: none"> • Launch of effective property-specific campaigns based on past successful cases • Prompt response in replacing tenants during demand season for rental housing 	<ul style="list-style-type: none"> ○Securement of high occupancy rate / Optimization of campaigns, effectiveness in continuation of installing showrooms ○Improvement in designs in line with restoration to original state (Accent wallpaper, upgrading of doors/windows, upgrading of facilities and equipment) ○Enhancement of asset value and market competitiveness though major repair <ul style="list-style-type: none"> • Exterior makeovers (C-02) Proceed Toyocho (G-01) Proceed Hondori • Renovation of elevators (Improvement of interior designs/Installment of LED lighting) (C-05) Proceed Mizue (C-33) Proceed Shinkoenji (C-36) Proceed Oimachi (C-44) Proceed Nakagawara Ichibankan/Nibankan (C-52) Proceed Nishikawaguchi
Financial Strategy	<ul style="list-style-type: none"> ○Efforts for acquisition of credit rating ○Conservative management of LTV ○Further strengthening of financial base (Further extension and laddering of repayment periods and raising of ratio of fixed-rate loans) 	<ul style="list-style-type: none"> ○Discussion of fixation of interest rates while taking into account the interest rate trend ○Efforts for acquisition of credit rating ○Conservative management of LTV ○Further development of bank formation

Securing of stable distributions

Overview of Property Acquired on May 6, 2016

■ (C-68) Proceed Kasai 2



(C-68) Proceed Kasai 2			
Use	Rental housing	Total number of leasable units	29 units
Location	7-15-7 Higashikasai, Edogawa-ku, Tokyo	Total number of leased parking spaces	6 units
		Gross leasable area	2,140.59 m ²
Acquisition price	750,000,000 yen	Construction completion	September 2003
Structure	RC/ 13F	Occupancy rate (as of June 5, 2016)	89.8%

- 10-minute walk from Kasai Station on Tokyo Metro Tozai Line
- 16 minute ride to Otemachi by Tozai Line

Candidate Properties for Acquisition (Properties Owned by the Starts Group)

■ Property Acquired from Outside Parties



Proceed Hyogo-ekimae-dori	
Location	Kobe City, Hyogo
Structure	RC/13F
Completion	Feb. 2008
Number of units	1K: 116 units Tenant: 1 unit
Occupancy rate (as of June 5, 2016)	82.1%

■ Properties Acquired from Existing Clients of Starts Proceed



Proceed Mizuho	
Location	Nagoya City, Aichi
Structure	RC/11F
Completion	Feb. 2007
Number of units	1K: 40 units
Occupancy rate (as of June 5, 2016)	83.2%



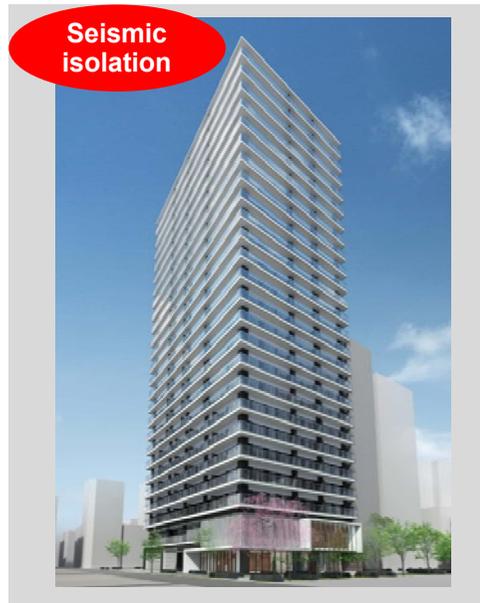
Proceed CO-Z West Building	
Location	Narita City, Chiba
Structure	RC/8F
Completion	Jan. 1998
Number of units	1R: 8 units 2LDK: 63 unit
Occupancy rate (as of June 5, 2016)	97.0%



Proceed CO-Z East Building	
Location	Narita City, Chiba
Structure	RC/8F
Completion	Mar. 1997
Number of units	1LDK: 14 units 3DK: 39 units 2LDK: 27 units Tenant: 9 units 3LDK: 22 units
Occupancy rate (as of June 5, 2016)	94.9%

Properties Developed by the Sponsor 1

■ Kanda-Higashimatsushitacho Plan Private Residential Building Development Project



Alpha Grande Chizakura Tower

Location	22 Kanda Higashimatsushita-cho, Chiyoda-ku, Tokyo, and other
Site area	3,428.53 m ²
Zoning	Commercial district, fire preventive district
Structure	RC (partially steel-framed) / 25F (base seismic isolation)
Total floor area	26,968.33 m ²
Height	88.12m
Use	Apartment, retail, office, living support facility
URL	http://www.chizakura.jp/index.html

Alpha Grande Chizakura Tower is a plan to set a fixed-term land leasehold to private land adjacent to the former lot of Chizakura Elementary School (kuyuchi), develop integrally with business parties and establish a condominium and rental housing primarily for middle-income households, with a square area to the east and west.

Starts Corporation was selected as a business partner with the public proposal of Chiyoda Ward in 2010, and construction is underway and slated for completion in July 2018.

■ Completed Property



Proceed Minamigyotoku 2
(Ichikawa City, Chiba)

Structure: RC/6F
(seismic isolation)
Completion: May 2014
Number of units: 2LDK: 4 units
3LDK: 28 units
4LDK: 4 units
Occupancy rate: 97.3%
(Note)



Proceed Kudanshita
(Chiyoda-ku, Tokyo)

Structure: RC/10F
Completion: Mar. 2015
Number of units: 1LDK: 16 units
1R: 2 units
Occupancy rate: 94.4%



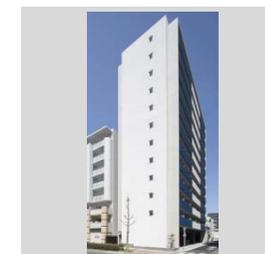
Proceed Unoki
(Ota-ku, Tokyo)

Structure: RC/5F
Completion: Sept. 2015
Number of units: 1LDK: 29 units
Occupancy rate: 89.7%



Proceed Hongo
(Bunkyo-ku, Tokyo)

Structure: RC/9F
(seismic isolation)
Completion: Jan. 2016
Number of units: 1LDK: 15 units
2LDK: 1 unit
1K: 7 units
Occupancy rate: 100.0%



Proceed Osu
(Nagoya City, Aichi)

Structure: RC/12F
Completion: Mar. 2016
Number of units: 1K: 66 units
Occupancy rate: 95.5%

■ Other Development Projects (Scheduled)



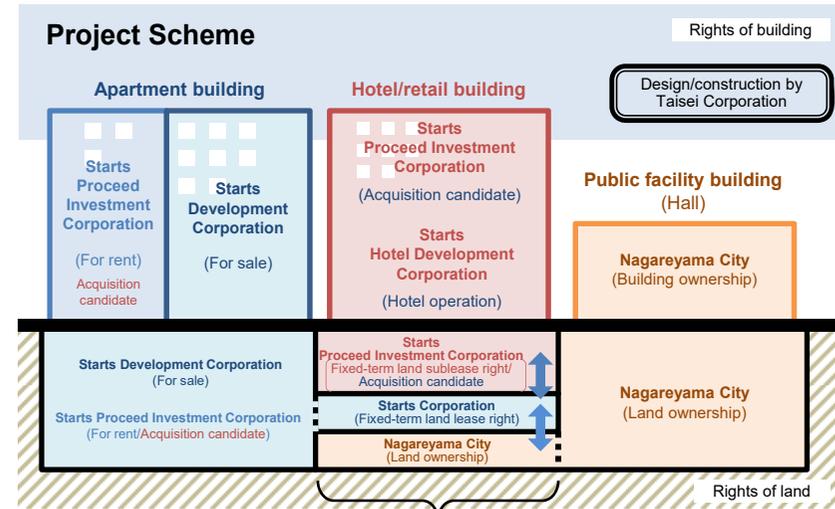
Sendai Kamisugi Project
(Sendai City, Miyagi)

Structure: RC/13F
Completion: Mar. 2017
Number of units: 2LDK: 8 units
1K: 100 units

(Note) Occupancy rates are calculated based on the areas as of June 5, 2016, rounded to the first decimal place.

Properties Developed by the Sponsor 2

Nagareyama Otaka Forest City-owned land development project



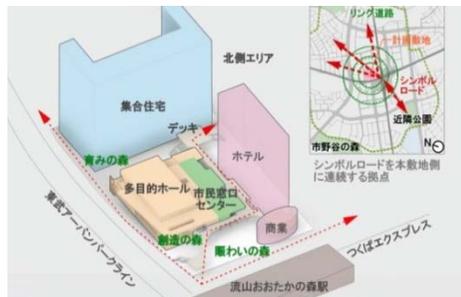
After Starts Corporation leases the land under fixed-term lease from Nagareyama City, Starts Proceed Investment Corporation plans to sublease it under fixed-term sublease and own the hotel.



Elegant full-scale concert hall



Connecting the three facilities and the station directly with pedestrian deck



Schedule

- Jan. 2017 Start of construction (planned)
- Dec. 2018 Completion and delivery of hall building/hotel building (planned)
- June 2019 Completion of apartment building (planned)

Property Overview

	Apartment building	Hotel/retail building	Hall/Resident service counter
Site area	4,200 m ²	2,000 m ²	3,945 m ²
Building area (m ²)	2,096 m ²	1,033 m ²	2,597 m ²
Building-to-land ratio (%)	49.90%	51.60%	65.80%
Total floor area (m ²)	19,535 m ²	8,398 m ²	3,798 m ²
Floor-area ratio (m ²)	400.0%	400.0%	87.40%
Structure	RC/Base with seismic isolation	Steel-framed	RC/Steel framed
Floors	14 floors above ground	11 floors above ground, 1 penthouse floor	2 basement floors and 1 penthouse floor
Maximum height (m)	46.0 m	48.8 m	15.0 m
Size/Features	<ul style="list-style-type: none"> •For sale: 192 Units •For rent: 49 Units •Establishment of town management association •Placement of a healthcare center 	<ul style="list-style-type: none"> •Guest rooms: 167 rooms (with suites) •Banquet rooms, large bath, fitness studio available •Café, convenient store and restaurant planned to be housed 	<ul style="list-style-type: none"> •Number of audience seats: 515 •Movable forward/backward seats •Can be used together with the foyer •Convenient resident service counter

Overview of May 24, 2016 Refinancing 1



■ May 24, 2016 Refinancing Loans

(million yen)

Term Loan		Q	V	Total
Term		2.5 years	1.5 years	
Total amount		3,100	2,647	5,747
Breakdown	Resona Bank	650	752	1,402
	Aozora Bank	450	465	915
	Sumitomo Mitsui Banking	500	317	817
	Chiba Bank	500	275	775
	Musashino Bank	500	275	775
	Mizuho Bank	—	317	317
	ORIX Bank	150	110	260
	Sumitomo Mitsui Trust Bank	—	113	113
	Mizuho Trust & Banking	100	—	100
	Kagawa Bank	—	23	23
	Higashi-Nippon Bank	250	—	250
	Floating interest rate (Note)		Base interest rate +0.85%	Base interest rate +0.50%
Repayment method		Lump-sum repayment on repayment date		



(million yen)

Term Loan		2B	2C	Total	Change
Term		6 years	7 years		
Total amount		2,873.5	2,873.5	5,747	—
Breakdown	Resona Bank	763.5	763.5	1,527	125
	Aozora Bank	520	520	1,040	125
	Sumitomo Mitsui Banking	408.5	408.5	817	—
	Chiba Bank	387.5	387.5	775	—
	Musashino Bank	387.5	387.5	775	—
	Mizuho Bank	158.5	158.5	317	—
	ORIX Bank	130	130	260	—
	Sumitomo Mitsui Trust Bank	56.5	56.5	113	—
	Mizuho Trust & Banking	50	50	100	—
	Kagawa Bank	11.5	11.5	23	—
	Higashi-Nippon Bank	—	—	—	-250
	Floating interest rate (Note)		Base interest rate +0.79%	Base interest rate +0.85%	
Repayment method		Lump-sum repayment on repayment date			

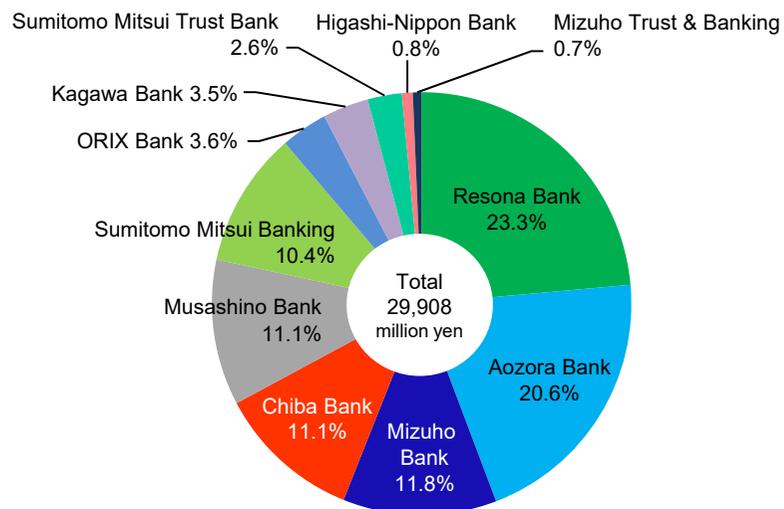
(Note) Base interest rate refers to JBA 1 month Japanese Yen TIBOR.

	End of 21st FP	Before May 24 refinancing	After May 24 refinancing
Average remaining period	1.67 years	1.80 years	2.98 years
Ratio of fixed-rate loans	29.0%	41.5%	41.5%

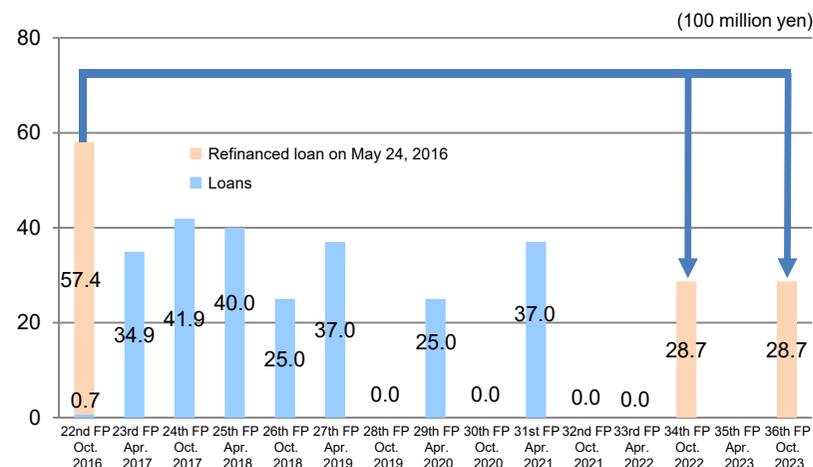
Overview of May 24, 2016 Refinancing 2



Change in Allocation of Total Loan Amount after Refinancing



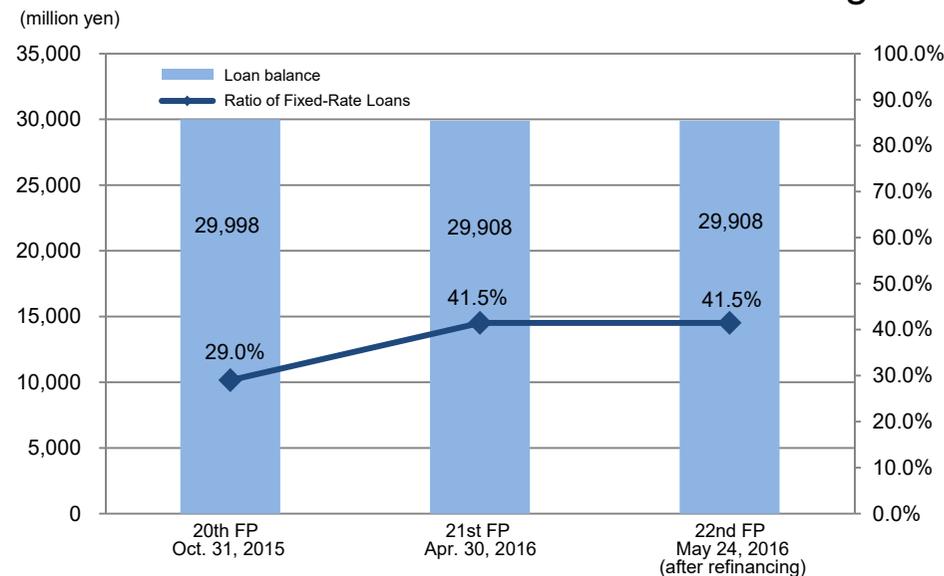
Status of Laddering of Interest-Bearing Liabilities after Refinancing



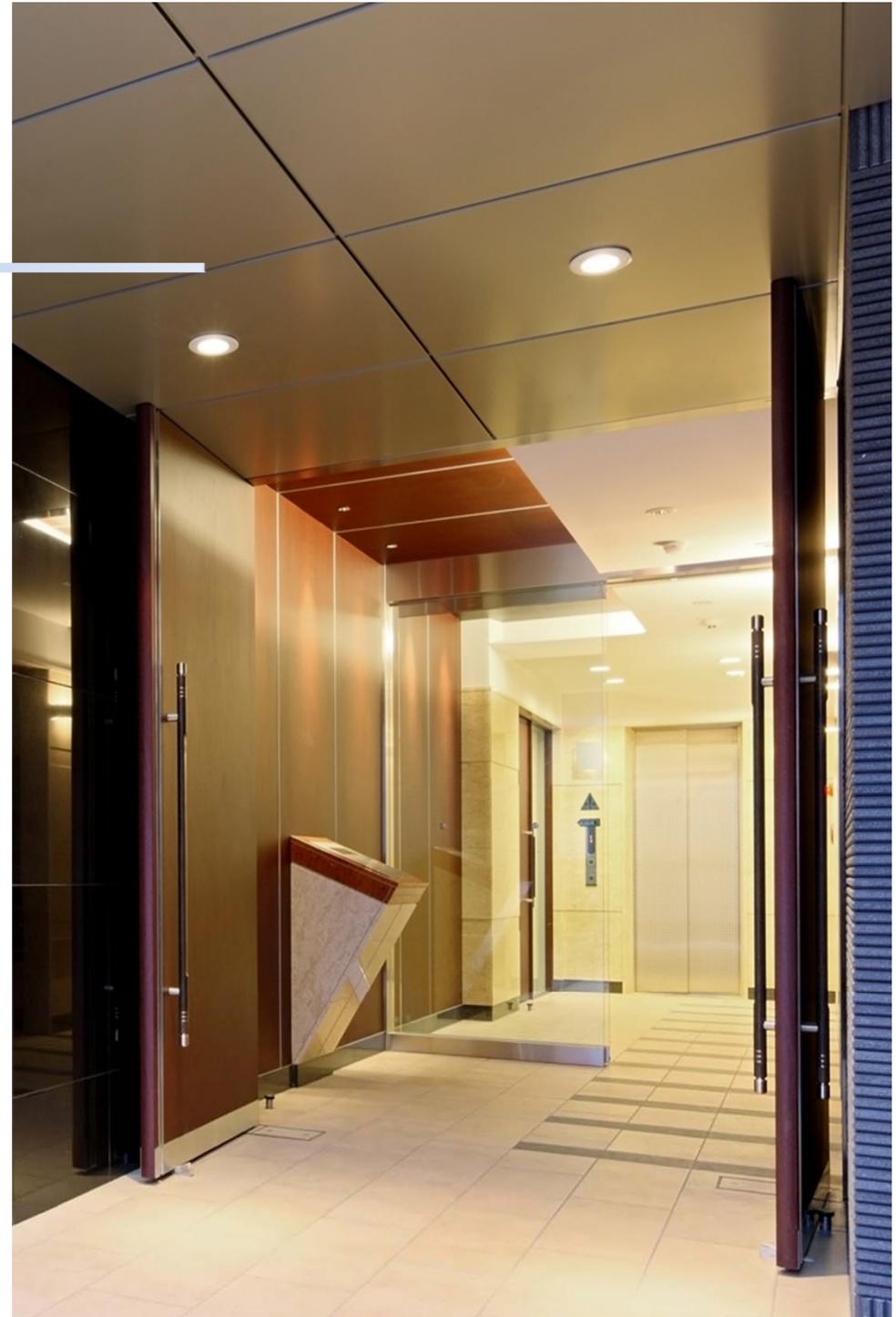
Breakdown of Lenders after Refinancing

Breakdown of lenders	Loan balance (million yen)
Resona Bank	7,051
Aozora Bank	6,175
Mizuho Bank	3,541
Chiba Bank	3,332
Musashino Bank	3,332
Sumitomo Mitsui Banking	3,103
ORIX Bank	1,077
Kagawa Bank	1,055
Sumitomo Mitsui Trust Bank	790
Higashi-Nippon Bank	250
Mizuho Trust & Banking	200
Total	29,908

Ratio of Fixed-Rate Loans after Refinancing



Reference Materials



Balance Sheet



(thousand yen)

	20th Fiscal Period As of Oct. 31, 2015	21st Fiscal Period As of Apr. 30, 2016	Change
Assets			
Current assets			
Cash and deposits	1,773,761	2,109,258	335,496
Cash and deposits in trust	1,521,969	1,474,924	-47,044
Operating accounts receivable	22,044	25,293	3,249
Prepaid expenses	95,384	86,644	-8,740
Deferred tax assets	80	82	1
Consumption tax receivable	1,601	1,854	252
Other	3,414,843	3,698,058	283,214
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	32,836,018	32,967,262	131,244
Accumulated depreciation	-4,982,292	-5,411,860	-429,567
Buildings in trust, net	27,853,725	27,555,402	-298,323
Structures in trust	1,044,827	1,045,362	534
Accumulated depreciation	-412,788	-444,399	-31,610
Structures in trust, net	632,039	600,963	-31,076
Machinery and equipment in trust	5,376	5,376	—
Accumulated depreciation	-1,625	-1,930	-304
Machinery and equipment in trust, net	3,750	3,445	-304
Tools, furniture and fixtures in trust	253,268	261,894	8,626
Accumulated depreciation	-111,641	-126,250	-14,608
Tools, furniture and fixtures in trust, net	141,626	135,644	-5,982
Land in trust	29,040,889	29,040,889	—
Total property, plant and equipment	57,672,032	57,336,345	-335,686
Intangible assets			
Software	—	5,742	5,742
Total intangible assets	—	5,742	5,742
Investments and other assets			
Lease and guarantee deposits	10,000	10,000	—
Lease and guarantee deposits in trust	530,919	530,919	—
Long-term prepaid expenses	100,531	104,084	3,553
Other	9,418	9,843	424
Total investments and other assets	650,869	654,847	3,978
Total noncurrent assets	58,322,901	57,996,935	-325,966
Deferred assets			
Investment unit issuance costs	16,468	9,552	-6,916
Total deferred assets	16,468	9,552	-6,916
Total assets	61,754,213	61,704,545	-49,667

	20th Fiscal Period As of Oct. 31, 2015	21st Fiscal Period As of Apr. 30, 2016	Change
Liabilities			
Current liabilities			
Current portion of long-term loans payable	9,615,553	9,318,673	-296,880
Operating accounts payable	91,565	138,033	46,467
Accounts payable –other	144,300	140,948	-3,352
Accrued expenses	1,669	2,340	670
Income taxes payable	1,898	1,951	53
Accrued consumption taxes	12,970	5,358	-7,612
Advances received	998	1,423	425
Other	536	252	-283
Total current liabilities	9,869,491	9,608,980	-260,511
Noncurrent liabilities			
Long-term loans payable	20,383,174	20,590,277	207,103
Tenant leasehold and security deposits in trust	580,778	571,457	-9,321
Asset retirement obligation	123,463	124,481	1,018
Total noncurrent liabilities	21,087,416	21,286,216	198,800
Total liabilities	30,956,907	30,895,196	-61,711
Net assets			
Unitholders' equity			
Unitholders' capital	30,096,023	30,096,023	—
Surplus			
Unappropriated retained earnings (undisposed loss)	701,281	713,325	12,043
Total surplus	701,281	713,325	12,043
Total unitholders' equity	30,797,305	30,809,348	12,043
Total net assets	30,797,305	30,809,348	12,043
Total liabilities and net assets	61,754,213	61,704,545	-49,667

Statements of Income / Cash Distributions



Statements of Income

(thousand yen)

	20th Fiscal Period (From: May 1, 2015 To: Oct. 31, 2015)	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	Change
Operating revenue			
Rent revenue – real estate (1)	2,220,571	2,239,022	18,450
Total operating revenue	2,220,571	2,239,022	18,450
Operating expenses			
Expenses related to rent business (2)	1,011,956	1,029,954	17,998
Asset management fee	173,120	171,513	-1,607
Asset custody fee	7,771	7,769	-1
Administrative service fees	22,347	22,484	137
Directors' compensations	1,800	1,200	-600
Other operating expenses	89,367	88,089	-1,277
Total operating expenses	1,306,362	1,321,011	14,649
Operating income	914,209	918,011	3,801
Non-operating income			
Interest income	288	320	32
Insurance income	5,170	5,457	287
Reversal of distribution payable	1,045	909	-135
Other	74	—	-74
Total non-operating income	6,578	6,688	109
Non-operating expenses			
Interest expenses	153,422	148,983	-4,439
Amortization of investment unit issuance costs	6,916	6,916	—
Borrowing related expenses	56,763	53,027	-3,736
Other	540	540	—
Total non-operating expenses	217,642	209,466	-8,175
Ordinary income	703,145	715,232	12,086
Income before income taxes	703,145	715,232	12,086
Income taxes – current	1,956	2,000	43
Income taxes – deferred	5	-1	-6
Total income taxes	1,961	1,998	36
Net income	701,183	713,233	12,050
Retained earnings brought forward	98	91	-6
Unappropriated retained earnings (undisposed loss)	701,281	713,325	12,043

(1) “Real estate rent revenue”

(thousand yen)

	20th Fiscal Period (From: May 1, 2015 To: Oct. 31, 2015)	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	Change
Rent	1,949,795	1,961,458	11,663
Common area maintenance charges	113,855	115,318	1,463
Parking revenue	61,509	61,044	-465
Incidental revenue	2,185	1,514	-671
Other lease business revenue	93,226	99,687	6,461
Total	2,220,571	2,239,022	18,451

(2) “Expenses related to rent business”

(thousand yen)

	20th Fiscal Period (From: May 1, 2015 To: Oct. 31, 2015)	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	Change
Management expenses	136,705	133,345	-3,360
Repair expenses	70,216	92,736	22,520
Real estate taxes	129,949	129,986	37
Trust fees	34,885	33,673	-1,212
Utilities expenses	44,504	44,943	439
Nonlife insurance expenses	7,446	7,453	7
Depreciation and amortization	474,700	476,092	1,392
Other lease business expenses	113,548	111,723	-1,825
Total	1,011,956	1,029,954	17,998

Cash Distributions

	20th Fiscal Period (From: May 1, 2015 To: Oct. 31, 2015)	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	Change
I Unappropriated retained earnings	701,281,775 yen	713,325,446 yen	12,043,671 yen
II Amount of distributions	701,190,195 yen	713,180,808 yen	11,990,613 yen
[Amount of distribution per investment unit]	(4,035 yen)	(4,104 yen)	(69 yen)
III Retained earnings carried forward	91,580 yen	144,638 yen	53,058 yen

Key Performance Indicators and Statements of Cash Flows



Key Performance Indicators

	Unit	20th Fiscal Period (From: May 1, 2015 To: Oct. 31, 2015)	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)
Total assets (a)	million yen	61,754	61,704
Net assets (b)	million yen	30,797	30,809
Total unitholders' capital	million yen	30,096	30,096
Total number of investment units issued and outstanding (c)	units	173,777	173,777
Net assets per unit (b) ÷ (c)	yen	177,223	177,292
Net income per unit (Note 2)	yen	4,034	4,104
Total distributions (d)	million yen	701	713
Distribution per unit (d) ÷ (c)	yen	4,035	4,104
[Of which, distribution of earnings per unit]	yen	(4,035)	(4,104)
[Of which, distribution in excess of earnings per unit]	yen	(—)	(—)
Return on assets (Note 2)	%	1.1(2.3)	1.2(2.3)
Return on equity (Note 2)	%	2.3(4.5)	2.3(4.6)
Equity ratio (b) ÷ (a)	%	49.9	49.9
Distribution payout ratio (Note 2)	%	100.0	100.0

[Other Reference Information]

		20th Fiscal Period	21st Fiscal Period
Number of investment properties (Note 3)	properties	96	96
Total number of leasable units (Note 3)	units	3,969	3,969
Gross leasable area	m ²	146,415.29	146,415.29
Period-end occupancy rate (Note 3)	%	96.3	95.9
Depreciation and amortization	million yen	474	476
Capital expenditures	million yen	41	140
Property leasing NOI (Net Operating Income) (Note 2)	million yen	1,683	1,685
FFO (Funds from Operations) per unit (Note 2)	yen	6,806	6,883
FFO multiple (Note 3)	times	12.4	12.2
Debt service coverage ratio (Note 2)	times	8.7	9.0
Earnings before interest, depreciation and amortization	million yen	1,329	1,338
Interest expenses	million yen	153	148
Total interest-bearing liabilities	million yen	29,998	29,908
LTV (Loan-To-Value) ratio (Note 2)	%	48.6	48.5
Number of days of management (Note 2)	days	184	182

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units issued and outstanding.

(Note 2) The indicators presented are calculated as follows. In addition, for return on assets and return on equity, figures annualized based on the number of days of management are also shown in brackets.

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

Statements of Cash Flows

(thousand yen)

	20th Fiscal Period (From: May 1, 2015 To: Oct. 31, 2015)	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	703,145	715,232
Depreciation and amortization	474,700	476,290
Amortization of investment unit issuance costs	6,916	6,916
Interest income	-288	-320
Interest expenses	153,422	148,983
Decrease (increase) in operating accounts receivable	4,714	-3,249
Decrease (increase) in prepaid expenses	13,812	8,740
Decrease (increase) in consumption taxes receivable	37,165	—
Increase (decrease) in accrued consumption taxes	12,970	-7,612
Increase (decrease) in operating accounts payable	13,042	-10,034
Increase (decrease) in accounts payable – other	2,640	-3,334
Decrease (increase) in long-term prepaid expenses	14,649	-3,553
Other, net	250	-2
Subtotal	1,437,141	1,328,056
Interest income received	288	320
Interest expenses paid	-152,568	-148,312
Income taxes paid	-2,109	-1,947
Net cash provided by (used in) operating activities	1,282,752	1,178,117
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-96,415	-83,903
Purchase of intangible assets	—	-5,940
Proceeds from tenant leasehold and security deposits in trust	37,105	39,990
Repayments of tenant leasehold and security deposits in trust	-48,702	-49,312
Decrease (increase) in other investments	-13,041	-424
Net cash provided by (used in) investing activities	-121,054	-99,590
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	-3,700,000	—
Proceeds from long-term loans payable	3,700,000	3,700,000
Repayment of long-term loans payable	-78,776	-3,789,776
Dividends paid	-725,242	-700,298
Net cash provided by (used in) financing activities	-804,019	-790,074
Net increase (decrease) in cash and cash equivalents	357,678	288,452
Cash and cash equivalents at beginning of period	2,938,052	3,295,731
Cash and cash equivalents at end of period	3,295,731	3,584,183

(Note 3) The number of investment properties are indicated in units that are generally accepted to be one. In addition, the total number of leasable units is the number of units that are leasable for residential, office, retail and other uses, and the period-end occupancy rate is the leased area expressed as a percentage of gross leasable area as at the date of settlement of accounts.

Status of Interest-Bearing Liabilities 1 (As of April 30, 2016)



■ Long-Term Loans Payable

Account	Lender	Drawdown date	Balance at end of 21st FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Long-term loans payable	Mizuho Bank, Ltd.	May 24, 2012	1,173,611	1.46071	May 24, 2017	(Note 3)	Refinancing	Unsecured Unguaranteed	Term Loan I
	Aozora Bank, Ltd.	May 1, 2013	250,980	1.16055	Nov. 24, 2016	(Note 4)	Acquisition of AUM	Unsecured Unguaranteed	Term Loan M
	Resona Bank, Ltd.		250,979						
	Mizuho Bank, Ltd.		227,480						
	Sumitomo Mitsui Banking Corporation		227,480						
	ORIX Bank Corporation		94,000						
	Sumitomo Mitsui Trust Bank, Limited		94,000						
	The Chiba Bank, Ltd.		47,000						
	The Musashino Bank, Ltd.		47,000						
	Aozora Bank, Ltd.	May 24, 2013	741,660	1.116055	Nov. 24, 2016	(Note 5)	Refinancing	Unsecured Unguaranteed	Term Loan P
	Resona Bank, Ltd.		490,679						
	The Chiba Bank, Ltd.		313,020						
	The Musashino Bank, Ltd.		313,020						
	The Kagawa Bank, Ltd.		306,440						
	Mizuho Bank, Ltd.		84,600						
	Resona Bank, Ltd.	Nov. 25, 2013	650,000	0.96048	May 24, 2016	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan Q
	The Chiba Bank, Ltd.		500,000						
	The Musashino Bank, Ltd.		500,000						
	Sumitomo Mitsui Banking Corporation		500,000						
	Aozora Bank, Ltd.		450,000						
	Higashi-Nippon Bank, Ltd.		250,000						
	ORIX Bank Corporation		150,000						
	Mizuho Trust & Banking Co., Ltd.		100,000						
	Resona Bank, Ltd.	Nov. 25, 2013	650,000	1.11048	May 24, 2017	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan R
	The Chiba Bank, Ltd.		500,000						
	The Musashino Bank, Ltd.		500,000						
	Sumitomo Mitsui Banking Corporation		500,000						
	Aozora Bank, Ltd.		450,000						
Higashi-Nippon Bank, Ltd.	250,000								
ORIX Bank Corporation	150,000								
Mizuho Trust & Banking Co., Ltd.	100,000								

Status of Interest-Bearing Liabilities 2 (As of April 30, 2016)



■ Long-Term Loans Payable

Account	Lender	Drawdown date	Balance at end of 21st FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Long-term loans payable	Resona Bank, Ltd.	Nov. 25, 2014	752,000	0.61048	May 24, 2016	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan V
	Aozora Bank, Ltd.		465,000						
	Mizuho Bank, Ltd.		317,000						
	Sumitomo Mitsui Banking Corporation		317,000						
	The Chiba Bank, Ltd.		275,000						
	The Musashino Bank, Ltd.		275,000						
	Sumitomo Mitsui Trust Bank, Limited		113,000						
	ORIX Bank Corporation		110,000						
	The Kagawa Bank, Ltd.		23,000						
	Resona Bank, Ltd.	Nov. 25, 2014	1,137,000	0.86048	Nov. 24, 2017	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan W
	Aozora Bank, Ltd.		703,000						
	Mizuho Bank, Ltd.		479,000						
	Sumitomo Mitsui Banking Corporation		479,000						
	The Chiba Bank, Ltd.		415,000						
	The Musashino Bank, Ltd.		415,000						
	Sumitomo Mitsui Trust Bank, Limited		171,000						
	ORIX Bank Corporation		167,000						
	The Kagawa Bank, Ltd.		34,000						
	Resona Bank, Ltd.	Nov. 25, 2014	711,000	1.02200 (Note 2)	May 25, 2018	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan X
	Aozora Bank, Ltd.		441,000						
	Mizuho Bank, Ltd.		299,000						
	Sumitomo Mitsui Banking Corporation		299,000						
	The Chiba Bank, Ltd.		259,000						
	The Musashino Bank, Ltd.		259,000						
	Sumitomo Mitsui Trust Bank, Limited		107,000						
	ORIX Bank Corporation		104,000						
	The Kagawa Bank, Ltd.		21,000						
	Resona Bank, Ltd.	Nov. 25, 2014	711,000	1.19000 (Note 2)	Nov. 25, 2019	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan Y
	Aozora Bank, Ltd.		441,000						
	Mizuho Bank, Ltd.		299,000						
	Sumitomo Mitsui Banking Corporation		299,000						
	The Chiba Bank, Ltd.		259,000						
	The Musashino Bank, Ltd.		259,000						
	Sumitomo Mitsui Trust Bank, Limited		107,000						
	ORIX Bank Corporation		104,000						
	The Kagawa Bank, Ltd.		21,000						

Status of Interest-Bearing Liabilities 3 (As of April 30, 2016)



■ Long-Term Loans Payable

Account	Lender	Drawdown date	Balance at end of 21st FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Long-term loans payable	Aozora Bank, Ltd.	May 22, 2015	1,054,000	0.90700 (Note 2)	Nov. 22, 2018	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan Z
	Resona Bank, Ltd.		787,000						
	The Chiba Bank, Ltd.		382,000						
	The Musashino Bank, Ltd.		382,000						
	Mizuho Bank, Ltd.		331,000						
	The Kagawa Bank, Ltd.		325,000						
	Sumitomo Mitsui Banking Corporation		241,000						
	ORIX Bank Corporation		99,000						
	Sumitomo Mitsui Trust Bank, Limited		99,000						
	Aozora Bank, Ltd.	Nov. 24, 2015	1,054,000	0.99000 (Note 2)	Nov. 24, 2020	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2A
	Resona Bank, Ltd.		787,000						
	The Chiba Bank, Ltd.		382,000						
	The Musashino Bank, Ltd.		382,000						
	Mizuho Bank, Ltd.		331,000						
	The Kagawa Bank, Ltd.		325,000						
	Sumitomo Mitsui Banking Corporation		241,000						
	ORIX Bank Corporation		99,000						
	Sumitomo Mitsui Trust Bank, Limited		99,000						
	Subtotal		29,908,951						

Total interest-bearing liabilities

29,908,951 thousand yen

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

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

(Note 3) Repayment shall be in installments, with the first repayment on the last day of August 2012 and followed by repayment on the last day of November 2012 in the amount of 20,833 thousand yen each, and subsequent repayments on the last day of every month thereafter from December 1, 2012 in the amount of 6,944 thousand yen each, until the final repayment due on May 24, 2017 in the total amount of 1,090,277 thousand yen.

(Note 4) Repayment shall be in installments, with the first repayment on the last day of May 2013 and subsequent repayments on the last day of every month thereafter through to the last day of October 2016 in the amount of 2,196 thousand yen each, until the final repayment due on November 24, 2016 in the total amount of 1,225,739 thousand yen.

(Note 5) Repayment shall be in installments, with the first repayment on the last day of May 2013 and subsequent repayments on the last day of every month thereafter through to the last day of October 2016 in the amount of 3,988 thousand yen each, until the final repayment due on November 24, 2016 in the total amount of 2,225,489 thousand yen.

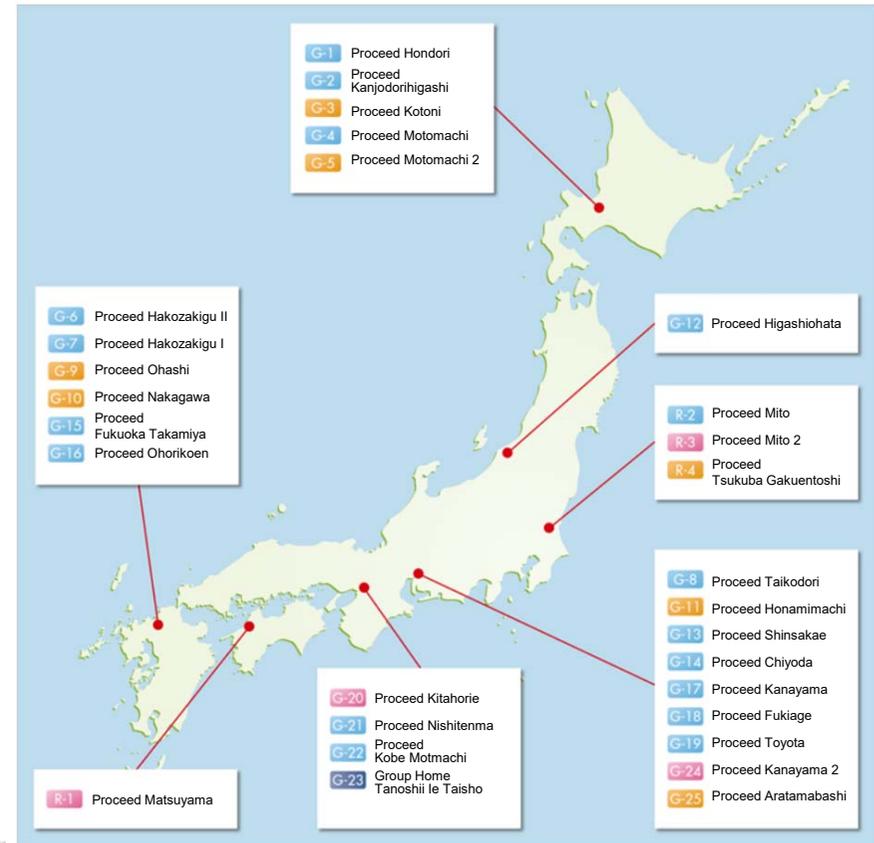
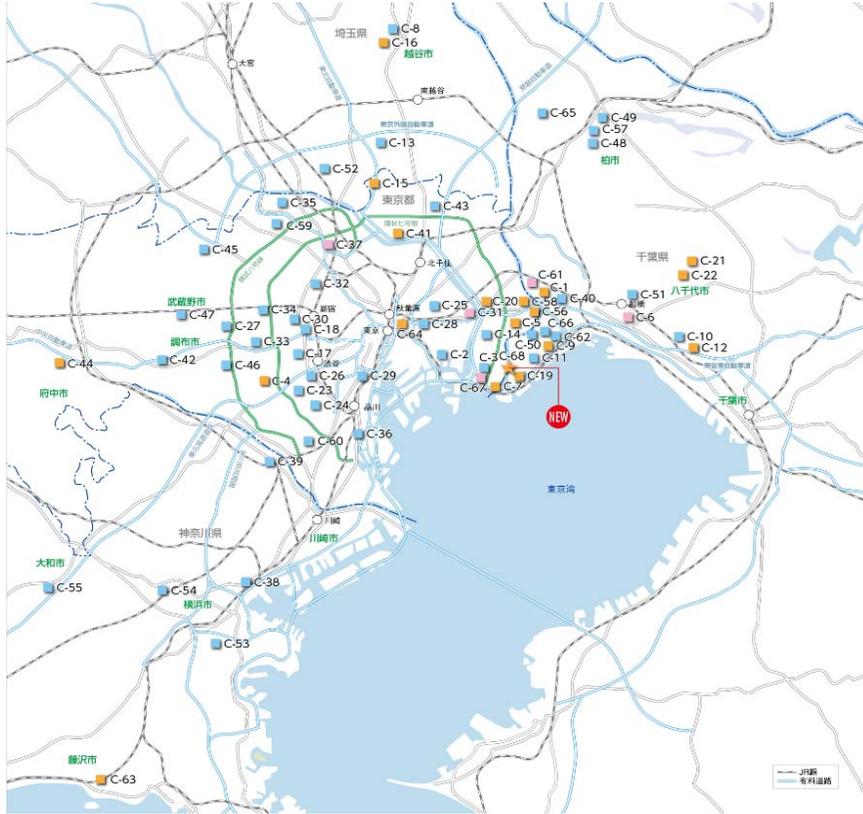
(Note 6) Current portion of long-term loans payable (9,318,673 thousand yen) on the balance sheet are included in the long-term loans payable.

Portfolio Map



■ Tokyo metropolitan area major cities:
68 properties

■ Cabinet order designated cities
/ Regional area major cities: 29 properties



Acquired property after account settlement		Single type	DINKS type	Family type	Senior housing						
		★ Single type	★ DINKS type	★ Family type							
C-1	Proceed Ichikawa	C-16	Proceed Higashikawaguchi	C-22	Proceed Honjozumabashi	C-27	Proceed Jujo	C-40	Proceed Kashiwa Nord	C-44	Proceed Ichikawa Minami
C-2	Proceed Toyoko	C-17	Proceed Funabari	C-23	Proceed Meguro Aobadai	C-28	Proceed Hakuraku	C-41	Proceed Gyotokuekimaie	C-45	Proceed I-chikawa Myoten
C-3	Proceed Kasai	C-18	Proceed Takenozuka	C-24	Proceed Suginami Miyamae	C-29	Proceed Shinmaruko	C-42	Proceed Funabashi Honcho	C-46	Proceed Fujisawa Kugenuma
C-4	Proceed Sanganjaya	C-19	Proceed Sengendai 2	C-25	Proceed Ryogoku	C-30	Proceed Motoyawata	C-43	Proceed Nishikawaguchi	C-47	Proceed Nihonbashi-hondomicho
C-5	Proceed Mizue	C-20	Proceed Shoto	C-26	Proceed Mita	C-31	Proceed Nishiarae	C-44	Proceed Gumyoji	C-48	Proceed TX Nagareyama Central Park
C-6	Proceed Funabashi Miyamoto	C-21	Proceed Sangubashi	C-27	Proceed Nakanojimbashi	C-32	Proceed Chofu	C-45	Proceed Tsurugamine	C-49	Proceed Gyotoku 2
C-7	Proceed Minamikasai	C-22	Proceed Urayasu	C-28	Proceed Kameido	C-33	Proceed TX Rokucho	C-46	Proceed Sagamiotsuka	C-50	Proceed Nishikasai
C-8	Proceed Sengendai	C-23	Proceed Shinkoiwa	C-29	Proceed Takadanobaba	C-34	Proceed Nakagawara	C-47	Proceed Shinozaki 2	C-51	Proceed Kasai 2
C-9	Proceed Gyotoku	C-24	Proceed Yachiyo Midorigaoka I	C-30	Proceed Shinkoenji	C-35	Proceed Ozumigakuen	C-48	Proceed Kashiwa Trois	C-52	Proceed Shinozaki Tower
C-10	Proceed Makuharihongo	C-25	Proceed Yachiyo Midorigaoka II	C-31	Proceed Koenjiminami	C-36	Proceed Chitosekarasuyama	C-49	Proceed Tobu Nerima	C-53	Proceed Tobu Nerima
C-11	Proceed Minamigyotoku	C-26	Proceed Toritsudaigaku	C-32	Proceed Hasune	C-37	Proceed Mitaka	C-50	Proceed Tobu Nerima	C-54	Proceed Yukigaya
C-12	Proceed Makuharihongo2	C-27	Proceed Toritsudaigaku 2	C-33	Proceed Oimachi	C-38	Proceed Kashiwa East	C-51	Proceed Yukigaya		

Acquired property Single type DINKS type Family type

- ◆ Tokyo metropolitan area major cities: 68 properties
- ◆ Cabinet order designated cities: 25 properties
- ◆ Regional area major cities: 4 properties

Total 97 properties

Breakdown of Revenue of Portfolio by Geographic Area (21st Fiscal Period Results)



(thousand yen)

	Tokyo metropolitan area major cities	Cabinet order designated cities	Regional area major cities	Entire portfolio
Acquisition price	41,487,700	13,969,000	1,654,100	57,110,800
Total number of leasable units	2,768	1,078	123	3,969
(A) Property leasing operating revenue	1,620,285	546,675	72,061	2,239,022
Rent revenue	1,546,148	524,422	67,250	2,137,820
Other revenue	74,136	22,253	4,811	101,201
(B) Property leasing operating expenses	396,017	138,488	19,356	553,862
Rent expenses	42,966	1,091	—	44,057
Property management expenses	43,073	13,298	2,275	58,647
Real estate taxes	89,604	36,108	4,274	129,986
Utilities expenses	34,002	9,542	1,398	44,943
Repair expenses	60,131	28,290	4,313	92,736
Regular maintenance expenses	49,070	22,402	3,225	74,697
Insurance expenses	5,320	1,926	206	7,453
Brokerage fees and advertising expenses	18,696	15,688	1,524	35,909
Trust fees	23,251	8,973	1,448	33,673
Other property leasing operating expenses	29,899	1,166	690	31,756
(C) Property leasing = (A) - (B)	1,224,267	408,187	52,704	1,685,160
(D) Depreciation and amortization	337,774	119,181	19,136	476,092
(E) Property leasing income (loss) = (C) - (D)	886,493	289,006	33,568	1,209,067
(F) Capital expenditures	135,725	4,680	—	140,405
(G) NCF = (C) - (F)	1,088,542	403,506	52,704	1,544,754
NOI yield based on annualized acquisition price (%)	5.9	5.8	6.4	5.9
Period average occupancy rate (%)	96.9	96.2	95.4	96.6

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

Breakdown of Revenue of Major Properties (21st Fiscal Period Results)



(thousand yen)

	Tokyo metropolitan area major cities					Cabinet order designated cities			Regional area major cities
Property number	C-29	C-41	C-58	C-64	C-65	G-20	G-24	G-25	R-4
Property name	Proceed Mita	Proceed Nishiarai	Proceed Shinozaki Tower	Proceed Nihonbashi-horidomecho	Proceed TX Nagareyama Central Park	Proceed Kitahorie	Proceed Kanayama 2	Proceed Aratamabashi	Proceed Tsukuba Gakuentoshi
Property photo									
Acquisition price	1,537,200	5,172,000	1,564,000	1,485,800	979,700	1,917,300	2,040,400	2,129,600	775,600
Location	2-chome, Shiba, Minato-ku, Tokyo	1-chome, Nishiaraisakaecho, Adachi-ku	7-chome, Shinozaki-cho, Edogawa -ku	2-chome, Nihonbashi-horidomecho, Chuo-ku	177, Maehirai, Nagareyama -shi	1-chome, Kitahorie, Nishi-ku, Osaka-shi	2-chome, Kanayama, Naka-ku, Nagoya-shi	8-chome, Mizuhotori, Mizuho -ku, Nagoya-shi	3-chome, Ninomiya, Tsukuba-shi
Structure	RC/10F	ARTIER Bldg.: RC/14F OZAREA Bldg.: RC/10F Hall Bldg.: S/2F Nursery Bldg.: S/2F	S•RC•SRC/ 18F•B2F	RC/10F	RC/13F	RC/15F	RC14F•B1F	RC/10F	RC/9F
Construction completion	February 6, 2006	July 20, 2007	March 17, 2008	April 7, 2006	April 11, 2014	November 29, 2007	August 22, 2007	August 19, 2005	March 3, 2008
Number of leasable units	72 units	294 units	88 units	37 units	73 units	106 units	72 units	72 units	34 units
(A) Property leasing operating revenue	40,938	301,260	85,698	42,913	42,027	71,608	66,294	70,116	29,253
(B) Property leasing operating expenses	4,800	101,834	29,174	6,322	8,876	19,144	18,839	20,761	9,442
(C) Property leasing NOI = (A) - (B)	36,137	199,425	56,523	36,590	33,151	52,464	47,455	49,354	19,810
(D) Depreciation and amortization	6,163	93,565	25,153	4,386	18,531	12,452	17,454	15,466	8,151
(E) Property leasing income (loss) = (C) - (D)	29,974	105,859	31,370	32,203	14,619	40,012	30,000	33,888	11,658
(F) Capital expenditures	212	367	—	—	—	145	248	1,544	—
(G) NCF = (C) - (F)	35,925	199,058	56,523	36,590	33,151	52,318	47,206	47,810	19,810
NOI yield based on annualized acquisition price	4.7%	7.7%	7.2%	4.9%	6.8%	5.5%	4.7%	4.6%	5.1%
PML value	8.7%	ARTIER Bldg.: 3.9% OZAREA Bldg.: 5.0% Hall Bldg.: 3.5% Nursery Bldg.: 3.5%	High-rise bldg.: 2.6% Low-rise bldg.: 4.4%	7.5%	2.9%	11.0%	6.2%	6.2%	3.8%

Portfolio List 1 (As of April 30, 2016)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%) (Note 2)	Carrying amount (thousand yen)	Real estate appraisal value (thousand yen)	Gross leasable area (m ²)	Leased area (m ²)	Total number of leasable units (Note 3) (units)	Total number of leasable parking spaces (vehicles)	Occupancy rate (%) (Note 4)	PML (%)	Construction completion (Note 5)
C-1	Proceed Ichikawa	Chiba	1,076,000	1.9	1,034,936	1,270,000	3,322.17	3,010.95	50	42	90.6	5.9	April 1, 1997
C-2	Proceed Toyochō	Tokyo	646,700	1.1	583,830	801,000	1,085.56	1,085.56	45	5	100.0	8.6	January 31, 2003
C-3	Proceed Kasai	Tokyo	688,700	1.2	614,868	745,000	1,243.80	1,243.80	57	0	100.0	5.1	March 1, 2003
C-4	Proceed Sangenjaya	Tokyo	555,900	1.0	640,725	536,000	1,019.27	1,019.27	9	8	100.0	9.3	June 29, 1990
C-5	Proceed Mizue	Tokyo	602,600	1.1	632,260	734,000	2,076.68	2,076.68	28	22	100.0	7.0	June 20, 1991
C-6	Proceed Funabashi Miyamoto	Chiba	419,900	0.7	472,076	500,000	1,685.73	1,554.23	33	1	92.2	4.7	June 24, 1991
C-7	Proceed Minamikasai	Tokyo	303,500	0.5	333,172	283,000	1,045.28	974.38	16	7	93.2	10.4	March 12, 1993
C-8	Proceed Sengendai	Saitama	259,200	0.5	271,990	301,000	1,344.74	1,344.74	43	10	100.0	5.7	May 31, 1991
C-9	Proceed Gyotoku	Chiba	315,600	0.6	350,259	321,000	1,218.56	1,157.54	20	7	95.0	6.7	March 15, 1988
C-10	Proceed Makuharihongo	Chiba	279,300	0.5	285,798	300,000	963.00	906.00	34	3	94.1	8.7	February 22, 1989
C-11	Proceed Minamigyotoku	Chiba	287,300	0.5	307,177	314,000	838.95	786.85	26	6	93.8	6.8	February 6, 1990
C-12	Proceed Makuharihongo 2	Chiba	223,400	0.4	223,755	244,000	1,104.84	1,104.84	22	10	100.0	4.8	September 24, 1989
C-13	Proceed Higashikawaguchi	Saitama	206,500	0.4	199,152	195,000	648.11	627.11	30	14	96.8	3.6	March 15, 1993
C-14	Proceed Funabori	Tokyo	226,100	0.4	239,869	237,000	479.52	459.54	24	1	95.8	7.3	October 11, 1991
C-15	Proceed Takenozuka	Tokyo	169,400	0.3	176,607	222,000	860.55	860.55	15	10	100.0	3.4	March 10, 1994
C-16	Proceed Sengendai 2	Saitama	86,700	0.2	95,909	105,000	695.81	642.02	12	4	92.3	3.3	April 3, 1991
C-17	Proceed Shoto	Tokyo	937,400	1.6	902,280	890,000	890.22	829.32	40	6	93.2	5.3	November 18, 2005
C-18	Proceed Sangubashi	Tokyo	497,600	0.9	490,881	469,000	527.88	508.05	26	0	96.2	7.0	July 22, 2005
C-19	Proceed Urayasu	Chiba	431,400	0.8	485,580	456,000	1,786.58	1,698.28	21	8	95.1	7.8	June 4, 1992
C-20	Proceed Shinkoiwa	Tokyo	465,200	0.8	494,361	542,000	1,629.07	1,558.92	27	9	95.7	7.1	March 15, 1991
C-21	Proceed Yachiyo Midorigaoka I	Chiba	383,600	0.7	409,788	386,000	1,805.76	1,672.00	27	32	92.6	6.9	February 12, 1997
C-22	Proceed Yachiyo Midorigaoka II	Chiba	339,000	0.6	363,737	348,000	1,605.12	1,605.12	24	31	100.0	6.9	February 12, 1997
C-23	Proceed Toritsudaigaku	Tokyo	790,400	1.4	762,697	737,000	808.65	766.09	37	2	94.7	8.3	March 13, 2006
C-24	Proceed Toritsudaigaku 2	Tokyo	772,200	1.4	740,195	755,000	831.74	831.74	36	2	100.0	7.8	September 7, 2006
C-25	Proceed Honjoazumabashi	Tokyo	339,800	0.6	316,903	416,000	570.53	570.53	19	0	100.0	6.7	July 7, 2006
C-26	Proceed Meguro Aobadai	Tokyo	466,700	0.8	466,162	435,000	485.15	485.15	24	1	100.0	11.6	March 27, 2003
C-27	Proceed Suginami Miyamae	Tokyo	454,900	0.8	449,923	466,000	680.50	680.50	29	1	100.0	7.1	January 26, 2004
C-28	Proceed Ryogoku	Tokyo	443,900	0.8	434,245	517,000	702.54	702.54	27	5	100.0	6.9	March 15, 2003
C-29	Proceed Mita	Tokyo	1,537,200	2.7	1,465,552	1,603,000	1,500.57	1,500.57	72	0	100.0	8.7	February 6, 2006
C-30	Proceed Nakanoshimbashi	Tokyo	638,800	1.1	690,938	674,000	849.08	849.08	50	0	100.0	10.4	September 24, 1992
C-31	Proceed Kamaido	Tokyo	339,000	0.6	360,740	332,000	853.98	853.98	23	0	100.0	7.6	March 23, 1994
C-32	Proceed Takadanobaba	Tokyo	223,700	0.4	262,142	252,000	278.36	278.36	17	0	100.0	13.8	October 24, 1991
C-33	Proceed Shinkoenji	Tokyo	742,100	1.3	803,074	834,000	1,040.24	1,040.24	57	0	100.0	10.0	August 31, 1990
C-34	Proceed Koenjinami	Tokyo	277,400	0.5	315,133	240,000	337.05	337.05	20	0	100.0	11.7	October 2, 1989
C-35	Proceed Hasune	Tokyo	284,000	0.5	332,458	250,000	587.13	587.13	29	0	100.0	6.8	July 17, 1991
C-36	Proceed Oimachi	Tokyo	944,000	1.7	1,006,680	913,000	961.88	961.88	59	0	100.0	13.0	April 13, 1992
C-37	Proceed Jujo	Tokyo	533,000	0.9	577,718	541,000	1,206.90	1,206.90	30	0	100.0	7.2	June 15, 1989
C-38	Proceed Hakuraku	Kanagawa	241,000	0.4	270,656	188,000	445.16	445.16	27	0	100.0	16.4	July 19, 1991

Portfolio List 2 (As of April 30, 2016)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%) (Note 2)	Carrying amount (thousand yen)	Real estate appraisal value (thousand yen)	Gross leasable area (m ²)	Leased area (m ²)	Total number of leasable units (Note 3) (units)	Total number of leasable parking spaces (vehicles)	Occupancy rate (%) (Note 4)	PML (%)	Construction completion (Note 5)
C-39	Proceed Shinmaruko	Kanagawa	635,000	1.1	681,590	609,000	759.00	759.00	46	0	100.0	11.7	September 12, 1988
C-40	Proceed Motoyawata	Chiba	307,000	0.5	277,132	323,000	602.39	577.69	25	3	95.9	4.4	January 9, 2004
C-41*	Proceed Nishiarai (Note 6)	Tokyo	5,172,000	9.1	3,941,648	6,590,000	20,137.85	19,298.53	294	146	95.8	ARTIER 3.9 OZAREA 5.0 Hail 3.5 Nursery 3.5	July 20, 2007
C-42	Proceed Chofu	Tokyo	460,500	0.8	431,015	524,000	764.48	764.48	26	0	100.0	6.4	February 17, 2007
C-43	Proceed TX Rokucho	Tokyo	156,800	0.3	182,687	172,000	518.31	518.31	20	2	100.0	6.6	June 21, 1991
C-44	Proceed Nakagawara (Note 7)	Tokyo	1,141,000	2.0	1,234,913	1,253,000	3,061.94	3,007.11	54	35	98.2	Ichibankan 10.7 Nibankan 11.8	April 1, 1989
C-45	Proceed Ozumigakuen	Tokyo	268,300	0.5	292,676	273,000	483.43	450.09	29	0	93.1	10.6	November 26, 1991
C-46	Proceed Chitosekarasuyama	Tokyo	289,600	0.5	336,313	315,000	449.96	449.96	28	0	100.0	11.7	December 8, 1988
C-47	Proceed Mitaka	Tokyo	477,200	0.8	541,538	548,000	739.48	739.48	47	0	100.0	9.3	December 16, 1988
C-48	Proceed Kashiwa Est	Chiba	732,000	1.3	710,396	674,000	1,279.93	1,135.80	44	5	88.7	4.5	February 13, 2007
C-49	Proceed Kashiwa Nord	Chiba	689,000	1.2	662,501	588,000	1,391.55	1,361.15	47	0	97.8	5.7	February 13, 2007
C-50	Proceed Gyotokuekimae	Chiba	331,000	0.6	301,547	363,000	659.68	631.90	24	3	95.8	5.2	September 4, 2007
C-51	Proceed Funabashi Honcho	Chiba	531,700	0.9	521,442	579,000	996.44	996.44	40	0	100.0	5.7	July 19, 2006
C-52	Proceed Nishikawaguchi	Saitama	881,000	1.5	995,295	766,000	1,630.24	1,614.66	104	2	99.0	5.5	February 10, 1989
C-53	Proceed Gumyoji	Kanagawa	552,000	1.0	600,802	606,000	1,246.48	1,134.68	77	0	91.0	19.0	May 12, 1988
C-54	Proceed Tsurugamine	Kanagawa	356,000	0.6	377,924	364,000	855.00	837.90	50	4	98.0	7.2	March 12, 1991
C-55	Proceed Sagamiotsuka	Kanagawa	234,000	0.4	240,580	207,000	741.24	712.24	29	7	96.1	12.9	April 5, 1991
C-56*	Proceed Shinozaki 2	Tokyo	913,300	1.6	869,515	1,090,000	2,134.07	2,063.87	35	13	96.7	4.2	September 18, 2008
C-57	Proceed Kashiwa Trois	Chiba	537,100	0.9	517,949	624,000	1,149.95	1,149.95	38	6	100.0	5.4	May 8, 2009
C-58	Proceed Shinozaki Tower (Note 8)	Tokyo	1,564,000	2.7	1,582,931	2,020,000	5,117.49	4,869.63	88	30	95.2	High-rise bldg. 2.6 Low-rise Bldg. 4.4	March 26, 2008
C-59	Proceed Tobu Nerima	Tokyo	422,000	0.7	430,533	514,000	779.84	717.85	35	2	92.1	7.7	August 31, 2007
C-60	Proceed Yukigaya	Tokyo	323,000	0.6	345,957	369,000	600.62	566.34	35	1	94.3	14.0	October 7, 1991
C-61	Proceed Ichikawa Minami	Chiba	687,000	1.2	722,347	866,000	1,635.59	1,635.59	66	34	100.0	2.0	February 10, 1997
C-62	Proceed Ichikawa Myoten	Chiba	498,000	0.9	526,286	571,000	945.00	903.00	45	1	95.6	6.8	March 15, 2003
C-63	Proceed Fujisawa Kugenuma	Kanagawa	729,000	1.3	814,263	854,000	2,005.76	1,543.36	25	20	76.9	14.7	March 30, 2001
C-64	Proceed Nihonbashi-horidomecho	Tokyo	1,485,800	2.6	1,544,448	1,580,000	1,904.45	1,815.06	37	2	95.3	7.5	April 7, 2006
C-65*	Proceed Nagareyama TX Central Park (Note 9)	Chiba	979,700	1.7	1,077,859	1,110,000	2,976.85	2,858.68	73	0	96.0	2.9	April 11, 2014
C-66	Proceed Gyotoku 2	Chiba	830,000	1.5	871,179	853,000	1,626.54	1,542.77	59	20	94.8	6.5	October 7, 2006
C-67	Proceed Nishikasai (Note 10)	Tokyo	875,600	1.5	955,002	942,000	2,993.52	2,797.70	63	39	93.5	(A): 11.0 (B): 8.1	Ichibankan: October 17, 1993 Nibankan: July 23, 1985
Tokyo metropolitan area major cities subtotal			41,487,700	72.6	41,452,524	45,499,000	100,203.74	96,275.87	2,768	622	96.1		

Portfolio List 3 (As of April 30, 2016)



Property No. (Note 1)	Property name	Location	Acquisition price (thousand yen)	Investment share (%) (Note 2)	Carrying amount (thousand yen)	Real estate appraisal value (thousand yen)	Gross leasable area (m ²)	Leased area (m ²)	Total number of leasable units (Note 3) (units)	Total number of leasable parking spaces (vehicles)	Occupancy rate (%) (Note 4)	PML (%)	Construction completion (Note 5)
G-1	Proceed Hondori	Hokkaido	386,000	0.7	360,698	509,000	2,624.93	2,624.93	67	37	100.0	5.0	March 14, 1989
G-2	Proceed Kanjodorihigashi	Hokkaido	233,700	0.4	238,225	296,000	1,183.47	1,183.47	34	5	100.0	5.5	October 23, 1990
G-3	Proceed Kotoni	Hokkaido	204,900	0.4	215,228	267,000	1,453.27	1,453.27	28	16	100.0	4.0	October 21, 1991
G-4	Proceed Motomachi	Hokkaido	148,700	0.3	138,454	229,000	1,120.81	1,120.81	35	9	100.0	5.1	February 20, 1991
G-5	Proceed Motomachi 2	Hokkaido	85,500	0.1	84,256	130,000	907.29	907.29	19	6	100.0	6.5	December 11, 1990
G-6	Proceed Hakozakigu II	Fukuoka	85,000	0.1	81,710	91,400	415.30	415.30	19	0	100.0	8.0	July 30, 1991
G-7	Proceed Hakozakigu I	Fukuoka	81,300	0.1	78,522	83,000	411.50	411.50	19	0	100.0	8.0	May 1, 1991
G-8	Proceed Taikodori	Aichi	403,400	0.7	337,351	449,000	1,101.56	1,052.97	44	6	95.6	11.3	March 15, 2006
G-9	Proceed Ohashi	Fukuoka	208,500	0.4	218,793	247,000	1,140.00	1,140.00	16	16	100.0	8.0	February 13, 1998
G-10	Proceed Nakagawa	Fukuoka	150,400	0.3	154,132	247,000	1,414.96	1,414.96	38	21	100.0	8.1	July 24, 1990
G-11	Proceed Honamimachi	Aichi	275,000	0.5	244,639	229,000	620.22	521.14	10	8	84.0	10.5	March 27, 2006
G-12	Proceed Higashiohata	Niigata	53,100	0.1	59,212	42,200	296.61	296.61	9	4	100.0	13.7	November 27, 1991
G-13*	Proceed Shinsakae	Aichi	792,500	1.4	709,017	898,000	1,958.44	1,756.65	77	11	89.7	7.1	February 28, 2007
G-14	Proceed Chiyoda	Aichi	309,300	0.5	279,095	355,000	922.40	860.48	30	4	93.3	7.3	March 20, 2007
G-15	Proceed Fukuoka Takamiya	Fukuoka	453,600	0.8	431,171	470,000	1,312.29	1,312.29	46	10	100.0	3.2	March 12, 2007
G-16	Proceed Ohorikoen	Fukuoka	452,800	0.8	495,510	372,000	1,128.92	1,089.48	50	8	96.5	10.6	March 21, 1997
G-17*	Proceed Kanayama	Aichi	1,022,000	1.8	1,026,705	1,230,000	2,733.58	2,620.50	94	18	95.9	6.0	February 18, 2008
G-18*	Proceed Fukiage	Aichi	499,000	0.9	507,020	601,000	1,204.65	1,151.00	48	15	95.5	6.2	March 13, 2008
G-19*	Proceed Toyoda	Aichi	219,000	0.4	224,931	263,000	752.04	727.49	27	8	96.7	6.7	February 29, 2008
G-20	Proceed Kitahorie	Osaka	1,917,300	3.4	1,986,173	2,280,000	4,146.18	3,895.89	106	8	94.0	11.0	November 29, 2007
G-21	Proceed Nishitenma	Osaka	880,000	1.5	914,679	1,050,000	1,775.89	1,612.79	56	3	90.8	13.9	November 30, 2007
G-22	Proceed Kobemotomachi	Hyogo	780,000	1.4	822,052	909,000	1,590.64	1,541.02	61	6	96.9	8.6	December 21, 2007
G-23	Group Home Tanoshii le Taisho	Osaka	158,000	0.3	169,656	174,000	482.72	482.72	1	0	100.0	14.8	February 28, 2007
G-24	Proceed Kanayama 2	Aichi	2,040,400	3.6	2,176,674	2,130,000	4,218.01	4,069.41	72	31	96.5	6.2	August 22, 2007
G-25	Proceed Aratamabashi	Aichi	2,129,600	3.7	2,263,261	2,180,000	5,335.93	5,051.46	72	45	94.7	6.2	August 19, 2005
Cabinet order designated cities subtotal			13,969,000	24.5	14,217,174	15,731,600	40,251.61	38,713.43	1,078	295	96.2		
R-1	Proceed Matsuyama	Ehime	77,900	0.1	104,817	97,200	695.06	695.06	17	8	100.0	7.2	August 31, 1991
R-2	Proceed Mito	Ibaraki	383,700	0.7	342,332	457,000	1,223.83	1,070.32	36	7	87.5	4.0	January 7, 2007
R-3	Proceed Mito 2	Ibaraki	416,900	0.7	386,414	507,000	1,381.34	1,336.34	36	25	96.7	3.6	March 11, 2008
R-4	Proceed Tsukuba Gakuentoshi	Ibaraki	775,600	1.4	833,081	812,000	2,659.71	2,341.30	34	35	88.0	3.8	March 3, 2008
Regional area major cities subtotal			1,654,100	2.9	1,666,646	1,873,200	5,959.94	5,443.02	123	75	91.3		
Portfolio total			57,110,800	100.0	57,336,345	63,103,800	146,415.29	140,432.32	3,969	992	95.9	3.2	

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

(Note 9) The right to the land of (C-65) Proceed TX Nagareyama Central Park is a 52-year fixed-term land sublease right.

(Note 10) As (C-67) Proceed Nishikasai comprises 2 independent buildings, PML and construction completion for each of the 2 buildings is shown.

(Note 11) Earthquake insurance is taken out for all properties.

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

Management Company Overview

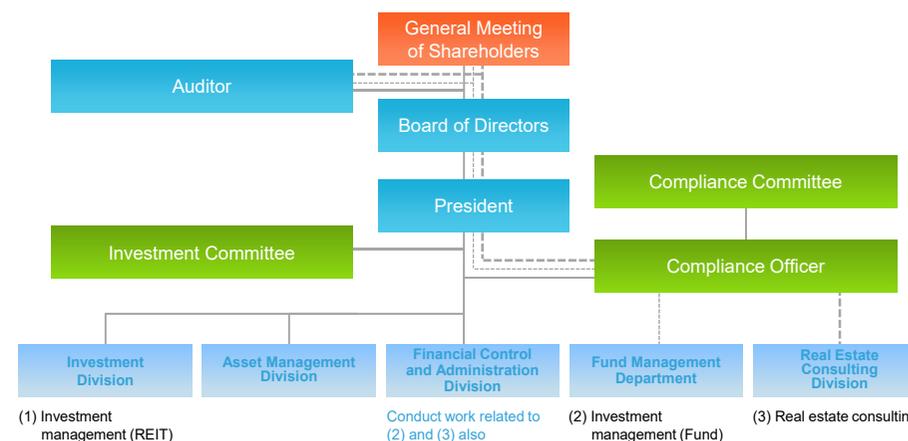


- **Established** Oct. 31, 2001
- **History**
 - Dec. 22, 2001 Obtained building lots and buildings transaction business license (Tokyo Governor (3) No.80325)
 - Nov. 11, 2004 Obtained discretionary transaction agent and other approval under the Building Lots and Buildings Transaction Business Act (Minister of Land, Infrastructure, Transport and Tourism Approval No. 25)
 - Dec. 20, 2004 Obtained investment corporation asset management business approval (Prime Minister No. 36)
 - Sept. 30, 2007 Registered as financial instruments business operator under Financial Instruments and Exchange Act (Director-General of the Kanto Local Finance Bureau (Kinsho) No. 343)
 - Oct. 1, 2010 Commenced real estate consulting business operations
Changed trade name from Starts Asset Management Investment Trust Co., Ltd. to Starts Asset Management Co., Ltd.

■ Outline

- President Kazuya Hiraide
- Head office location 3-1-8 Nihonbashi, Chuo-ku, 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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