



Financial Results Briefing

22nd Fiscal Period (six months ended October 31, 2016)

December 20, 2016

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22nd Fiscal Period Financial Results Summary

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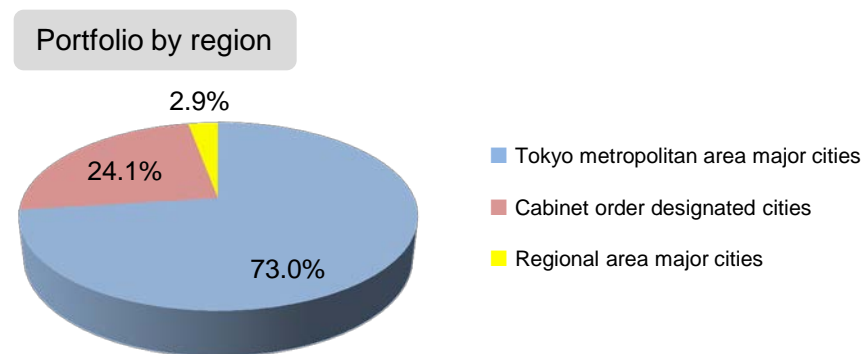
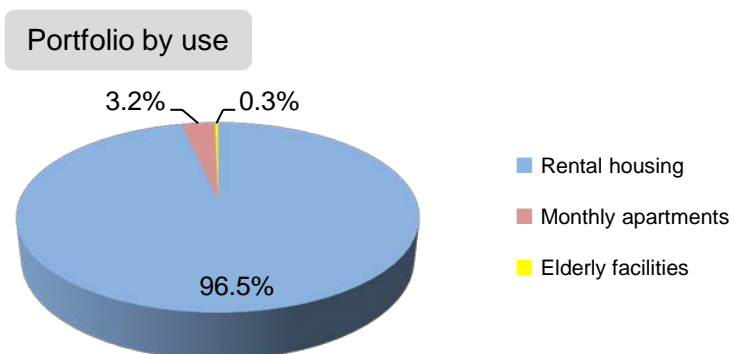
Achieved Results Exceeding Forecast at Beginning of Period in 22nd Period

	Forecast at beginning of 22nd fiscal period	Results of 22nd fiscal period	Comparison with 21st fiscal period
Distribution per unit	4,110 yen	4,204 yen	(Results of 21st fiscal period 4,104 yen) +100 yen (+2.4%)
		+94 yen (+2.2%)	

Overview of Portfolio Assets at End of 22nd Fiscal Period (October 31, 2016)

Total acquisition price	<u>57,860 million yen</u>	Total number of leasable units	<u>3,998 units</u>
Number of properties	<u>97 properties</u>	Total number of leasable parking spaces	<u>981 vehicles</u>
Gross leasable area	<u>148,555.88m²</u>	Occupancy rate (at end of 22nd fiscal period)	<u>95.3%</u>
Average building age	<u>15.2 years</u>	NOI yield (based on acquisition price)	<u>5.9%</u>
		Yield after depreciation (based on acquisition price)	<u>4.2%</u>

Portfolio Data (97 Assets)



(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.

22nd Fiscal Period Financial Results:

Comparison with Previous Period Results and with Beginning of Period Forecast



(million yen)

	21st FP Results	22nd FP Forecast (Note)	22nd FP Results	Difference from 21st FP Results	Main Reason for Difference	Difference From 22nd FP Forecast	Main Reason for Difference	
Operating revenue	2,239	2,246	2,245	6		0		
Operating expenses	1,321	1,337	1,327	6	<ul style="list-style-type: none"> ■ Operating revenue Rent +8 Key money -2 Income from utility charges +1 Other income +2 	-9	<ul style="list-style-type: none"> ■ Operating revenue Rent -7 Renewal fee +4 Income from restoration costs +2 	
	Expenses related to rent business	1,029	1,037	1,029		0		-7
	Other expenses	291	299	298		6		-1
Operating income	918	909	918	0	<ul style="list-style-type: none"> ■ Operating expenses Other expenses Asset management fee +6 Commissioned survey expenses +3 Consumption tax adjustment -3 	9	<ul style="list-style-type: none"> ■ Operating expenses Expenses related to rent business Advertising expenses -3 Repair expenses +9 Depreciation and amortization -2 Utilities expenses -8 	
Non-operating income	6	1	9	2		8		
Non-operating expenses	209	193	195	-14		1		
Ordinary income	715	716	732	17	<ul style="list-style-type: none"> ■ Non-operating expenses Borrowing related charges -7 Interest expenses -2 Amortization of Investment unit issuance costs -3 	16	<ul style="list-style-type: none"> ■ Non-operating income Insurance income +8 <ul style="list-style-type: none"> ■ Non-operating expenses Interest expenses -1 Borrowing related charges +2 	
Net income	713	714	730	17		16		
Distribution per unit (yen)	4,104	4,110	4,204	100	—	94	—	

Distribution
22nd FP: 4,204 yen

Difference from 21st Fiscal Period Results

In the 22nd 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 22nd Fiscal Period Forecast

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

(Note) The forecast figures for the 22nd fiscal period are calculated based on certain assumptions as at December 15, 2016.

Management Forecast for 23rd and 24th 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	2,245	2,984	738		3,005	21			
Operating expenses	1,327	1,700	372	<ul style="list-style-type: none"> ■ Operating revenue • Increase in rent revenue, etc. from the 15 properties newly acquired 	1,729	29	<ul style="list-style-type: none"> ■ Operating revenue • Due to seasonal fluctuations 		
	Expenses related to rent business	1,029	1,316		287	1,318		1	<ul style="list-style-type: none"> ■ Operating expenses • Due to seasonal fluctuations
	Other expenses	298	383		85	411		27	<ul style="list-style-type: none"> • Fixed asset and city planning taxes will be expensed for all of the 15 properties newly acquired
Operating income	918	1,283	365	<ul style="list-style-type: none"> • Fixed asset and city planning taxes will be expensed for some of the 15 properties newly acquired 	1,275	-8	<ul style="list-style-type: none"> • Occurrence of consumption tax cost 		
Non-operating income	9	11	1	<ul style="list-style-type: none"> • Loss on consumption taxes difference will be dissolved 	0	-10			
Non-operating expenses	195	214	19		208	-6	<ul style="list-style-type: none"> ■ Non-operating expenses • Decrease in borrowing related charges 		
Ordinary income	732	1,080	348	<ul style="list-style-type: none"> ■ Non-operating expenses • Increase in interest expenses due to new loans 	1,067	-12			
Net income	730	1,078	348		1,065	-12			
Distribution per unit (yen)	4,204	4,200	-4	—	4,150	-50	—		
Acquisition price (million yen)	57,860	81,942	24,082		81,942	—			
Number of properties (properties)	97	112	15	Newly acquired 15 properties which are specified assets in November 2016.	112	—	—		
Total number of units (units)	3,998	5,286	1,288		5,286	—			

Forecast distribution
23rd FP: 4,200 yen
24th FP: 4,150 yen

23rd Fiscal Period Forecast

Although there will be income-increasing factors such as increase in rent revenue due to seasonal fluctuations (on season), etc., in addition to the increase from the 15 properties ((C-69) Proceed Nihonbashi Honcho) acquired, as well as dissolving of loss on consumption taxes difference, distribution of 4,200 yen is forecasted (down 4 yen from the previous fiscal period) as the increase will be offset by increase in PM/BM fees, increase in repair expenses and increase in depreciation and amortization as well as increase in interest expenses due to new borrowings and other factors.

24th Fiscal Period Forecast

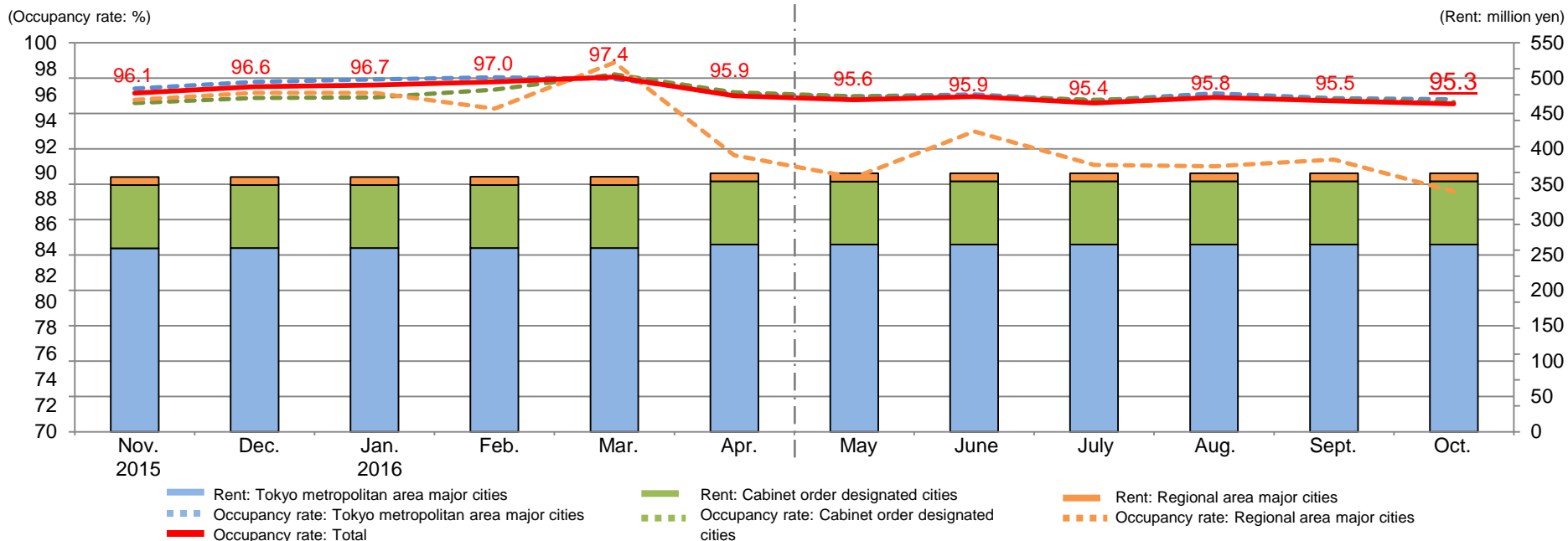
Although there will be a decrease in rent revenue due to seasonal fluctuations (off-season), as well as some increase/decrease in operating revenue, operating expenses, etc., distribution of 4,150 yen is forecasted due to expected occurrence of tax-related cost such as fixed asset tax associated with property acquisitions and consumption tax.

(Note) The forecast figures for the 23rd and 24th fiscal periods above are calculated based on certain assumptions as at December 15, 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.

Changes in Period-Round Occupancy Rates and Set Rent (Note 1)

Average occupancy rate for the 21st fiscal period: **96.6%**

Average occupancy rate for the 22nd fiscal period: **95.6%**



(Note 1) Rent as used herein is the sum total of rent and common area maintenance charges for units soliciting tenants and units for which agreements have been concluded.

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

(At end of period)

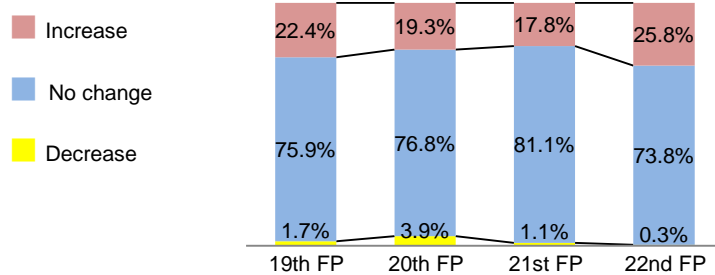
	19th FP	20th FP	21st FP	22nd FP
Number of properties	96 properties	96 properties	96 properties	97 properties
Set key money total amount (thousand yen)	192,622	190,298	191,543	194,553
Ratio to rent (month)	0.69	0.68	0.68	0.68

During the 22nd fiscal period, occupancy rate maintained at a stable level of **95%** or more.

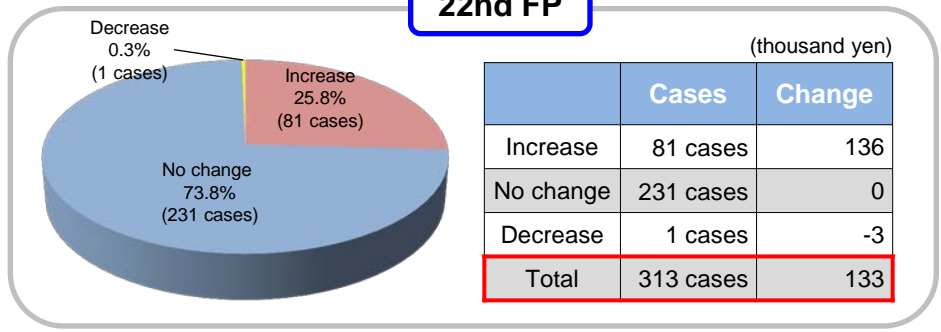
(Note 2) In the calculation of the ratio to rent, calculations are based on rent and common area maintenance charges are not included. The figures are for pass-through type properties only and fixed-rent type properties are not included.

Renewal / Newly-Advertised Conditions Setting (Note1)

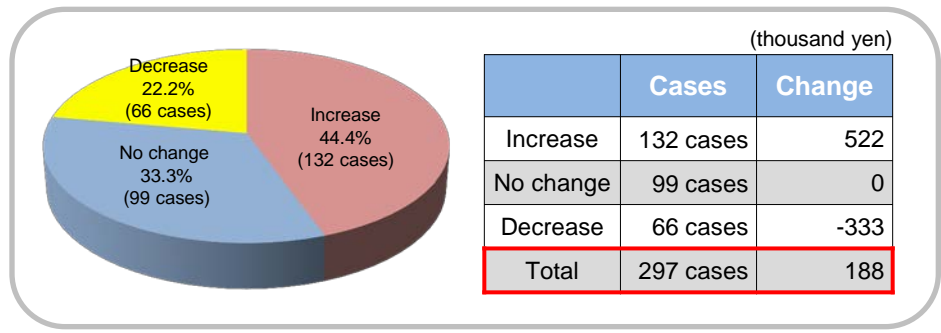
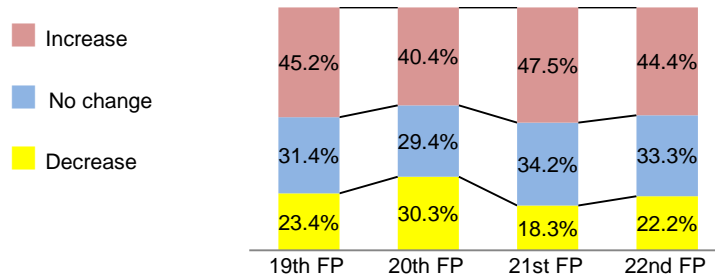
Renewal Rent Revision



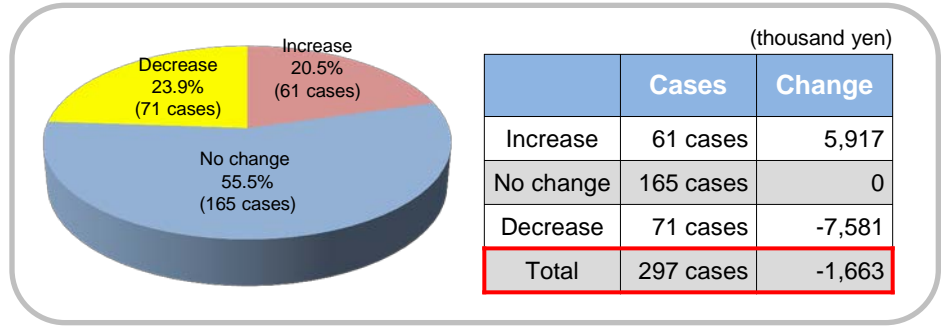
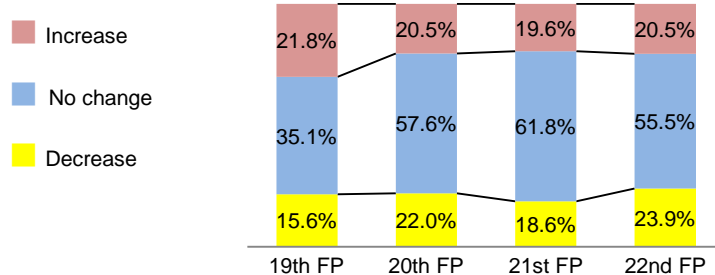
22nd FP



Difference in Rent between New Agreement and Previous Agreement



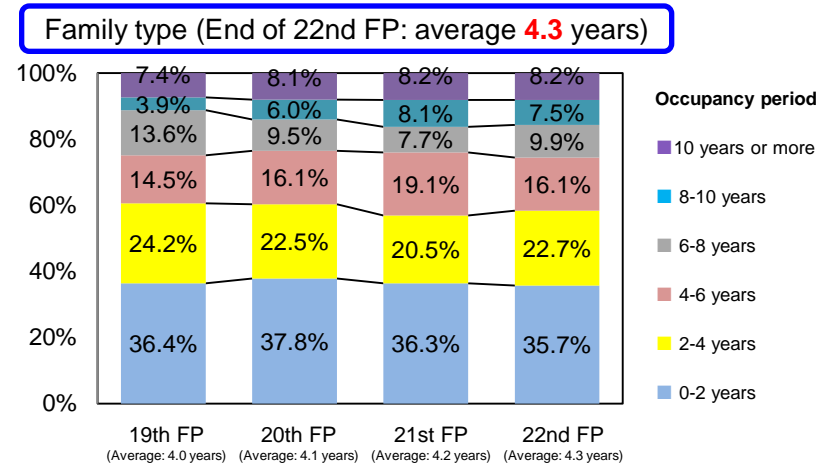
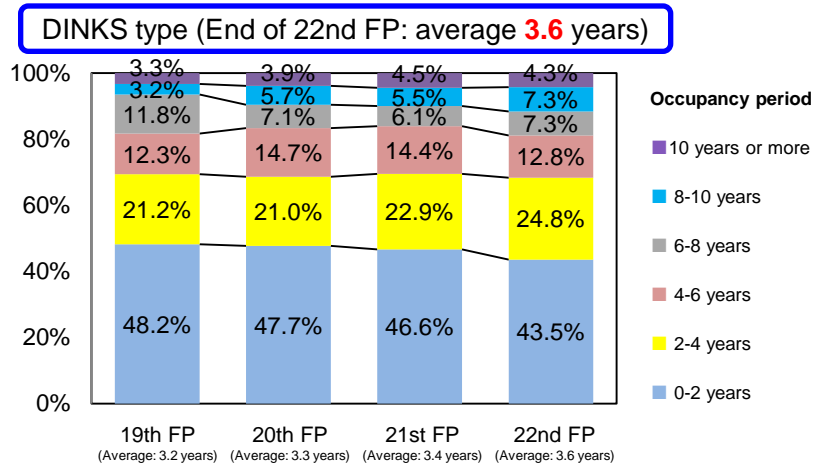
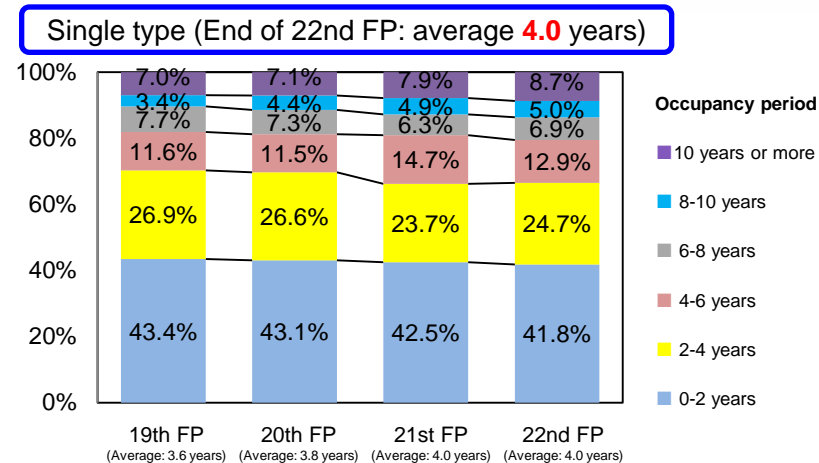
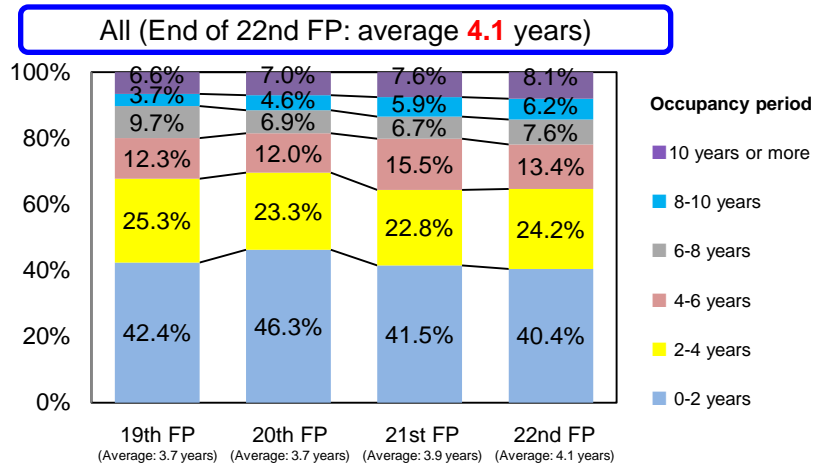
Difference in Key Money between New Agreement and Previous Agreement



Rent in new agreement turned positive this fiscal period. Renewal rent realized upward revision for the 7th consecutive period.

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

AUM Average Occupancy Period by Residential Unit Type (Results of 19th–22nd Fiscal Period Residents)



The number of residents with occupancy period of 6 years or more has increased and the number of those with less than 2 years has decreased throughout all types. Thus, the average occupancy period has exceeded 4 years.

(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 (49 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

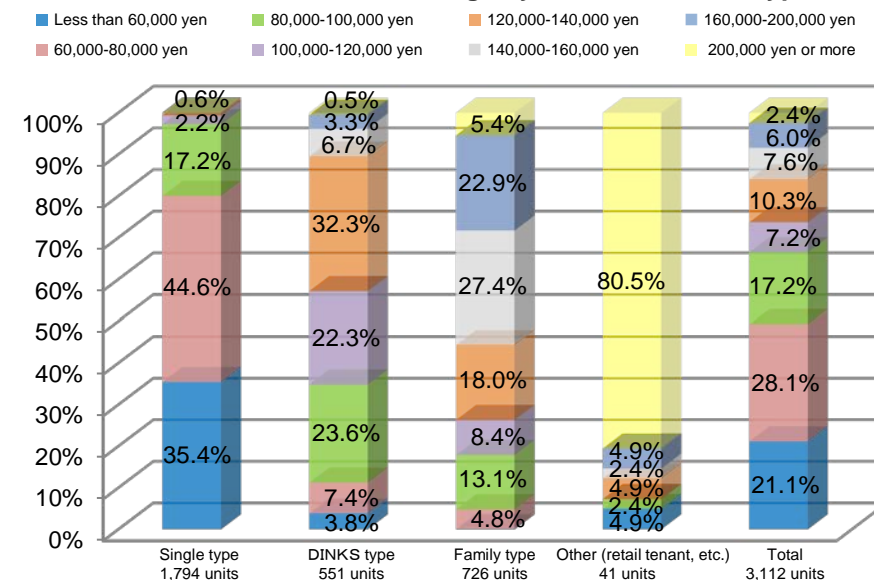
Investment is diversified across the single type to family type with an aim to build a portfolio that can respond to the market rent, resident demand and other fluctuations as much as possible. In addition, **rental housing for average-income households, the demand for which is the most stable, is set 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 1-6)

Type of master lease	Residential unit type	Average rent (yen)		Change (yen)	Change (%)
		21st FP	22nd FP		
Pass-through	Single type	67,655	67,696	41	0.1
	DINKS type	110,348	110,648	(Note 4) 300	0.3
	Family type	140,599	141,658	(Note 4) 1,059	0.8
	Other (retail tenant, etc.)	463,517	464,110	593	0.1
Fixed-rent	All types	68,153	68,153	0	0.0
All	Overall average	90,628	91,447	819	0.9



Starts Proceed Portfolio's Rent Range by Residential Unit Type (Note 7)



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: **45.9%**
 Family type: Rent range of 80,000 yen or more, but less than 160,000 yen: **66.9%**

(Note 1) As Average Rent Range by Residential Unit Type has been prepared for rental housing alone, (G-23) Group Home Tanoshii le Taisho is excluded from compilation.

(Note 2) 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 (3,112 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 3) The percentage of change in average rent is rounded to one decimal place.

(Note 4) "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 22nd fiscal period (October 31, 2016).

(Note 5) Average Rent Ranges for DINKS type and Family type increased as the newly acquired (C-68) Proceed Kasai 2 has been incorporated.

Average rents of (C-68) Proceed Kasai 2 are 135,000 yen for DINKS type and 170,240 yen for Family type.

(Note 6) "Other" refers to the retail and office portions of a mixed-use apartment building.

(Note 7) Only the figures for pass-through type properties are indicated, so the figures for the fixed-rent type properties and (G-23) Group Home Tanoshii le Taisho aren't included.

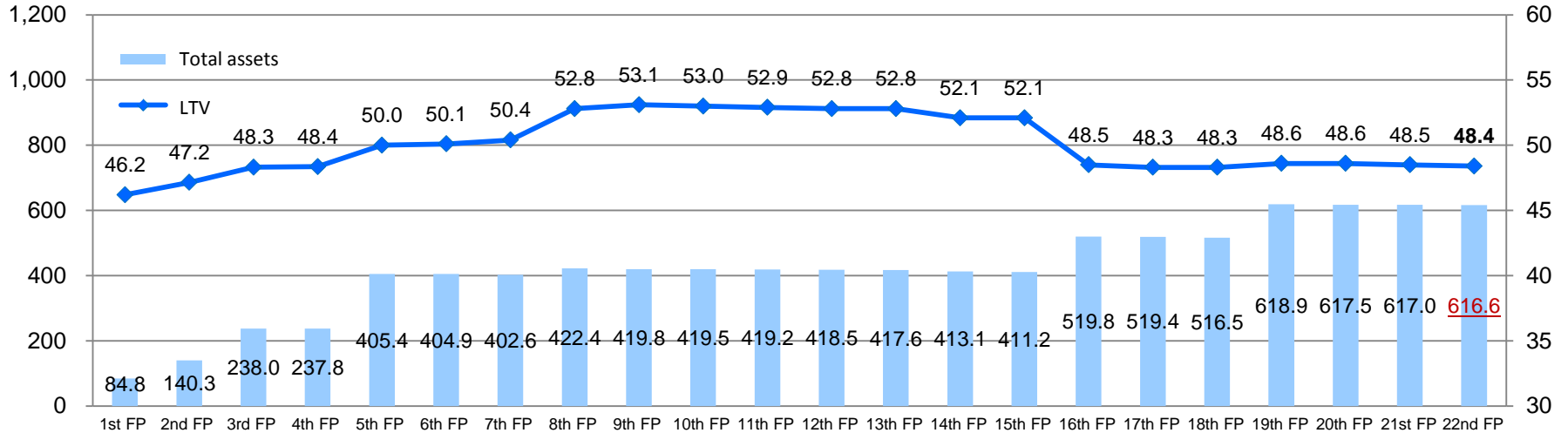
	Acquisition price (million yen)	Carrying amount (million yen)	Appraisal value (million yen)		Occupancy rate (period-end) (%)		NOI results (million yen)		NOI yield (annualized; based on acquisition price) (%)		NOI yield (annualized; based on appraisal value) (%)		NOI yield after depreciation (based on acquisition price) (%)	
			21st FP	22nd FP	21st FP	22nd FP	21st FP	22nd FP	21st FP	22nd FP	21st FP	22nd FP	21st FP	22nd FP
	At acquisition	22nd FP	21st FP	22nd FP	21st FP	22nd FP	21st FP	22nd FP	21st FP	22nd FP	21st FP	22nd FP	21st FP	22nd FP
Tokyo metropolitan area major cities (72.6%)	42,237	42,024	45,499	47,241	96.1	95.6	1,224	1,233	5.9	5.8	5.4	5.2	4.3	4.2
Cabinet order designated cities (24.5%)	13,969	14,146	15,731	16,038	96.2	95.4	408	414	5.8	5.9	5.2	5.2	4.1	4.2
Regional area major cities (2.9%)	1,654	1,648	1,873	1,897	91.3	88.5	52	51	6.4	6.2	5.6	5.4	4.1	3.9
Total	57,860	57,819	63,103	65,176	95.9	95.3	1,685	1,698	5.9	5.9	5.3	5.2	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 22nd fiscal period increased by **2.07** billion yen period-on-period with unrealized gains of **7.35** billion yen (including appraisal value of 0.81 billion yen for one property acquired in the 22nd fiscal period). NOI yield (annualized and based on acquisition price) for the entire portfolio was **5.9%**.

Changes in Total Assets and LTV Ratio

(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 for 8th-18th FP) by total assets at the end of the period.

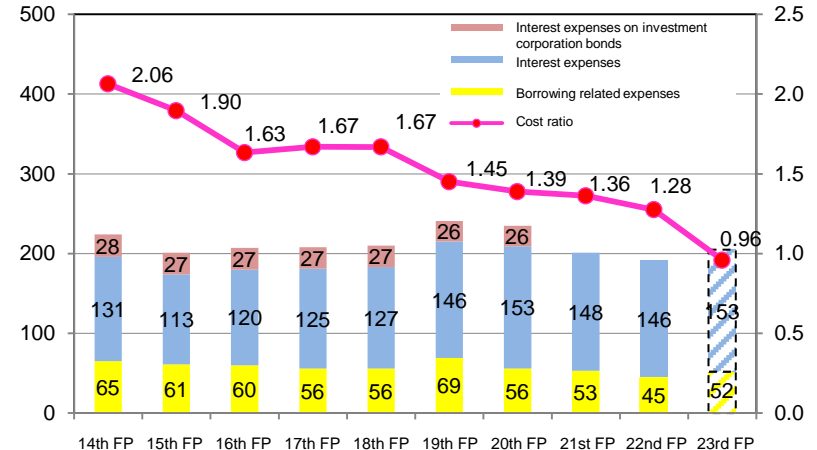
Balance of Interest-Bearing Liabilities at End of 22nd Fiscal Period (October 31, 2016)

(million yen)

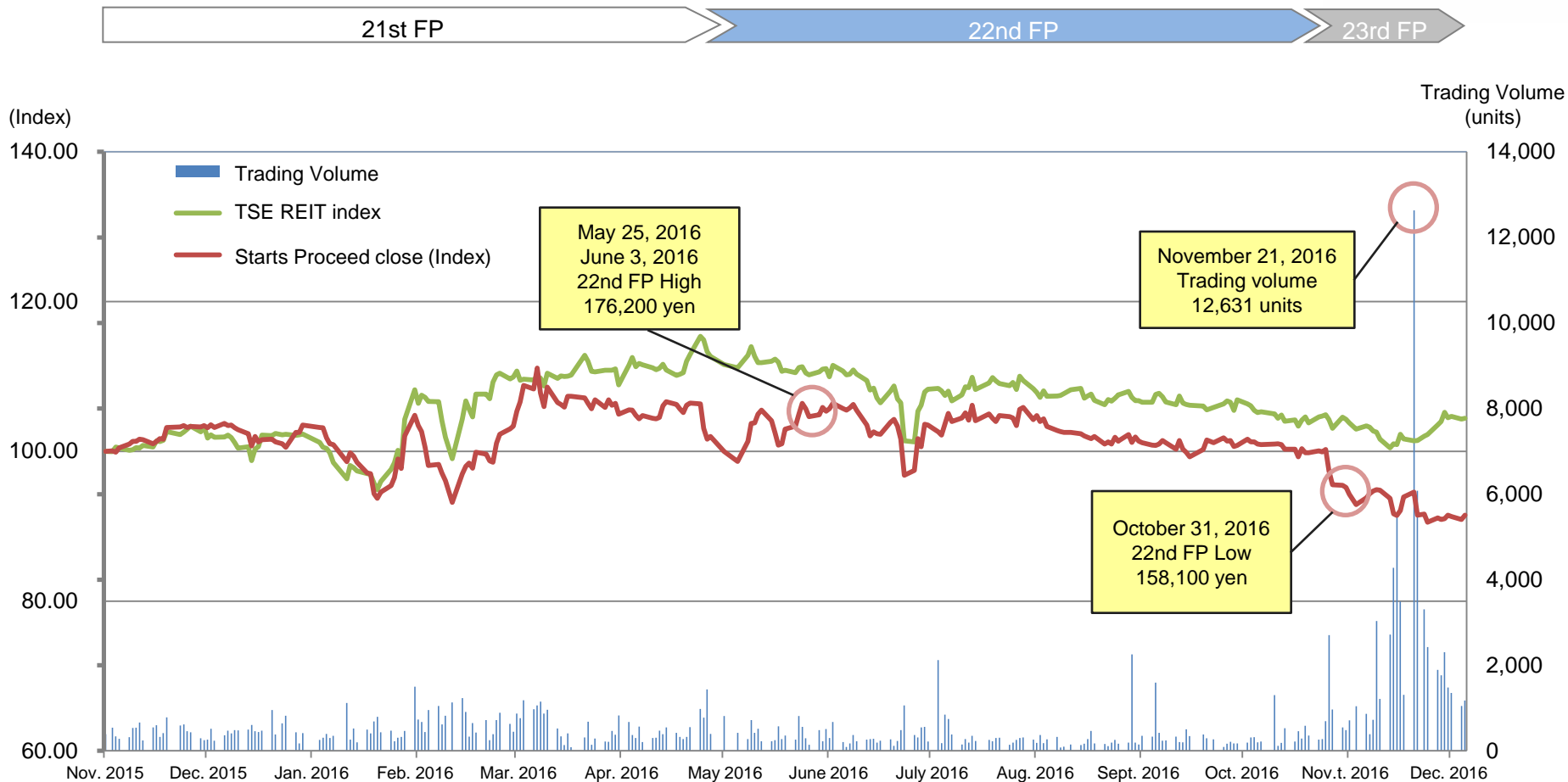
	Loans balance
Current portion of long-term loans payable	7,683
Long-term loans payable	22,147
Total loans	29,830
LTV ratio (%)	48.4

Change in Interest-Bearing Liability Costs

(million yen)



Changes in Investment Unit Price



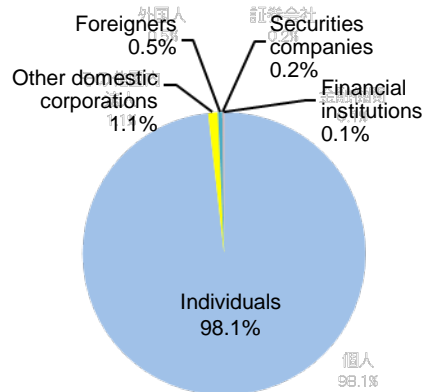
During the 22nd fiscal period, the investment unit price marked a high of **176,200 yen** (May 25 and June 3, 2016) and a low of **158,100 yen** (October 31, 2016), based on closing price.

On November 21, 2016, trading volume increased to 12,631 units due to the public offering.

Composition of Unitholders and Investment Units at End of 22nd Fiscal Period

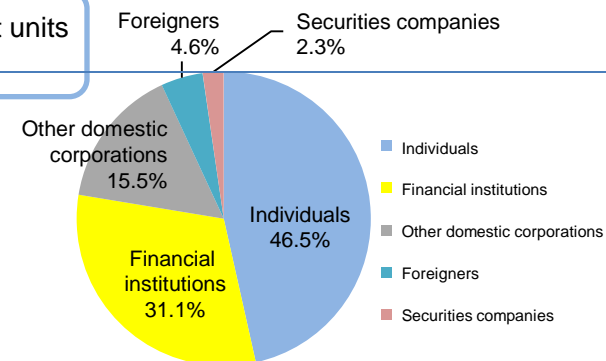
Number of unitholders
13,353 unitholders

Individuals
98.1%



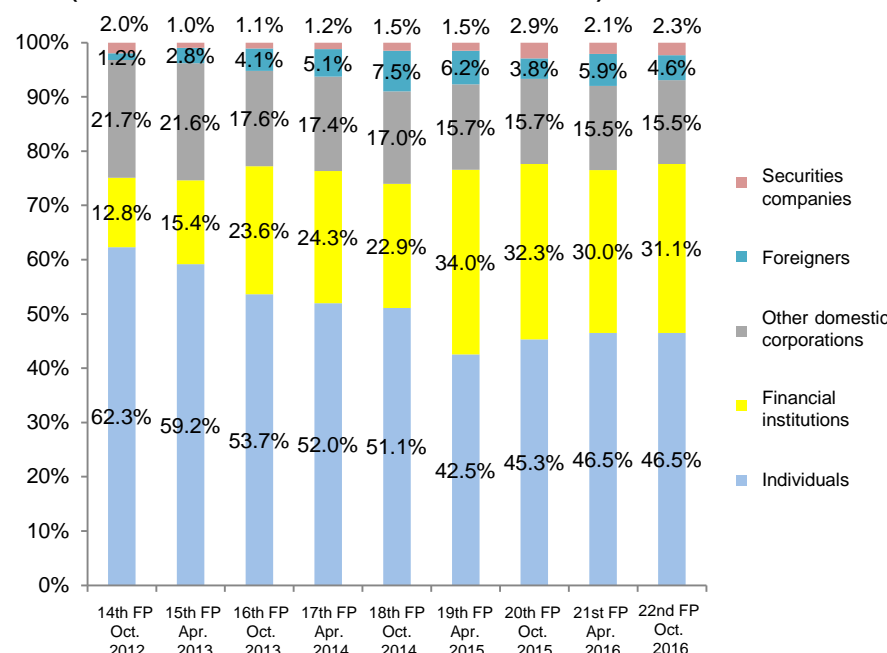
Number of investment units
173,777 units

Individuals
46.5%



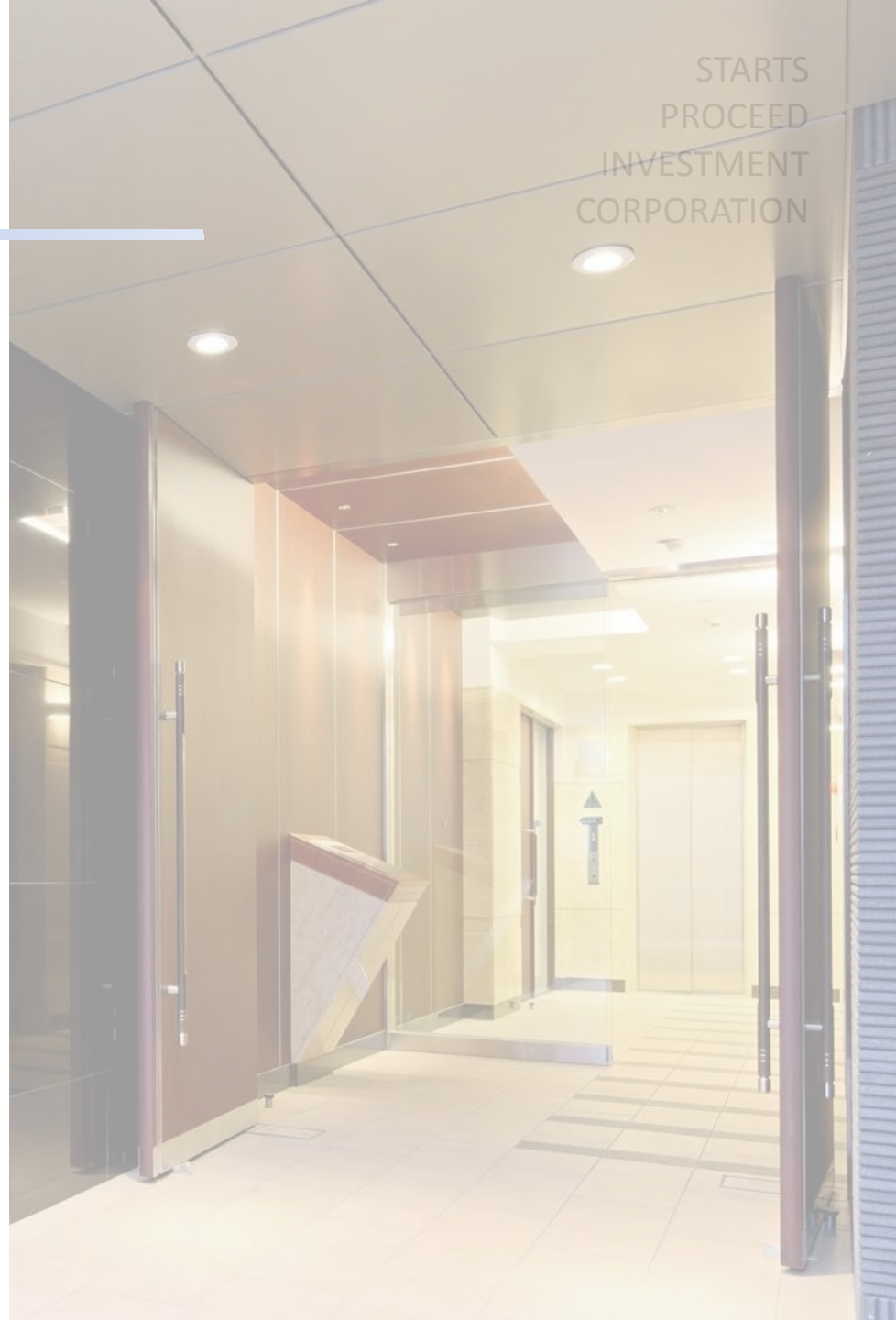
Major Unitholders at End of 22nd Fiscal Period (October 31, 2016) ■ Changes in Composition of Unitholders (14th to 22nd Fiscal Periods)

	Name	Number of investment units held (units)	Unitholding ratio (%) (Note)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	27,748	15.96
2	Starts Corporation Inc.	22,591	12.99
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	9,229	5.31
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	7,336	4.22
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	5,462	3.14
6	Individual investor	2,000	1.15
7	Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,853	1.06
8	STATE STREET BANK AND TRUST COMPANY 505001	1,482	0.85
9	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,320	0.75
10	CBNY DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	1,025	0.58
11	Yoshida Shoji Co., Ltd.	1,000	0.57
12	Matsui Securities Co., Ltd.	995	0.57
13	Individual investor	800	0.46
14	YONEZAWA SHINKIN BANK	650	0.37
15	BBH FOR VANGUARD GLOBAL EX-U.S. REAL ESTATE INDEX FUND	631	0.36
16	Nomura Securities Co., Ltd.	622	0.35
17	Individual investor	573	0.32
18	MLI STOCK LOAN	569	0.32
19	Individual investor	500	0.28
20	Individual investor	450	0.25
	Total	86,836	49.96



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

Future Management Policy



Main Initiatives in 22nd Fiscal Period

New Initiatives from 23rd Fiscal Period (six months ending Apr. 30, 2017)

External Growth	<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. ● Strengthen 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. 	<ul style="list-style-type: none"> ● Public offering (November 2016) ⇒ Achieved asset size of 81.9 billion yen in line with the acquisition of 15 new properties (total acquisition price: 24 billion yen) <ul style="list-style-type: none"> • Improvement in quality through shortening the average building age • Enhancement of portfolio stability ● Early achievement of asset size of 100 billion yen ● Further strengthening of collaborative relationship with the Starts Group <ul style="list-style-type: none"> • Realize property acquisitions through various routes unique to the Starts Group such as properties developed by the sponsor, properties acquired from its existing clients and properties acquired through general markets 	Securing of stable distributions
Internal Growth	<ul style="list-style-type: none"> ● Maintaining of high occupancy rate during demand season for rental housing <ul style="list-style-type: none"> • Maintaining of high occupancy rate by minimizing downtime ⇒ Prior management for scheduled tenant exits – Shortening of renovation period ⇒ Property-specific campaigns for readily responding to occupancy status ● 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 through exterior makeovers 	<ul style="list-style-type: none"> ● Maintaining of period average occupancy rate of over 95% <ul style="list-style-type: none"> • Effective utilization of Starts Group's network • Appropriate launch of advertisement promotion measures and reduction of vacant period (downtime) • Appeal through showrooms, leasing furniture and home appliances, and implementing individual measure • Enhancing image and value through improving design of common - use portions including entrance ● Further reduction of repair costs through utilization of economies of scale <ul style="list-style-type: none"> • Continuation of negotiation especially for price of restoration to original state ● Discussion of BM costs for 15 newly acquired properties <ul style="list-style-type: none"> • Discussion of cost reductions through reviewing BM specifications • Equalization of costs through reviewing cycle 	
Financial Strategy	<ul style="list-style-type: none"> ● Partial conversion of interest payable into fixed rates ● Efforts for acquisition of credit rating ● Conservative management of LTV ● Further expansion and enhancement of the financing bank formation 	<ul style="list-style-type: none"> ● Further strengthening of financial base <ul style="list-style-type: none"> • Extension of average remaining period of loans • Realize extension and laddering of repayment periods of interest-bearing liabilities • As for conversion of interest rates into fixed rates, discuss by taking interest rate trends into consideration • Laddering of repayment periods and further reduction of borrowing costs ● Secure stable financial base through controlling LTV conservatively ● Efforts for acquisition of credit rating 	

Assets Acquired on November 21, 2016 I (Properties Developed by the Starts Group)



Seismic
isolation

Proceed Minamigyotoku 2
(Ichikawa City, Chiba)

Structure: RC/6F

Completion: May 2014

Number of units: 2LDK: 4 units
3LDK: 28 units
4LDK: 4 units
Total: 34 units

Proceed Unoki
(Ota-ku, Tokyo)



Structure: RC/5F

Completion: Sept. 2015

Number of units: 1LDK: 29 units
Total: 29 units

Proceed Osu
(Nagoya City, Aichi)



Structure: RC/12F

Completion: Mar. 2016

Number of units: 1K: 66 units
Total: 66 units

Assets Acquired on November 21, 2016 II (Properties Acquired from Existing Clients of Starts Proceed)

**Proceed CO-Z East Building
(Narita City, Chiba)**



Structure: RC/8F

Completion: March 1997

Number of units: 1LDK: 14 units
2LDK: 27 units
3DK: 39 units
3LDK: 22 units
Tenant: 9 units
Total: 111 units

**Proceed CO-Z West Building
(Narita City, Chiba)**

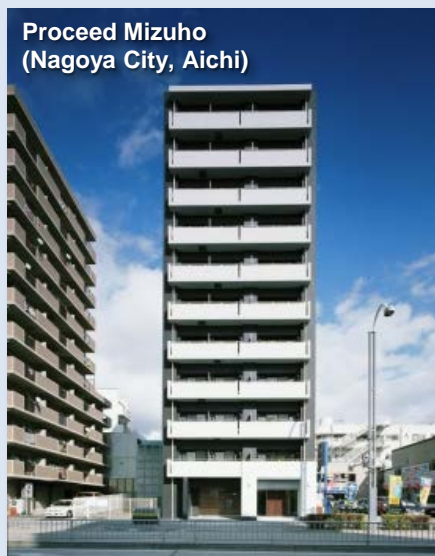


Structure: RC/8F

Completion: January 1998

Number of units: 1R: 8 units
2LDK: 63 units
Total: 71 units

**Proceed Mizuho
(Nagoya City, Aichi)**

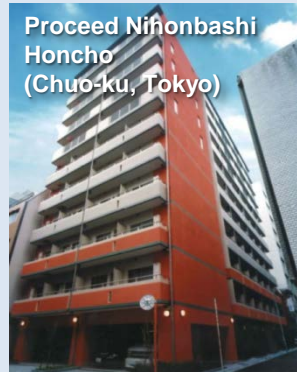


Structure: RC/11F

Completion: February 2007

Number of units: 1K: 40 units
Total: 40 units

Assets Acquired on November 21, 2016 III (Properties Acquired from Outside Parties)



**Proceed Nihonbashi
Honcho
(Chuo-ku, Tokyo)**

Structure: RC/11F

Completion: February 2003

Number of units: 1R: 6 units
1K: 56 units
1LDK: 15 units
2LDK: 7 units
Total: 84 units

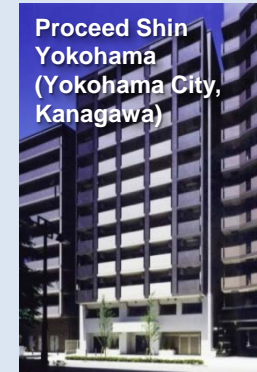


**Proceed Nishi Shinjuku
(Shinjuku-ku, Tokyo)**

Structure: SRC/14F

Completion: February 2003

Number of units: 1K: 18 units
1LDK: 48 units
Total: 66 units



**Proceed Shin
Yokohama
(Yokohama City,
Kanagawa)**

Structure: RC/11F

Completion: April 2007

Number of units: 1K: 216 units
1LDK: 10 units
Total: 226 units



**Proceed Benteicho
(Osaka City, Osaka)**

Structure: RC/14F

Completion: January 2008

Number of units: 1K: 36 units
1DK: 78 units
2DK: 12 units
Total: 126 units



**Proceed Nagaikoendori
(Osaka City, Osaka)**

Structure: RC/10F

Completion: May 2007

Number of units: 1K: 81 units
Total: 81 units



**Proceed
Nishinagahori
(Osaka City, Osaka)**

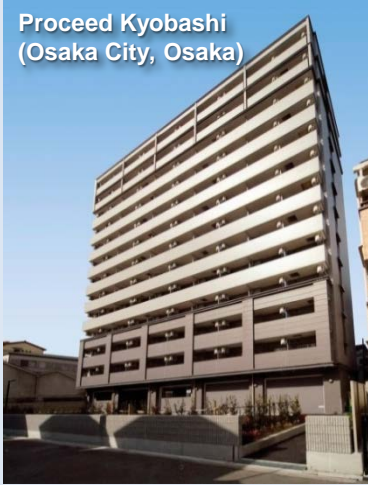
Structure: RC/14F

Completion: February 2008

Number of units: 1K: 52 units
Total: 52 units

Assets Acquired on November 21, 2016 IV (Properties Acquired from Outside Parties)

Proceed Kyobashi
(Osaka City, Osaka)

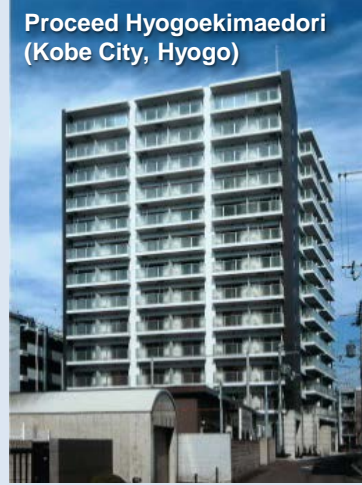


Structure: RC/13F

Completion: January 2008

Number of units: 1K: 120 units
Total: 120 units

Proceed Hyogoekimaedori
(Kobe City, Hyogo)



Structure: SRC/13F

Completion: February 2008

Number of units: 1K: 116 units
Tenant: 1 unit
Total: 117 units

Proceed Sendai
Kozurushinden
(Sendai City, Miyagi)



Structure: RC/8F

Completion: March 2006

Number of units: 1R: 48 units
1LDK: 15 units
Total: 63 units

■ Overview of Portfolio Assets after the Public Offering on November 21, 2016

Total acquisition price: 81,942 million yen

Total number of leasable units: 5,286 units

Number of properties: 112 properties

Total number of leasable parking spaces: 1,453 vehicles

Gross leasable area: 192,776.12m²

Average building age: 13.8 years

■ Kanda-Higashimatsushitacho Plan Private Residential Building Development Project

Seismic
isolation

Alpha Grande Chizakura Tower

Location	22 Kanda Higashimatsushita-cho, Chiyoda-ku, Tokyo, and other
Site area	3,428.28m ²
Zoning	Commercial district, fire preventive district
Structure	RC / 25F (base seismic isolation)
Total floor area	26,971.61m ²
Height	Maximum height 88.12m
Use	Apartment, retail, office, living support facility
URL	http://www.chizakura.jp/index.html



Scheduled to be completed in July 2018

**For sale: 183 units out of 185 units have been
subscribed or contracted**

For rent: 65 units

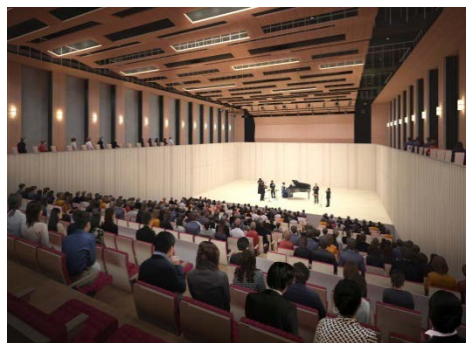
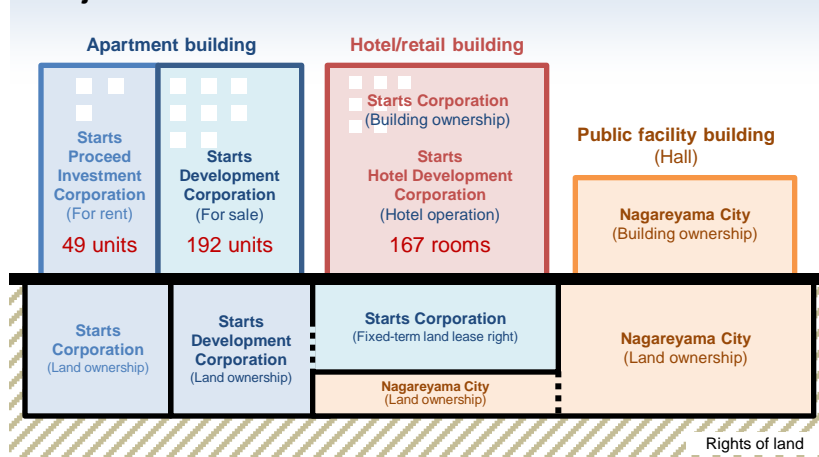
- Kanda-Higashimatsushitacho Plan Private Residential Building Development Project (Alpha Grande Chizakura Tower) is a plan to set a fixed-term land leasehold to private land adjacent to the former lot of Chizakura Elementary School (kuyuchi), develop integrally with business parties and establish a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

■ Nagareyama Otaka Forest City-owned land development project

“CultureNest” symbolizing Nagareyama,
“a town in a forest that is closest from central Tokyo”



Project Scheme

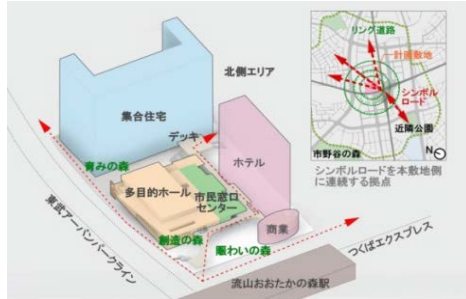


Property Overview

	Apartment building	Hotel/retail building	Public facility building
Building area (m ²)	1,995.23 m ²	1,033.91 m ²	2,597.10 m ²
Total floor area (m ²)	19,229.47 m ²	8,171.99 m ²	3,798.62 m ²
Building-to-land ratio (%)	47.5%	51.69%	65.83%
Floor-area ratio	400.0%	391.39%	96.28%
Structure	RC/Base with seismic isolation	Steel-framed	RC/Steel framed
Floors	14 floors above ground	11 floors above ground	2 basement floors
Maximum height (m)	46.0 m	45.55 m	15.0 m
Completion/delivery period	December 2019	March 2019	March 2019
Size/Features	<ul style="list-style-type: none"> For sale: 192 Units For rent: 49 Units Plan to house a healthcare center 	<ul style="list-style-type: none"> Guest rooms: 167 rooms (with suites) Banquet rooms and large bath available Plan to house a café, etc. 	<ul style="list-style-type: none"> Number of audience seats: 506 Movable forward/backward seats Can be used together with the foyer Convenient resident service counter

Schedule

- July 2015 Disclosure of guidelines for applicants
- Oct. 2015 File proposal documents
- Nov. 2015 Determination of preferred negotiation rights holder
- Dec. 2015 Conclusion of business contract
- Jan. 2016 Start of designing
- Jan. 2017 Start of construction (planned)
- Mar. 2019 Completion and delivery of public facility building and hotel/retail building (planned)
- Dec. 2019 Completion of apartment building (planned)



■ Sendai Kamisugi Project



Structure : RC/13F

Completion : March 2017

Number of units (type) : 1K 100 units; 2LDK 8 units; Total 108 units

Location : 2-chome, Uesugi, Sendai-shi, Miyagi

Site area : 402.24m²

Total floor area : 4,141.73m²

Height : Maximum height: 39.890m,
maximum eave height 39.540m

Use : Apartment

Zoning : Commercial district

■ Nagoya Masaki Project



Structure : RC/13F

Completion : August 2018

Number of units (type) : 1K 48 units; 1LDK 12 units; Total 60 units

Location : 2-chome, Masaki, Naka-ku, Nagoya-shi, Aichi

Site area : 465.99m²

Total floor area : 2,329.79m²

Height : 39.975m

Use : Apartment

Zoning : Neighborhood commercial district (80% / 400%)

■ November 24, 2016 Refinancing Loans

(million yen)

Term Loan		M	P	Total
Term		3.5 years	3.5 years	
Total amount		1,225	2,225	3,451
Breakdown	Aozora Bank	248	733	981
	Resona Bank	248	485	733
	Chiba Bank	46	309	355
	Musashino Bank	46	309	355
	Mizuho Bank	225	83	308
	Kagawa Bank	—	303	303
	Sumitomo Mitsui Banking	225	—	225
	Sumitomo Mitsui Trust Bank	93	—	93
	ORIX Bank	93	—	93
	Floating interest rate	Base interest rate +1.05%	Base interest rate +1.05%	
Repayment method	Lump-sum repayment on repayment date			



(million yen)

Term Loan		2E	Change
Term		2.5 years	
Total amount		3,449	-2
Breakdown	Aozora Bank	1,025	42
	Resona Bank	783	49
	Chiba Bank	356	0
	Musashino Bank	356	0
	Mizuho Bank	308	0
	Kagawa Bank	303	0
	Sumitomo Mitsui Banking	225	0
	Sumitomo Mitsui Trust Bank	93	0
	ORIX Bank	—	-93
	Floating interest rate	Base interest rate +0.42%	
Repayment method	Lump-sum repayment on repayment date		

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

December 9, 2016 Refinancing Loans

(million yen)

Term Loan		2D	Total
Term (Note 1)		0.5 months	
Total amount		12,960	12,960
Breakdown	Resona Bank	12,960	12,960
Floating interest rate		Base interest rate (Note 2) +0.29%	
Repayment method		Lump-sum repayment on repayment date	

(Note 1) Borrowing, a short-term loan with the period from November 21 to December 9, was conducted to allocate funds for new acquisition of properties.

(Note 2) Base interest rate refers to JBA 1 month Japanese Yen TIBOR.

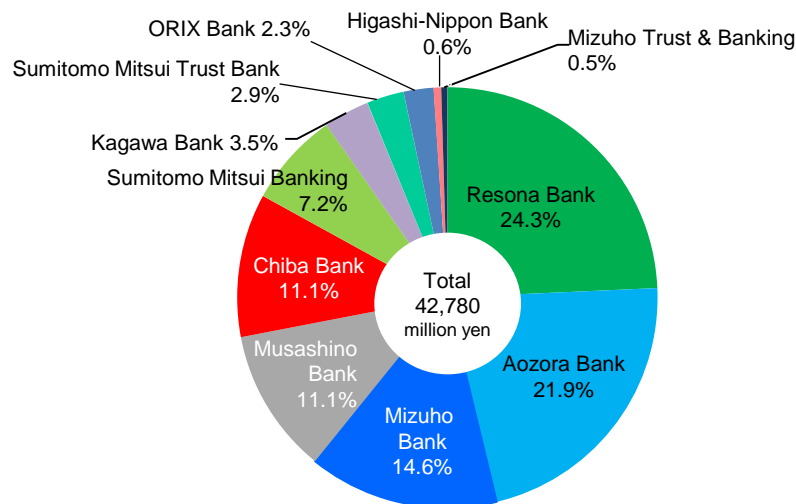


(million yen)

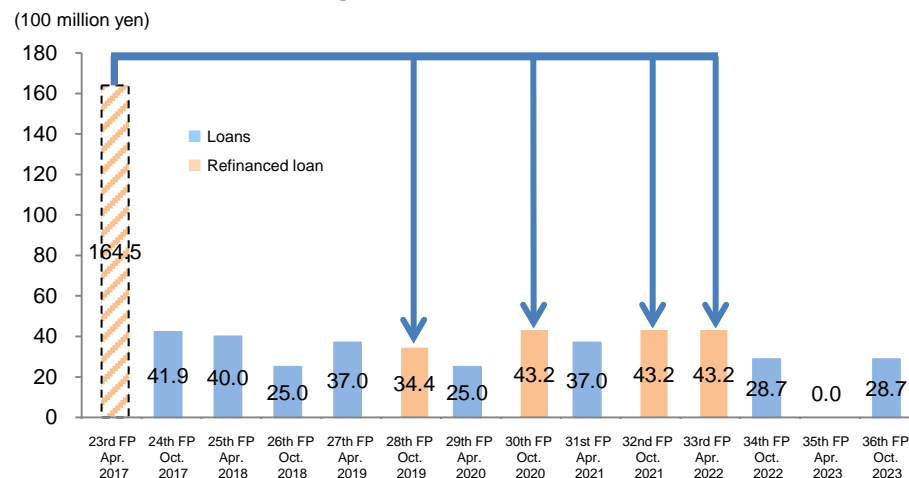
Term Loan		2F	2G	2H	Total	Change
Term		2.5 years	4.5 years	5 years		
Total amount		4,320	4,320	4,320	12,960	0
Breakdown	Resona Bank	1,095	1,095	1,105	3,295	-9,664
	Aozora Bank	1,060	1,060	1,061	3,181	3,182
	Musashino Bank	917	917	917	2,751	2,751
	Musashino Bank	480	480	480	1,440	1,440
	Chiba Bank	470	470	460	1,400	1,400
	Kagawa Bank	152	152	152	456	456
	Sumitomo Mitsui Trust Bank	146	145	145	436	436
Floating interest rate		Base interest rate +0.26%	Base interest rate +0.29%	Base interest rate +0.32%		
Repayment method		Lump-sum repayment on repayment date				

	End of 20th FP	End of 21st FP	End of 22nd FP	After December 9 refinancing
Average remaining period	1.67 years	1.80 years	2.55 years	3.20 years
Ratio of fixed-rate loans	29.0%	41.5%	41.6%	29.0%
Average interest rate	1.016%	0.952%	0.973%	0.725%

Change in Allocation of Total Loan Amount after Refinancing



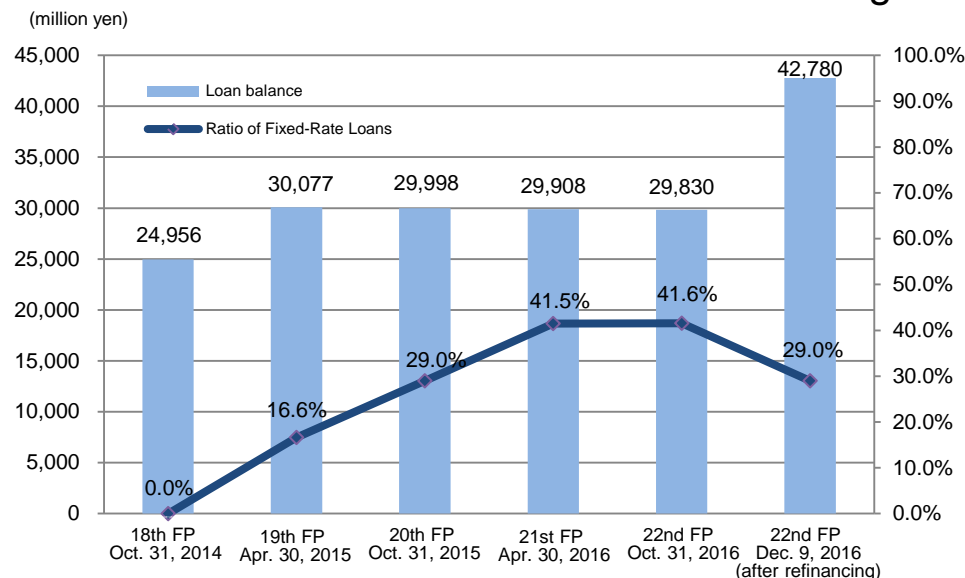
Status of Laddering of Interest-Bearing Liabilities after Refinancing



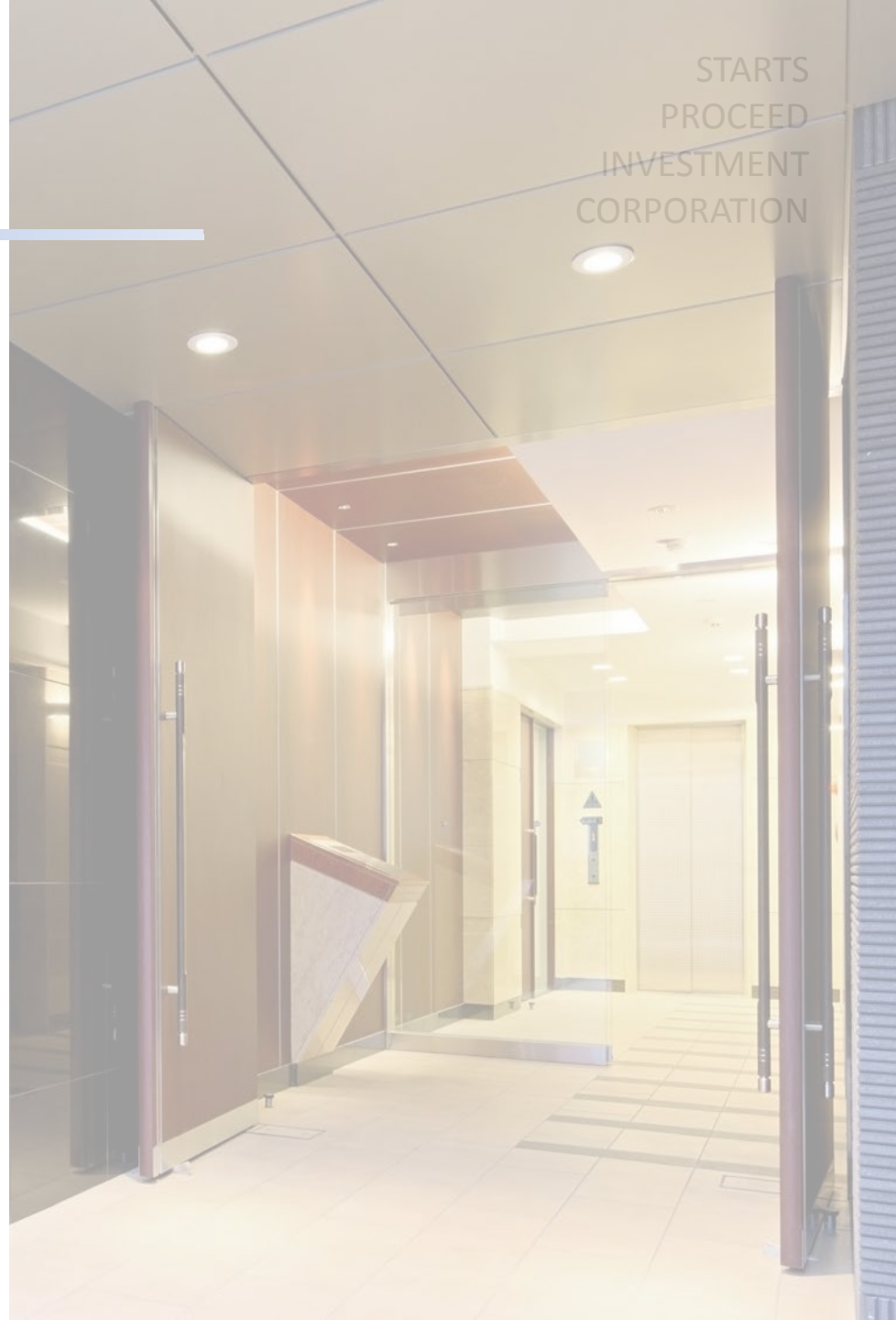
Breakdown of Lenders after Refinancing

Breakdown of lenders	Loan balance (million yen)
Resona Bank	10,388
Aozora Bank	9,389
Mizuho Bank	6,239
Musashino Bank	4,768
Chiba Bank	4,728
Sumitomo Mitsui Banking	3,101
Kagawa Bank	1,508
Sumitomo Mitsui Trust Bank	1,225
ORIX Bank	983
Higashi-Nippon Bank	250
Mizuho Trust & Banking	200
Total	42,780

Ratio of Fixed-Rate Loans after Refinancing



Reference Materials



Balance Sheet



(thousand yen)

	21st Fiscal Period As of Apr. 30, 2016	22nd Fiscal Period As of Oct. 31, 2016	Change
Assets			
Current assets			
Cash and deposits	2,109,258	1,566,963	-542,295
Cash and deposits in trust	1,474,924	1,499,085	24,160
Operating accounts receivable	25,293	20,782	-4,510
Prepaid expenses	86,644	85,053	-1,590
Deferred tax assets	82	76	-5
Other	1,854	1,411	-443
Total current assets	3,698,058	3,173,372	-524,685
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	32,967,262	33,542,486	575,224
Accumulated depreciation	-5,411,860	-5,847,599	-435,739
Buildings in trust, net	27,555,402	27,694,887	139,484
Structures in trust	1,045,362	1,047,409	2,047
Accumulated depreciation	-444,399	-476,083	-31,684
Structures in trust, net	600,963	571,326	-29,637
Machinery and equipment in trust	5,376	5,376	—
Accumulated depreciation	-1,930	-2,235	-304
Machinery and equipment in trust, net	3,445	3,141	-304
Tools, furniture and fixtures in trust	261,894	273,684	11,789
Accumulated depreciation	-126,250	-140,991	-14,740
Tools, furniture and fixtures in trust, net	135,644	132,693	-2,950
Land in trust	29,040,889	29,417,454	376,565
Total property, plant and equipment	57,336,345	57,819,502	483,157
Intangible assets			
Software	5,742	5,148	-594
Total intangible assets	5,742	5,148	-594
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	104,084	111,348	7,263
Other	9,843	10,479	636
Total investments and other assets	654,847	662,747	7,899
Total noncurrent assets	57,996,935	58,487,397	490,462
Deferred assets			
Investment unit issuance costs	9,552	6,368	-3,184
Total deferred assets	9,552	6,368	-3,184
Total assets	61,704,545	61,667,138	-37,407

	21st Fiscal Period As of Apr. 30, 2016	22nd Fiscal Period As of Oct. 31, 2016	Change
Liabilities			
Current liabilities			
Current portion of long-term loans payable	9,318,673	7,683,174	-1,635,498
Operating accounts payable	138,033	160,031	21,998
Accounts payable—other	140,948	148,526	7,578
Accrued expenses	2,340	795	-1,544
Income taxes payable	1,951	1,889	-61
Accrued consumption taxes	5,358	2,452	-2,905
Advances received	1,423	236	-1,187
Other	252	696	444
Total current liabilities	9,608,980	7,997,802	-1,611,178
Noncurrent liabilities			
Long-term loans payable	20,590,277	22,147,000	1,556,722
Tenant leasehold and security deposits in trust	571,457	570,180	-1,276
Asset retirement obligation	124,481	125,507	1,026
Total noncurrent liabilities	21,286,216	22,842,688	1,556,472
Total liabilities	30,895,196	30,840,490	-54,706
Net assets			
Unitholders' equity			
Unitholders' capital	30,096,023	30,096,023	—
Surplus			
Unappropriated retained earnings (undisposed loss)	713,325	730,624	17,298
Total surplus	713,325	730,624	17,298
Total unitholders' equity	30,809,348	30,826,647	17,298
Total net assets	30,809,348	30,826,647	17,298
Total liabilities and net assets	61,704,545	61,667,138	-37,407

Statements of Income

(thousand yen)

	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	22nd Fiscal Period (From: May 1, 2016 To: Oct. 31, 2016)	Change
Operating revenue			
Rent revenue – real estate (1)	2,239,022	2,245,933	6,910
Total operating revenue	2,239,022	2,245,933	6,910
Operating expenses			
Expenses related to rent business (2)	1,029,954	1,029,594	-359
Asset management fee	171,513	177,759	6,246
Asset custody fee	7,769	7,768	0
Administrative service fees	22,484	22,473	-10
Directors' compensations	1,200	1,200	0
Other operating expenses	88,089	88,814	725
Total operating expenses	1,321,011	1,327,611	6,600
Operating income	918,011	918,321	310
Non-operating income			
Interest income	320	22	-298
Insurance income	5,457	8,436	2,979
Reversal of distribution payable	909	1,020	110
Other	0	—	0
Total non-operating income	6,688	9,479	2,790
Non-operating expenses			
Interest expenses	148,983	146,430	-2,552
Amortization of investment unit issuance costs	6,916	3,184	-3,732
Borrowing related expenses	53,027	45,267	-7,760
Other	540	540	-
Total non-operating expenses	209,466	195,422	-14,044
Ordinary income	715,232	732,378	17,145
Income before income taxes	715,232	732,378	17,145
Income taxes – current	2,000	1,892	-107
Income taxes – deferred	-1	5	7
Total income taxes	1,998	1,898	-99
Net income	713,233	730,479	17,245
Retained earnings brought forward	91	144	53
Unappropriated retained earnings (undisposed loss)	713,325	730,624	17,298

(1) “Real estate rent revenue”

(thousand yen)

	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	22nd Fiscal Period (From: May 1, 2016 To: Oct. 31, 2016)	Change
Rent	1,961,458	1,971,509	10,051
Common area maintenance charges	115,318	117,068	1,750
Parking revenue	61,044	59,096	-1,948
Incidental revenue	1,514	1,527	13
Other lease business revenue	99,687	96,730	-2,957
Total	2,239,022	2,245,933	6,911

(2) “Expenses related to rent business”

(thousand yen)

	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	22nd Fiscal Period (From: May 1, 2016 To: Oct. 31, 2016)	Change
Management expenses	133,345	134,794	1,449
Repair expenses	92,736	94,946	2,210
Real estate taxes	129,986	129,752	-234
Trust fees	33,673	33,357	-316
Utilities expenses	44,943	38,302	-6,641
Nonlife insurance expenses	7,453	7,590	137
Depreciation and amortization	476,092	482,469	6,377
Other lease business expenses	111,723	108,382	-3,341
Total	1,029,954	1,029,594	-360

Cash Distributions

	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	22nd Fiscal Period (From: May 1, 2016 To: Oct. 31, 2016)	Change
I Unappropriated retained earnings	713,325,446 yen	730,624,096 yen	17,298,650 yen
II Amount of distributions	713,180,808 yen	730,558,508 yen	17,377,700 yen
[Amount of distribution per investment unit]	(4,104 yen)	(4,204 yen)	(100 yen)
III Retained earnings carried forward	144,638 yen	65,588 yen	-79,050 yen

Key Performance Indicators

	Unit	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	22nd Fiscal Period (From: May 1, 2016 To: Oct. 31, 2016)
Total assets (a)	million yen	61,704	61,667
Net assets (b)	million yen	30,809	30,826
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	177,292	177,391
Net income per unit (Note 2)	yen	4,104	4,203
Total distributions (d)	million yen	713	730
Distribution per unit (d) ÷ (c)	yen	4,104	4,204
[Of which, distribution of earnings per unit]	yen	(4,104)	(4,204)
[Of which, distribution in excess of earnings per unit]	yen	(—)	(—)
Return on assets (Note 3)	%	1.2(2.3)	1.2(2.4)
Return on equity (Note 3)	%	2.3(4.6)	2.4(4.7)
Equity ratio (b) ÷ (a)	%	49.9	50.0
Distribution payout ratio (Note 3)	%	100.0	100.0

[Other Reference Information]

Number of investment properties (Note 4)	properties	96	97
Total number of leasable units (Note 4)	units	3,969	3,998
Gross leasable area	m ²	146,415.29	148,555.88
Period-end occupancy rate (Note 4)	%	95.9	95.3
Depreciation and amortization	million yen	476	482
Capital expenditures	million yen	140	128
Property leasing NOI (Net Operating Income) (Note 3)	million yen	1,685	1,698
FFO (Funds from Operations) per unit (Note 3)	yen	6,883	6,998
FFO multiple (Note 3)	times	12.2	11.4
Debt service coverage ratio (Note 3)	times	9.0	9.3
Earnings before interest, depreciation and amortization	million yen	1,338	1,359
Interest expenses	million yen	148	146
Total interest-bearing liabilities	million yen	29,908	29,830
LTV (Loan-To-Value) ratio (Note 3)	%	48.5	48.4
Number of days of management (Note 3)	days	182	184

(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	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
Property leasing NOI	Property leasing income (loss) [Real estate rent revenue - Expenses related to rent business] + Depreciation and amortization
FFO per unit	(Net income + Depreciation and amortization + Other depreciation and amortization - Gain (loss) on sales of real estate properties) ÷ Total number of investment units issued and outstanding
FFO multiplier	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 ÷ Total assets

Statements of Cash Flows

(thousand yen)

	21st Fiscal Period (From: Nov. 1, 2015 To: Apr. 30, 2016)	22nd Fiscal Period (From: May 1, 2016 To: Oct. 31, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	715,232	732,378
Depreciation and amortization	476,290	483,063
Amortization of investment unit issuance costs	6,916	3,184
Interest income	-320	-22
Interest expenses	148,983	146,430
Decrease (increase) in operating accounts receivable	-3,249	4,510
Decrease (increase) in prepaid expenses	8,740	1,590
Decrease (decrease) in consumption taxes receivable	-7,612	-2,905
Increase (decrease) in operating accounts payable	-10,034	27,619
Increase (decrease) in accounts payable - other	-3,334	7,179
Decrease (increase) in long-term prepaid expenses	-3,553	-7,263
Other, net	-2	-293
Subtotal	1,328,056	1,395,472
Interest income received	320	22
Interest expenses paid	-148,312	-147,975
Income taxes paid	-1,947	-1,954
Net cash provided by (used in) operating activities	1,178,117	1,245,564
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-83,903	-971,247
Purchase of intangible assets	-5,940	-
Proceeds from tenant leasehold and security deposits in trust	39,990	53,455
Repayments of tenant leasehold and security deposits in trust	-49,312	-54,732
Decrease (increase) in other investments	-424	-636
Net cash provided by (used in) investing activities	-99,590	-973,160
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	3,700,000	5,747,000
Repayment of long-term loans payable	-3,789,776	-5,825,776
Dividends paid	-700,298	-711,761
Net cash provided by (used in) financing activities	-790,074	-790,538
Net increase (decrease) in cash and cash equivalents	288,452	-518,134
Cash and cash equivalents at beginning of period	3,295,731	3,584,183
Cash and cash equivalents at end of period	3,584,183	3,066,048

(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.

■ Long-Term Loans Payable

Account	Lender	Drawdown date	Balance at end of 22nd 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	1,131,944	1.38285	May 24, 2017	(Note 3)	Refinancing	Unsecured Unguaranteed	Term Loan I
	Aozora Bank, Ltd.	May 1, 2013	248,310	1.08283	Nov. 24, 2016	(Note 4)	Acquisition of AUM	Unsecured Unguaranteed	Term Loan M
	Resona Bank, Ltd.		248,309						
	Mizuho Bank, Ltd.		225,060						
	Sumitomo Mitsui Banking Corporation		225,060						
	ORIX Bank Corporation		93,000						
	Sumitomo Mitsui Trust Bank, Limited		93,000						
	The Chiba Bank, Ltd.		46,500						
	The Musashino Bank, Ltd.		46,500						
	Aozora Bank, Ltd.	May 24, 2013	733,770	1.08283	Nov. 24, 2016	(Note 5)	Refinancing	Unsecured Unguaranteed	Term Loan P
	Resona Bank, Ltd.		485,459						
	The Chiba Bank, Ltd.		309,690						
	The Musashino Bank, Ltd.		309,690						
	The Kagawa Bank, Ltd.		303,180						
	Mizuho Bank, Ltd.	83,700							
	Resona Bank, Ltd.	Nov. 25, 2013	650,000	1.03283	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								
Resona Bank, Ltd.	Nov. 25, 2014	1,137,000	0.78283	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							

■ Long-Term Loans Payable

Account	Lender	Drawdown date	Balance at end of 22nd 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	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.		711,000							
	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								
	Aozora Bank, Ltd.	1,054,000	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.	1,054,000		Nov. 24, 2015						
	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								

■ Long-Term Loans Payable

Account	Lender	Drawdown date	Balance at end of 22nd FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Long-term loans payable	Resona Bank, Ltd.	May 24, 2016	763,500	0.82241	May 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2B
	Aozora Bank, Ltd.		520,000						
	Sumitomo Mitsui Banking Corporation		408,500						
	The Chiba Bank, Ltd.		387,500						
	The Musashino Bank, Ltd.		387,500						
	Mizuho Bank, Ltd.		158,500						
	ORIX Bank Corporation		130,000						
	Sumitomo Mitsui Trust Bank, Limited		56,500						
	Mizuho Trust & Banking Co., Ltd.		50,000						
	The Kagawa Bank, Ltd.		11,500						
	Resona Bank, Ltd.	May 24, 2016	763,500	0.88241	May 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2C
	Aozora Bank, Ltd.		520,000						
	Sumitomo Mitsui Banking Corporation		408,500						
	The Chiba Bank, Ltd.		387,500						
	The Musashino Bank, Ltd.		387,500						
	Mizuho Bank, Ltd.		158,500						
	ORIX Bank Corporation		130,000						
	Sumitomo Mitsui Trust Bank, Limited		56,500						
	Mizuho Trust & Banking Co., Ltd.		50,000						
	The Kagawa Bank, Ltd.		11,500						
	Subtotal		29,830,174						

Total interest-bearing liabilities

29,830,174 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.

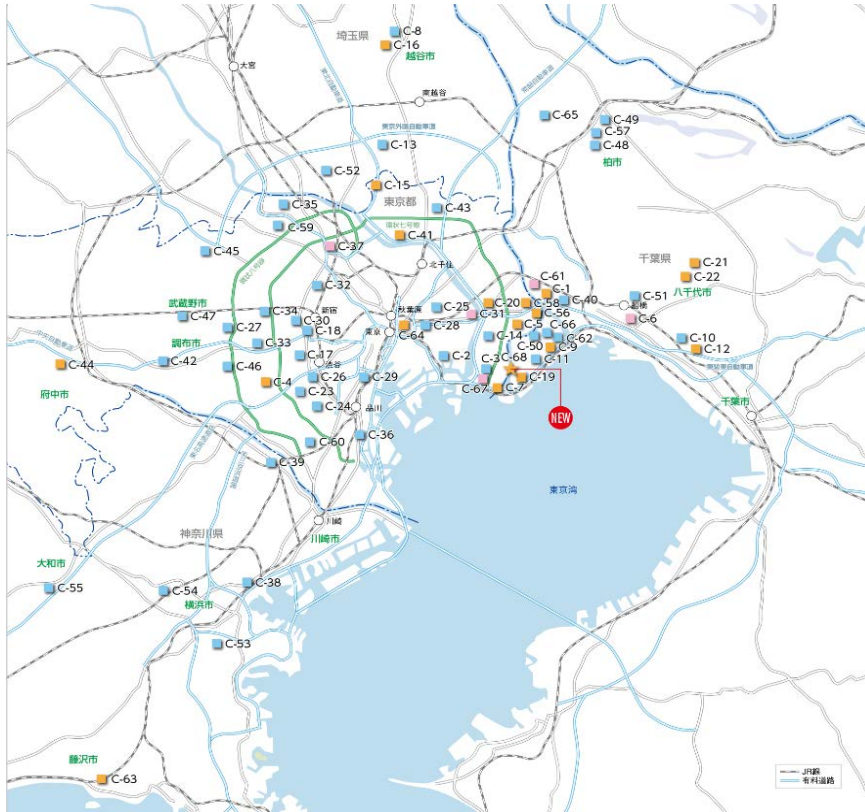
(Note 4) Repayment shall be in installments, with the first repayment on the last day of May 2013 and subsequent repayments on the last day of every month thereafter through to the last day of October 2016 in the amount of 2,196 thousand yen each, until the final repayment due on November 24, 2016 in 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 (7,683,174 thousand yen) on the balance sheet are included in the long-term loans payable.

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
C-1 Proceed Ichikawa	C-16 Proceed Higashikawaguchi	C-27 Proceed Meguro Abodai	C-31 Proceed Jujo	C-42 Proceed Kashiwa Nord
C-2 Proceed Toyochi	C-17 Proceed Takanozuka	C-28 Proceed Suginami Myamae	C-32 Proceed Hakeraku	C-43 Proceed Gyotokuikimae
C-3 Proceed Kasai	C-18 Proceed Sengendai 2	C-29 Proceed Ryogoku	C-33 Proceed Shinmaruko	C-44 Proceed Funabashi Honcho
C-4 Proceed Sanganjaya	C-19 Proceed Shoto	C-30 Proceed Mita	C-34 Proceed Motoyawata	C-45 Proceed Nishikawaguchi
C-5 Proceed Mizue	C-20 Proceed Sangubashi	C-31 Proceed Nakanoshimbashi	C-35 Proceed Nishiirai	C-46 Proceed Gummyoji
C-6 Proceed Funabashi Miyamoto	C-21 Proceed Urayasu	C-32 Proceed Kameido	C-36 Proceed Chofu	C-47 Proceed Tsurugamine
C-7 Proceed Minamikasai	C-22 Proceed Shinkoiwa	C-33 Proceed Takadanobaba	C-37 Proceed TX Rokucho	C-48 Proceed Sagamiotsuka
C-8 Proceed Sengendai	C-23 Proceed Gyotoku	C-34 Proceed Nakenobashi	C-38 Proceed Nakagawa	C-49 Proceed Shinozaki 2
C-9 Proceed Funabashi	C-24 Proceed Midorigaoka I	C-35 Proceed Shinkoenji	C-39 Proceed Ozumigakuen	C-50 Proceed Kashiwa Trois
C-10 Proceed Makuharihongo	C-25 Proceed Yachyo Midorigaoka II	C-36 Proceed Koenjinimami	C-40 Proceed Chitosekarasuyama	C-51 Proceed Shinozaki Tower
C-11 Proceed Minamiyotoku	C-26 Proceed Toritsudaigaku	C-37 Proceed Hasune	C-41 Proceed Mitaka	C-52 Proceed Tobu Nerima
C-12 Proceed Makuharihongo2	C-27 Proceed Toritsudaigaku 2	C-38 Proceed Oimachi	C-42 Proceed Kashiwa Est	C-53 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 (22nd Fiscal Period Results)

(thousand yen)

	Tokyo metropolitan area major cities	Cabinet order designated cities	Regional area major cities	Entire portfolio
Acquisition price	42,237,700	13,969,000	1,654,100	57,860,800
Total number of leasable units	2,797	1,078	123	3,998
(A) Property leasing operating revenue	1,634,676	542,978	68,277	2,245,933
Rent revenue	1,559,624	523,844	64,205	2,147,674
Other revenue	75,052	19,134	4,072	98,258
(B) Property leasing operating expenses	401,310	128,610	17,204	547,125
Rent expenses	43,128	1,061	—	44,189
Property management expenses	43,182	13,276	2,219	58,678
Real estate taxes	89,427	36,065	4,258	129,752
Utilities expenses	28,297	9,027	976	38,302
Repair expenses	69,362	22,239	3,344	94,946
Regular maintenance expenses	50,837	22,029	3,247	76,115
Insurance expenses	5,456	1,926	206	7,590
Brokerage fees and advertising expenses	19,272	12,963	751	32,988
Trust fees	23,147	8,773	1,436	33,357
Other property leasing operating expenses	29,196	1,246	761	31,204
(C) Property leasing = (A) - (B)	1,233,366	414,368	51,073	1,698,807
(D) Depreciation and amortization	343,760	119,566	19,142	482,469
(E) Property leasing income (loss) = (C) - (D)	889,605	294,802	31,930	1,216,338
(F) Capital expenditures	79,386	48,716	816	128,918
(G) NCF = (C) - (F)	1,153,980	365,651	50,256	1,569,888
Annualized NOI yield (based on acquisition price) (%)	5.8	5.9	6.2	5.9
Period average occupancy rate (%)	95.8	95.7	90.6	95.6

(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 (22nd Fiscal Period Results)

(thousand yen)

Property number	Tokyo metropolitan area major cities					Cabinet order designated cities			Regional area major cities
	C-41	C-58	C-64	C-65	C-68	G-20	G-24	G-25	R-4
Property name	Proceed Nishiarai	Proceed Shinozaki Tower	Proceed Nihonbashi-horidomecho	Proceed TX Nagareyama Central Park	Proceed Kasai 2	Proceed Kitahorie	Proceed Kanayama 2	Proceed Aratamabashi	Proceed Tsukuba Gakuentoshi
Property photo									
Acquisition price	5,172,000	1,564,000	1,485,800	979,700	750,000	1,917,300	2,040,400	2,129,600	775,600
Location	1-chome, Nishiaraisakaecho, Adachi-ku	7-chome, Shinozaki-cho, Edogawa -ku	2-chome, Nihonbashi-horidomecho, Chuo-ku	177, Maehirai, Nagareyama -shi	7-chome, Higashikasai, Edogawa-ku	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	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/13F	RC/15F	RC14F•B1F	RC/10F	RC/9F
Construction completion	July 20, 2007	March 17, 2008	April 7, 2006	April 11, 2014	September 12, 2003	November 29, 2007	August 22, 2007	August 19, 2005	March 3, 2008
Number of leasable units	294 units	88 units	37 units	73 units	29 units	106 units	72 units	72 units	34 units
(A) Property leasing operating revenue	300,187	88,108	40,312	45,277	27,835	71,879	67,482	69,852	26,211
(B) Property leasing operating expenses	101,502	30,264	7,175	10,248	3,222	19,950	17,865	15,585	7,349
(C) Property leasing NOI = (A) - (B)	198,684	57,844	33,137	35,029	24,612	51,928	49,617	54,266	18,862
(D) Depreciation and amortization	93,576	25,153	4,410	18,531	4,827	12,463	17,490	15,502	8,159
(E) Property leasing income (loss) = (C) - (D)	105,108	32,691	28,726	16,497	19,784	39,464	32,126	38,764	10,702
(F) Capital expenditures	-	-	648	-	100	611	432	1,765	492
(G) NCF = (C) - (F)	198,684	57,844	32,489	35,029	24,512	51,317	49,185	52,500	18,369
Annualized NOI yield	7.7%	7.4%	4.5%	7.2%	6.6%	5.4%	4.9%	5.1%	4.9%
PML value	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%	7.1%	11.0%	6.2%	6.2%	3.8%

Portfolio List 1 (As of October 31, 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 (units) (Note 3)	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	1,030,764	1,290,000	3,322.17	3,099.19	50	42	93.3	5.9	April 1, 1997
C-2	Proceed Toyochō	Tokyo	646,700	1.1	606,874	826,000	1,085.56	1,085.56	45	5	100.0	8.6	January 31, 2003
C-3	Proceed Kasai	Tokyo	688,700	1.2	609,701	761,000	1,243.80	1,222.12	57	0	98.3	5.1	March 1, 2003
C-4	Proceed Sangenjaya	Tokyo	555,900	1.0	639,201	560,000	1,019.27	916.44	9	8	89.9	9.3	June 29, 1990
C-5	Proceed Mizue	Tokyo	602,600	1.0	630,930	737,000	2,076.68	1,778.64	28	22	85.6	7.0	June 20, 1991
C-6	Proceed Funabashi Miyamoto	Chiba	419,900	0.7	468,297	535,000	1,685.73	1,643.93	33	1	97.5	4.7	June 24, 1991
C-7	Proceed Minamikasai	Tokyo	303,500	0.5	332,697	290,000	1,045.28	854.86	16	7	81.8	10.4	March 12, 1993
C-8	Proceed Sengendai	Saitama	259,200	0.4	271,097	304,000	1,344.74	1,313.56	43	10	97.7	5.7	May 31, 1991
C-9	Proceed Gyotoku	Chiba	315,600	0.5	348,410	327,000	1,218.56	1,157.54	20	7	95.0	6.7	March 15, 1988
C-10	Proceed Makuharihongo	Chiba	279,300	0.5	284,156	305,000	963.00	876.60	34	3	91.0	8.7	February 22, 1989
C-11	Proceed Minamigyotoku	Chiba	287,300	0.5	305,580	319,000	838.95	838.95	26	6	100.0	6.8	February 6, 1990
C-12	Proceed Makuharihongo 2	Chiba	223,400	0.4	223,529	245,000	1,104.84	1,004.40	22	10	90.9	4.8	September 24, 1989
C-13	Proceed Higashikawaguchi	Saitama	206,500	0.4	197,903	195,000	648.11	627.11	30	14	96.8	3.6	March 15, 1993
C-14	Proceed Funabori	Tokyo	226,100	0.4	238,879	242,000	479.52	479.52	24	1	100.0	7.3	October 11, 1991
C-15	Proceed Takenozuka	Tokyo	169,400	0.3	175,304	225,000	860.55	860.55	15	10	100.0	3.4	March 10, 1994
C-16	Proceed Sengendai 2	Saitama	86,700	0.1	95,055	105,000	695.81	695.81	12	4	100.0	3.3	April 3, 1991
C-17	Proceed Shoto	Tokyo	937,400	1.6	898,851	912,000	890.22	829.47	40	6	93.2	5.3	November 18, 2005
C-18	Proceed Sangubashi	Tokyo	497,600	0.9	489,591	470,000	527.88	489.16	26	0	92.7	7.0	July 22, 2005
C-19	Proceed Urayasu	Chiba	431,400	0.7	483,132	456,000	1,786.58	1,713.06	21	8	95.9	7.8	June 4, 1992
C-20	Proceed Shinkoiva	Tokyo	465,200	0.8	494,377	542,000	1,629.07	1,557.68	27	9	95.6	7.1	March 15, 1991
C-21	Proceed Yachiyo Midorigaoka I	Chiba	383,600	0.7	407,806	386,000	1,805.76	1,738.88	27	32	96.3	6.9	February 12, 1997
C-22	Proceed Yachiyo Midorigaoka II	Chiba	339,000	0.6	361,735	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	760,158	750,000	808.65	787.37	37	2	97.4	8.3	March 13, 2006
C-24	Proceed Toritsudaigaku 2	Tokyo	772,200	1.3	736,462	770,000	831.74	831.74	36	2	100.0	7.8	September 7, 2006
C-25	Proceed Honjozumabashi	Tokyo	339,800	0.6	314,369	425,000	570.53	570.53	19	0	100.0	6.7	July 7, 2006
C-26	Proceed Meguro Aobadai	Tokyo	466,700	0.8	464,315	446,000	485.15	485.15	24	1	100.0	11.6	March 27, 2003
C-27	Proceed Suginami Miyamae	Tokyo	454,900	0.8	447,499	475,000	680.50	680.50	29	1	100.0	7.1	January 26, 2004
C-28	Proceed Ryogoku	Tokyo	443,900	0.8	431,538	527,000	702.54	702.54	27	5	100.0	6.9	March 15, 2003
C-29	Proceed Mita	Tokyo	1,537,200	2.7	1,459,388	1,640,000	1,500.57	1,500.57	72	0	100.0	8.7	February 6, 2006
C-30	Proceed Nakanoshimbashi	Tokyo	638,800	1.1	688,222	685,000	849.08	849.08	50	0	100.0	10.4	September 24, 1992
C-31	Proceed Kameido	Tokyo	339,000	0.6	358,831	339,000	853.98	853.98	23	0	100.0	7.6	March 23, 1994
C-32	Proceed Takadanobaba	Tokyo	223,700	0.4	260,808	258,000	278.36	278.36	17	0	100.0	13.8	October 24, 1991
C-33	Proceed Shinkoenji	Tokyo	742,100	1.3	806,711	852,000	1,040.24	1,040.24	57	0	100.0	10.0	August 31, 1990
C-34	Proceed Koenjiminami	Tokyo	277,400	0.5	314,174	244,000	337.05	337.05	20	0	100.0	11.7	October 2, 1989
C-35	Proceed Hasune	Tokyo	284,000	0.5	330,286	262,000	587.13	587.13	29	0	100.0	6.8	July 17, 1991
C-36	Proceed Oimachi	Tokyo	944,000	1.6	1,001,641	931,000	961.88	961.88	59	0	100.0	13.0	April 13, 1992
C-37	Proceed Jujo	Tokyo	533,000	0.9	575,930	547,000	1,206.90	1,206.90	30	0	100.0	7.2	June 15, 1989
C-38	Proceed Hakuraku	Kanagawa	241,000	0.4	269,112	188,000	445.16	445.16	27	0	100.0	16.4	July 19, 1991

Portfolio List 2 (As of October 31, 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 (units) (Note 3)	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	679,410	609,000	759.00	759.00	46	0	100.0	11.7	September 12, 1988
C-40	Proceed Motoyowata	Chiba	307,000	0.5	273,820	328,000	602.39	556.63	25	3	92.4	4.4	January 9, 2004
C-41*	Proceed Nishiarai (Note 6)	Tokyo	5,172,000	8.9	3,848,071	6,710,000	20,137.85	19,587.79	294	146	97.3	ARTIER 3.9 OZAREA 5.0 Hall 3.5 Nursery 3.5	July 20, 2007
C-42	Proceed Chofu	Tokyo	460,500	0.8	427,399	536,000	764.48	734.91	26	0	96.1	6.4	February 17, 2007
C-43	Proceed TX Rokucho	Tokyo	156,800	0.3	182,094	175,000	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	1,245,232	1,270,000	3,061.94	2,963.76	54	35	96.8	Ichibankan 10.7 Nibankan 11.8	April 1, 1989
C-45	Proceed Oizumigakuen	Tokyo	268,300	0.5	291,819	277,000	483.43	466.76	29	0	96.6	10.6	November 26, 1991
C-46	Proceed Chitosekarasuyama	Tokyo	289,600	0.5	335,122	327,000	449.96	449.96	28	0	100.0	11.7	December 8, 1988
C-47	Proceed Mitaka	Tokyo	477,200	0.8	539,079	557,000	739.48	739.48	47	0	100.0	9.3	December 16, 1988
C-48	Proceed Kashiwa Est	Chiba	732,000	1.3	705,824	674,000	1,279.93	1,223.53	44	5	95.6	4.5	February 13, 2007
C-49	Proceed Kashiwa Nord	Chiba	689,000	1.2	657,474	588,000	1,391.55	1,335.55	47	0	96.0	5.7	February 13, 2007
C-50	Proceed Gyotokuekimae	Chiba	331,000	0.6	298,127	363,000	659.68	603.06	24	3	91.4	5.2	September 4, 2007
C-51	Proceed Funabashi Honcho	Chiba	531,700	0.9	518,009	587,000	996.44	921.73	40	0	92.5	5.7	July 19, 2006
C-52	Proceed Nishikawaguchi	Saitama	881,000	1.5	990,172	800,000	1,630.24	1,473.36	104	2	90.4	5.5	February 10, 1989
C-53	Proceed Gumyoji	Kanagawa	552,000	1.0	596,242	620,000	1,246.48	1,134.58	77	0	91.0	19.0	May 12, 1988
C-54	Proceed Tsurugamine	Kanagawa	356,000	0.6	376,018	372,000	855.00	752.40	50	4	88.0	7.2	March 12, 1991
C-55	Proceed Sagamiotsuka	Kanagawa	234,000	0.4	239,120	212,000	741.24	693.57	29	7	93.6	12.9	April 5, 1991
C-56*	Proceed Shinozaki 2	Tokyo	913,300	1.6	860,690	1,110,000	2,134.07	1,962.90	35	13	92.0	4.2	September 18, 2008
C-57	Proceed Kashiwa Trois	Chiba	537,100	0.9	512,344	629,000	1,149.95	1,093.95	38	6	95.1	5.4	May 8, 2009
C-58	Proceed Shinozaki Tower (Note 8)	Tokyo	1,564,000	2.7	1,557,778	2,120,000	5,117.49	4,778.79	88	30	93.4	High-rise bldg. 2.6 Low-rise Bldg. 4.4	March 26, 2008
C-59	Proceed Tobu Nerima	Tokyo	422,000	0.7	427,743	530,000	779.84	676.58	35	2	86.8	7.7	August 31, 2007
C-60	Proceed Yukigaya	Tokyo	323,000	0.6	344,693	376,000	600.62	549.29	35	1	91.5	14.0	October 7, 1991
C-61	Proceed Ichikawa Minami	Chiba	687,000	1.2	719,629	886,000	1,635.59	1,569.21	66	17	95.9	2.0	February 10, 1997
C-62	Proceed Ichikawa Myoten	Chiba	498,000	0.9	523,537	582,000	945.00	882.00	45	1	93.3	6.8	March 15, 2003
C-63	Proceed Fujisawa Kugenuma	Kanagawa	729,000	1.3	809,666	882,000	2,005.76	1,823.23	25	20	90.9	14.7	March 30, 2001
C-64	Proceed Nihonbashi-horidomecho	Tokyo	1,485,800	2.6	1,540,685	1,610,000	1,904.45	1,749.51	37	2	91.9	7.5	April 7, 2006
C-65*	Proceed Nagareyama TX Central Park (Note 9)	Chiba	979,700	1.7	1,059,328	1,130,000	2,976.85	2,838.51	73	0	95.4	2.9	April 11, 2014
C-66	Proceed Gyotoku 2	Chiba	830,000	1.4	866,309	866,000	1,626.54	1,551.76	59	20	95.4	6.5	October 7, 2006
C-67	Proceed Nishikasai (Note 10)	Tokyo	875,600	1.5	954,100	956,000	2,993.52	2,895.61	63	39	96.7	(A): 11.0 (B): 8.1	Ichibankan: October 17, 1993 Nibankan: July 23, 1985
C-68	Proceed Kasai 2	Tokyo	750,000	1.3	831,980	840,000	2,140.59	2,087.39	29	6	97.5	7.1	September 12, 2003
Tokyo metropolitan area major cities subtotal			42,237,700	73.0	42,024,857	47,241,000	102,344.33	97,879.44	2,797	611	95.6		

Portfolio List 3 (As of October 31, 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 (units) (Note 3)	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	400,630	525,000	2,624.93	2,624.93	67	37	100.0	5.0	March 14, 1989
G-2	Proceed Kanjodorihigashi	Hokkaido	233,700	0.4	236,228	299,000	1,183.47	1,183.47	34	5	100.0	5.5	October 23, 1990
G-3	Proceed Kotoni	Hokkaido	204,900	0.4	213,071	272,000	1,453.27	1,453.27	28	16	100.0	4.0	October 21, 1991
G-4	Proceed Motomachi	Hokkaido	148,700	0.3	136,999	233,000	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	83,466	132,000	907.29	907.29	19	6	100.0	6.5	December 11, 1990
G-6	Proceed Hakozakigu II	Fukuoka	85,000	0.1	80,898	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	77,812	83,000	411.50	411.50	19	0	100.0	8.0	May 1, 1991
G-8	Proceed Taikodori	Aichi	403,400	0.7	332,415	455,000	1,101.56	981.47	44	6	89.1	11.3	March 15, 2006
G-9	Proceed Ohashi	Fukuoka	208,500	0.4	217,429	251,000	1,140.00	1,140.00	16	16	100.0	8.0	February 13, 1998
G-10	Proceed Nakagawa	Fukuoka	150,400	0.3	152,931	250,000	1,414.96	1,414.96	38	21	100.0	8.1	July 24, 1990
G-11	Proceed Honamimachi	Aichi	275,000	0.5	242,119	232,000	620.22	545.56	10	8	88.0	10.5	March 27, 2006
G-12	Proceed Higashiohata	Niigata	53,100	0.1	59,037	42,200	296.61	296.61	9	4	100.0	13.7	November 27, 1991
G-13*	Proceed Shinsakae	Aichi	792,500	1.4	701,060	923,000	1,958.44	1,825.59	77	11	93.2	7.1	February 28, 2007
G-14*	Proceed Chiyoda	Aichi	309,300	0.5	275,432	370,000	922.40	922.40	30	4	100.0	7.3	March 20, 2007
G-15	Proceed Fukuoka Takamiya	Fukuoka	453,600	0.8	426,337	470,000	1,312.29	1,221.96	46	10	93.1	3.2	March 12, 2007
G-16	Proceed Ohorikoen	Fukuoka	452,800	0.8	493,242	372,000	1,128.92	1,003.38	50	8	88.9	10.6	March 21, 1997
G-17*	Proceed Kanayama	Aichi	1,022,000	1.8	1,016,328	1,280,000	2,733.58	2,592.77	94	18	94.8	6.0	February 18, 2008
G-18*	Proceed Fukiage	Aichi	499,000	0.9	501,212	624,000	1,204.65	1,132.47	48	15	94.0	6.2	March 13, 2008
G-19*	Proceed Toyoda	Aichi	219,000	0.4	222,299	272,000	752.04	752.04	27	8	100.0	6.7	February 29, 2008
G-20	Proceed Kitahorie	Osaka	1,917,300	3.3	1,974,320	2,330,000	4,146.18	3,862.64	106	8	93.2	11.0	November 29, 2007
G-21	Proceed Nishitenma	Osaka	880,000	1.5	909,111	1,070,000	1,775.89	1,639.06	56	3	92.3	13.9	November 30, 2007
G-22	Proceed Kobemotomachi	Hyogo	780,000	1.3	816,720	926,000	1,590.64	1,416.28	61	6	89.0	8.6	December 21, 2007
G-23	Group Home Tanoshii le Taisho	Osaka	158,000	0.3	168,077	176,000	482.72	482.72	1	0	100.0	14.8	February 28, 2007
G-24	Proceed Kanayama 2	Aichi	2,040,400	3.5	2,159,616	2,150,000	4,218.01	4,013.29	72	31	95.1	6.2	August 22, 2007
G-25	Proceed Aratamabashi	Aichi	2,129,600	3.7	2,249,525	2,210,000	5,335.93	5,058.87	72	45	94.8	6.2	August 19, 2005
Cabinet order designated cities subtotal			13,969,000	24.1	14,146,324	16,038,600	40,251.61	38,418.64	1,078	295	95.4		
R-1	Proceed Matsuyama	Ehime	77,900	0.1	103,973	98,100	695.06	654.56	17	8	94.2	7.2	August 31, 1991
R-2	Proceed Mito	Ibaraki	383,700	0.7	337,835	465,000	1,223.83	1,223.83	36	7	100.0	4.0	January 7, 2007
R-3	Proceed Mito 2	Ibaraki	416,900	0.7	381,096	515,000	1,381.34	1,304.09	36	25	94.4	3.6	March 11, 2008
R-4	Proceed Tsukuba Gakuentoshi	Ibaraki	775,600	1.3	825,414	819,000	2,659.71	2,094.56	34	35	78.8	3.8	March 3, 2008
Regional area major cities subtotal			1,654,100	2.9	1,648,319	1,897,100	5,959.94	5,277.04	123	75	88.5		
Portfolio total			57,860,800	100.0	57,819,502	65,176,700	148,555.88	141,575.12	3,998	981	95.3	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 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) The right to the land of (C-65) Proceed TX Nagareyama Central Park is a 52-year fixed-term land sublease right.

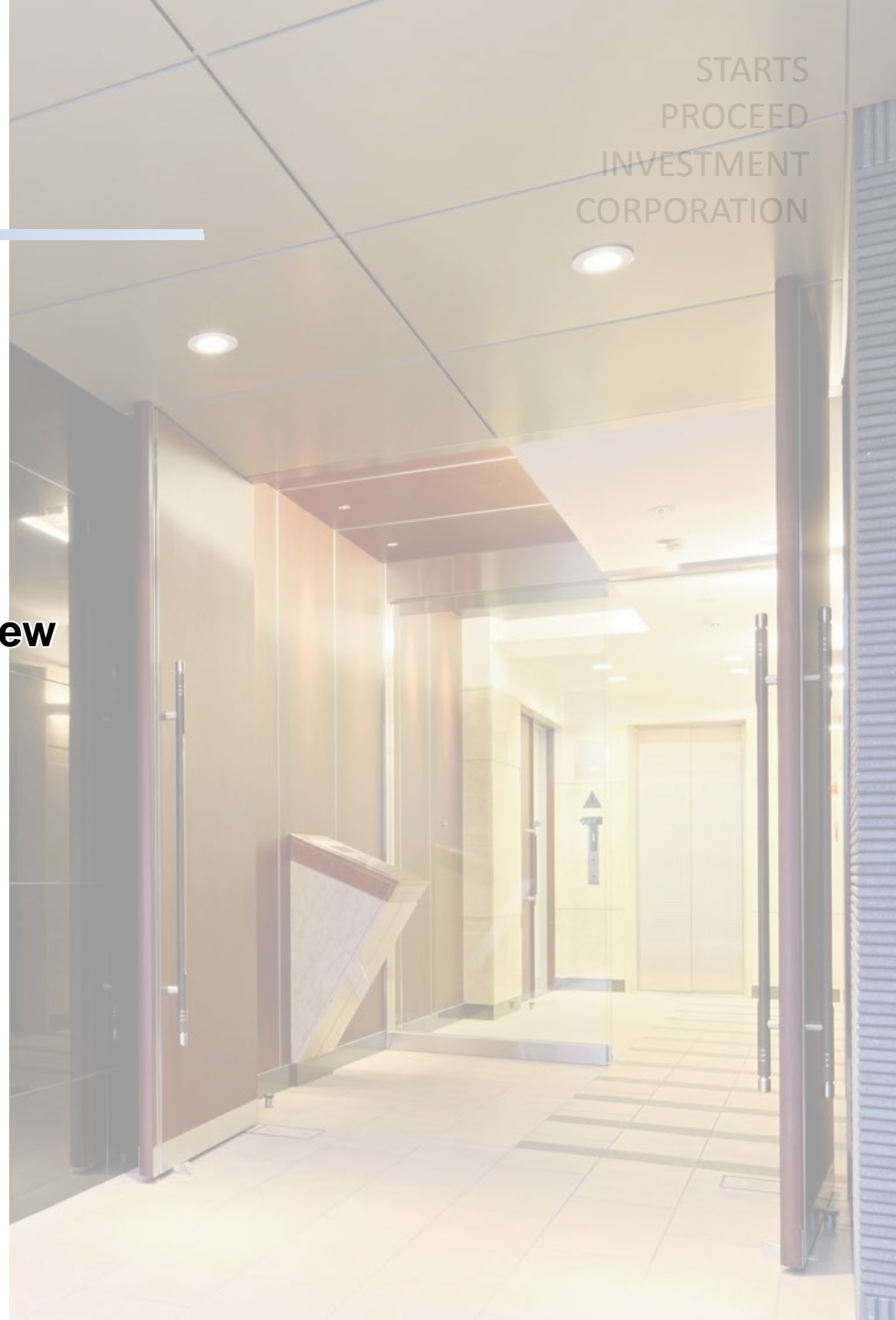
(Note 10) As (C-67) Proceed Nishikasai comprises 2 independent buildings, PML and construction completion for each of the 2 buildings is shown.

(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.

STARTS
PROCEED
INVESTMENT
CORPORATION

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

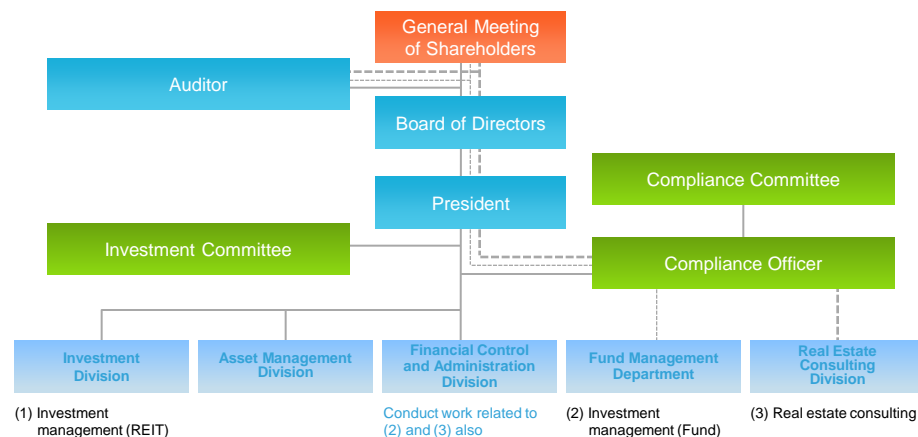
Head office location 3-1-8 Nihonbashi, Chuo-ku, Tokyo

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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