



Starts Proceed Investment Corporation



Financial Results Briefing

25th Fiscal Period (six months ended April 30, 2018)

June 15, 2018



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

25th Fiscal Period Financial Results Summary

25th Fiscal Period Financial Results Highlights	3
External Growth: Topics	4
Comparison with Beginning of 25th Fiscal Period Forecast and Previous Period Results / Forecast for 26th and 27th Fiscal Periods	5
Collaborative Structure of Starts Group	6
Portfolio Information	7
Status of Occupancy Conditions of AUM	8
Status of Leasing Conditions of AUM	9
AUM Average Occupancy Period by Residential Unit Type (Results of 22nd–25th Fiscal Period Residents)	10
Building a Portfolio that Responds to Various Fluctuation Risks	11
Changes in AUM Indicators	12
Financial Status	13
Changes in Investment Unit Price	14
Status of Unitholders (As of April 30, 2018)	15

Future Management Policy

Management Policy from 25th Fiscal Period	17
Initiative to Enhance Image and Asset Value	18
Asset Acquired in 25th Fiscal Period	19
Asset Acquired in 26th Fiscal Period (Acquisition date: May 25, 2018)	20
Starts Group's Residential Facilities for the Elderly / Case Example of Ongoing Project	21
Properties Developed by the Sponsor	22
Property Acquired by the Sponsor, etc.	24
Case Example of Consulting by Management Company	25
Case Example of Efforts by Management Company	29
Overview of May 25, 2018 Refinancing	30
Overview after Refinancing (May 25, 2018)	31

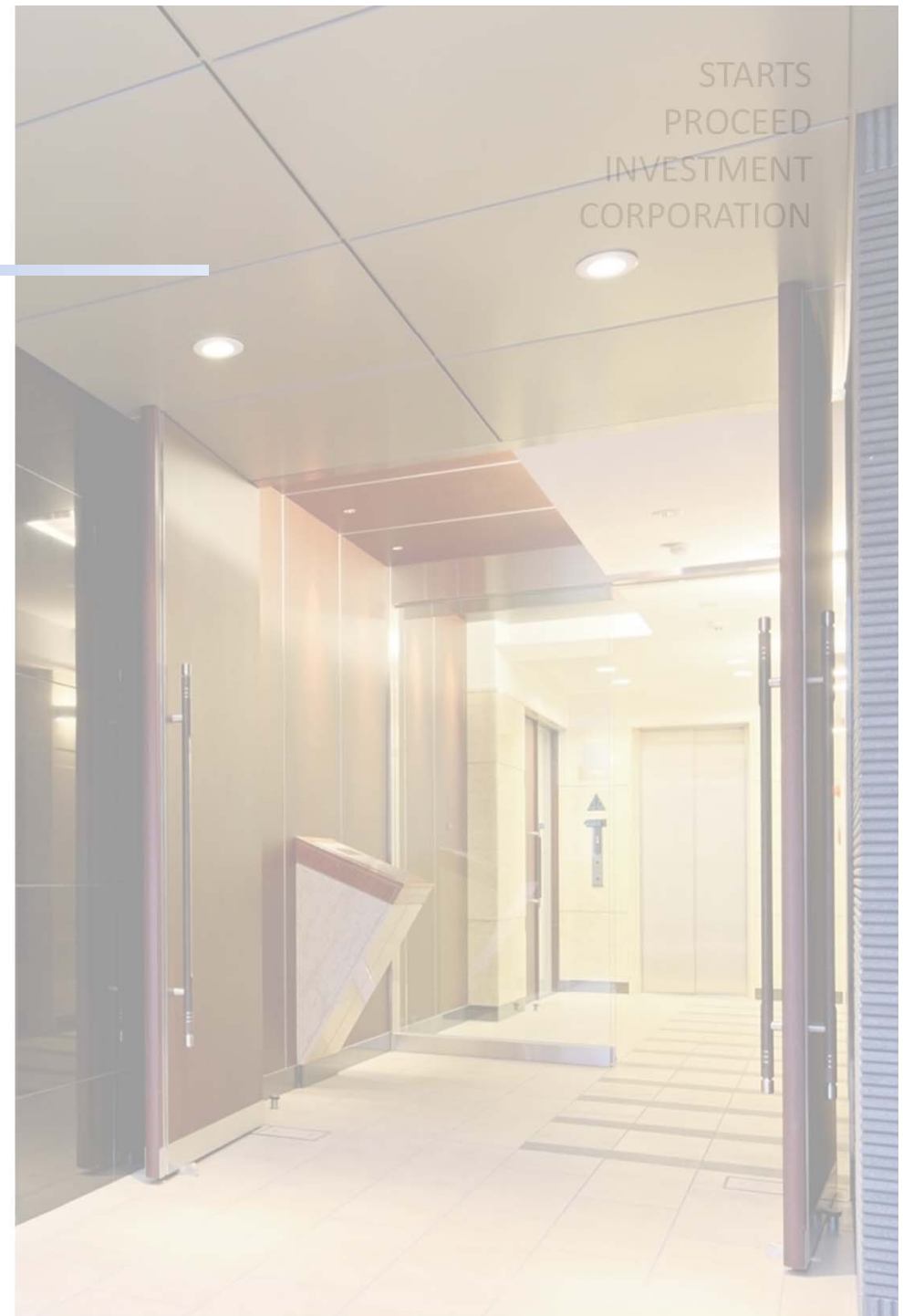
Reference Materials

Balance Sheet	33
Statements of Income / Cash Distributions	34
Statements of Cash Flows and Key Performance Indicators	35
Status of Interest-Bearing Liabilities (As of April 30, 2018)	36
Portfolio Map (As of May 25, 2018)	39
Breakdown of Revenue of Major Properties (25th Fiscal Period Results)	40
Portfolio List (As of April 30, 2018)	41

Management Company Overview

Starts Asset Management Co., Ltd.	45
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25th Fiscal Period Financial Results Summary



25th Fiscal Period Financial Results Highlights



25th fiscal period Distribution per unit



25th fiscal period Management summary

Total acquisition price Number of properties Total number of leasable units	85,577 million yen 106 properties 5,208 units	External Growth Starts Proceed conducted a replacement of AUM and improved portfolio quality Internal Growth Period average occupancy rate 96.0% (95.5% in the 24th FP) NOI yield (based on acquisition price) ^(Note 1) 5.5% (5.5% in the 24th FP) Financial Status Period-end LTV (based on total assets) 50.5% (48.9% in the 24th FP)
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(Note 1) Disposed properties are excluded. As to properties acquired in the 25th fiscal period, only "Proceed Kinshicho" acquired at the beginning of the period, is included.

Change in 25th FP Financial Results and Distribution

Item	Unit	21st FP (Ended April 30, 2016)	22nd FP (Ended October 31, 2016)	23rd FP (Ended April 30, 2017)	24th FP (Ended October 31, 2017)	25th FP (Ended April 30, 2018)
Operating revenue	million yen	2,239	2,245	2,980	3,173	3,127
Of which, rent revenue - real estate	million yen	2,239	2,245	2,964	2,953	3,053
Of which, gain on sales of real estate properties	million yen	-	-	15	220	73
Operating income	million yen	918	918	1,292	1,488	1,398
Ordinary income	million yen	715	732	1,130	1,288	1,194
Net income	million yen	713	730	1,129	1,286	1,192
Total assets	million yen	61,704	61,667	87,373	87,480	90,384
Net assets	million yen	30,809	30,826	43,359	43,516	43,522
Equity ratio	%	49.9	50.0	49.6	49.7	48.2
Total number of investment units issued and outstanding	Unit	173,777	173,777	256,777	256,777	256,777
Net assets per unit	yen	177,292	177,391	168,860	169,473	169,494
Distribution per unit	yen	4,104	4,204	4,397	4,624	4,645
NAV per unit	yen	206,377	215,524	193,403	196,387	199,250
Provision of reserve for reduction entry ^(Note 2)	million yen	-	-	-	99	-

(Note 2) Internally reserved as reserve for reduction entry utilizing the "Special Provisions for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010."

*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.

■ Replacement of AUM

In order to enhance the portfolio's competitiveness, Starts Proceed disposed old assets and small assets that require relatively high expenses (repair expenses, etc.) and acquired younger assets that can expect stable management from Starts Development Corporation. Details of disposition and acquisition are as follows.

● Properties disposed in 25th fiscal period

Disposition price (Total: 3 properties) **396 million yen**

Property name	Property photo	Location	Construction completion date	Building age	Total number of leasable units	Disposition price	Appraisal value
Proceed Hakozaikigu II		Higashi-ku, Fukuoka City, Fukuoka	July 1991	26 years	19	91 million yen	91 million yen
Proceed Hakozaikigu I		Higashi-ku, Fukuoka City, Fukuoka	May 1991	26 years	19	83 million yen	83 million yen
Proceed Nakagawa		Nakagawa-machi, Chikushi-gun, Fukuoka	July 1990	27 years	38	221 million yen	255 million yen

● Properties acquired in 25th fiscal period

Acquisition price (Total: 5 properties) **5,422 million yen**

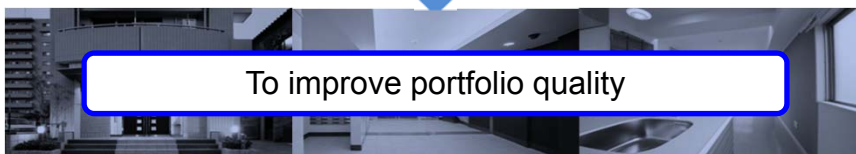
Property name	Property photo	Location	Construction completion date	Building age	Total number of leasable units	Acquisition price	Appraisal value
Proceed Kinshicho		Sumida-ku, Tokyo	July 2005	12 years	64	2,140 million yen	2,150 million yen
Proceed K2		Kashiwa City, Chiba	February 1995	23 years	59	1,170 million yen	1,200 million yen
Proceed K3 Annex		Kashiwa City, Chiba	March 1997	21 years	24	283 million yen	300 million yen
Proceed K5		Kashiwa City, Chiba	February 1998	20 years	16	269 million yen	270 million yen
Proceed Sendai Kamisugi		Aoba-ku, Sendai City, Miyagi	February 2017	1 year	108	1,560 million yen	1,600 million yen

● Significance of replacement

- Avoidance of cost increase and risk of future price decrease
- Stable management of assets



To improve portfolio quality



* For details of the property, please refer to page19.

Comparison with Beginning of 25th Fiscal Period Forecast and Previous Period Result / Forecast for 26th and 27th Fiscal Periods



Comparison with Beginning of 25th Fiscal Period Forecast and Previous Period Result

(million yen)

	24th FP Results	25th FP Forecast	25th FP Results	Increase/decrease from 24th FP	Main factors of difference	Difference from forecast	Main factors of difference
Operating revenue	3,173	3,136	3,127	-46		-8	
Of which, rent revenue - real estate	2,953	3,062	3,053	99	■ Operating expenses	-9	■ Operating expenses
Of which, gain on sales of real estate properties	220	73	73	-146	Expenses related to rent business	0	Expenses related to rent business
Operating expenses	1,685	1,738	1,728	42	Advertising expenses +13	-10	Advertising expenses -9
Of which, expenses related to rent business	1,275	1,342	1,328	53	Repair expenses +14	-13	Repair expenses -5
Of which, other expenses	409	396	399	-10	Depreciation and amortization +12	2	Depreciation and amortization -6
Operating income	1,488	1,397	1,398	-89	Utilities expenses +5	3	Utilities expenses +3
Ordinary income	1,288	1,190	1,194	-93	Other expenses	1	Other expenses
Net income	1,286	1,188	1,192	-93	Asset management fee +6	3	Asset management fee +4
Distribution per unit	4,624 yen	4,630 yen	4,645 yen	21 yen	Commissioned research expenses +0	3	Commissioned research expenses +0
Period average occupancy rate	95.5%	96.1%	96.0%	—	Loss on balance of consumption tax payment -14	3	Loss on balance of consumption tax payment -1

Forecast for the 26th and 27th fiscal periods

(million yen)

	26th FP Forecast	27th FP Forecast	Increase/decrease	Main factors of difference
Operating revenue	3,055	3,093	37	
Of which, rent revenue - real estate	3,055	3,093	37	■ Operating expenses
Of which, gain on sales of real estate properties	-	-	-	Expenses related to rent business
Operating expenses	1,730	1,756	26	Advertising expenses +10
Of which, expenses related to rent business	1,311	1,339	27	Repair expenses +10
Of which, other expenses	418	417	0	Utilities expenses +0
Operating income	1,325	1,336	11	Other expenses
Ordinary income	1,116	1,129	12	Asset management fee -4
Net income	1,114	1,127	12	Commissioned research expenses -3
Distribution per unit	4,340 yen	4,390 yen	50 yen	Loss on balance of consumption tax payment +2
Period average occupancy rate	95.3%	95.8%	—	

Forecast for 26th and 27th Fiscal Periods

[The 26th fiscal period]

Distribution is forecasted to be 4,340 yen by taking into account the acquisition of Proceed Ichikawa Myoden II on May 25 using cash on hand and through new debt financing.

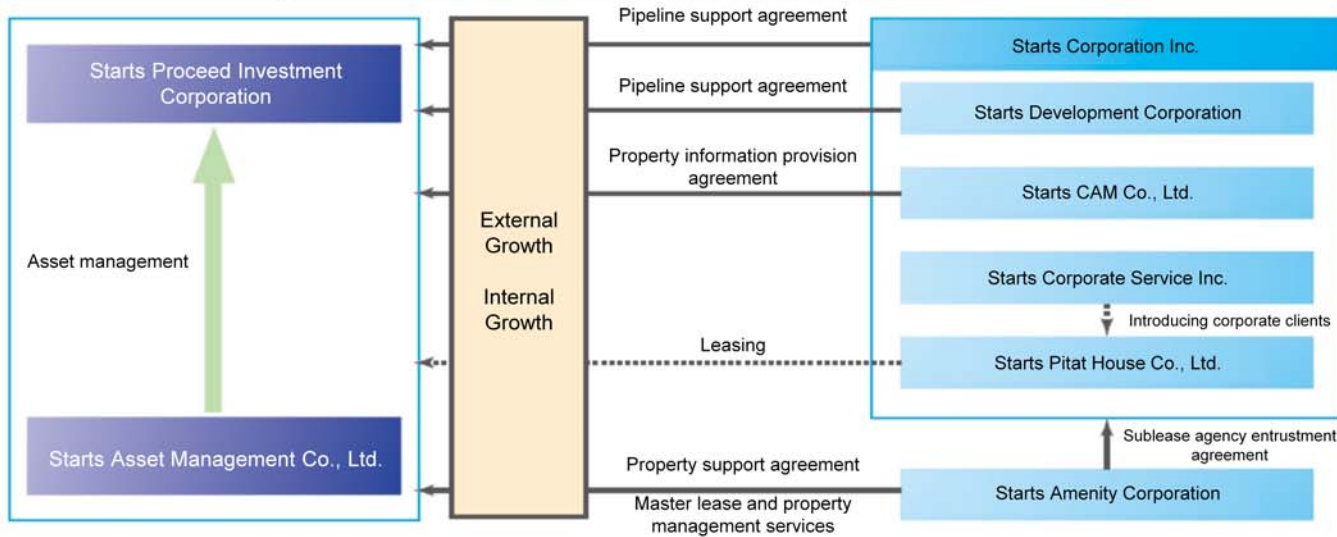
[The 27th fiscal period]

Special factors such as the disposition of assets are not scheduled at present and efforts to increase occupancy rate during peak seasons and reduce management costs, financial costs, etc. are made. Thus distribution is forecasted to be 4,390 yen.

(Note) The above forecast figures for the 26th and 27th fiscal periods are the current forecast calculated based on certain assumptions as of June 14, 2018. Accordingly, actual operating revenue, operating expenses, of which, expenses related to rent business, operating income, non-operating income, non-operating expenses, ordinary income, net income, distribution per unit, etc. may vary due to future additional acquisition or disposition 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.

Collaborative Structure of Starts Group

- Collaborative relationship formed by a pipeline support agreement and a property information provision agreement



Information exchange, cooperation in product development



■ Portfolio policy and the status as of the end of the 25th FP

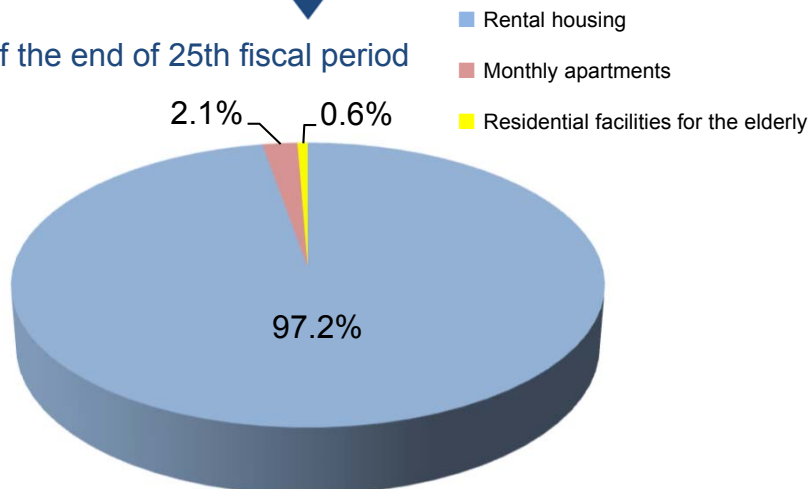
Portfolio policy by use (Note)

Investment target	Characteristics	Price ratio
Rental housing	Regular rental housing for singles, DINKS, families, etc.	80% or more
Monthly apartments	Rental housing with furniture that accepts short-term contracts such as a monthly contract.	15% or less
Serviced apartments	Rental housing with furniture that provides services such as linen change and front desk service.	
Hotels	Business hotels specialized in lodging.	
Residential facilities for the elderly	Rental housing in a style of pay nursing homes and such.	10% or less

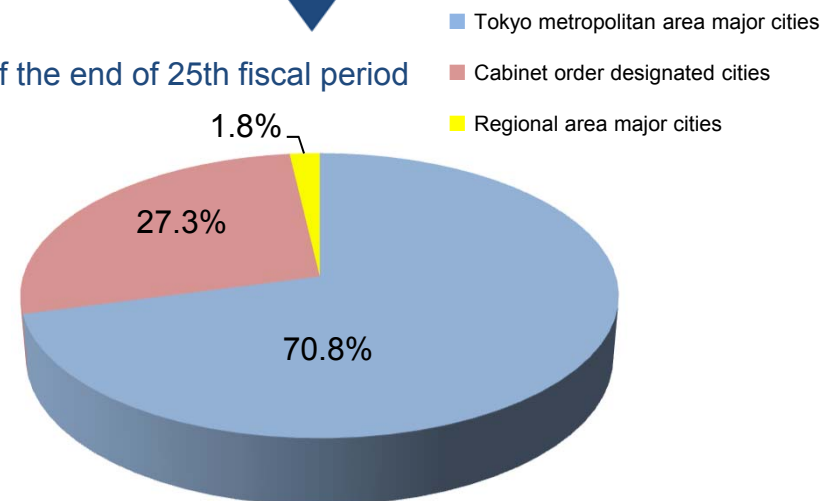
Portfolio policy by area (Note)

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

As of the end of 25th fiscal period



As of the end of 25th fiscal period



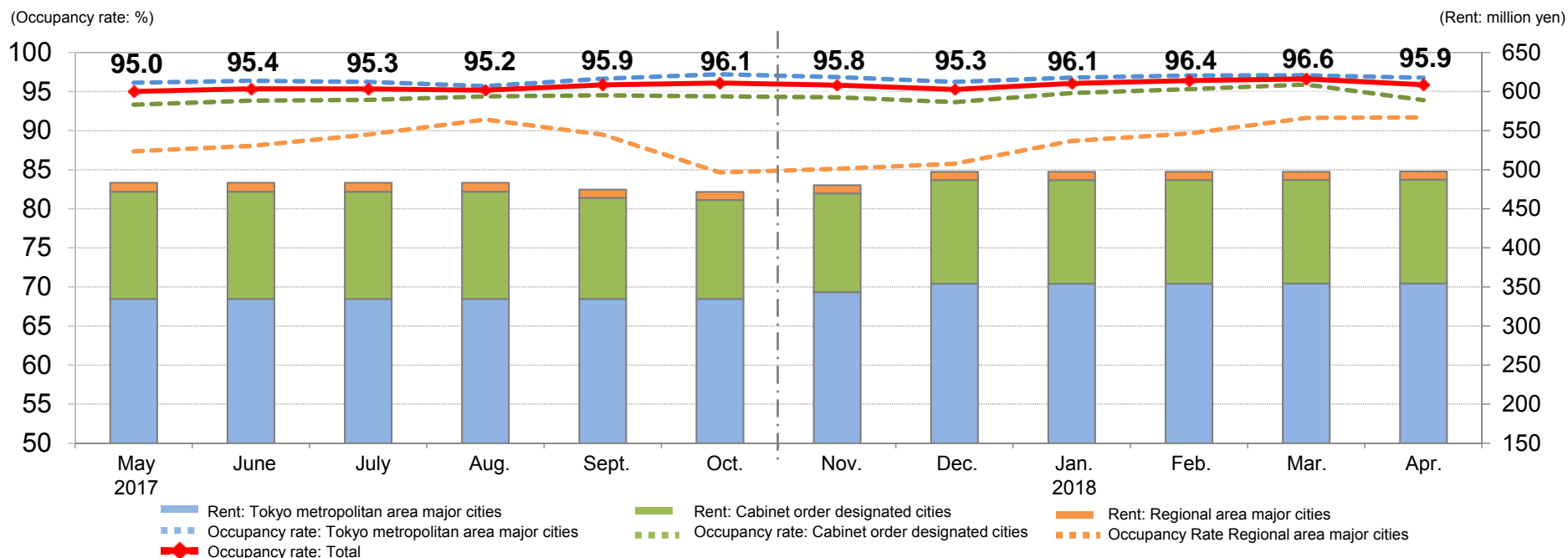
(Note) Price ratio is calculated by dividing subtotal of acquisition prices in each category by total acquisition price of entire portfolio.
In the process of external growth, actual price ratios may not meet the target ratios due to economic climate, real estate market conditions and other factors.

Status of Occupancy Conditions of AUM

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

Average occupancy rate for the 24th fiscal period: **95.5%**

Average occupancy rate for the 25th fiscal period: **96.0%**



(Note 1) Rent as used herein is the sum total of rents, advertised rents and common area maintenance charges stated in the lease agreement.

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

(At end of period)

	22nd FP	23rd FP	24th FP	25th FP
Number of properties	71 properties	85 properties	82 properties	87 properties
Total key money (thousand yen)	194,553	216,374	216,931	234,353
Total rent (thousand yen)	284,574	392,475	390,305	415,881
Ratio to rent	0.68	0.55	0.56	0.56

The average occupancy rate for the 25th fiscal period was **96.0%**, exceeding the average occupancy rate for the 23rd fiscal period (95.4%), which was the peak season in the previous year.

(Note 2) The ratio to rent is calculated from the sum of rents and advertised rents stated in the lease agreement and common area maintenance charges are not included. The figures are for pass-through type properties only and fixed-rent type properties are not included.

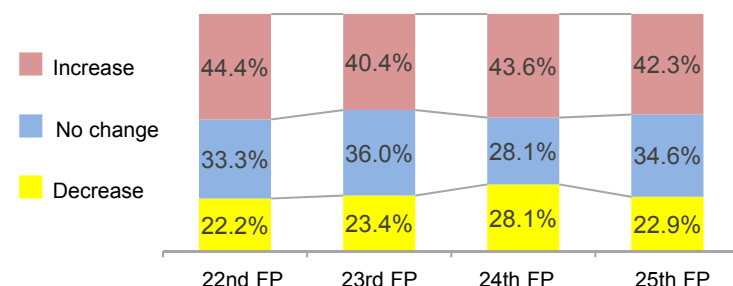
Status of Leasing Conditions of AUM

Renewal / Newly-Advertised Conditions Setting (Note)

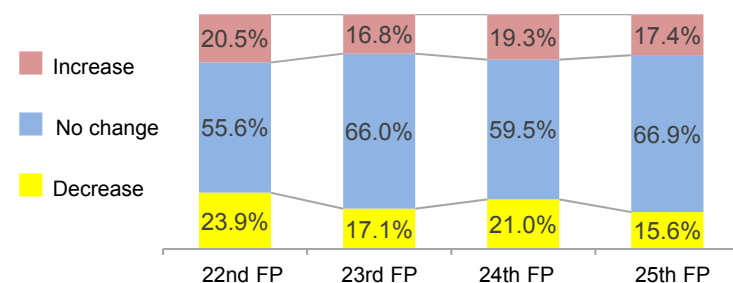
Renewal Rent Revision



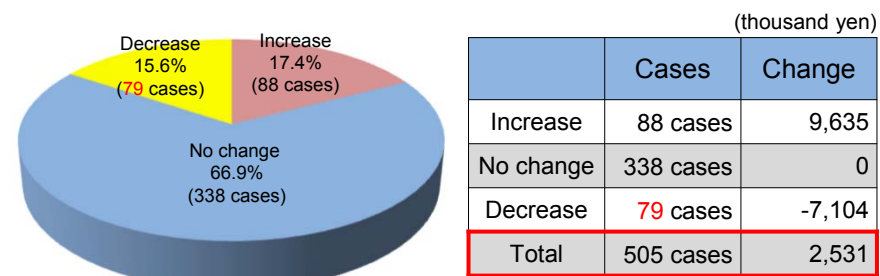
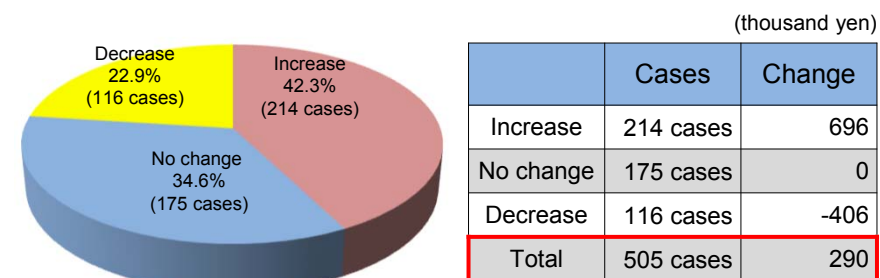
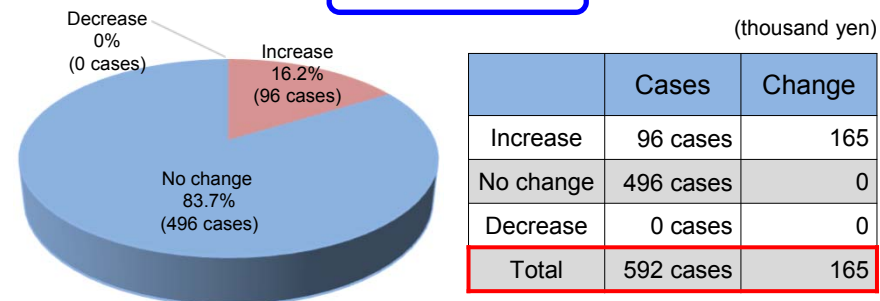
Difference in Rent between New Agreement and Previous Agreement



Difference in Key Money between New Agreement and Previous Agreement



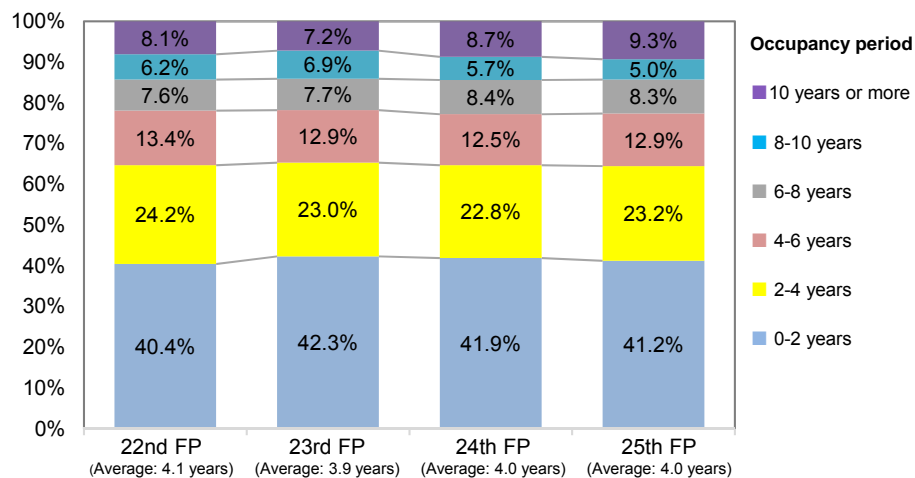
25th FP



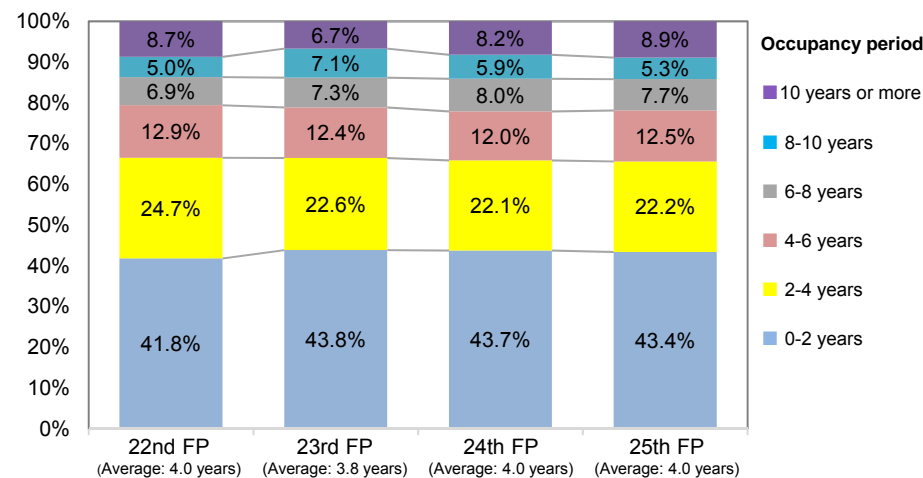
(Note) The conditions setting figures are for pass-through type properties only and fixed-rent type properties are not included. The figures are rounded down to one decimal place.

AUM Average Occupancy Period by Residential Unit Type (Results of 22nd–25th Fiscal Period Residents)

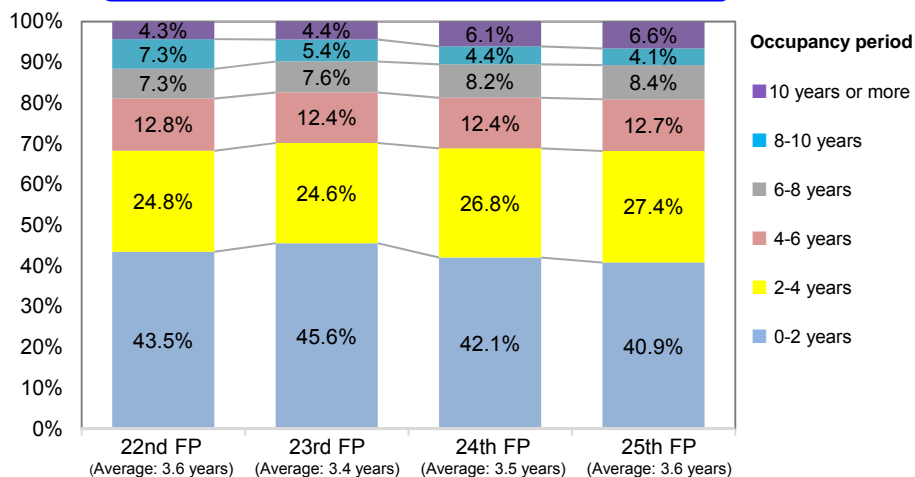
All (End of 25th FP: average **4.0** years)



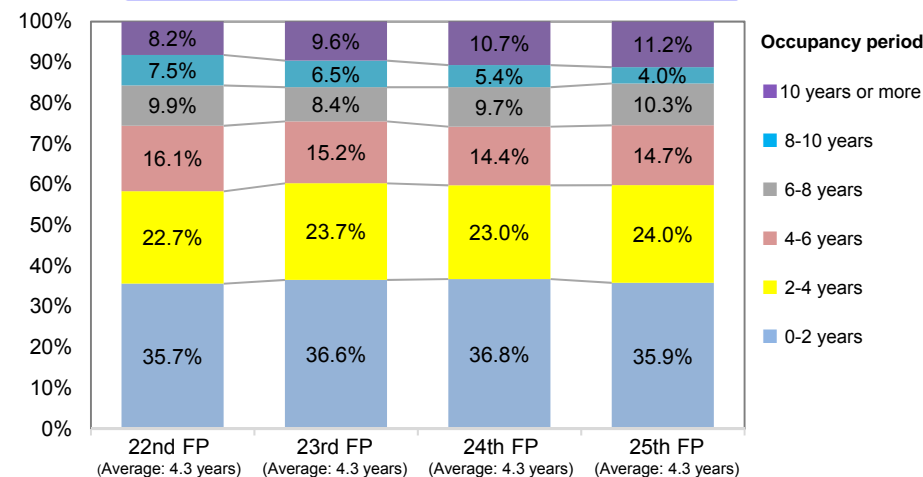
Single type (End of 25th FP: average **4.0** years)



DINKS type (End of 25th FP: average **3.6** years)



Family type (End of 25th FP: average **4.3** years)



(Note)

- "Occupancy period" compiles tenant households by their period of occupancy as at the end of the respective fiscal period.
- As the data has been prepared for rental housing alone, (G-23) Group Home Tanoshii Ie Taisho and (C-76) Life Support Residence Funaboriekimae are excluded from compilation.
- "All" includes retail and office (55 units). Moreover, vacant units are excluded.
- All, single, DINKS and family types' respective average occupancy period is rounded down to one decimal place.

Building a Portfolio that Responds to Various Fluctuation Risks

■ Characteristics of Rental Housing in which Starts Proceed Primarily Invests

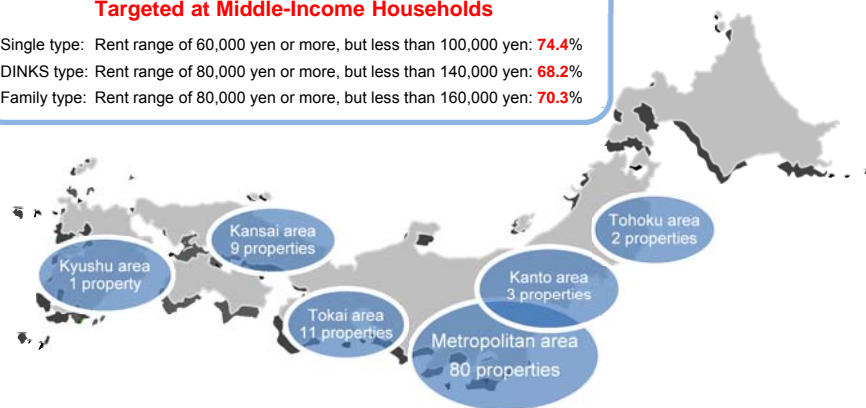
Setting single type, family type and other rental housing for average-income household, which have the most stable demand, as the primary investment target, we aim to build a portfolio that can respond to the fluctuations of market rent, resident demand, etc. as much as possible and to carry out stable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

Average Rent Range by Residential Unit Type (Note)

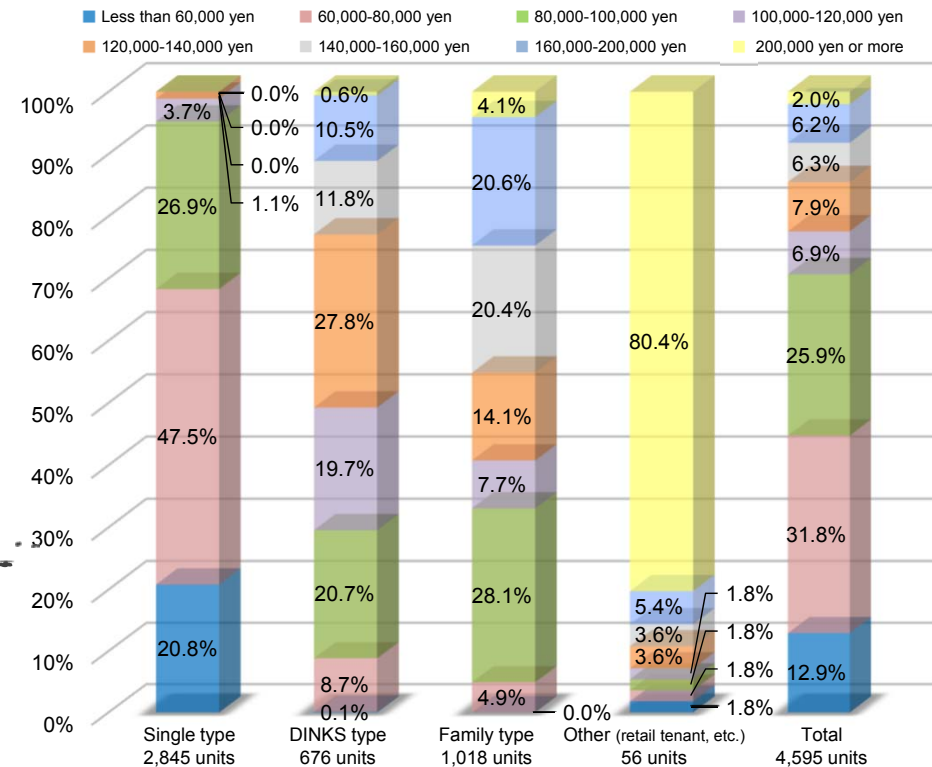
Type of master lease	Residential unit type	Average rent (yen)		Change (yen)	Change (%)
		24th FP	25th FP		
Pass-through	Single type	72,071	73,191	1,119	1.6
	DINKS type	118,406	119,010	604	0.5
	Family type	134,986	132,041	-2,946	-2.2
	Other (retail tenant, etc.)	457,245	474,545	17,300	3.8
Fixed-rent	All types	72,821	77,057	4,236	5.8
All	Overall average	94,102	95,947	1,845	2.0

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: **74.4%**
 DINKS type: Rent range of 80,000 yen or more, but less than 140,000 yen: **68.2%**
 Family type: Rent range of 80,000 yen or more, but less than 160,000 yen: **70.3%**



Starts Proceed Portfolio's Rent Range by Residential Unit Type



* Only the figures for pass-through type properties are indicated, so the figures for the fixed-rent type properties, (G-23) Group Home Tanoshii Ie Taisho and (C-76) Life Support Residence Funaboriekimae aren't included.

(Note)

- As Average Rent Range by Residential Unit Type has been prepared for rental housing alone, (G-23) Group Home Tanoshii Ie Taisho and (C-76) Life Support Residence Funaboriekimae are excluded from compilation.
- The figures used in the calculation of average rent range are the sum total of the rents and advertised rents stated in the lease agreement for the path-through type properties (4,595 units); and that obtained by dividing the sum total 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 (610 units).
- 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 25th fiscal period.
- "Other" refers to the retail and office portions of a mixed-use apartment building.

Changes in AUM Indicators

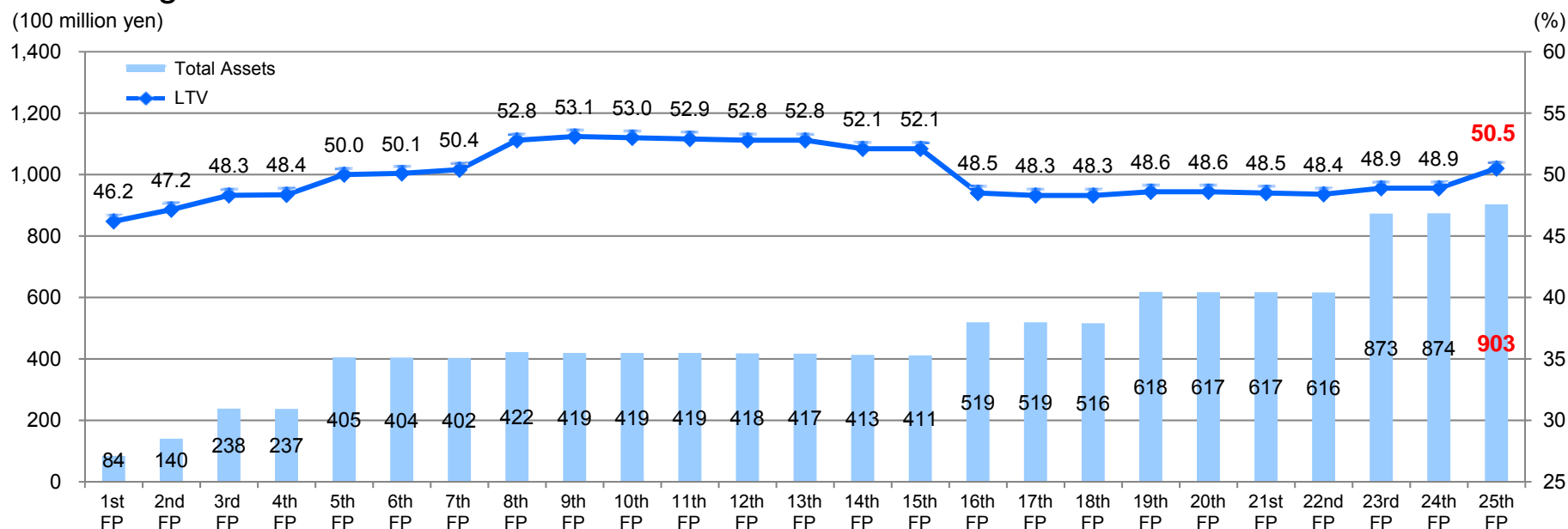
	Acquisition price (million yen)	Carrying amount (million yen)	Appraisal value (million yen)		Occupancy rate (period-end) (%)		NOI results (million yen)		NOI yield (annualized; based on acquisition price) (%)		NOI yield (annualized; based on appraisal value) (%)		NOI yield after depreciation (based on acquisition price) (%)	
			At acquisition	25th FP	24th FP	25th FP	24th FP	25th FP	24th FP	25th FP	24th FP	25th FP	24th FP	25th FP
Tokyo metropolitan area major cities	60,605	60,528	62,885	67,261	97.2	96.8	1,612	1,686	5.7	5.6	5.1	5.1	4.2	4.1
Cabinet order designated cities	23,395	23,829	24,248	25,599	94.4	93.9	569	598	5.1	5.1	4.7	4.6	3.7	3.7
Regional area major cities	1,576	1,489	1,811	1,821	84.7	91.7	45	45	5.7	5.8	4.7	5.0	3.3	3.4
Total	85,577	85,847	88,944	94,681	96.1	95.9	2,182	2,331	5.5	5.5	4.9	5.0	4.0	4.0

(Note) NOI yield is the figure arrived at when the annualized NOI results figure is divided by acquisition price and appraisal value, respectively. Properties disposed during the fiscal period are not included and only "Proceed Kinshicho," which was acquired at the beginning of the fiscal period, is recorded among the properties acquired in the 25th fiscal period.

- Appraisal value for the 25th fiscal period increased by 5.73 billion yen period-on-period due to the disposition of 3 properties and acquisition of 5 properties. Unrealized gain increased to 8.83 billion yen, up 740 million yen period-on-period.
- NOI yield (annualized and based on acquisition price) for the entire portfolio was 5.5%.

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 fiscal period (including subordinated investment corporation bonds issued and outstanding for 8th-18th FP) by total assets at the end of the fiscal period.

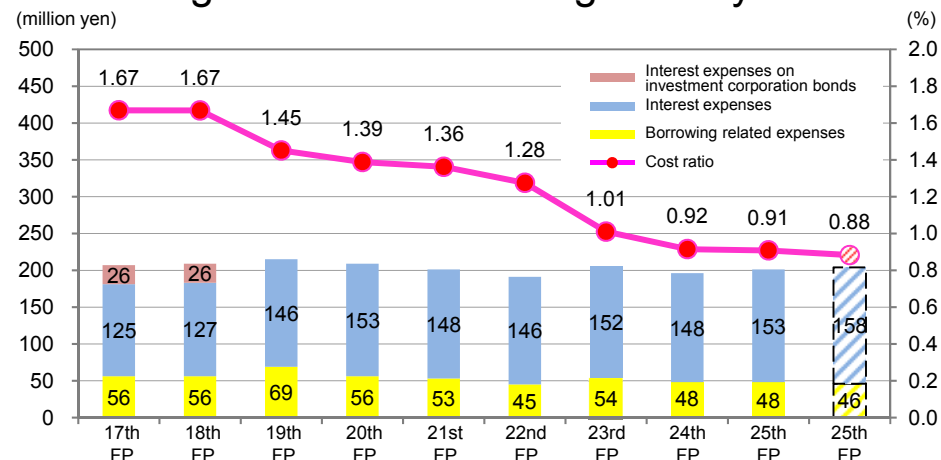
Balance of Interest-Bearing Liabilities at End of 25th Fiscal Period (April 30, 2018)

	Loans balance
Current portion of long-term loans payable	6,200 million yen
Long-term loans payable	39,446 million yen
Total loans	45,646 million yen
LTV ratio (%)	50.5%

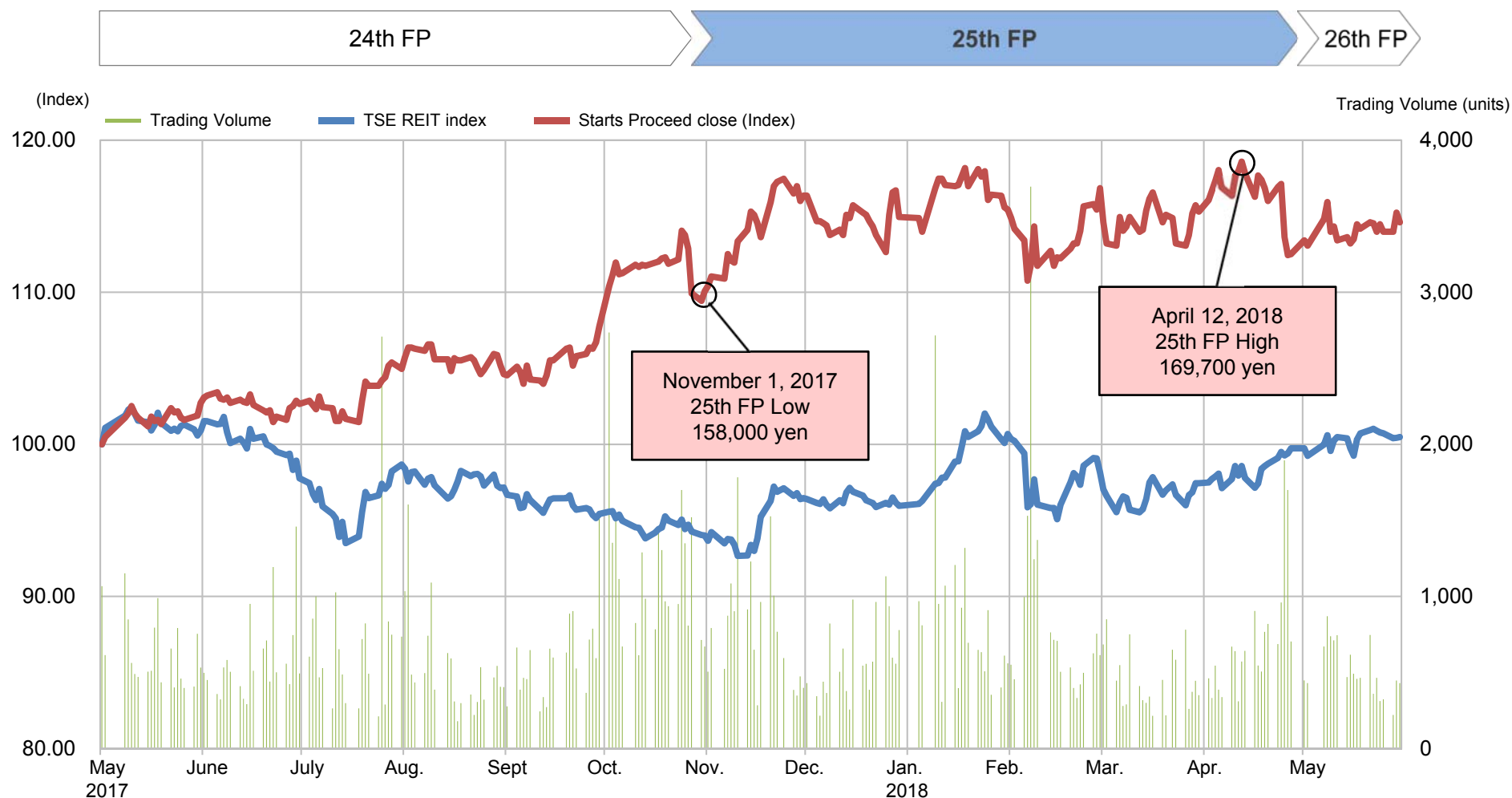
Status of credit rating

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

Change in Interest-Bearing Liability Costs



Changes in Investment Unit Price

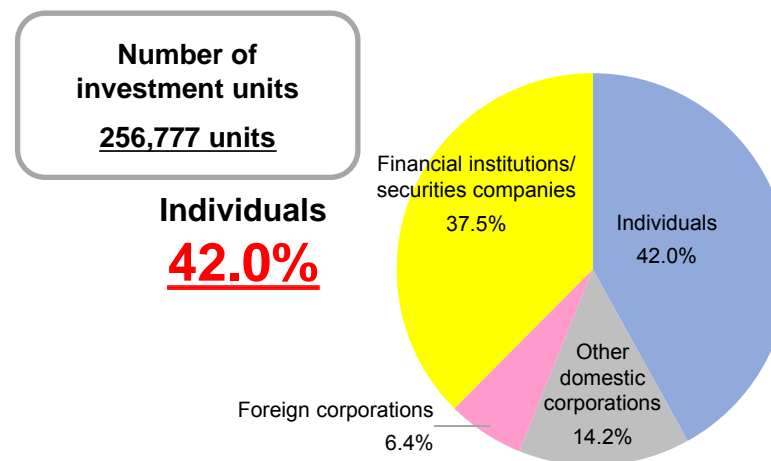
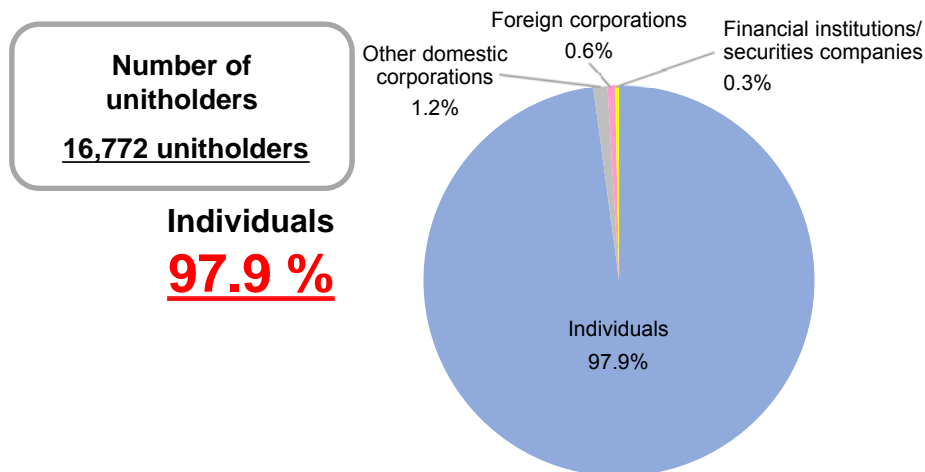


(Note) With closing price of investment unit of Starts Proceed at the beginning of the 24th FP (143,100 yen) and TSE REIT index on the same day (1,733.04) deemed as 100 and set as the base, change in price and index for up to May 31, 2018 are indicated.

During the 25th fiscal period, the investment unit price marked a high of **169,700 yen** (April 12, 2018) and a low of **158,000 yen** (November 1, 2017), based on closing price.

Status of Unitholders (As of April 30, 2018)

Composition of Unitholders and Investment Units at End of 25th Fiscal Period

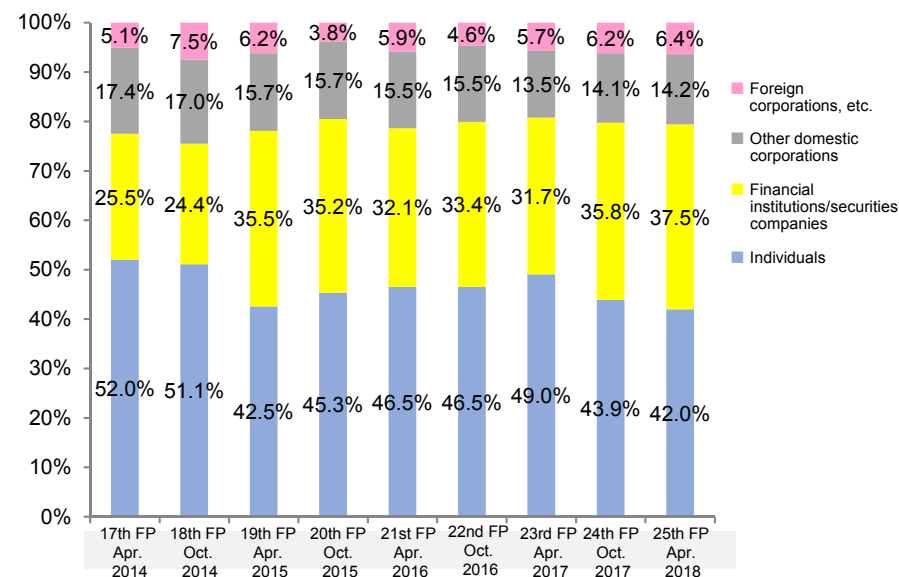


Major Unitholders at End of 25th Fiscal Period (April 30, 2018)

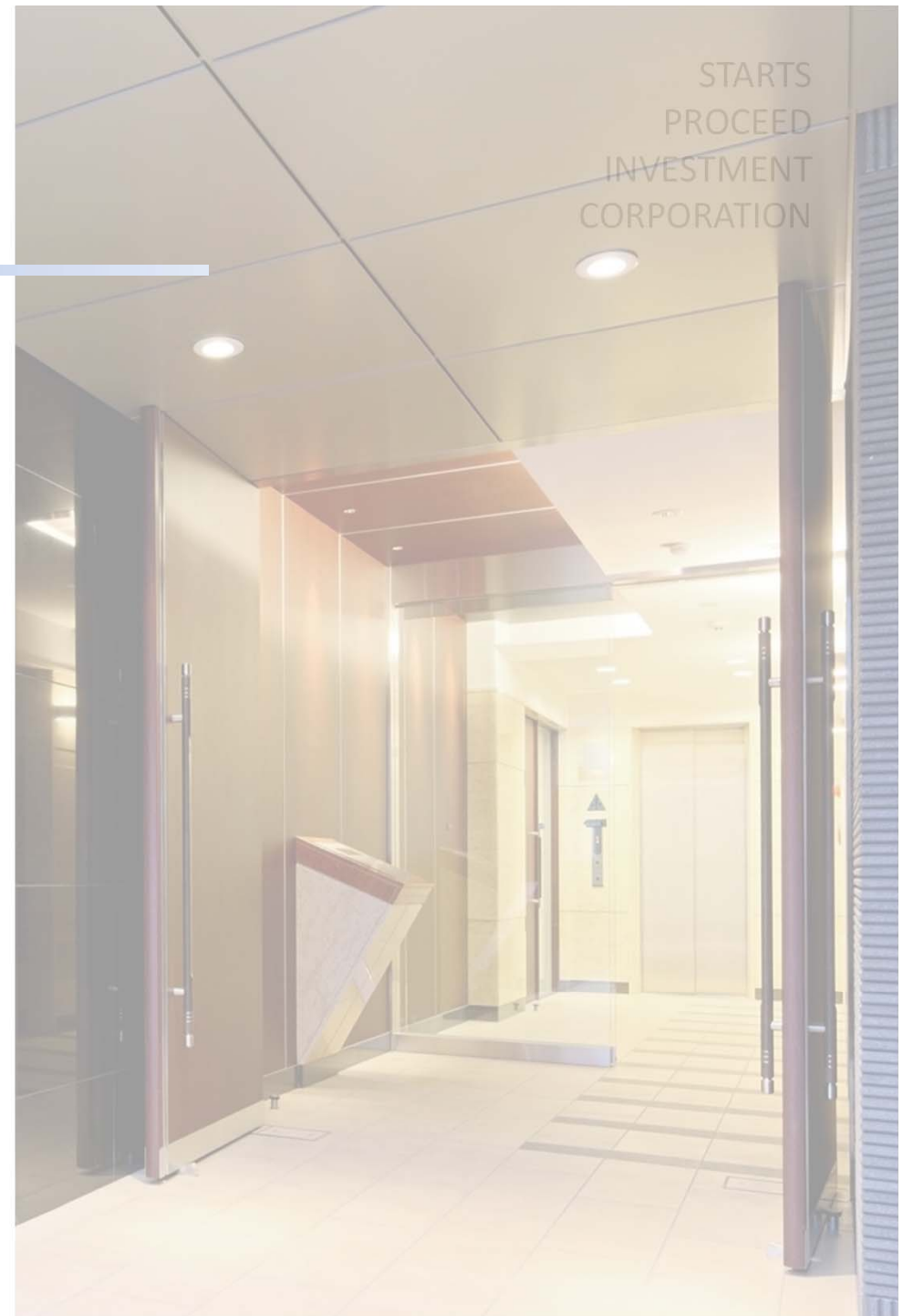
	Name	Number of investment units held (units)	Unitholding ratio (%) (Note)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	31,758	12.36
2	Japan Trustee Services Bank, Ltd. (Trust Account)	28,800	11.21
3	Starts Corporation Inc.	28,245	10.99
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	9,606	3.74
5	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	7,830	3.04
6	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	3,880	1.51
7	Kinki Sangyo Credit Union	3,313	1.29
8	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,095	0.81
9	Sekai Shindokyo	2,058	0.80
10	Individual investor	2,000	0.77
11	STATE STREET BANK AND TRUST COMPANY 505001	1,796	0.69
12	BBH FOR VANGUARD GLOBAL EX-U.S. REAL ESTATE INDEX FUND	1,374	0.53
13	NOMURA BANK (LUXEMBOURG) S.A.	1,270	0.49
14	MSCO CUSTOMER SECURITIES	1,184	0.46
15	BNY FOR GCM CLIENT ACCOUNTS (E)BD	1,151	0.44
16	Yoshida Shoji Co., Ltd.	1,000	0.38
16	The Banshu Shinkin Bank	1,000	0.38
16	Individual investor	1,000	0.38
19	UEDA YAGI TANSHI Co., Ltd.	850	0.33
20	AVIVA INVESTORS INVESTMENT FUNDS ICVC-AVIVA INVESTORS MULTI-STRATEGY TARGET RETURN FUND	829	0.32
	Total	131,039	51.03

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

Changes in Composition of Unitholders (17th to 25th Fiscal Periods)



Future Management Policy



Main Initiatives in 25th Fiscal Period

New Initiatives from 26th Fiscal Period (six months ending October 31, 2018)

External Growth	<ul style="list-style-type: none"> ● Portfolio replacement through disposition of properties in regional areas, etc. <table border="1"> <tr> <td>Disposition</td> <td>Proceed Hakozaikigu I, Proceed Hakozaikigu II, Proceed Nakagawa</td> </tr> <tr> <td>Acquisition</td> <td>Proceed Kinshicho, Proceed K2, Proceed K3 Annex, Proceed K5, Proceed Sendai Kamisugi</td> </tr> </table>	Disposition	Proceed Hakozaikigu I, Proceed Hakozaikigu II, Proceed Nakagawa	Acquisition	Proceed Kinshicho, Proceed K2, Proceed K3 Annex, Proceed K5, Proceed Sendai Kamisugi	<ul style="list-style-type: none"> ● Portfolio improvement <table border="1"> <tr> <td>Acquisition</td> <td>Proceed Ichikawa Myoden II</td> </tr> </table>	Acquisition	Proceed Ichikawa Myoden II	Securing of stable distributions					
	Disposition	Proceed Hakozaikigu I, Proceed Hakozaikigu II, Proceed Nakagawa												
	Acquisition	Proceed Kinshicho, Proceed K2, Proceed K3 Annex, Proceed K5, Proceed Sendai Kamisugi												
Acquisition	Proceed Ichikawa Myoden II													
Internal Growth	<ul style="list-style-type: none"> ● Maintaining of period-average occupancy rate of over 95% <ul style="list-style-type: none"> ⇒ Period-end occupancy rate: 95.9% (Previous period: 96.1%) Period average occupancy rate: 96.0% (Previous period: 95.5%) ● Cost reduction (repair/building management costs) <ul style="list-style-type: none"> ⇒ Repair cost: Comparison with budget 5,096 thousand yen Advertising cost: Comparison with budget 9,958 thousand yen Building management cost: Comparison with budget 773 thousand yen ● Readying properties for service upon restoration to their original state <ul style="list-style-type: none"> • Replacement of indoor facilities (kitchen, modular bathroom, etc.), improvement of interior design such as fittings 	<ul style="list-style-type: none"> ● Maintaining and improving period-average occupancy rate of over 95% <ul style="list-style-type: none"> • Enhancement of profitability of AUM through reinforced cooperation with Starts Group companies • Promotion of online posting of units for lease. Enhancement of appeal by using them as model homes. • Restoration work to original state and added value that can accommodate user needs. • Improvement in convenience/designs in rooms through the work ● Continuation of cost reduction (Advertising, repair and building management costs) ● Improvement of asset value through major repair and upgrading of facilities utilizing capital expenditure 												
Financial Strategy	<ul style="list-style-type: none"> ● Conservative management of LTV ● Extension of average remaining period of loans, lowering of average interest rates <table border="1"> <thead> <tr> <th></th> <th>End of 23rd FP</th> <th>End of 24th FP</th> <th>End of 25th FP</th> </tr> </thead> <tbody> <tr> <td>Average remaining period</td> <td>2.81 years</td> <td>2.85 years</td> <td>2.99 years</td> </tr> <tr> <td>Average interest rate</td> <td>0.724%</td> <td>0.690%</td> <td>0.689%</td> </tr> </tbody> </table>		End of 23rd FP	End of 24th FP	End of 25th FP	Average remaining period	2.81 years	2.85 years	2.99 years	Average interest rate	0.724%	0.690%	0.689%	<ul style="list-style-type: none"> ● Establishment of stable financial base <ul style="list-style-type: none"> • Conservative LTV control • Extension and diversification of repayment periods • Further development of bank formation and diversification of fund procurement means
	End of 23rd FP	End of 24th FP	End of 25th FP											
Average remaining period	2.81 years	2.85 years	2.99 years											
Average interest rate	0.724%	0.690%	0.689%											

Initiatives to Enhance Image and Asset Value

Proceed Nihonbashi-Honcho/Exterior makeovers (completed in April 2018)



Proceed Sangenjaya/Room 302 Makeover (completed in January 2018)



<Before> <After>

Area: 103.32 m ²	Rent: 290,000 yen
Price per Tsubo: 9,280 yen	

Area: 103.32 m ²	Rent: 320,000 yen
Price per Tsubo: 10,240 yen	

Starts Proceed conducted makeovers and revised rent with the move-out of tenants. Properties are occupied at an early stage due to the enhancement of value.

Asset Acquired in 25th Fiscal Period

Proceed Kinshicho



Structure : SRC/9F
 Completion : July 2005
 Number of leasing units (type) : 1R 16 units; 1K 20 units; 1DK 12 units; 1LDK 6 units; 2LDK 10 units; Total 64 units
 Location : 4-chome, Kamezawa, Sumida-ku, Tokyo
 Site area : 544.16 m²
 Total floor area : 2,770.59 m²
 Use : Apartment
 Zoning : Neighborhood commercial district, quasi-industrial district

Proceed Sendai Kamisugi



Structure : RC/13F
 Completion : February 2017
 Number of leasing units (type) : 1K 100 units; 2LDK 8 units; Total 108 units
 Location : 2-chome, Kamisugi, Aoba-ku, Sendai-shi, Miyagi
 Site area : 734.12 m²
 Total floor area : 3,750.27 m²
 Use : Apartment
 Zoning : Commercial district

Proceed K2



Structure : SRC/11F
 Completion : February 1995
 Number of leasing units (type) : 2LDK 49 units; 3LDK 7 units, Tenants 3 units; Total 59 units
 Location : 6-chome, Kashiwa, Kashiwa-shi, Chiba
 Site area : 2,280.03 m²
 Total floor area : 5,062.63 m²
 Use : Apartment, retail, garage
 Zoning : Category 1 residential district, neighborhood commercial district

Proceed K3 Annex



Structure : RC/3F
 Completion : March 1997
 Number of leasing units (type) : 1SLDK 3 units; 2LDK 3 units; 2SLDK 3 units; 3LDK 15 units; Total 24 units
 Location : 1023 Kashiwa, Kashiwa-shi, Chiba
 Site area : 1,854.34 m²
 Total floor area : 1,656.53 m²
 Use : Apartment
 Zoning : Category 1 low-rise exclusive residential district

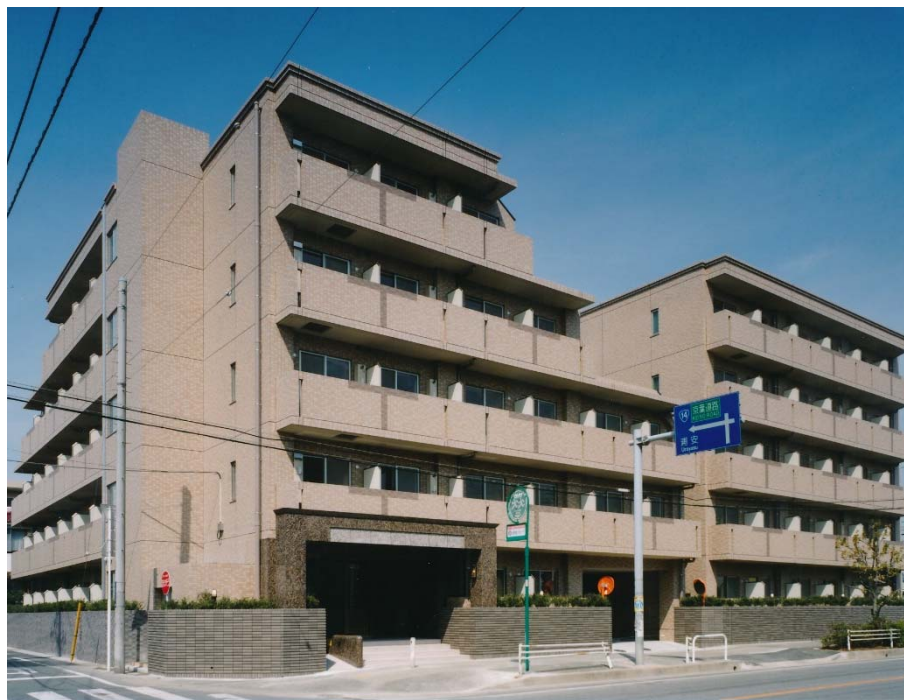
Proceed K5



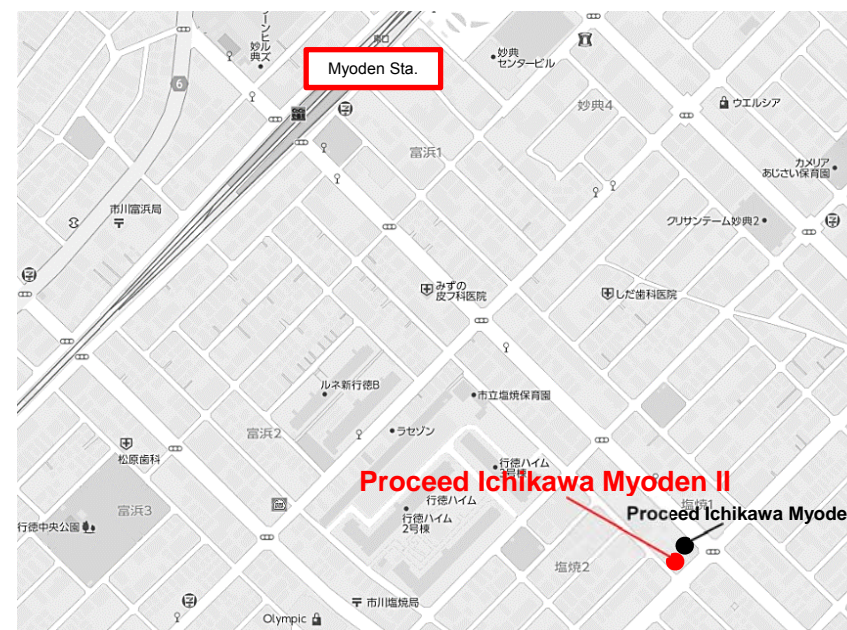
Structure : RC/6F
 Completion : February 1998
 Number of leasing units (type) : 1R 15 units; Tenant 1 unit; Total 16 units
 Location : 6-chome Kashiwa, Kashiwa-shi, Chiba
 Site area : 360.89 m²
 Total floor area : 884.88 m²
 Use : Apartment, retail, storage
 Zoning : Category 1 residential district, neighborhood commercial district

Asset Acquired in 26th Fiscal Period (Acquisition date: May 25, 2018)

Proceed Ichikawa Myoden II



Structure	: RC/5F
Completion	: March 2003
Number of leasing units (type)	: 1K 58 units
Location	: 2-chome Shioyaki, Ichikawa-shi, Chiba
Site area	: 635.21 m ²
Total floor area	: 1,284.11 m ²
Use	: Apartment
Zoning	: Category 1 residential district



The property is a 9-minute walk from Myoden Station on the Tokyo Metro Tozai Line. It offers great access to central Tokyo, taking only approximately 25 minutes to Nihonbashi, Otemachi, etc. by using the Tozai Line and is a convenient location for commuting as it is the starting station for trains on weekday mornings. The Gyotoku and Myoden area, where the property is located, has undergone land readjustment and features an excellent residential environment due also to its flat land. It has various facilities such as a large commercial facility with a cinema, restaurants, administrative organs, large general hospitals, etc. around the station and also features excellent living convenience.

Starts Group's Residential Facilities for the Elderly / Case Example of Ongoing Project

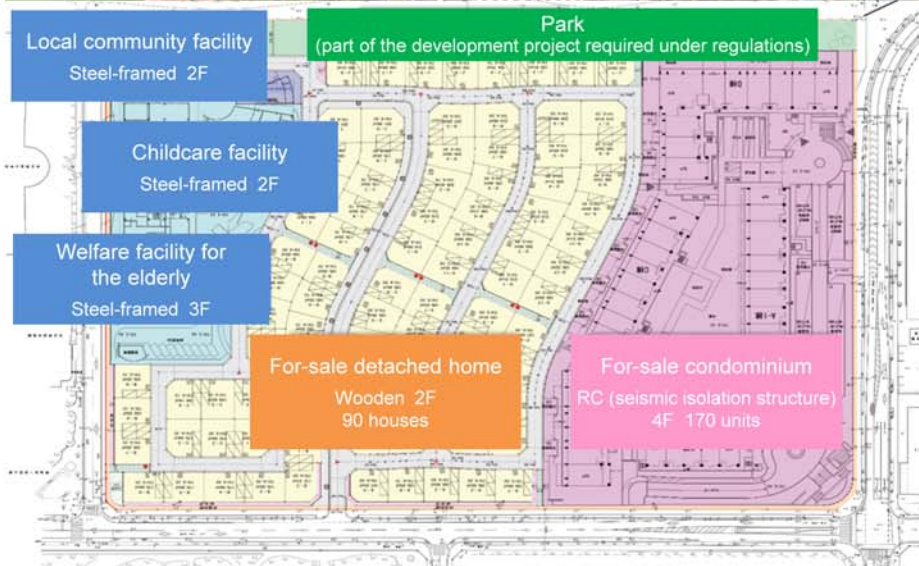
■ Project under way in Shinurayasu: Timeless Town Shinurayasu (Urayasu City, Chiba)



Project overview

Site area: Approx. 51,900 m²

- For-sale condominium:
RC/Seismic isolation structure 4F, 170 units
- For-sale detached home:
Wooden structure 2F, 90 houses
- Facilities:
Welfare facility for the elderly, childcare facility,
local community facility

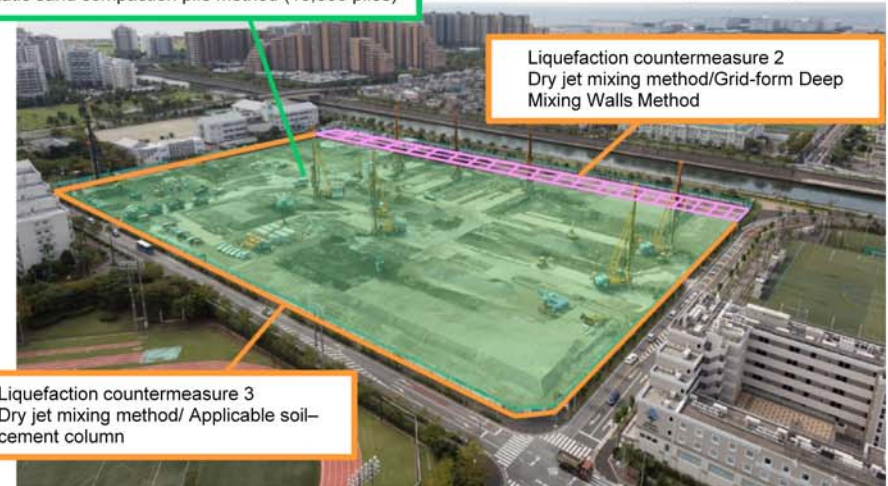


Liquefaction countermeasure 1
Static sand compaction pile method (18,000 piles)

Advanced liquefaction countermeasure engineering work

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

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



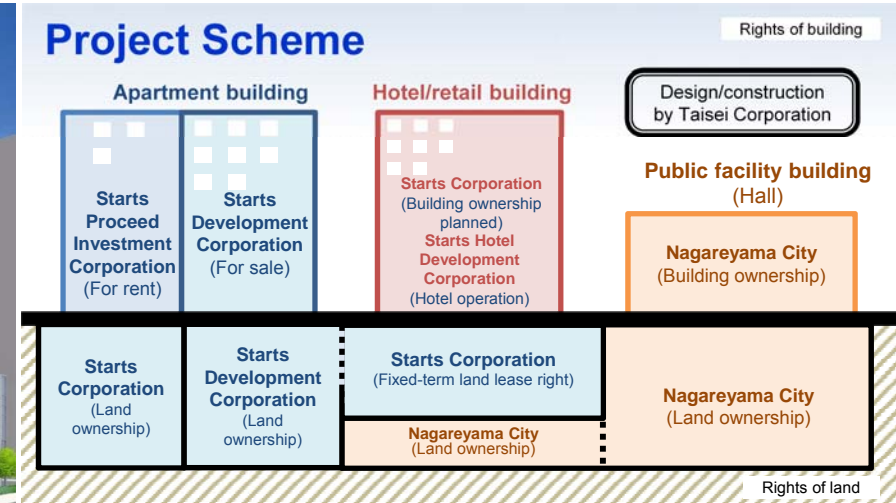
Properties Developed by the Sponsor I

Nagareyama Otaka Forest City-owned land development project

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



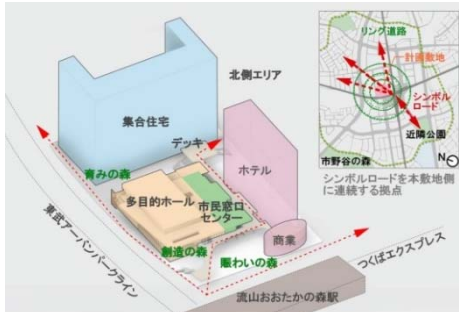
Project Scheme



Elegant full-scale concert hall



Connecting three facilities with a pedestrian deck



Schedule

- July 2015 Disclosure of guidelines for applicants
- Oct. 2015 File proposal documents
- Nov. 2015 Determination of preferred negotiation rights holder
- Mar. 2016 Conclusion of business contract
- Jan. 2017 Start of construction
- Dec. 2018 Planned completion/delivery of the hall building/hotel building
- Mar. 2020 Planned completion/delivery of the apartment building

Property Overview (As of April 2018)

	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)	1,927 m ²	1,032 m ²	2,586 m ²
Building-to-land ratio (%)	45.90%	51.60%	65.56%
Total floor area	19,393 m ²	8,151 m ²	3,493 m ²
Floor-area ratio	400.0%	393.0%	87.34%
Structure	RC/Base with seismic isolation	Steel-framed	RC/Steel framed
Floors	14 floors above ground and 1 floor below	11 floors above ground, 1 PH floor	2 floors above ground
Maximum height (m)	44.9 m	45.1 m	13.3 m
Size/Features	<ul style="list-style-type: none"> •For sale: 192 Units •For rent: 49 Units •Childcare center 	<ul style="list-style-type: none"> •Guest rooms: 167 •Banquet rooms, large bath and fitness studio •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

Properties Developed by the Sponsor II

Proceed Kanayama 3



Structure	: RC/13F
Completion	: August 2018 (planned)
Number of leasing units (type)	: 1K 48 units; 1LDK 12 units; Total 60 units
Location	: 2-chome, Masaki, Naka-ku, Nagoya-shi, Aichi
Site area	: 465.99 m ²
Total floor area	: 2,331.86 m ²
Use	: Apartment
Zoning	: Neighborhood commercial district

<Construction photo (as of May 31, 2018)>



Property Acquired by the Sponsor, etc.

■ Proceed Yamashita Koen The Tower



Structure	: RC/B2F, 18F
Completion	: January 2008
Number of leasing units (type)	: 1R 84 units; 1LDK 31 units; 2LDK 24 units; 3LDK 3 units; Retail 6 units; Total 148 units
Location	: 27 Yamashita-cho, Naka-ku, Yokohama-shi, Kanagawa
Site area	: 1,676.02 m ²
Total floor area	: 14,619.19 m ²
Use	: Apartment, retail, parking, nursery
Zoning	: Commercial district

■ The Parkhabio Yokohama Yamate



Structure	: RC/B1F, 6F
Completion	: July 2015
Number of leasing units (type)	: 1R 2 units; 1K 48 units; 1DK 13 units; 1LDK+S 13 units; Total 76 units
Location	: 2-chome, Ishikawa-cho, Naka-ku, Yokohama-shi, Kanagawa
Site area	: 944.24 m ²
Total floor area	: 3,606.4 m ²
Use	: Apartment
Zoning	: Neighborhood commercial district

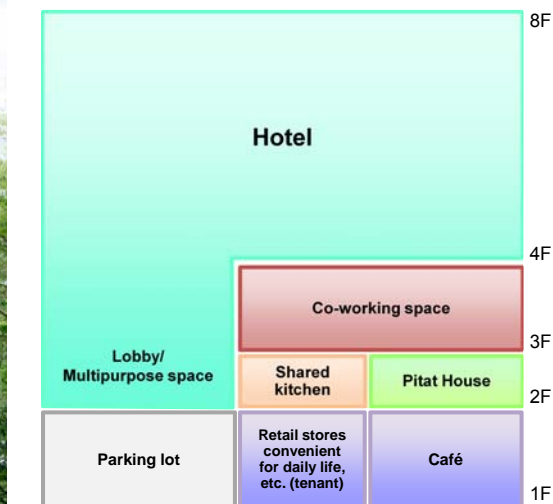
■ Proceed Mito 3



Structure	: RC/12F
Completion	: October 2018 (planned)
Number of leasing units (type)	: 1K 36 units; 1LDK 24 units; Total 60 units
Location	: 3-84 Minamimachi, Mito-shi, Ibaraki
Site area	: 745.40 m ²
Total floor area	: 2,427.46 m ²
Use	: Apartment
Zoning	: Commercial district

Case Example of Consulting by Management Company I [Fuchu-shi, Tokyo]

■ Utilization Project of Site of Fuchu Green Plaza < scheduled to open in 2021 >

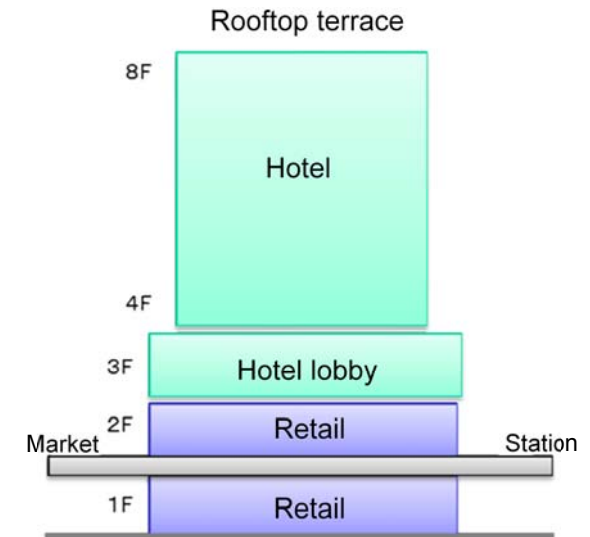


<Plan overview>

- Size : 8 floors above ground
- Site area : 1,215.63 m²
- Total floor area : 6,429.46 m²
- Structure : Steel-framed
- Operation period : 50 years (fixed-term land lease)

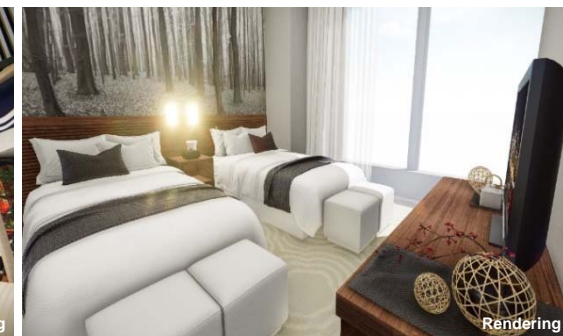
Case Example of Consulting by Management Company II [Kyoto-shi, Kyoto]

- Project utilizing “Bustle Zone” at No. 1 market of Kyoto Central Wholesale Market
< scheduled to open in 2020 >



<Plan overview>

- Size : 8 floors above ground
- Site area : 4,000 m²
- Total floor area : Approx.18,000 m²
- Use : Hotel, retail facility
- Operation period : Operation period: 60 years
(fixed-term land lease)



Case Example of Consulting by Management Company III [Narashino-shi, Chiba]

Revitalization project of existing public facility in front of Keisei Okubo Station < scheduled to open in November 2019 >

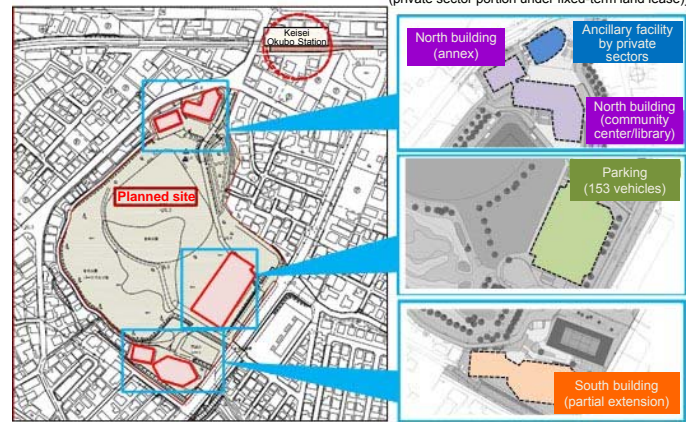


North building



South building

Project overview

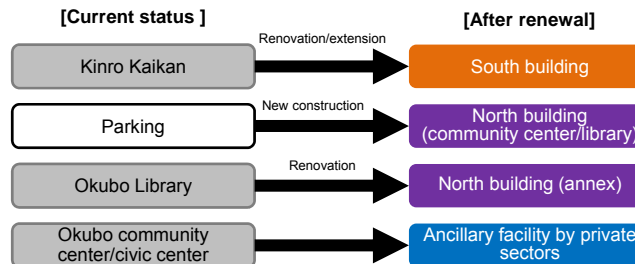


<Site overview>

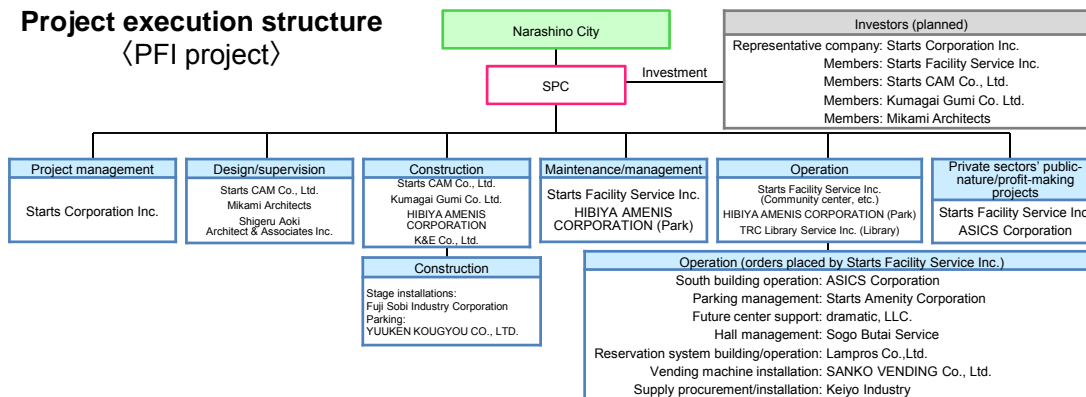
- Land for PFI projects : 45,583 m²
- Land for ancillary projects by private sectors : 1,337 m²
- Urban park : 45,460 m² (area publicly announced)

<Overview of facilities proposed>

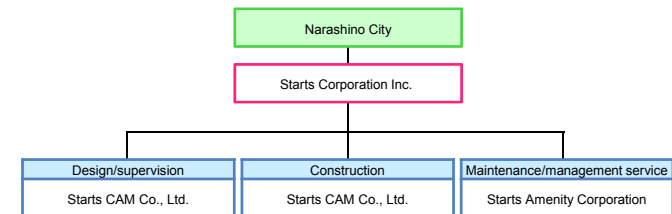
- North building (community center, library, hall)
- South building (arena, kids' space, multi-purpose room, etc.)
- Park (park golf course, baseball field, parking, open space)
- Facilities by private sectors (rental housing, café)



Project execution structure (PFI project)

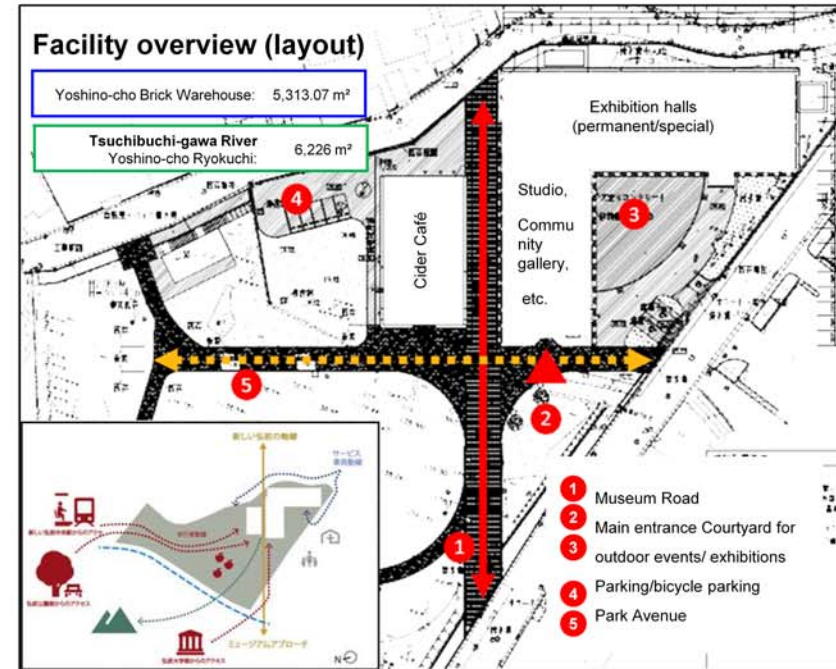


<Ancillary projects by private sectors>

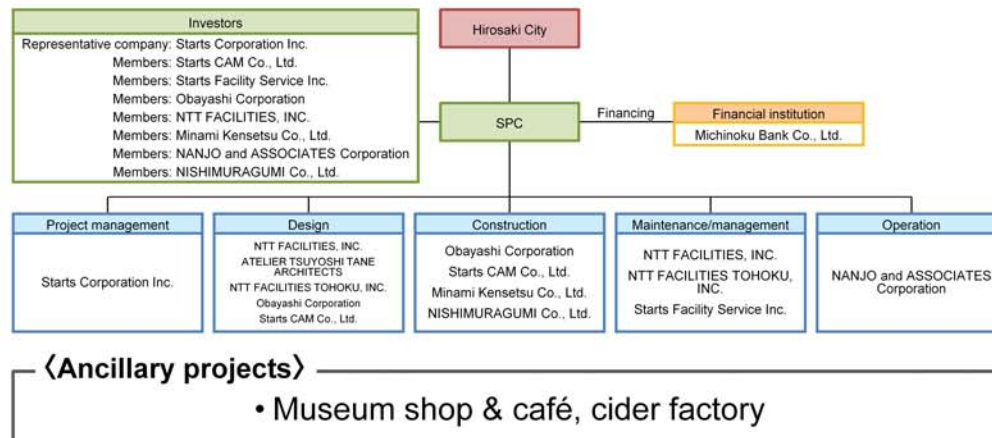


Case Example of Consulting by Management Company IV [Hirosaki-shi, Aomori]

- PFI project for development of surrounding area of Yoshino-cho Ryokuchi in Hirosaki City
 < scheduled to open in 2020 >



Project structure (PFI project)

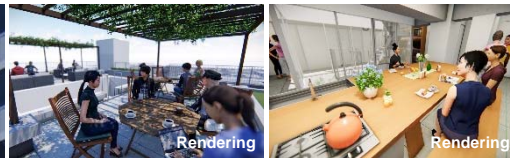
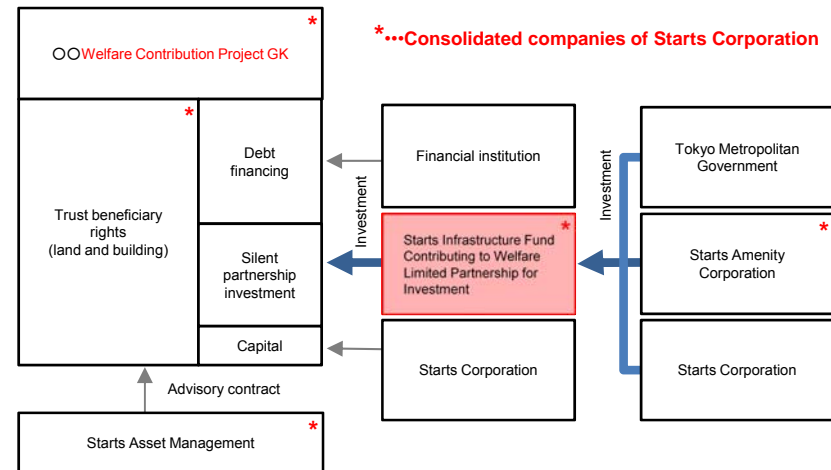


Case Example of Efforts by Management Company

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

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

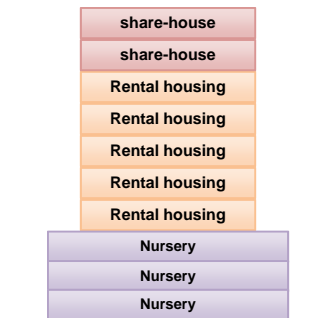
[Business structure]



Overview of scheduled development

- Location : Sumida-ku, Tokyo
- Site area : Approx. 440 m²
- Structure : RC (seismic isolation)/10F
- Use : Authorized nursery school
Apartment (24 units)
Shared house (2 floors for 8 people)
- Completion : End of January 2019 (planned)

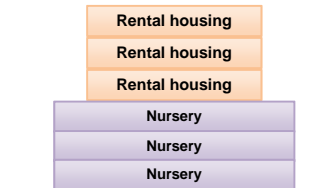
[Facility composition]



Overview of scheduled development

- Location : Ota-ku, Tokyo
- Site area : Approx. 360 m²
- Structure : RC/6F
- Use : Authorized nursery school
Apartment (11 units)
- Completion : End of January 2019 (planned)

[Facility composition]



Overview of May 25, 2018 Refinancing

Refinancing Loans

(million yen)

Term Loan		X
Term		3.6 years
Total amount		2,500
Breakdown	Resona Bank	711
	Aozora Bank	441
	Mizuho Bank	299
	Sumitomo Mitsui Banking	299
	Chiba Bank	259
	Musashino Bank	259
	Sumitomo Mitsui Trust Bank	107
	Kagawa Bank	21
	ORIX Bank	104
	-	-
	Floating interest rate	1.022% (Note 1)
Repayment method	Lump-sum repayment on repayment date	

(Note 1) The fixed interest rate is shown.



(million yen)

Term Loan		2L	Change
Term		6 years	
Total amount		2,900	400
Breakdown	Resona Bank	727	16
	Aozora Bank	450	9
	Mizuho Bank	299	-
	Sumitomo Mitsui Banking	299	-
	Chiba Bank	259	-
	Musashino Bank	259	-
	Sumitomo Mitsui Trust Bank	107	-
	Kagawa Bank	100	79
	ORIX Bank	-	-104
	The Bank of Kyoto (Note 2)	400	400
	Floating interest rate	Base interest rate (Note 3) +0.70%	
Repayment method	Lump-sum repayment on repayment date		

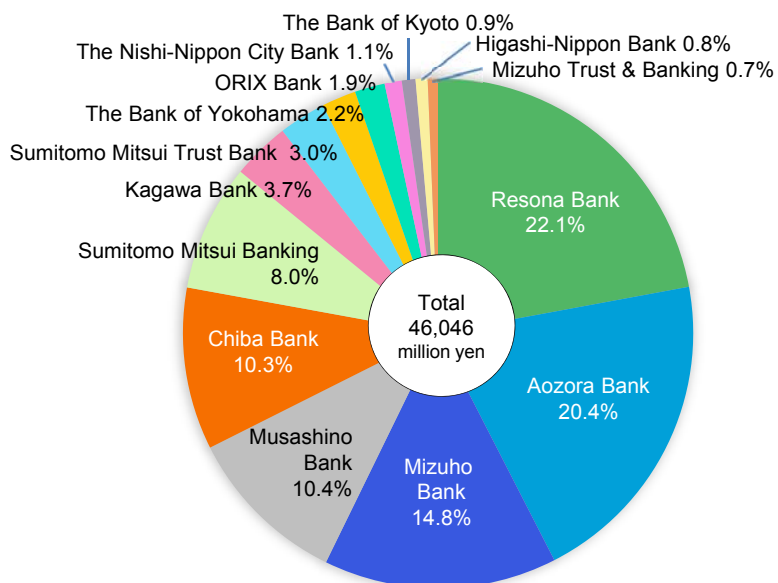
(Note 2) The Bank of Kyoto, Ltd. has newly joined the loan syndication from this loan.

(Note 3) Base interest rate refers to JBA 1-month Japanese Yen TIBOR.

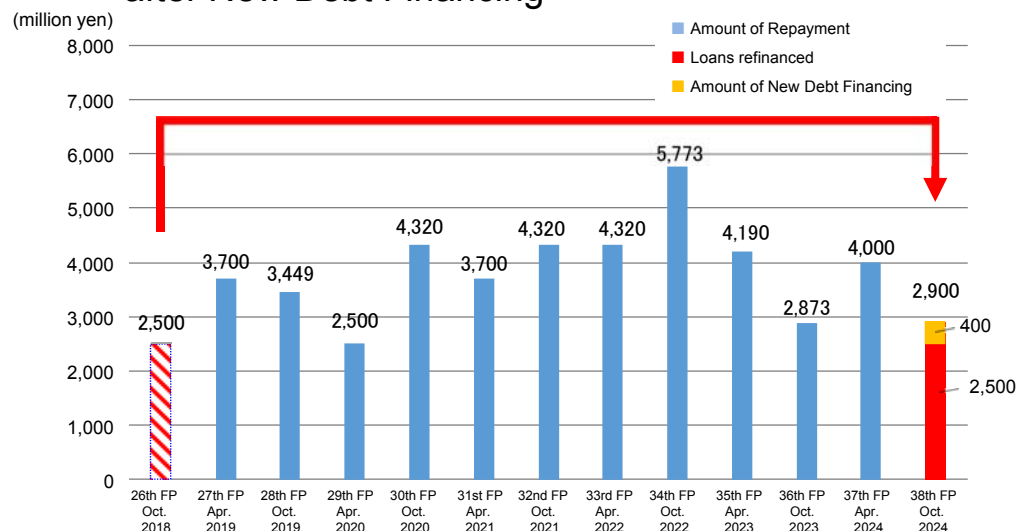
	End of 23rd FP	End of 24th FP	End of 25th FP	After Refinancing May 25, 2018
Average remaining period	2.81 years	2.85 years	2.99 years	3.27 years
Ratio of fixed-rate loans	29.0%	29.0%	27.2%	21.5%
Average interest rate	0.724%	0.690%	0.689%	0.675%

Overview after Refinancing (May 25, 2018)

Allocation of Total Loan Amount



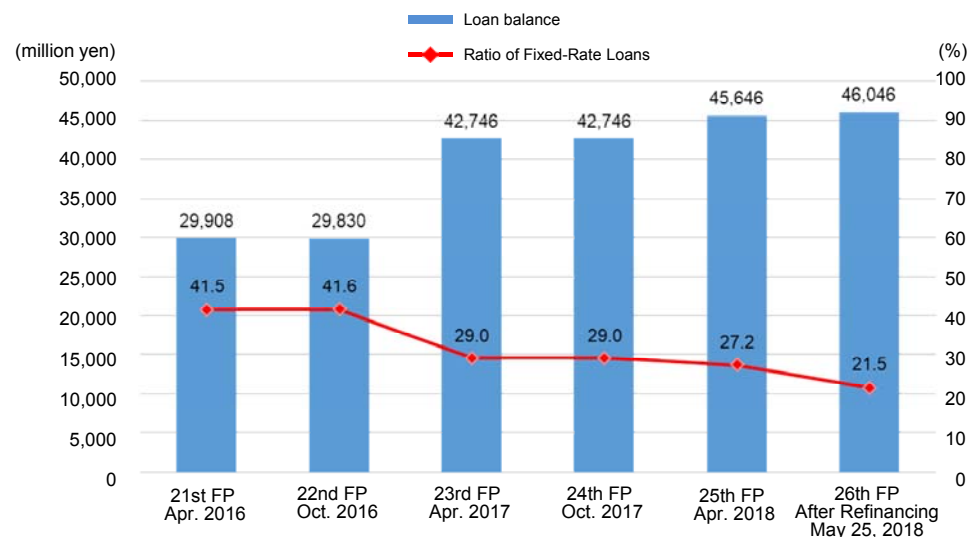
Status of Laddering of Interest-Bearing Liabilities after New Debt Financing



Breakdown of Lenders

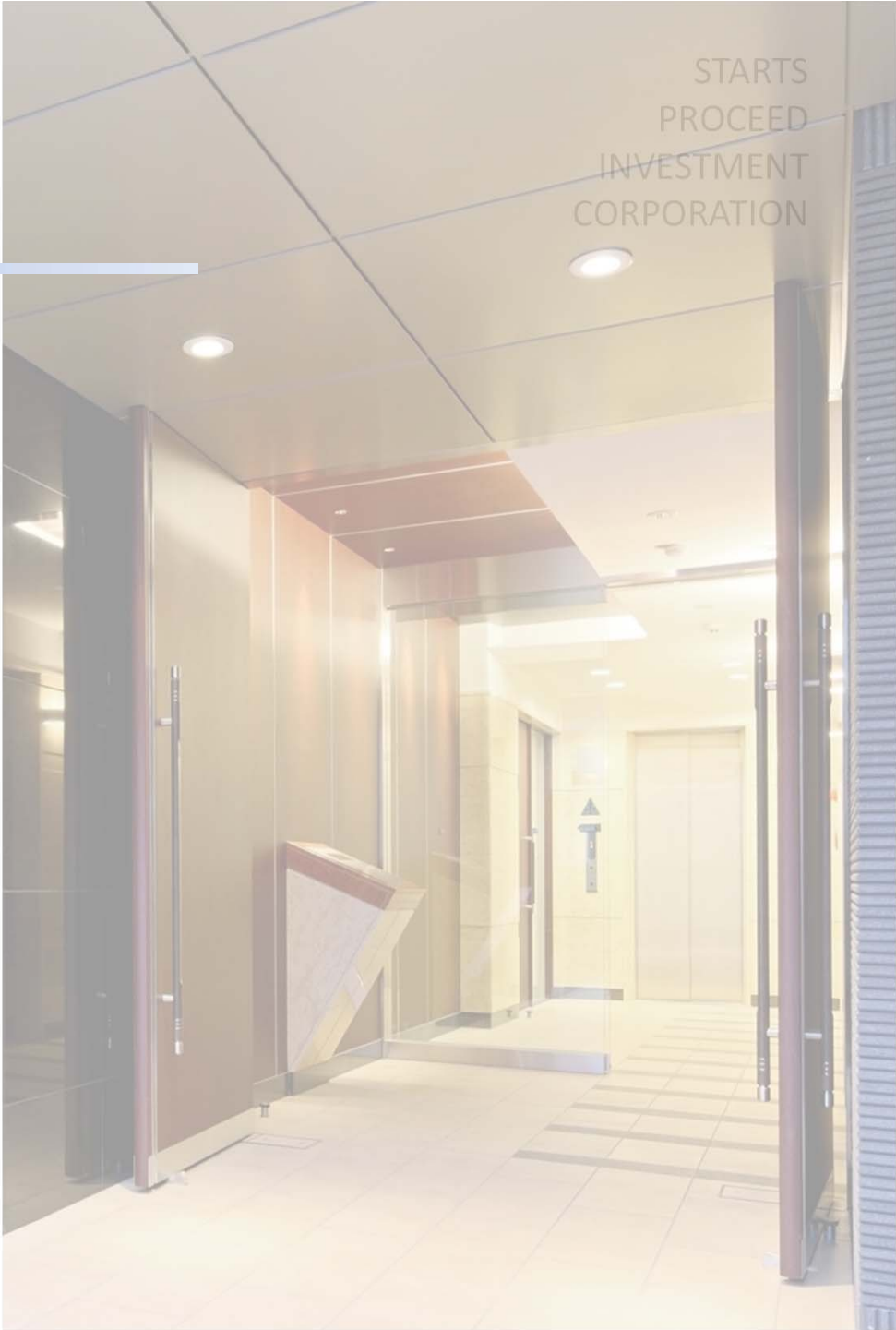
Lenders	Loan balance (million yen)
Resona Bank	10,171
Aozora Bank	9,381
Mizuho Bank	6,805
Musashino Bank	4,768
Chiba Bank	4,728
Sumitomo Mitsui Banking	3,701
Kagawa Bank	1,687
Sumitomo Mitsui Trust Bank	1,375
The Bank of Yokohama	1,000
ORIX Bank	879
The Nishi-Nippon City Bank	500
The Bank of Kyoto	400
Higashi-Nippon Bank	350
Mizuho Trust & Banking	300
Total	46,046

Change in Loan Balance and Ratio of Fixed-Rate Loans





Reference Materials



Balance Sheet



(thousand yen)

	24th Fiscal Period As of Oct. 31, 2017	25th Fiscal Period As of Apr. 30, 2018	Change
Assets			
Current assets			
Cash and deposits	3,868,635	1,713,559	-2,155,076
Cash and deposits in trust	1,913,186	1,927,684	14,498
Operating accounts receivable	28,323	29,426	1,102
Prepaid expenses	100,655	95,170	-5,485
Deferred tax assets	80	84	3
Consumption taxes receivable	-	47,561	47,561
Other	1,806	1,108	-697
Total current assets	5,912,688	3,814,595	-2,098,092
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	41,568,037	43,765,198	2,197,161
Accumulated depreciation	-6,609,210	-7,108,960	-499,750
Buildings in trust, net	34,958,827	36,656,238	1,697,410
Structures in trust	1,188,743	1,216,160	27,416
Accumulated depreciation	-544,065	-580,195	-36,129
Structures in trust, net	644,678	635,964	-8,713
Machinery and equipment in trust	5,376	5,376	-
Accumulated depreciation	-2,845	-3,149	-304
Machinery and equipment in trust, net	2,531	2,226	-304
Tools, furniture and fixtures in trust	300,626	317,657	17,030
Accumulated depreciation	-156,925	-164,975	-8,050
Tools, furniture and fixtures in trust, net	143,701	152,682	8,980
Land in trust	45,096,455	48,400,499	3,304,043
Total property, plant and equipment	80,846,193	85,847,610	5,001,416
Intangible assets			
Software	3,960	3,366	-594
Total intangible assets	3,960	3,366	-594
Investments and other assets			
Lease and guarantee deposits	10,000	10,000	-
Lease and guarantee deposits in trust	530,943	530,943	-
Long-term prepaid expenses	148,366	152,564	4,197
Other	11,751	12,387	636
Total investments and other assets	701,061	705,895	4,833
Total noncurrent assets	81,551,215	86,556,872	5,005,656
Deferred assets			
Investment unit issuance costs	16,972	12,729	-4,243
Total deferred assets	16,972	12,729	-4,243
Total assets	87,480,876	90,384,197	2,903,320

(thousand yen)

	24th Fiscal Period As of Oct. 31, 2017	25th Fiscal Period As of Apr. 30, 2018	Change
Liabilities			
Current liabilities			
Current portion of long-term loans payable	6,500,000	6,200,000	-300,000
Operating accounts payable	137,740	159,634	21,894
Accounts payable –other	214,242	202,510	-11,732
Accrued expenses	810	3,462	2,651
Income taxes payable	1,954	2,007	53
Accrued consumption taxes	58,220	9,703	-48,517
Advances received	1,987	2,702	714
Other	419	157	-261
Total current liabilities	6,915,376	6,580,178	-335,197
Noncurrent liabilities			
Long-term loans payable	36,246,000	39,446,000	3,200,000
Tenant leasehold and security deposits in trust	675,045	707,011	31,966
Asset retirement obligation	127,586	128,638	1,052
Total noncurrent liabilities	37,048,631	40,281,650	3,233,019
Total liabilities	43,964,007	46,861,829	2,897,821
Net assets			
Unitholders' equity			
Unitholders' capital	42,230,457	42,230,457	-
Surplus			
Voluntary retained earnings			
Reserve for reduction entry	-	99,000	99,000
Total voluntary retained earnings	-	99,000	99,000
Unappropriated retained earnings (undisposed loss)	1,286,411	1,192,910	-93,500
Total surplus	1,286,411	1,291,910	5,499
Total unitholders' equity	43,516,868	43,522,367	5,499
Total net assets	43,516,868	43,522,367	5,499
Total liabilities and net assets	87,480,876	90,384,197	2,903,320

Statements of Income / Cash Distributions

Statements of Income

	(thousand yen)		
	24th Fiscal Period (From: May 1, 2017 To: Oct. 31, 2017)	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	Change
Operating revenue			
Rent revenue – real estate (1)	2,953,501	3,053,129	99,628
Gain on sales of real estate properties	220,399	73,921	-146,477
Total operating revenue	3,173,900	3,127,051	-46,849
Operating expenses			
Expenses related to rent business (2)	1,275,672	1,328,909	53,236
Asset management fee	258,716	265,187	6,470
Asset custody fee	8,407	8,465	58
Administrative service fees	26,772	28,552	1,780
Directors' compensations	1,200	1,200	-
Other operating expenses	114,683	96,121	-18,561
Total operating expenses	1,685,451	1,728,436	42,985
Operating income	1,488,449	1,398,614	-89,834
Non-operating income			
Interest income	16	18	2
Insurance income	3,959	1,562	-2,396
Reversal of distribution payable	978	1,611	633
Other	46	-	-46
Total non-operating income	5,000	3,192	-1,807
Non-operating expenses			
Interest expenses	148,397	153,941	5,543
Amortization of investment unit issuance costs	7,427	4,243	-3,184
Borrowing related expenses	48,773	48,329	-444
Other	540	450	-90
Total non-operating expenses	205,139	206,964	1,825
Ordinary income	1,288,310	1,194,843	-93,466
Income before income taxes	1,288,310	1,194,843	-93,466
Income taxes – current	1,956	2,010	53
Income taxes – deferred	-1	-3	-2
Total income taxes	1,955	2,006	51
Net income	1,286,354	1,192,836	-93,518
Retained earnings brought forward	56	74	17
Unappropriated retained earnings (undisposed loss)	1,286,411	1,192,910	-93,500

(1) "Real estate rent revenue"

	(thousand yen)		
	24th Fiscal Period (From: May 1, 2017 To: Oct. 31, 2017)	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	Change
Rent	2,573,886	2,650,689	76,802
Common area maintenance charges	169,287	179,868	10,580
Parking revenue	83,719	86,041	2,321
Incidental revenue	1,819	1,776	-43
Other lease business revenue	124,787	134,754	9,967
Total	2,953,501	3,053,129	99,628

(2) "Expenses related to rent business"

	(thousand yen)		
	24th Fiscal Period (From: May 1, 2017 To: Oct. 31, 2017)	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	Change
Management expenses	181,405	191,133	9,728
Repair expenses	84,125	98,246	14,120
Real estate taxes	174,322	171,272	-3,050
Trust fees	39,025	35,333	-3,691
Utilities expenses	51,480	56,729	5,248
Nonlife insurance expenses	10,050	10,368	317
Depreciation and amortization	596,005	608,540	12,534
Other lease business expenses	139,256	157,285	18,029
Total	1,275,672	1,328,909	53,236

Cash Distributions

	24th Fiscal Period (From: May 1, 2017 To: Oct. 31, 2017)	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	Change
I Unappropriated retained earnings	1,286,411,241 yen	1,192,910,475 yen	-93,500,766 yen
II Amount of distributions	1,187,336,848 yen	1,192,729,165 yen	5,392,317 yen
[Amount of distribution per investment unit]	4,624 yen	4,645 yen	21 yen
III Voluntary retained earnings			
Provision of reserve for reduction entry	99,000,000 yen	-	-99,000,000 yen
III Retained earnings carried forward	74,393 yen	181,310 yen	106,917 yen

Statements of Cash Flows and Key Performance Indicators



Statements of Cash Flows

(thousand yen)

	24th Fiscal Period (From: May 1, 2017 To: Oct. 31, 2017)	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)
Net cash provided by (used in) operating activities		
Income before income taxes	1,288,310	1,194,843
Depreciation and amortization	596,599	609,134
Amortization of investment unit issuance costs	7,427	4,243
Interest income	-16	-18
Interest expenses	148,397	153,941
Decrease (increase) in operating accounts receivable	5,252	-1,102
Decrease (increase) in prepaid expenses	475	5,485
Decrease (decrease) in consumption taxes receivable	88,180	-47,561
Increase (decrease) in accrued consumption taxes	58,220	-48,517
Increase (decrease) in operating accounts payable	-38,897	-32,407
Increase (decrease) in accounts payable – other	7,612	-5,674
Decrease (increase) in long-term prepaid expenses	17,511	-4,197
Decrease from sales of property, plant and equipment in trust	1,698,622	306,096
Other, net	61	590
Subtotal	3,877,758	2,134,853
Interest income received	16	18
Interest expenses paid	-150,130	-151,289
Income taxes paid	-1,941	-1,957
Net cash provided by (used in) operating activities	3,725,701	1,981,625
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-125,839	-5,861,751
Proceeds from tenant leasehold and security deposits in trust	38,516	81,436
Repayments of tenant leasehold and security deposits in trust	-70,567	-49,469
Decrease (increase) in other investments	-660	-636
Net cash provided by (used in) investing activities	-158,550	-5,830,420
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	4,190,000	6,900,000
Repayment of long-term loans payable	-4,190,277	-4,000,000
Dividends paid	-1,125,580	-1,191,782
Net cash provided by (used in) financing activities	-1,125,858	1,708,217
Net increase (decrease) in cash and cash equivalents	2,441,292	-2,140,577
Cash and cash equivalents at beginning of period	3,340,529	5,781,821
Cash and cash equivalents at end of period	5,781,821	3,641,243

Key Performance Indicators

	Unit	24th Fiscal Period (From: May 1, 2017 To: Oct. 31, 2017)	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)
Total assets (a)	million yen		90,384
Net assets (b)	million yen		43,522
Total unitholders' capital	million yen	42,230	42,230
Total number of investment units issued and outstanding (c)	units	256,777	256,777
Net assets per unit (b) ÷ (c)	yen	169,473	169,494
Net income per unit (Note 1)	yen	5,009	4,645
Total distributions (d)	million yen	1,187	1,192
Distribution per unit (d) ÷ (c)	yen	4,624	4,645
[Of which, distribution of earnings per unit]	yen	4,624	4,645
[Of which, distribution in excess of earnings per unit]	yen	(-)	(-)
Return on assets (Note 2)	%	1.5(2.9)	1.3(2.7)
Return on equity (Note 2)	%	3.0(5.9)	2.7(5.5)
Equity ratio (b) ÷ (a)	%	49.7	48.2
Distribution payout ratio (Note 2)	%	92.3	100

[Other Reference Information]

Number of investment properties (Note 3)	properties	104	106
Total number of leasable units (Note 3)	units	5,013	5,208
Gross leasable area	m ²	183,634.47	193,583.85
Period-end occupancy rate (Note 3)	%	96.1	95.9
Depreciation and amortization	million yen	596	608
Capital expenditures	million yen	79	119
Property leasing NOI (Net Operating Income) (Note 2)	million yen	2,273	2,332
FFO (Funds from Operations) per unit (Note 2)	yen	6,503	6,746
FFO multiple (Note 2)	times	12.2	11.8
Debt service coverage ratio (Note 2)	times	13.7	12.7
Earnings before interest, depreciation and amortization	million yen	2,030	1,955
Interest expenses	million yen	148	153
Total interest-bearing liabilities	million yen	42,746	45,646
LTV (Loan-To-Value) ratio (Note 2)	%	48.9	50.5
Number of days of management (Note 2)	days	184	181

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

(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 I (As of April 30, 2018)

■ Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 25th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
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						
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.	May 22, 2015		1,054,000	0.90700 (Note 2)	Nov. 22, 2018	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
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					
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							

Status of Interest-Bearing Liabilities II (As of April 30, 2018)

■ Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 25th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Resona Bank, Ltd.	May 24, 2016	763,500	0.84364	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	0.90364	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						
Aozora Bank, Ltd.	Nov. 24, 2016	1,025,000	0.47364	May 24, 2019	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2E
Resona Bank, Ltd.		783,000						
The Chiba Bank, Ltd.		356,000						
The Musashino Bank, Ltd.		356,000						
Mizuho Bank, Ltd.		308,000						
The Kagawa Bank, Ltd.		303,000						
Sumitomo Mitsui Banking Corporation		225,000						
Sumitomo Mitsui Trust Bank, Limited		93,000						
Resona Bank, Ltd.	Dec. 9, 2016	1,095,000	0.31364	May 22, 2020	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2F
Aozora Bank, Ltd.		1,060,000						
Mizuho Bank, Ltd.		917,000						
The Musashino Bank, Ltd.		480,000						
The Chiba Bank, Ltd.		470,000						
The Kagawa Bank, Ltd.		152,000						
Sumitomo Mitsui Trust Bank, Limited		146,000						
Resona Bank, Ltd.	Dec. 9, 2016	1,095,500	0.34364	May 24, 2021	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2G
Aozora Bank, Ltd.		1,060,500						
Mizuho Bank, Ltd.		917,000						
The Musashino Bank, Ltd.		480,000						
The Chiba Bank, Ltd.		470,000						
The Kagawa Bank, Ltd.		152,000						
Sumitomo Mitsui Trust Bank, Limited		145,000						

Status of Interest-Bearing Liabilities III (As of April 30, 2018)

■ Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 25th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Resona Bank, Ltd.	Dec. 9, 2016	1,105,000	0.37364	Nov. 24, 2021	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2H
Aozora Bank, Ltd.		1,061,000						
Mizuho Bank, Ltd.		917,000						
The Musashino Bank, Ltd.		480,000						
The Chiba Bank, Ltd.		460,000						
The Kagawa Bank, Ltd.		152,000						
Sumitomo Mitsui Trust Bank, Limited		145,000						
Mizuho Bank, Ltd.	May 24, 2017	1,090,000	0.72364	Nov. 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2I
The Chiba Bank, Ltd.		500,000						
The Nishi-Nippon City Bank, Ltd.		500,000						
Sumitomo Mitsui Banking Corporation		500,000						
The Musashino Bank, Ltd.		500,000						
Resona Bank, Ltd.		385,000						
Higashi-Nippon Bank, Ltd.		250,000						
Aozora Bank, Ltd.		215,000						
ORIX Bank Corporation		150,000						
Mizuho Trust & Banking Co., Ltd.		100,000						
Resona Bank, Ltd.	Nov. 24, 2017	519,000	0.75364	Nov. 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2J
Mizuho Bank, Ltd.		479,000						
Sumitomo Mitsui Banking Corporation		479,000						
The Musashino Bank, Ltd.		415,000						
The Chiba Bank, Ltd.		415,000						
Aozora Bank, Ltd.		321,000						
Sumitomo Mitsui Trust Bank, Limited		171,000						
ORIX Bank Corporation		167,000						
The Kagawa Bank, Ltd.		34,000						
The Bank of Yokohama		1,000,000						
Resona Bank, Ltd.	Dec. 15, 2017	650,000	0.65364	May 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2K
Aozora Bank, Ltd.		600,000						
Mizuho Bank, Ltd.		600,000						
Sumitomo Mitsui Banking Corporation		600,000						
Sumitomo Mitsui Trust Bank, Limited		150,000						
The Kagawa Bank, Ltd.		100,000						
Higashi-Nippon Bank		100,000						
Mizuho Trust & Banking Co., Ltd		100,000						
Total		45,646,000						

Total interest-bearing liabilities

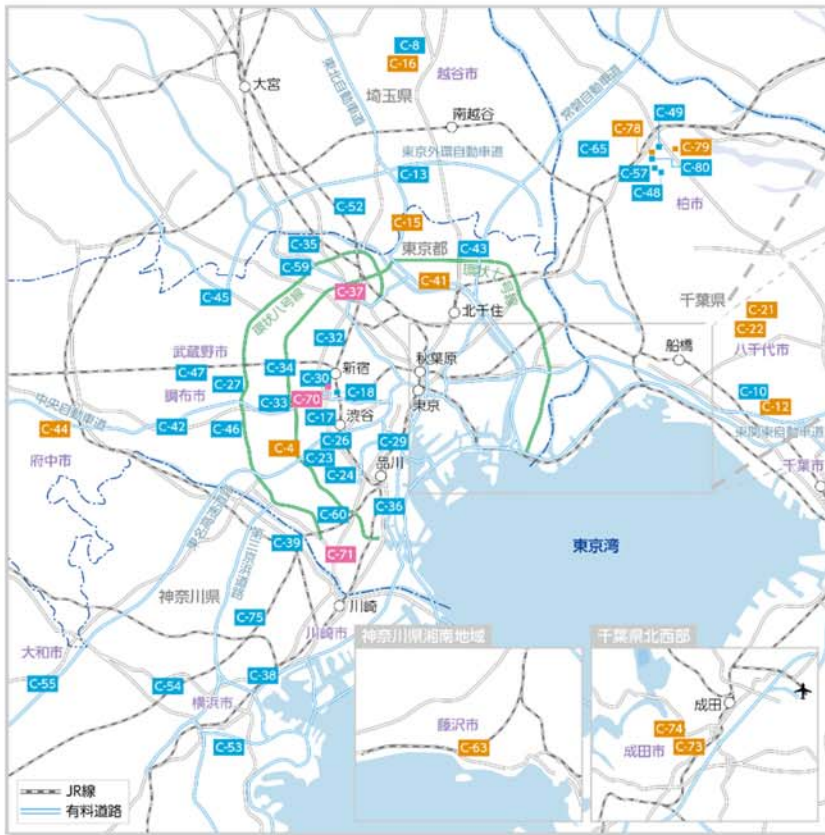
45,646,000 thousand yen

(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.

Portfolio Map (As of May 25, 2018)

Cities surrounding Tokyo



Enlarged map of Tokyo and the surrounding area



- ◆ Tokyo metropolitan area major cities: **81** properties
- ◆ Cabinet order designated cities: **23** properties
- ◆ Regional area major cities: **3** properties

Total: 107 properties

- | | | | |
|--------------------------------|-----------------------------|-------------------------------------|--|
| C-1 Proceed Ichikawa | C-14 Proceed Funabori | C-51 Proceed Funabashi Honcho | C-68 Proceed Kasai 2 |
| C-2 Proceed Toyocho | C-19 Proceed Urayasu | C-56 Proceed Shinozaki 2 | C-69 Proceed Nihonbashi Honcho |
| C-3 Proceed Kasai | C-20 Proceed Shinkoiwa | C-58 Proceed Shinozaki Tower | C-72 Proceed Minamigyotoku 2 |
| C-5 Proceed Mizue | C-25 Proceed Honjozumabashi | C-61 Proceed Ichikawa Minami | C-76 Life Support Residence Funaboriekimae |
| C-6 Proceed Funabashi Miyamoto | C-28 Proceed Ryogoku | C-62 Proceed Ichikawa Myoden | C-77 Proceed Kinshicho |
| C-7 Proceed Minamikasai | C-31 Proceed Kameido | C-64 Proceed Nihonbashi-horidomecho | C-78 Proceed Ichikawa Myoden II New |
| C-9 Proceed Gyotoku | C-40 Proceed Motoyawata | C-66 Proceed Gyotoku 2 | C-67 Proceed Nishikasai |
| C-11 Proceed Minamigyotoku | C-50 Proceed Gyotokuekimae | | |

Cabinet Order Designated Cities / Regional Area Major Cities

- | | |
|-----------------------------------|-----------------------------------|
| G-20 Proceed Kitahorie | G-33 Proceed Sendai Kozurushinden |
| G-21 Proceed Nishitenma | G-34 Proceed Sendai Kamisugi |
| G-22 Proceed Kobemotomachi | |
| G-23 Group Home Tanoshi Ie Taisho | R-2 Proceed Mito |
| G-26 Proceed Bentecho | R-3 Proceed Mito 2 |
| G-27 Proceed Nagaikoendori | R-4 Proceed Tsukuba Gakuentoshi |
| G-28 Proceed Nishinagahori | |
| G-29 Proceed Kyobashi | |
| G-30 Proceed Hyogoekimae-dori | |
| G-15 Proceed Fukuoka Takamiya | |
| | G-8 Proceed Taikodori |
| | G-11 Proceed Honamimachi |
| | G-13 Proceed Shinsakae |
| | G-14 Proceed Chiyoda |
| | G-17 Proceed Kanayama |
| | G-18 Proceed Fukiage |
| | G-19 Proceed Toyoda |
| | G-24 Proceed Kanayama 2 |
| | G-25 Proceed Aratamabashi |
| | G-31 Proceed Mizuho |
| | G-32 Proceed Osu |

- | | | | |
|-------------------------------------|-------------------------------|--------------------------------|---|
| C-4 Proceed Sangenjaya | C-26 Proceed Meguro Aobadai | C-42 Proceed Chofu | C-59 Proceed Tobu Nerima |
| C-8 Proceed Sengendai | C-27 Proceed Suginami Miyamae | C-43 Proceed TX Rokucho | C-60 Proceed Yukigaya |
| C-10 Proceed Makuharihongo | C-29 Proceed Mita | C-44 Proceed Nakagawara | C-63 Proceed Fujisawa Kugenuma |
| C-12 Proceed Makuharihongo 2 | C-30 Proceed Nakanoshimbashi | C-45 Proceed Ozunigakuen | C-65 Proceed TX Nagareyama Central Park |
| C-13 Proceed Higashikawaguchi | C-32 Proceed Takadanobaba | C-46 Proceed Chitosekarasuyama | C-70 Proceed Nishi Shinjuku |
| C-15 Proceed Takenozuka | C-33 Proceed Shinkoenji | C-47 Proceed Mitaka | C-71 Proceed Unoki |
| C-16 Proceed Sengendai 2 | C-34 Proceed Koenjiminami | C-48 Proceed Kashiwa Est | C-72 Proceed CO-Z East Building |
| C-17 Proceed Shoto | C-35 Proceed Hasune | C-49 Proceed Kashiwa Nord | C-74 Proceed CO-Z West Building |
| C-18 Proceed Sangubashi | C-36 Proceed Oimachi | C-52 Proceed Nishikawaguchi | C-75 Proceed Shin Yokohama |
| C-21 Proceed Yachiyo Midorigaoka I | C-37 Proceed Jujo | C-53 Proceed Gumyoji | C-76 Proceed K2 |
| C-22 Proceed Yachiyo Midorigaoka II | C-38 Proceed Hakuraku | C-54 Proceed Tsurugamine | C-78 Proceed K3 Annex |
| C-23 Proceed Toritsudaigaku | C-39 Proceed Shinmaruko | C-55 Proceed Sagamiotsuka | C-80 Proceed K5 |
| C-24 Proceed Toritsudaigaku 2 | C-41 Proceed Nishiarai | C-57 Proceed Kashiwa Trois | |

Acquired assets

Assets acquired after settlement of accounts

Single type DINKS type Family type Facility for elderly

New ★ Single type ★ DINKS type ★ Family type ★ Facility for elderly

Breakdown of Revenue of Major Properties (25th Fiscal Period Results)



(thousand yen)

	Tokyo metropolitan area major cities					Cabinet order designated cities			Regional area major cities
Property number	C-41	C-69	C-70	C-73	C-75	G-24	G-25	G-26	R-4
Property name	Proceed Nishiarai	Proceed Nihonbashi Honcho	Proceed Nishi Shinjuku	Proceed CO-Z East Building	Proceed Shin Yokohama	Proceed Kanayama 2	Proceed Aratamabashi	Proceed Bentencho	Proceed Tsukuba Gakuentoshi
Property photo									
Location	1-chome, Nishiaraisakaecho, Adachi-ku, Tokyo	4-chome, Nihonbashi Honcho, Chuo-ku, Tokyo	3-chome, Nishishinjuku, Shinjuku-ku, Tokyo	4-chome, Kozunomori, Narita-shi, Chiba	3-chome, Shinyokohama, Yokohama-shi, Kanagawa	2-chome, Kanayama, Nagoya-shi, Aichi	8-chome, Mizuhotori, Mizuho-ku, Nagoya-shi, Aichi	2-chome, Ichiokamotomachi, Minato-ku, Osaka-shi, Osaka	3-chome, Ninomiya, Tsukuba-shi, Ibaraki
Structure	ARTIER Bldg.: RC/14F OZAREA Bldg.: RC/10F Hall Bldg.: S/2F Nursery Bldg.: S/2F	RC/11F	SRC/14F·B1F	RC/8F	RC/11F·B1F	RC/14F·B1F	RC/10F	RC/14F	RC/9F
Construction completion	July 20, 2007	February 25, 2003	February 25, 2003	March 10, 1997	April 19, 2007	August 22, 2007	August 19, 2005	January 11, 2008	March 3, 2008
Number of leasable units	294 units	84 units	66 units	111 units	226 units	72 units	72 units	126 units	34 units
Acquisition price	5,172,000	2,499,000	2,549,000	1,830,000	4,330,000	2,040,400	2,129,600	2,170,000	775,600
(A) Property leasing operating revenue	301,570	63,315	58,668	73,754	119,689	69,169	69,023	65,980	25,301
(B) Property leasing operating expenses	100,557	14,716	13,686	17,341	22,601	15,049	19,069	12,206	7,075
(C) Property leasing NOI = (A) - (B)	201,013	48,598	44,982	56,412	97,087	54,120	49,954	53,773	18,226
(D) Depreciation and amortization	93,698	5,221	6,110	13,175	20,066	17,490	15,764	6,491	8,178
(E) Property leasing income (loss) = (C) - (D)	107,314	43,377	38,872	43,236	77,021	36,629	34,190	47,281	10,047
(F) Capital expenditures	100	39,764	637	14,180	1,312	-	-	158	164
(G) NCF = (C) - (F)	200,912	8,833	44,345	42,232	95,775	54,120	49,954	53,614	18,061
Annualized NOI yield (Note)	7.8%	4.0%	3.5%	6.2%	4.5%	5.3%	4.7%	5.0%	4.7%
PML value	ARTIER Bldg.: 3.9% OZAREA Bldg.: 5.0% Hall Bldg.: 3.5% Nursery Bldg.: 3.5%	8.3%	4.5%	6.0%	6.9%	6.2%	6.2%	8.1%	3.8%

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

Portfolio List I (As of April 30, 2018)



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)	Period average occupancy rate (%) (Note 4)	Leasing revenue and expenditure (thousand yen) (24th FP results)	PML (%)	Construction completion (Note 5)	
C-1	Proceed Ichikawa	Chiba	1,076,000	1.3	1,020,548	1,320,000	3,322.17	3,259.12	50	42	98.7	34,733	5.9	April 1, 1997	
C-2	Proceed Toyocho	Tokyo	646,700	0.8	593,920	849,000	1,085.56	1,085.56	45	5	100.0	21,436	8.6	January 31, 2003	
C-3	Proceed Kasai	Tokyo	688,700	0.8	619,977	797,000	1,243.80	1,222.12	57	0	96.8	19,616	5.1	March 1, 2003	
C-4	Proceed Sangenjaya	Tokyo	555,900	0.6	632,333	586,000	1,019.27	1,019.27	9	8	98.3	14,324	9.3	June 29, 1990	
C-5	Proceed Mizue	Tokyo	602,600	0.7	632,845	743,000	2,076.68	2,076.68	28	22	99.4	20,504	7.0	June 20, 1991	
C-6	Proceed Funabashi Miyamoto	Chiba	419,900	0.5	458,507	556,000	1,685.73	1,600.93	33	1	98.8	17,938	4.7	June 24, 1991	
C-7	Proceed Minamikasai	Tokyo	303,500	0.4	332,953	296,000	1,045.28	985.52	16	7	92.2	7,175	10.4	March 12, 1993	
C-8	Proceed Sengendai	Saitama	259,200	0.3	266,432	311,000	1,344.74	1,313.56	43	10	93.0	9,550	5.7	May 31, 1991	
C-9	Proceed Gyotoku	Chiba	315,600	0.4	344,725	332,000	1,218.56	1,157.54	20	7	99.2	10,948	6.7	March 15, 1988	
C-10	Proceed Makuharihongo	Chiba	279,300	0.3	279,309	312,000	963.00	934.50	34	3	94.1	8,698	8.7	February 22, 1989	
C-11	Proceed Minamigyotoku	Chiba	287,300	0.3	301,597	323,000	838.95	805.86	26	6	96.6	9,024	6.8	February 6, 1990	
C-12	Proceed Makuharihongo 2	Chiba	223,400	0.3	223,168	247,000	1,104.84	1,054.62	22	10	88.7	5,940	4.8	September 24, 1989	
C-13	Proceed Higashikawaguchi	Saitama	206,500	0.2	194,446	197,000	648.11	627.11	30	14	91.9	6,019	3.6	March 15, 1993	
C-14	Proceed Funabori	Tokyo	226,100	0.3	238,943	247,000	479.52	479.52	24	1	98.6	6,716	7.3	October 11, 1991	
C-15	Proceed Takenozuka	Tokyo	169,400	0.2	173,458	225,000	860.55	860.55	15	7	100.0	6,742	3.4	March 10, 1994	
C-16	Proceed Sengendai 2	Saitama	86,700	0.1	94,027	106,000	695.81	532.44	12	3	83.0	2,334	3.3	April 3, 1991	
C-17	Proceed Shoto	Tokyo	937,400	1.1	889,803	945,000	890.22	869.92	40	6	98.1	21,564	5.3	November 18, 2005	
C-18	Proceed Sangubashi	Tokyo	497,600	0.6	485,809	475,000	527.88	527.88	26	0	97.5	11,559	7.0	July 22, 2005	
C-19	Proceed Urayasu	Chiba	431,400	0.5	475,271	456,000	1,786.58	1,694.51	21	8	99.1	14,250	7.8	June 4, 1992	
C-20	Proceed Shinkoiwa	Tokyo	465,200	0.5	492,353	553,000	1,629.07	1,629.07	27	9	98.7	14,605	7.1	March 15, 1991	
C-21	Proceed Yachiyo Midorigaoka I	Chiba	383,600	0.4	404,794	386,000	1,805.76	1,672.00	27	32	92.6	10,335	6.9	February 12, 1997	
C-22	Proceed Yachiyo Midorigaoka II	Chiba	339,000	0.4	357,730	348,000	1,605.12	1,270.72	24	31	79.9	8,262	6.9	February 12, 1997	
C-23	Proceed Toritsudaigaku	Tokyo	790,400	0.9	752,398	773,000	808.65	766.09	37	2	98.7	18,020	8.3	March 13, 2006	
C-24	Proceed Toritsudaigaku 2	Tokyo	772,200	0.9	725,355	800,000	831.74	809.86	36	2	100.0	19,481	7.8	September 7, 2006	
C-25	Proceed Honjozumabashi	Tokyo	339,800	0.4	307,013	443,000	570.53	540.85	19	0	100.0	10,316	6.7	July 7, 2006	
C-26	Proceed Meguro Aobadai	Tokyo	466,700	0.5	458,739	466,000	485.15	465.95	24	1	100.0	11,109	11.6	March 27, 2003	
C-27	Proceed Suginami Miyamae	Tokyo	454,900	0.5	440,064	486,000	680.50	657.25	29	1	100.0	12,564	7.1	January 26, 2004	
C-28	Proceed Ryogoku	Tokyo	443,900	0.5	426,299	549,000	702.54	702.54	27	5	100.0	13,596	6.9	March 15, 2003	
C-29	Proceed Mita	Tokyo	1,537,200	1.8	1,440,897	1,680,000	1,500.57	1,500.57	72	0	100.0	36,493	8.7	February 6, 2006	
C-30	Proceed Nakanoshimbashi	Tokyo	638,800	0.7	685,366	700,000	849.08	764.18	50	0	100.0	18,678	10.4	September 24, 1992	
C-31	Proceed Kameido	Tokyo	339,000	0.4	352,752	346,000	853.98	813.66	23	0	100.0	9,699	7.6	March 23, 1994	
C-32	Proceed Takadanobaba	Tokyo	223,700	0.3	256,837	264,000	278.36	262.18	17	0	100.0	6,866	13.8	October 24, 1991	
C-33	Proceed Shinkoenji	Tokyo	742,100	0.9	795,660	871,000	1,040.24	1,040.24	57	0	100.0	21,823	10.0	August 31, 1990	
C-34	Proceed Koenjiminami	Tokyo	277,400	0.3	312,059	251,000	337.05	320.22	20	0	100.0	7,523	11.7	October 2, 1989	
C-35	Proceed Hasune	Tokyo	284,000	0.3	323,853	267,000	587.13	587.13	29	0	100.0	8,465	6.8	July 17, 1991	
C-36	Proceed Oimachi	Tokyo	944,000	1.1	1,000,554	952,000	961.88	961.88	59	0	100.0	23,392	13.0	April 13, 1992	
C-37	Proceed Jujo	Tokyo	533,000	0.6	568,553	558,000	1,206.90	1,126.44	30	0	100.0	14,973	7.2	June 15, 1989	
C-38	Proceed Hakuraku	Kanagawa	241,000	0.3	264,652	191,000	445.16	428.69	27	0	100.0	8,037	16.4	July 19, 1991	
C-39	Proceed Shinmaruko	Kanagawa	635,000	0.7	672,929	609,000	759.00	759.00	46	0	100.0	15,923	11.7	September 12, 1988	
C-40	Proceed Motoyawata	Chiba	307,000	0.4	263,990	333,000	602.39	602.39	25	1	93.7	6,930	4.4	January 9, 2004	
C-41*	Proceed Nishiarai (Note 6)	Tokyo	5,172,000	6.0	3,569,179	6,860,000	20,137.85	19,805.71	294	146	98.6	201,013		ARTIER: 3.9 OZAREA: 5.0 Hall: 3.5 Nursery: 3.5	July 20, 2007

Portfolio List II (As of April 30, 2018)



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)	Period average occupancy rate (%) (Note 4)	Leasing revenue and expenditure (thousand yen) (24th FP results)	PML (%)	Construction completion (Note 5)
C-42	Proceed Chofu	Tokyo	460,500	0.5	416,642	554,000	764.48	764.48	26	0	98.3	13,042	6.4	February 17, 2007
C-43	Proceed TX Rokucho	Tokyo	156,800	0.2	180,235	181,000	518.31	464.25	20	2	92.2	4,424	6.6	June 21, 1991
C-44	Proceed Nakagawara (Note 7)	Tokyo	1,141,000	1.3	1,234,362	1,330,000	3,061.94	2,930.93	54	35	98.6	34,890	10.7 11.8 10.6	April 1, 1989
C-45	Proceed Oizumigakuen	Tokyo	268,300	0.3	293,113	282,000	483.43	450.09	29	0	96.6	6,912	10.6	November 26, 1991
C-46	Proceed Chitosekarasuyama	Tokyo	289,600	0.3	332,289	333,000	449.96	449.96	28	0	96.4	6,937	11.7	December 8, 1988
C-47	Proceed Mitaka	Tokyo	477,200	0.6	536,723	581,000	739.48	739.48	47	0	100.0	14,442	9.3	December 16, 1988
C-48	Proceed Kashiwa Est	Chiba	732,000	0.9	691,891	685,000	1,279.93	1,252.21	44	5	98.9	18,553	4.5	February 13, 2007
C-49	Proceed Kashiwa Nord	Chiba	689,000	0.8	642,393	595,000	1,391.55	1,330.95	47	0	95.5	14,385	5.7	February 13, 2007
C-50	Proceed Gyotokuekimae	Chiba	331,000	0.4	287,948	372,000	659.68	633.31	24	3	97.2	9,260	5.2	September 4, 2007
C-51	Proceed Funabashi Honcho	Chiba	531,700	0.6	507,453	598,000	996.44	996.44	40	0	96.7	13,870	5.7	July 19, 2006
C-52	Proceed Nishikawaguchi	Saitama	881,000	1.0	979,134	825,000	1,630.24	1,520.66	104	1	97.0	22,857	5.5	February 10, 1989
C-53	Proceed Gumyoji	Kanagawa	552,000	0.6	583,614	626,000	1,246.48	1,087.88	77	0	95.5	16,750	19.0	May 12, 1988
C-54	Proceed Tsurugamine	Kanagawa	356,000	0.4	373,266	389,000	855.00	786.60	50	4	92.3	9,850	7.2	March 12, 1991
C-55	Proceed Sagamiotsuka	Kanagawa	234,000	0.3	237,671	222,000	741.24	712.44	29	7	91.6	5,150	12.9	April 5, 1991
C-56*	Proceed Shinozaki 2	Tokyo	913,300	1.1	833,723	1,140,000	2,134.07	2,134.07	35	13	96.2	25,820	4.2	September 18, 2008
C-57	Proceed Kashiwa Trois	Chiba	537,100	0.6	495,530	641,000	1,149.95	1,093.95	38	6	98.8	16,661	5.4	May 8, 2009
C-58	Proceed Shinozaki Tower (Note 8)	Tokyo	1,564,000	1.8	1,482,520	2,170,000	5,117.49	5,064.77	88	30	99.0	59,401	High-rise bldg.: 2.6 Low-rise Bldg.: 4.4	March 17, 2008
C-59	Proceed Tobu Nerima	Tokyo	422,000	0.5	419,475	537,000	779.84	779.84	35	2	97.3	12,647	7.7	August 31, 2007
C-60	Proceed Yukigaya	Tokyo	323,000	0.4	368,832	392,000	600.62	600.62	35	0	98.6	8,131	14.0	October 7, 1991
C-61	Proceed Ichikawa Minami	Chiba	687,000	0.8	713,516	923,000	1,635.59	1,569.09	66	17	97.4	24,392	2.0	February 10, 1997
C-62	Proceed Ichikawa Myoden	Chiba	498,000	0.6	514,343	608,000	945.00	945.00	45	1	97.1	13,941	6.8	March 15, 2003
C-63	Proceed Fujisawa Kugenuma	Kanagawa	729,000	0.9	792,471	884,000	2,005.76	1,945.76	25	20	96.5	23,726	14.7	March 30, 2001
C-64	Proceed Nihonbashi-horidomecho	Tokyo	1,486,800	1.7	1,527,965	1,680,000	1,904.45	1,851.15	37	2	95.0	32,856	7.5	April 7, 2006
C-65*	Proceed TX Nagareyama Central Park (Note 9)	Chiba	979,700	1.1	1,003,733	1,160,000	2,976.85	2,913.36	73	0	97.1	32,467	2.9	April 11, 2014
C-66	Proceed Gyotoku 2	Chiba	830,000	1.0	851,444	890,000	1,626.54	1,516.70	59	20	97.8	22,074	6.5	October 7, 2006
C-67	Proceed Nishikasai (Note 10)	Tokyo	875,600	1.0	957,559	973,000	2,993.52	2,898.54	63	39	98.4	28,510	11.0 8.1	October 17, 1993 Nibankan: July 23, 1985
C-68*	Proceed Kasai 2	Tokyo	750,000	0.9	819,479	876,000	2,140.59	2,140.59	29	6	96.8	22,718	7.1	September 12, 2003
C-69	Proceed Nihonbashi Honcho	Tokyo	2,449,000	2.9	2,598,868	2,490,000	2,553.89	2,511.26	84	7	98.5	48,598	8.3	February 25, 2003
C-70	Proceed Nishi Shinjuku	Tokyo	2,549,000	3.0	2,668,145	2,580,000	2,461.88	2,321.35	66	5	91.8	44,982	4.5	February 25, 2003
C-71	Proceed Unoki	Tokyo	917,000	1.1	958,746	944,000	1,260.58	1,169.78	29	4	94.4	23,664	13.9	September 5, 2015
C-72*	Proceed Minamigyotoku 2	Chiba	1,080,000	1.3	1,140,569	1,110,000	2,832.74	2,832.74	36	18	97.8	30,140	6.4	May 15, 2014
C-73	Proceed CO-Z East Building	Chiba	1,830,000	2.1	1,984,970	1,950,000	6,873.33	6,449.57	111	121	95.2	56,412	6.0	March 10, 1997
C-74	Proceed CO-Z West Building	Chiba	971,000	1.1	1,062,242	1,030,000	3,716.05	3,440.40	71	87	94.8	27,931	6.0	January 9, 1998
C-75	Proceed Shin Yokohama	Kanagawa	4,330,000	5.1	4,529,388	4,350,000	5,457.56	5,176.18	226	68	94.0	97,087	6.9	April 19, 2007
C-76	Life Support Residence Funaboriekimae	Tokyo	380,000	0.4	271,944	404,000	1,408.71	1,408.71	2	0	100.0	11,283	6.6	January 14, 2013
C-77	Proceed Kinshicho	Tokyo	2,140,000	2.5	2,264,829	2,150,000	2,302.92	2,272.63	64	11	94.3	41,678	6.1	July 1, 2005
C-78	Proceed K2	Chiba	1,170,000	1.4	1,246,011	1,220,000	4,099.04	3,857.59	59	22	95.3	29,891	3.9	February 10, 1995
C-79	Proceed K3 Annex	Chiba	283,000	0.3	306,584	306,000	1,590.30	1,524.78	24	25	90.9	6,647	5.5	March 2, 1997
C-80	Proceed K5	Chiba	269,000	0.3	288,963	271,000	788.95	747.31	16	0	94.7	6,284	6.3	February 13, 1998
Tokyo metropolitan area major cities subtotal			60,605,700	70.8	60,528,720	67,261,000	137,690.28	132,879.25	3,585	971	96.8	1,686,436		

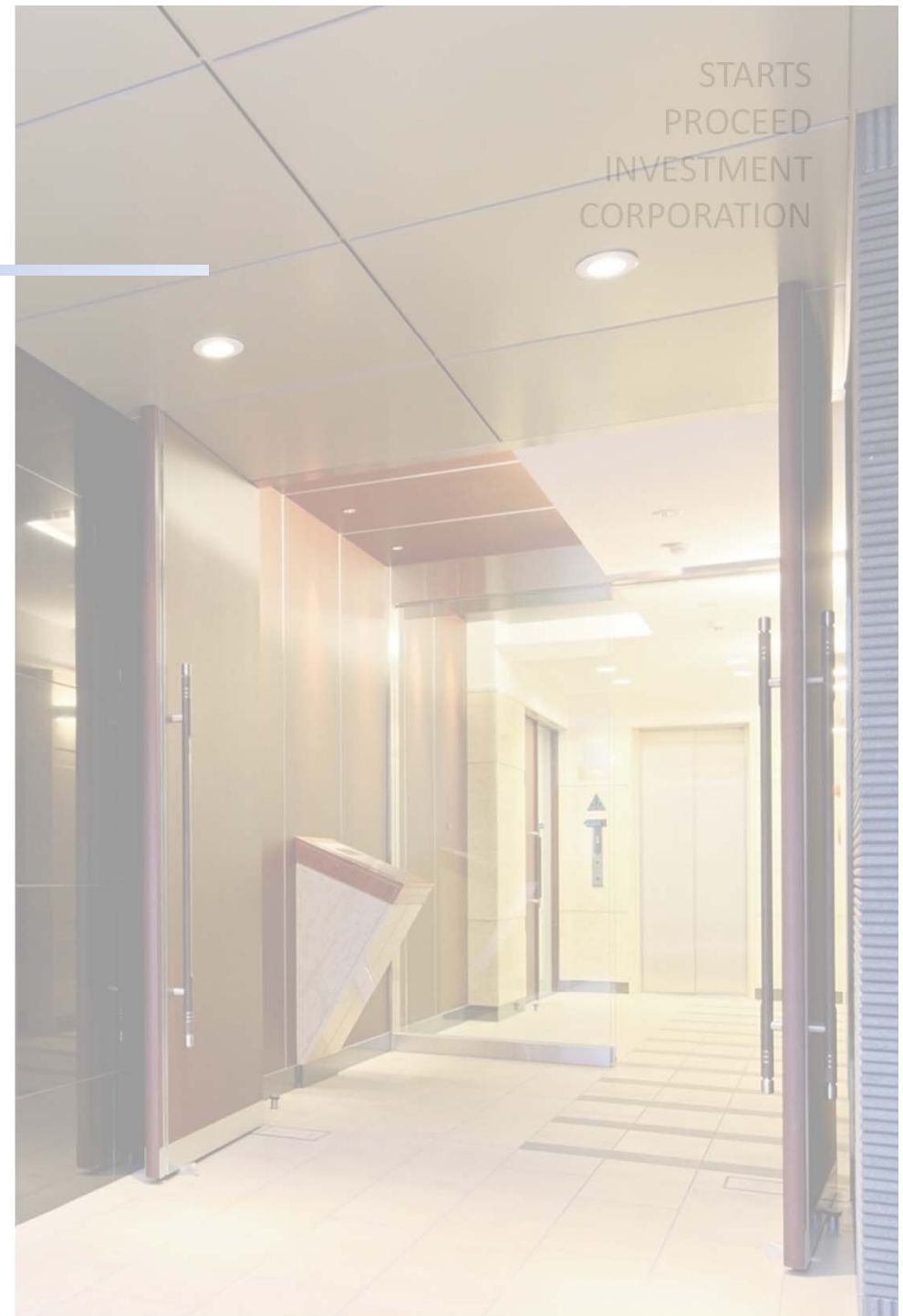
Portfolio List I (As of April 30, 2018) III



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)	Period average occupancy rate (%) (Note 4)	Leasing revenue and expenditure (thousand yen) (24th FP results)	PML (%)	Construction completion (Note 5)
G-8	Proceed Taikodori	Aichi	403,400	0.5	319,155	457,000	1,101.56	1,053.60	44	6	96.7	12,078	11.3	March 15, 2006
G-11	Proceed Honamimachi	Aichi	275,000	0.3	234,667	237,000	620.22	620.22	10	8	97.9	5,679	10.5	March 27, 2006
G-13*	Proceed Shinsakae	Aichi	792,500	0.9	674,110	938,000	1,958.44	1,804.94	77	11	91.1	22,111	7.1	February 28, 2007
G-14	Proceed Chiyoda	Aichi	309,300	0.4	264,760	376,000	922.40	922.40	30	4	93.9	8,563	7.3	March 20, 2007
G-15	Proceed Fukuoka Takamiya	Fukuoka	453,600	0.5	411,937	490,000	1,312.29	1,287.50	46	10	98.5	13,390	3.2	March 12, 2007
G-17*	Proceed Kanayama	Aichi	1,022,000	1.2	985,298	1,330,000	2,733.58	2,494.67	94	18	97.2	36,361	6.0	February 18, 2008
G-18*	Proceed Fukiage	Aichi	499,000	0.6	484,387	642,000	1,204.65	1,073.79	48	15	91.5	14,496	6.2	March 13, 2008
G-19*	Proceed Toyoda	Aichi	219,000	0.3	214,482	284,000	752.04	752.04	27	8	98.9	8,871	6.7	February 29, 2008
G-20	Proceed Kitahorie	Osaka	1,917,300	2.2	1,937,732	2,440,000	4,146.18	3,897.77	106	8	94.0	54,987	11.0	November 29, 2007
G-21	Proceed Nishitenma	Osaka	880,000	1.0	892,511	1,130,000	1,775.89	1,717.99	56	3	98.6	26,472	13.9	November 30, 2007
G-22	Proceed Kobemotomachi	Hyogo	780,000	0.9	800,724	951,000	1,590.64	1,314.69	61	6	95.3	22,679	8.6	December 21, 2007
G-23	Group Home Tanoshii Ie Taisho	Osaka	158,000	0.2	163,955	182,000	482.72	482.72	1	0	100.0	5,118	14.8	February 28, 2007
G-24	Proceed Kanayama 2	Aichi	2,040,400	2.4	2,107,144	2,220,000	4,218.01	4,155.85	72	31	97.7	54,120	6.2	August 22, 2007
G-25	Proceed Aratamabashi	Aichi	2,129,600	2.5	2,210,528	2,220,000	5,335.93	4,858.50	72	45	93.4	49,954	6.2	August 19, 2005
G-26	Proceed Bentencho	Osaka	2,170,000	2.5	2,269,037	2,190,000	4,134.70	4,084.52	126	21	97.7	53,773	8.1	January 11, 2008
G-27	Proceed Nagaikoendori	Osaka	1,070,000	1.3	1,121,326	1,070,000	2,170.80	1,985.48	81	24	92.6	23,206	14.4	May 28, 2007
G-28	Proceed Nishinagahori	Osaka	942,000	1.1	984,010	934,000	1,506.18	1,245.65	52	5	84.6	16,435	8.1	February 15, 2008
G-29	Proceed Kyobashi	Osaka	2,040,000	2.4	2,124,603	2,040,000	3,274.56	2,866.16	120	30	86.2	38,044	13.0	January 16, 2008
G-30	Proceed Hyogoekimaedori	Hyogo	1,670,000	2.0	1,747,262	1,680,000	3,086.99	3,011.75	117	18	90.9	34,724	9.2	February 8, 2008
G-31	Proceed Mizuho	Aichi	535,000	0.6	577,127	547,000	1,126.40	1,034.20	40	5	94.7	12,534	6.2	February 28, 2007
G-32	Proceed Osu	Aichi	831,000	1.0	882,167	860,000	1,851.30	1,711.05	66	10	98.2	24,048	7.6	March 7, 2016
G-33	Proceed Sendai Kozurushinden	Miyagi	698,000	0.8	756,875	761,000	1,913.28	1,816.88	63	32	97.4	20,217	8.4	March 20, 2006
G-33	Proceed Sendai Kamisugi	Miyagi	1,560,000	1.8	1,665,206	1,620,000	3,409.93	3,351.27	108	16	98.3	41,088	4.8	February 21, 2017
Cabinet order designated cities subtotal			23,395,100	27.3	23,829,015	25,599,000	50,628.69	47,543.64	1,517	334	94.6	598,948		
R-2	Proceed Mito	Ibaraki	383,700	0.4	323,365	472,000	1,223.83	1,223.83	36	7	89.1	12,417	4.0	January 7, 2007
R-3	Proceed Mito 2	Ibaraki	416,900	0.5	365,347	525,000	1,381.34	1,349.09	36	25	95.0	15,010	3.6	March 11, 2008
R-4	Proceed Tsukuba Gakuentoshi	Ibaraki	775,600	0.9	801,161	824,000	2,659.71	2,254.54	34	35	85.4	18,226	3.8	March 3, 2008
Regional area major cities subtotal			1,576,200	1.8	1,489,875	1,821,000	5,264.88	4,827.46	106	67	88.8	45,653		
Portfolio total			85,577,000	100.0	85,847,610	94,681,000	193,583.85	185,250.35	5,208	1,372	96.0	2,331,088	3.0	

- (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) "Period average occupancy rate" is the proportion of leased area to the gross leasable area of the respective property, rounded to one decimal place. 100% is indicated for properties with fixed rent.
- (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.

Management Company Overview

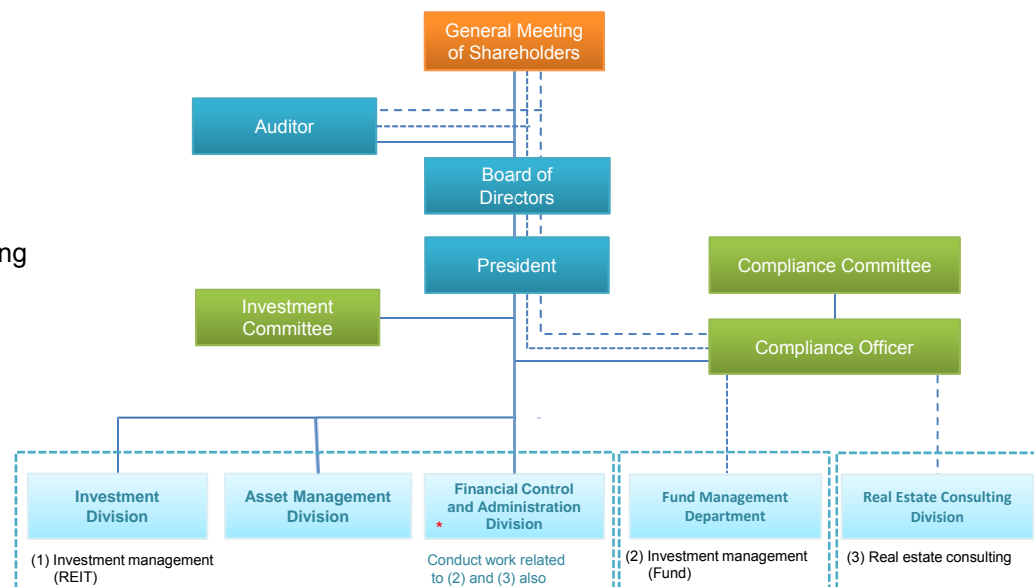


- **Established** Oct. 31, 2001
- **History**
 - Dec. 22, 2001 Obtained building lots and buildings transaction business license (Tokyo Governor (4) No.80325)
 - Nov. 11, 2004 Obtained discretionary transaction agent and other approval under the Building Lots and Buildings Transaction Business Act (Minister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

■ Outline

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

■ Organizational Chart



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