



Financial Results Briefing

26th Fiscal Period (six months ended October 31, 2018)
December 21, 2018

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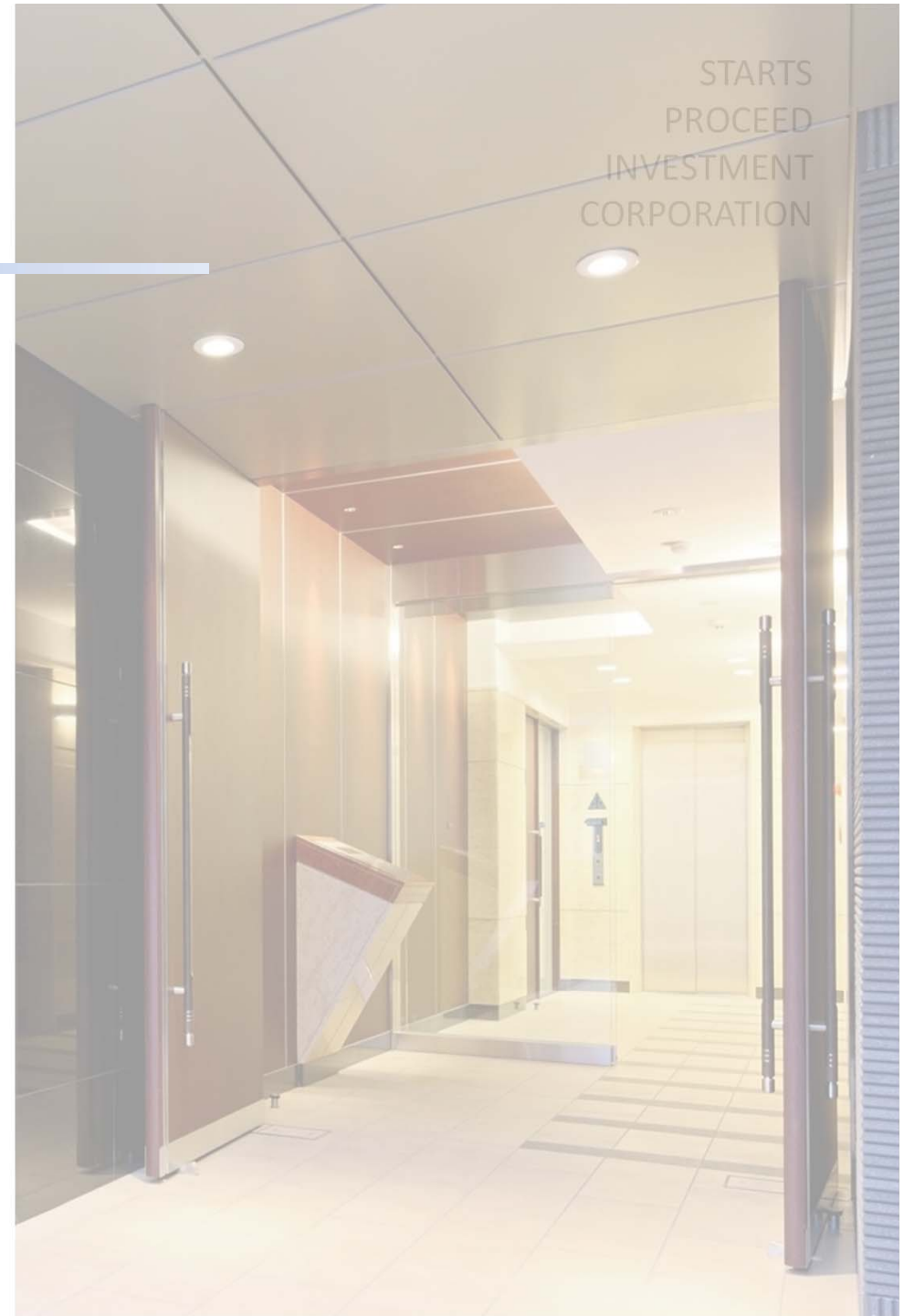
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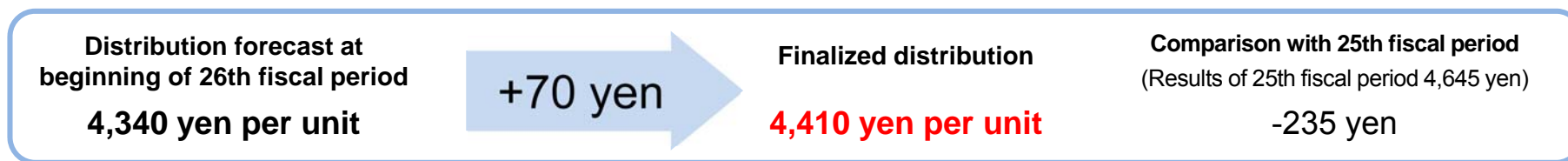
26th Fiscal Period Financial Results Summary



26th Fiscal Period Financial Results Highlights



26th fiscal period Distribution per unit



26th fiscal period Management summary

Total acquisition price	86,377 million yen	External Growth	Acquisition of (C-81) Ichikawa Myoden II (Acquisition price: 800 million yen)
Number of properties	107 properties	Internal Growth	Period average occupancy rate 95.9% (96.0% in the 25th FP)
Total number of leasable units	5,267 units	Internal Growth	NOI yield (based on acquisition price) 5.5% (5.5% in the 25th FP)
		Financial Status	Period-end LTV (based on total assets) 50.7% (50.5% in the 25th FP)

Change in 26th FP Financial Results and Distribution

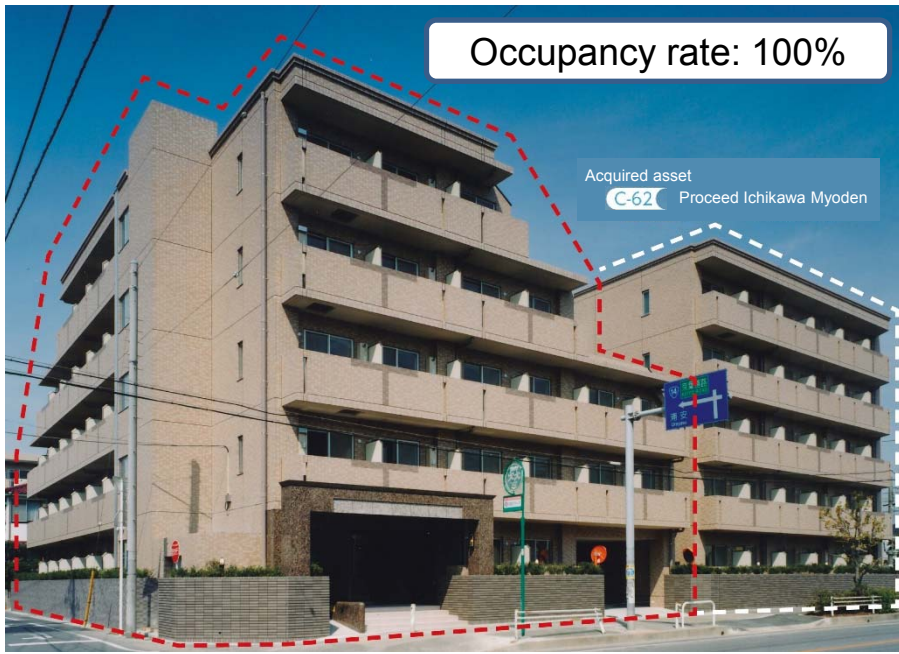
Item	Unit	22nd FP (Ended October 31, 2016)	23rd FP (Ended April 30, 2017)	24th FP (Ended October 31, 2017)	25th FP (Ended April 30, 2018)	26th FP (Ended October 31, 2017)
Operating revenue	million yen	2,245	2,980	3,173	3,127	3,079
Of which, rent revenue - real estate	million yen	2,245	2,964	2,953	3,053	3,079
Of which, gain on sales of real estate properties	million yen	-	15	220	73	-
Operating income	million yen	918	1,292	1,488	1,398	1,338
Ordinary income	million yen	732	1,130	1,288	1,194	1,134
Net income	million yen	730	1,129	1,286	1,192	1,132
Total assets	million yen	61,667	87,373	87,480	90,384	90,751
Net assets	million yen	30,826	43,359	43,516	43,522	43,461
Equity ratio	%	50.0	49.6	49.7	48.2	47.9
Total number of investment units issued and outstanding	Unit	173,777	256,777	256,777	256,777	256,777
Net assets per unit	yen	177,391	168,860	169,473	169,494	169,259
Distribution per unit	yen	4,204	4,397	4,624	4,645	4,410
NAV per unit	yen	215,524	193,403	196,387	199,250	203,743
Provision of reserve for reduction entry (Note 2)	million yen	-	-	99	-	-

(Note 1) 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.

(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" in the 24th fiscal period.

External Growth: Topics

Proceed Ichikawa Myoden II (Acquisition date: May 25, 2018)



Acquisition price 800 million yen

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 in 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 in part to its flat land. The area 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.

In addition, since the property is located in the land adjacent to (C-62) Proceed Ichikawa Myoden, an asset acquired by Starts Proceed in May 2013, and developed by the same developer in the same period, it can be managed efficiently together with the acquired asset.

Comparison with Beginning of 26th Fiscal Period Forecast and Previous Period Result / Forecast for 27th and 28th Fiscal Periods



Comparison with Beginning of 26th Fiscal Period Forecast and Previous Period Result

(million yen)

	25th FP Results	26th FP Forecast	26th FP Results	Increase/decrease from 25th FP	Main factors of difference	Difference from forecast	Main factors of difference
Operating revenue	3,127	3,055	3,079	-47	■ Operating expenses	24	■ Operating expenses
Of which, rent revenue - real estate	3,053	3,055	3,079	26	Expenses related to rent business	24	Expenses related to rent business
Of which, gain on sales of real estate properties	73	-	-	-73	Advertising expenses -13		Advertising expenses -3
Operating expenses	1,728	1,730	1,741	12	Repair expenses -4		Repair expenses +10
Of which, expenses related to rent business	1,328	1,311	1,325	-3	Fixed asset tax, etc. +6		Utilities expenses +3
Of which, other expenses	399	418	416	16	Depreciation and amortization +7	11	
Operating income	1,398	1,325	1,338	-60	Other expenses	13	
Ordinary income	1,194	1,116	1,134	-60	Gain on balance of consumption tax payment +17	-2	
Net income	1,192	1,114	1,132	-60		13	
Distribution per unit	4,645 yen	4,340 yen	4,410 yen	-235 yen		17	
Period average occupancy rate	96.0%	95.3%	95.9%	-		17	
						70 yen	

Forecast for the 27th and 28th fiscal periods

(million yen)

	27th FP Forecast	28th FP Forecast	Increase/decrease	Main factors of difference
Operating revenue	3,101	3,070	-31	■ Operating expenses
Of which, rent revenue - real estate	3,101	3,070	-31	Expenses related to rent business
Of which, gain on sales of real estate properties	-	-	-	Advertising expenses -14
Operating expenses	1,765	1,741	-24	Repair expenses -2
Of which, expenses related to rent business	1,341	1,324	-17	
Of which, other expenses	423	417	-6	
Operating income	1,336	1,328	-7	
Ordinary income	1,131	1,121	-10	
Net income	1,129	1,119	-10	
Distribution per unit	4,400 yen	4,360 yen	-40 yen	
Period average occupancy rate	96.0%	95.6%	-4%	

Forecast for 27th and 28th Fiscal Periods

[The 27th fiscal period]

Although revenue is expected to increase due to the increase in occupancy rate during peak seasons, distribution per unit is forecasted to decrease by 10 yen from the 26th fiscal period to 4,400 yen due to the increase in other expenses among the expenses for the general meeting of unitholders.

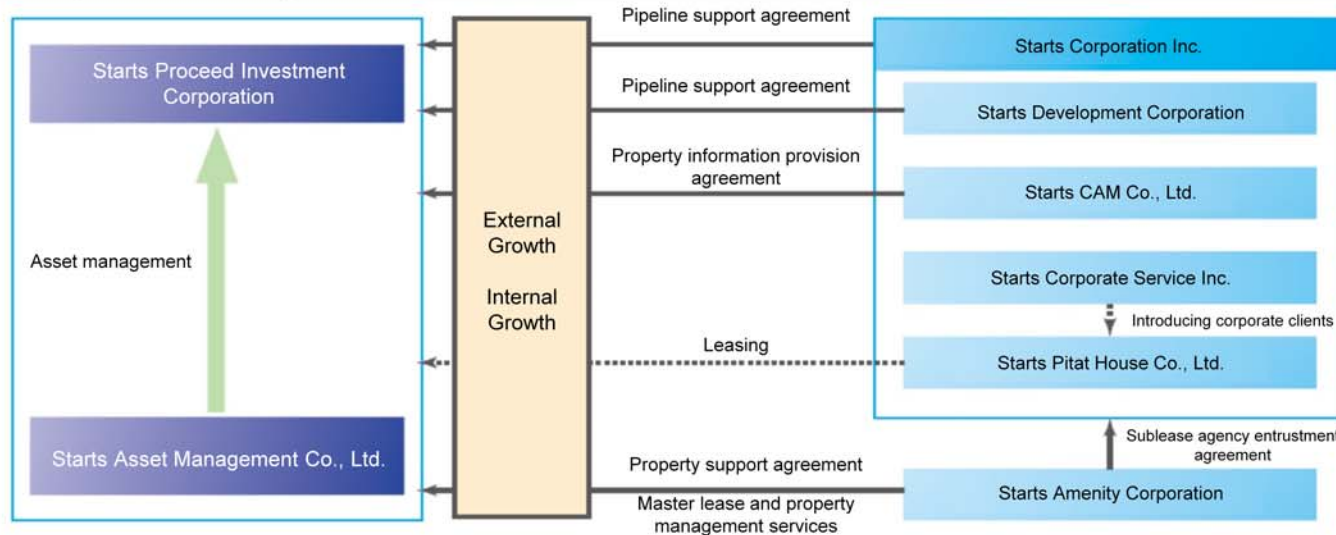
[The 28th fiscal period]

Distribution is forecasted to be 4,360 yen as the 28th fiscal period is an off-season

(Note) The above forecast figures for the 27th and 28th fiscal periods are the current forecast calculated based on certain assumptions as of December 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 26th FP

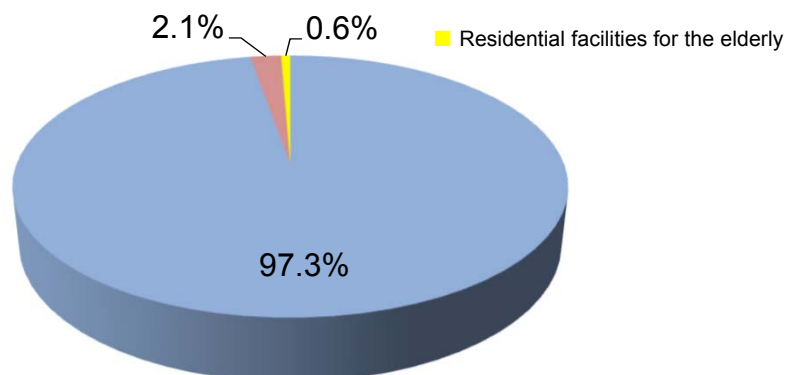
Portfolio policy by use (Note)

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.	10% or less
Residential facilities for the elderly	Rental housing in a style of pay nursing homes and such.	

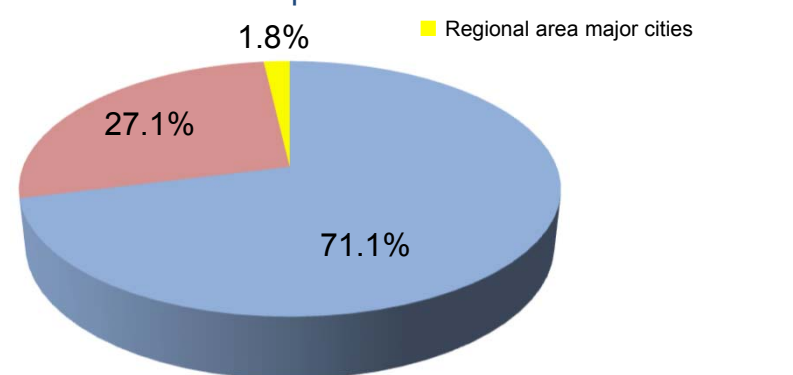
Portfolio policy by area (Note)

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 26th fiscal period



As of the end of 26th fiscal period

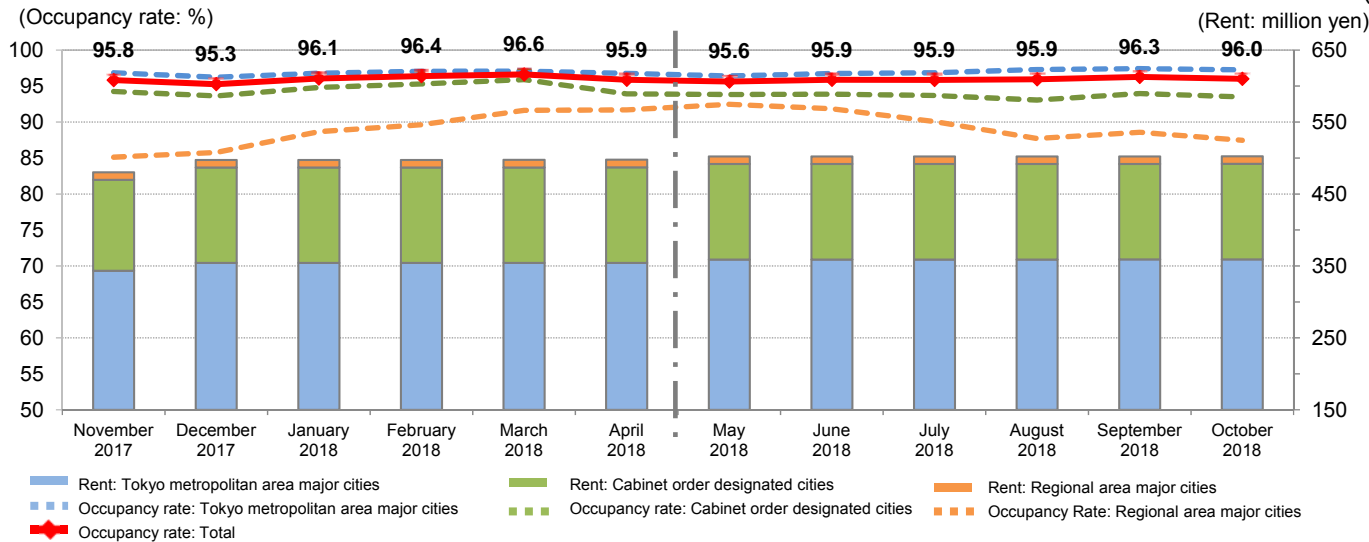


(Note)

- 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.
- As for the portfolio including the policy on portfolio by type, the approval of the proposal concerning amendments to the Articles of Incorporation at the Eighth General Meeting of Unitholders scheduled to be held on January 18, 2019 will be set as the condition precedent. For details, please refer to "Notice Concerning Amendments to Internal Rules (Management Guideline) of the Asset Management Company" dated December 14, 2018.

Status of Occupancy Conditions of AUM

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



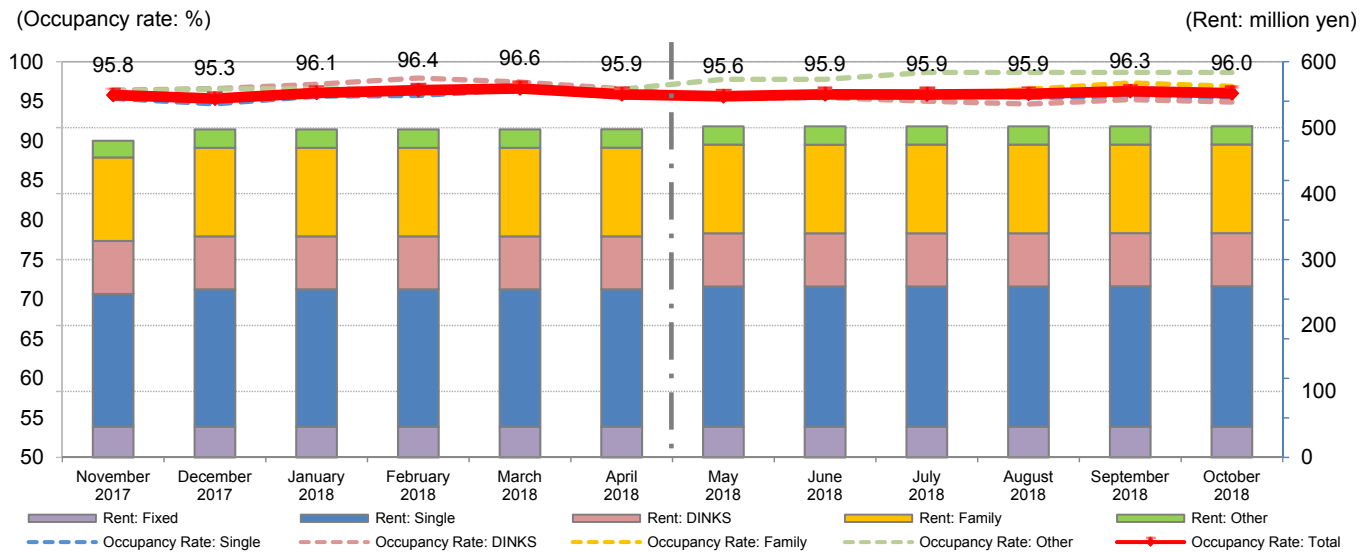
Average occupancy rate for the 25th fiscal period:

96.0%

Average occupancy rate for the 26th fiscal period:

95.9%

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



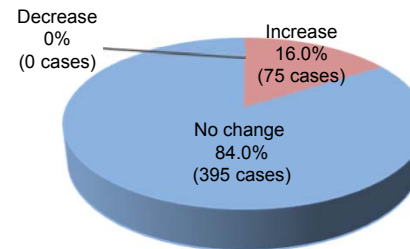
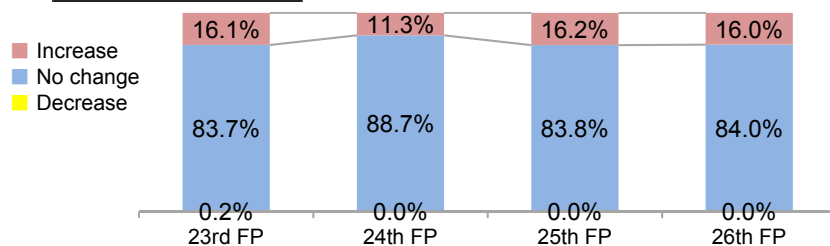
- Overview of Status of Occupancy Conditions
Although even-numbered periods are off-seasons, the occupancy rate remained strong this fiscal period, exceeding 95.6% in the 22nd fiscal period and 95.5% in the 24th fiscal period.
- Occupancy Rate by Area
Maintained a level of 96% and remained favorable in the Tokyo metropolitan area major cities.
- Occupancy Rate by Type
Remained stable at around 95% for all types.

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

Status of Leasing Conditions of AUM

Renewal / Newly-Advertised Conditions Setting (Note 1)

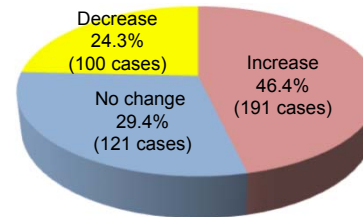
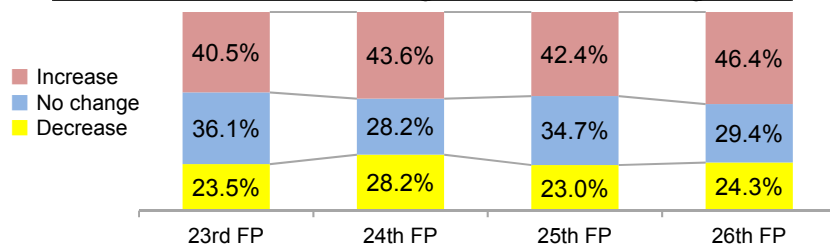
Renewal Rent Revision



(thousand yen)

	Cases	Change
Increase	75 cases	116
No change	395 cases	0
Decrease	0 cases	0
Total	470 cases	116

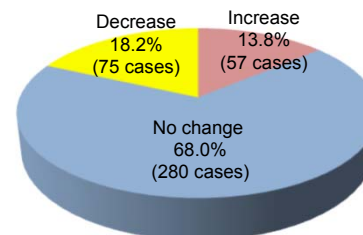
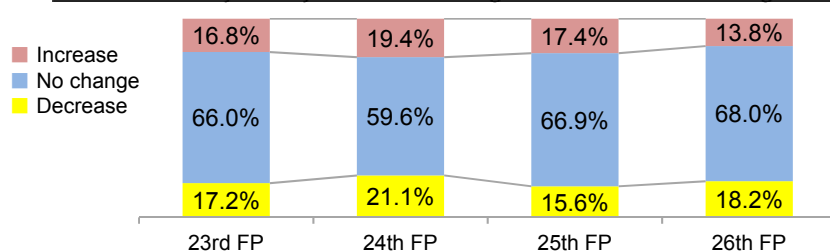
Difference in Rent between New Agreement and Previous Agreement



(thousand yen)

	Cases	Change
Increase	191 cases	718
No change	121 cases	0
Decrease	100 cases	-440
Total	412 cases	278

Difference in Key Money between New Agreement and Previous Agreement



(thousand yen)

	Cases	Change
Increase	57 cases	6,470
No change	280 cases	62
Decrease	75 cases	-6,284
Total	412 cases	247

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

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

(As of end of 26th FP)

	23rd FP	24th FP	25th FP	26th FP
Total key money (thousand yen)	216,374	216,834	234,352	235,365
Total rent (thousand yen)	392,824	389,460	416,229	420,353
Ratio to rent (month)	0.55	0.56	0.56	0.56

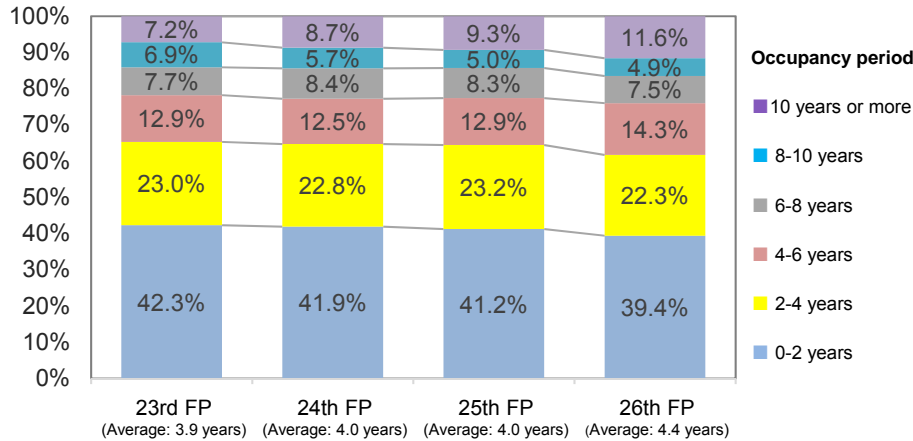
- Renewal rent was revised upward by 116,000 yen.
- As to rent in new agreements, increase surpassed decrease in both the number of cases and the amount, resulting in an increase of 278,000 yen.
- Regarding key money, although the number of cases of decrease surpassed that of increase, the amount of increase was larger than that of decrease, resulting in an increase of 247,000 yen.

(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 those for fixed-rent type properties are not included.

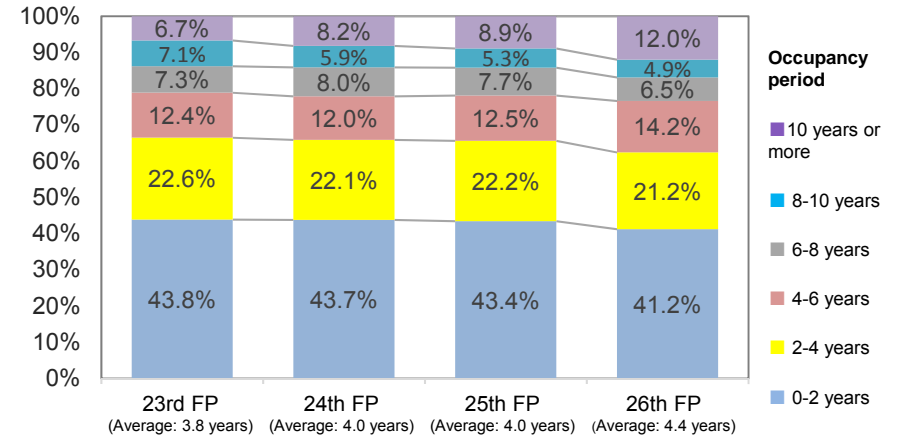
AUM Average Occupancy Period by Residential Unit Type (Results of 23rd–26th Fiscal Period Residents)



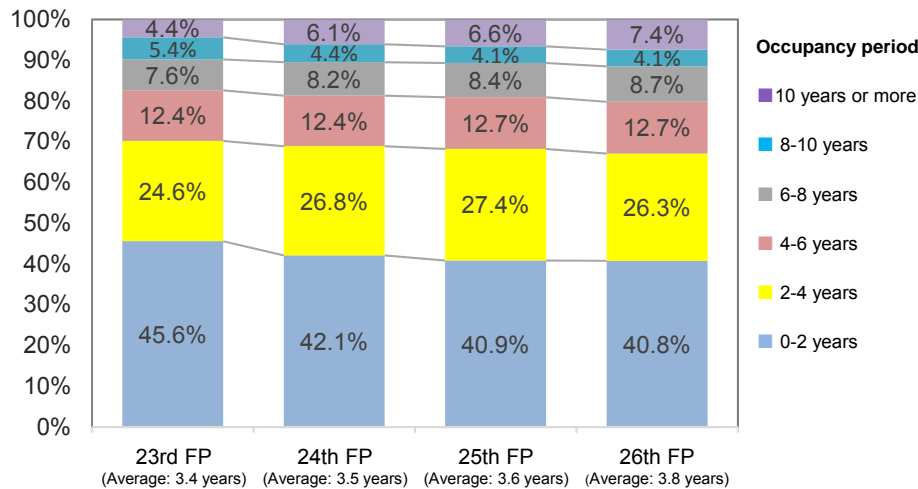
All (End of 26th FP: average **4.4** years)



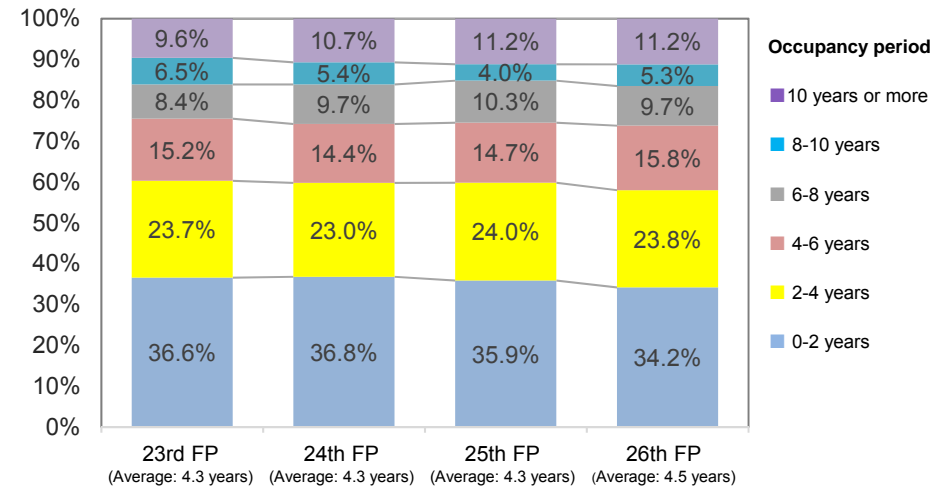
Single (End of 26th FP: average **4.4** years)



DINKS (End of 26th FP: average **3.8** years)



Family (End of 26th FP: average **4.5** years)



(Note)

- "Occupancy period" aggregates tenant households by period of occupancy 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 and excludes vacant units
- The average occupancy period for all, single, DINKS and family is rounded down to the first decimal place, respectively.

Building a Portfolio that Responds to Various Fluctuation Risks

■ Characteristics of Rental Housing in which Starts Proceed Primarily Invests

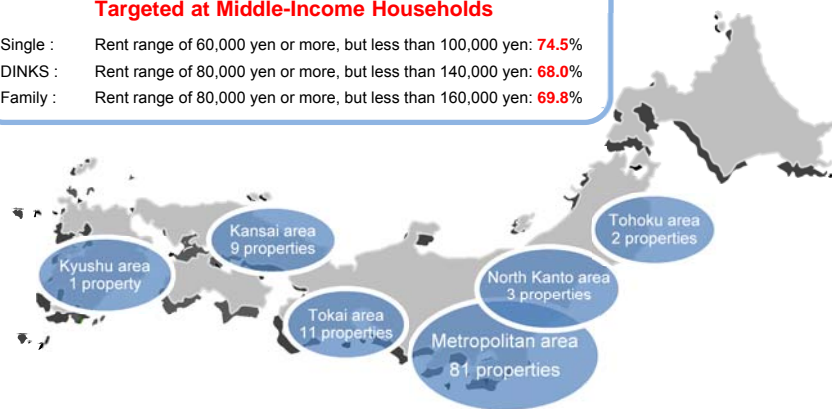
Setting single, family and other rental housing for average-income households, which have the most stable demand, as the primary investment target, we aim to build a portfolio that can respond to the fluctuations of market rent, resident demand, etc. as much as possible and to carry out stable management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

Average Rent Range by Residential Unit Type (Note)

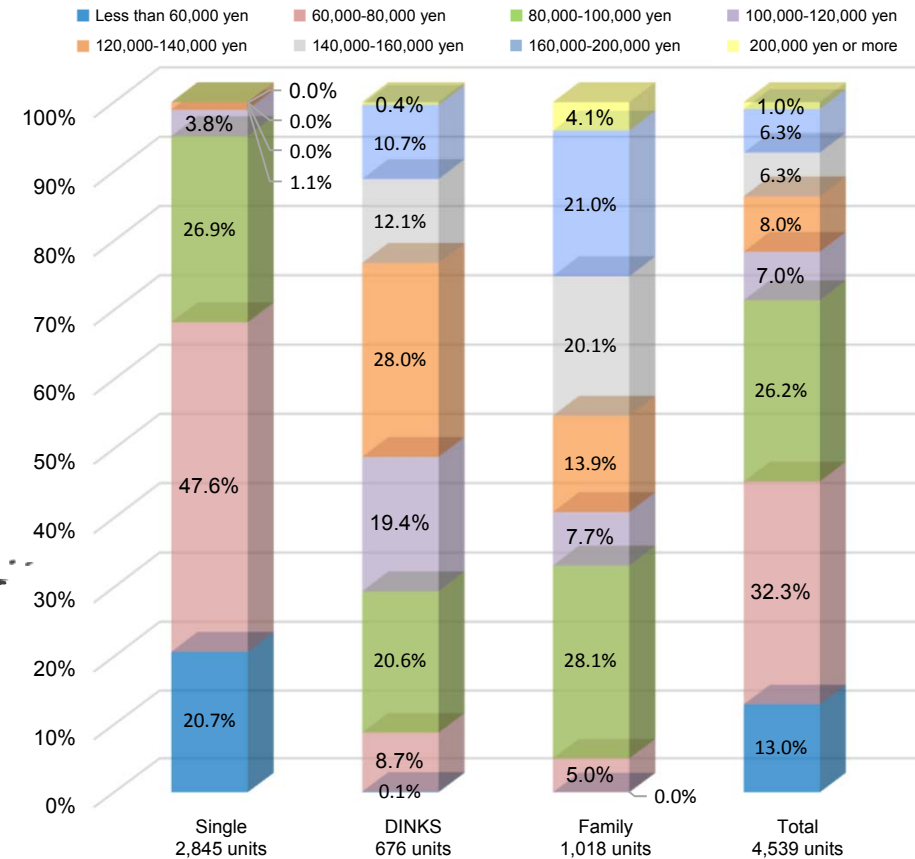
Residential unit type	Average rent (yen)		Change (yen)	Change (%)
	25th FP	26th FP		
Single	73,191	73,204	14	0.0
DINKS	119,010	119,272	262	0.2
Family	132,041	132,077	37	0.0
Overall average	93,211	93,269	58	0.1

Starts Proceed Portfolio Characteristics Targeted at Middle-Income Households

- Single : Rent range of 60,000 yen or more, but less than 100,000 yen: **74.5%**
- DINKS : Rent range of 80,000 yen or more, but less than 140,000 yen: **68.0%**
- Family : Rent range of 80,000 yen or more, but less than 160,000 yen: **69.8%**



Rent Range by Residential Unit Type



(Note)

- Average rent and rent range by residential unit type have been prepared for residential units (4,539 units) alone excluding residential facilities for the elderly and tenant offices under a pass-through type agreement among the 106 properties managed from the end of the 25th fiscal period to the end of the 26th fiscal period.
- Average rent and rent range are calculated by dividing the sum of the rent and common area maintenance charges stated in the lease agreement by the number of units for occupied rooms and by dividing the sum of advertised rents and common area maintenance charges by the number of units for vacant rooms, each rounded down to the nearest whole number.
- Percentage of change in average rent and percentage of rent range by residential unit type are rounded to the first decimal place.

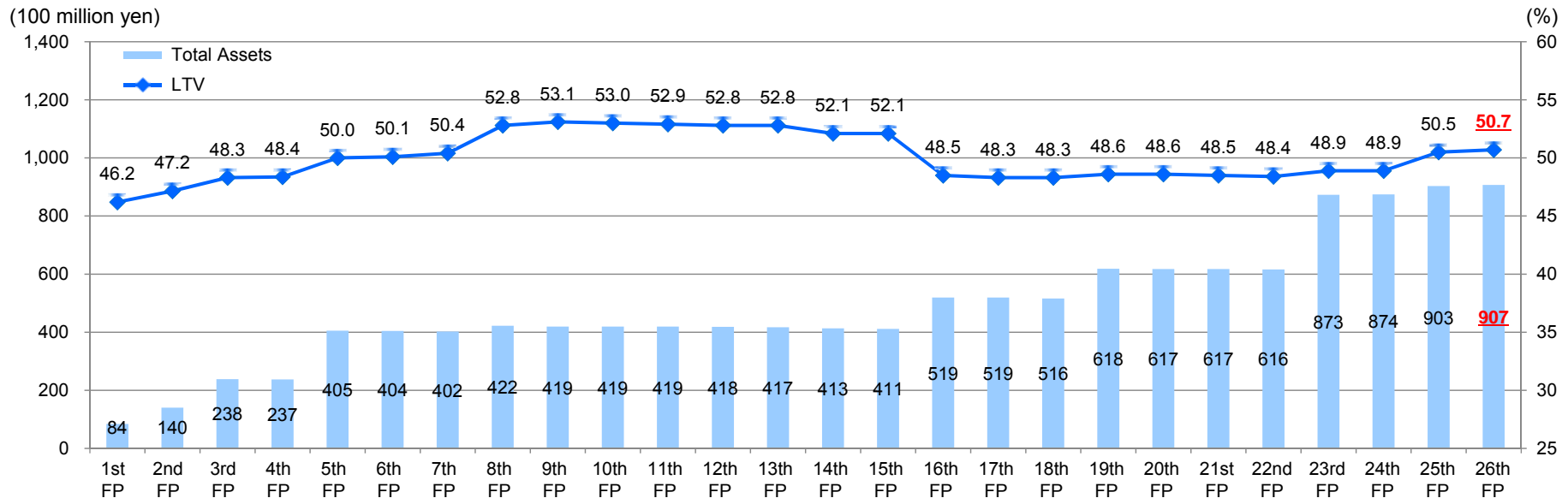
Changes in AUM Indicators

	Acquisition price (million yen)	Carrying amount (million yen)	Appraisal value (million yen)		Occupancy rate (period-end) (%)		NOI results (million yen)		NOI yield (based on acquisition price) (%)		NOI yield (based on appraisal value) (%)		NOI yield after depreciation (based on acquisition price) (%)	
			At acquisition	26th FP	25th FP	26th FP	25th FP	26th FP	25th FP	26th FP	25th FP	26th FP	25th FP	26th FP
Tokyo metropolitan area major cities	61,405	61,046	67,261	68,481	96.8	97.3	1,686	1,715	5.6	5.6	5.0	5.0	4.1	4.2
Cabinet order designated cities	23,395	23,683	25,599	25,886	93.9	93.5	600	608	5.1	5.2	4.7	4.7	3.8	3.8
Regional area major cities	1,576	1,471	1,821	1,822	91.7	87.5	45	47	5.8	6.0	5.0	5.2	3.5	3.6
Total	86,377	86,201	94,681	96,189	95.9	96.0	2,332	2,370	5.5	5.5	4.9	4.9	4.0	4.1

(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 26th fiscal period increased by 1.5 billion yen period-on-period due to the acquisition of Proceed Ichikawa Myoden II (0.81 billion yen).
- Unrealized gain increased to 9.98 billion yen, up 1.15 billion yen period-on-period.
- NOI yield (based on acquisition price) for the entire portfolio was **5.5%**.

Changes in Total Assets and LTV Ratio



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

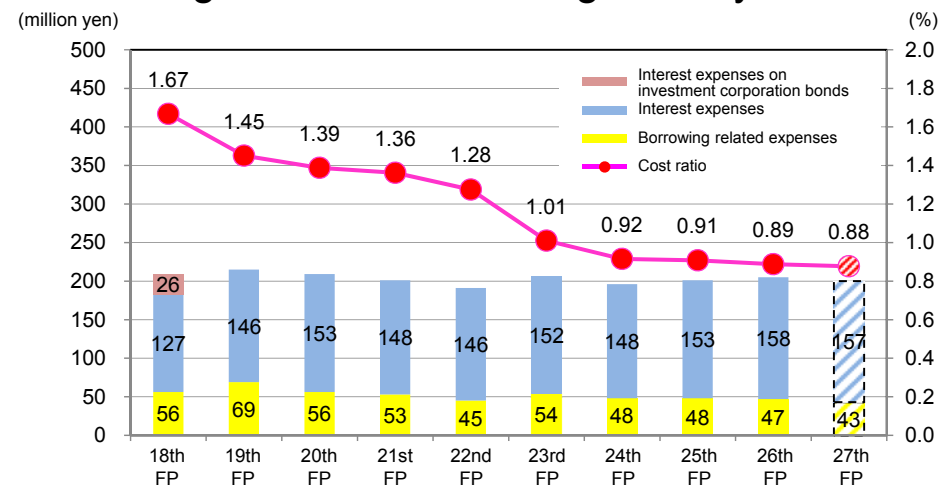
Balance of Interest-Bearing Liabilities at End of 26th Fiscal Period (October 31, 2018)

	Loans balance
Current portion of long-term loans payable	7,149 million yen
Long-term loans payable	38,897 million yen
Total loans	46,046 million yen
LTV ratio (%)	50.7%

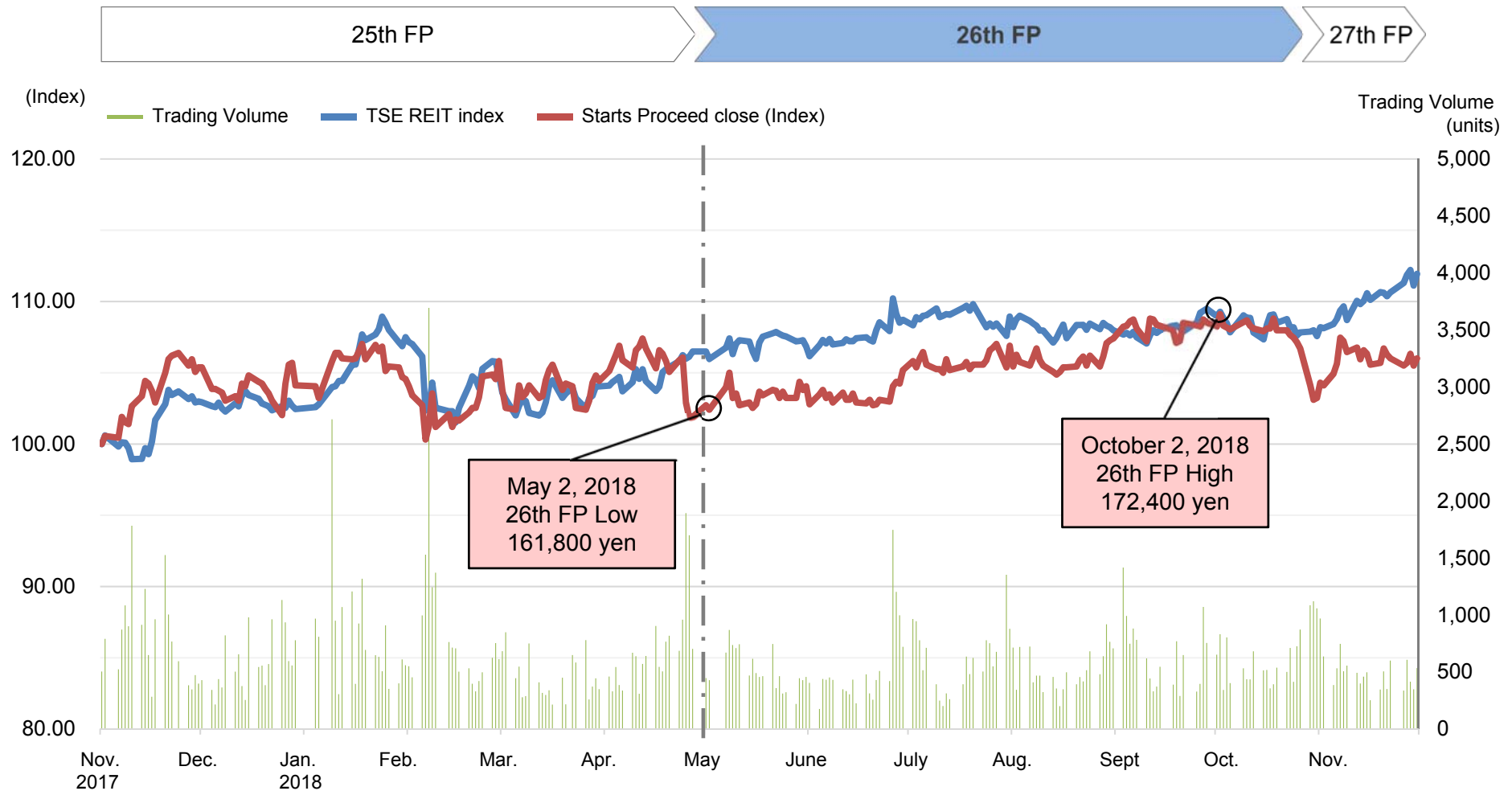
Status of credit rating

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

Change in Interest-Bearing Liability Costs



Changes in Investment Unit Price

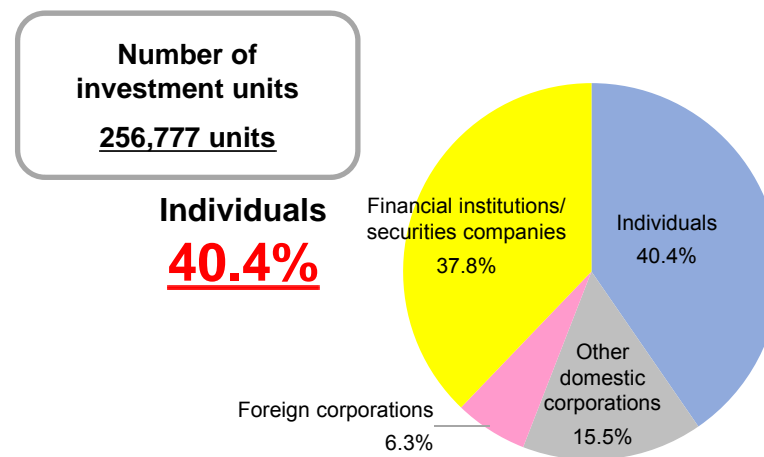
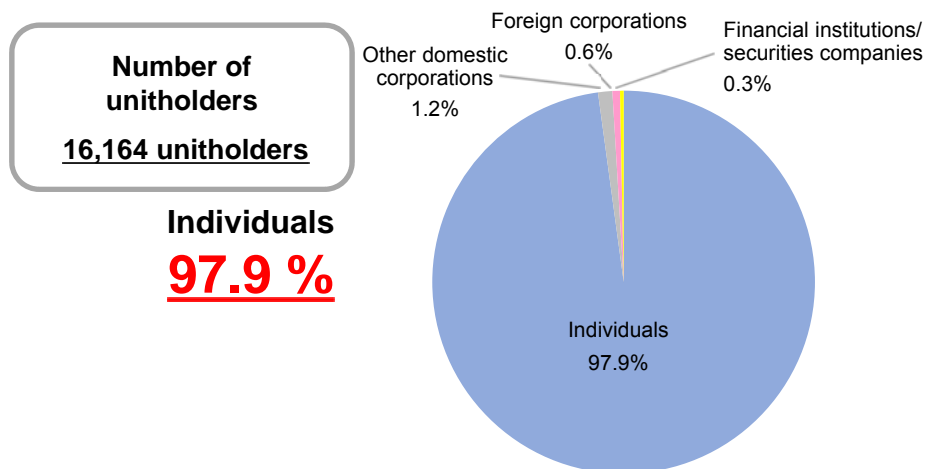


(Note) With closing price of investment unit of Starts Proceed at the beginning of the 25th FP (158,000 yen) and TSE REIT index on the same day (1,623.09) deemed as 100 and set as the base, change in price and index for up to November 30, 2018 are indicated.

During the 26th fiscal period, the investment unit price marked a high of **172,400 yen** (October 2, 2018) and a low of **161,800 yen** (May 2, 2018), based on closing price.

Status of Unitholders (As of October 31, 2018)

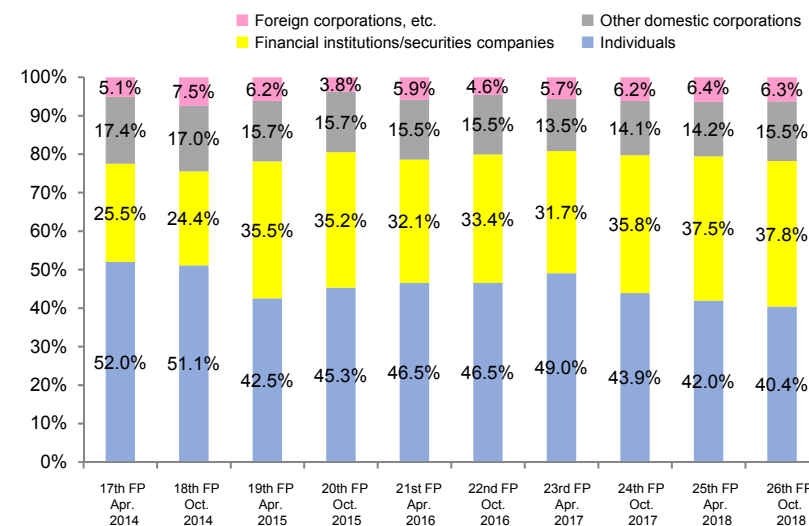
Composition of Unitholders and Investment Units at End of 26th Fiscal Period



Major Unitholders at End of 26th Fiscal Period (October 31, 2018)

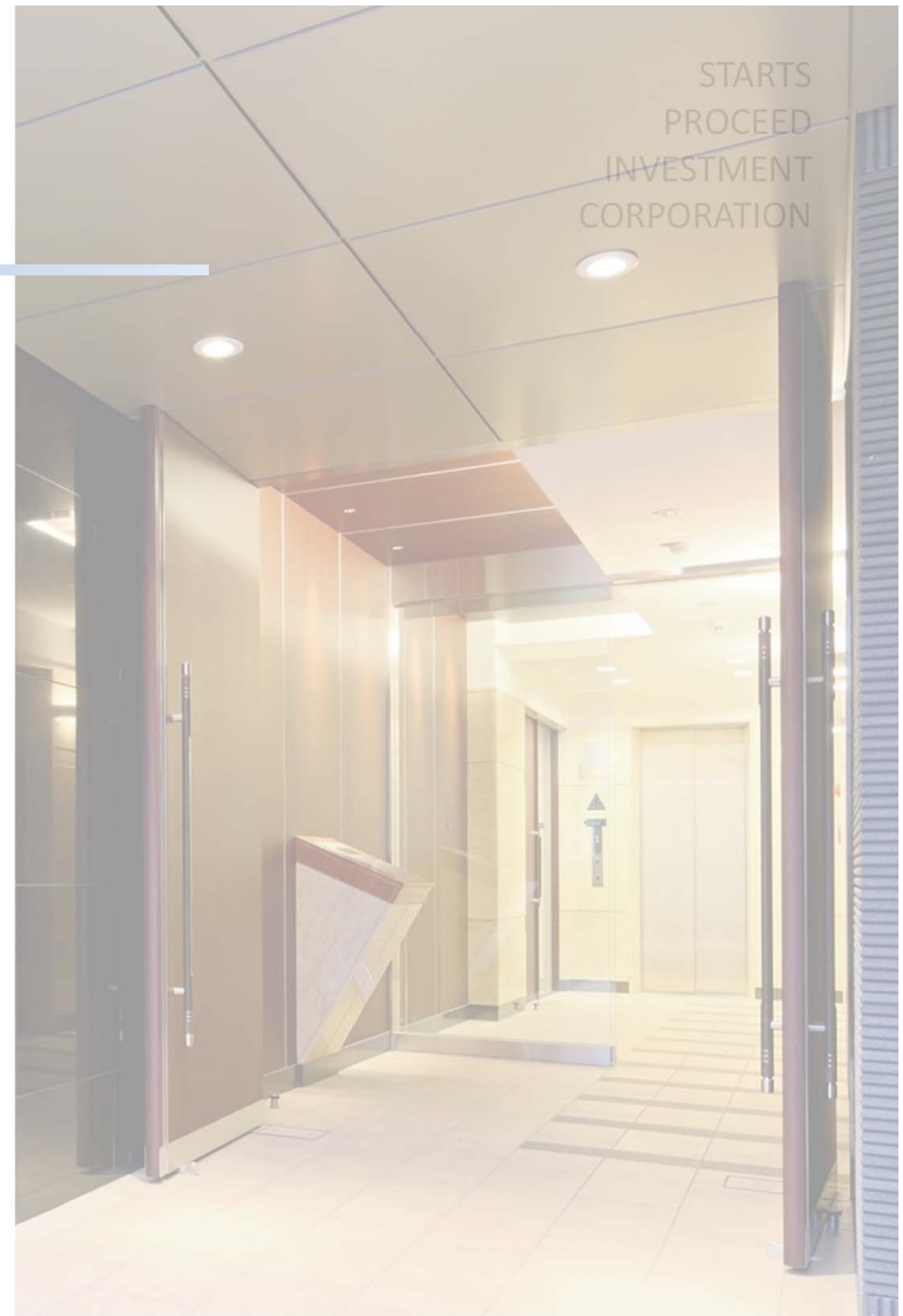
	Name	Number of investment units held (units)	Unitholding ratio (%) (Note)
1	Starts Corporation Inc.	34,153	13.30
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	32,235	12.55
3	Japan Trustee Services Bank, Ltd. (Trust Account)	30,745	11.97
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	9,359	3.64
5	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	6,763	2.63
6	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	4,033	1.57
7	Kinki Sangyo Credit Union	3,313	1.29
8	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,008	0.78
9	Individual investor	2,000	0.77
10	BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	1,800	0.70
11	STATE STREET BANK AND TRUST COMPANY 505001	1,508	0.58
12	SSBTC CLIENT OMNIBUS ACCOUNT	1,421	0.55
13	UEDA YAGI TANSHI Co., Ltd.	1,273	0.49
14	MSCO CUSTOMER SECURITIES	1,230	0.47
15	AVIVA INVESTORS INVESTMENT FUNDS ICVC-AVIVA INVESTORS MULTI-STRATEGY TARGET RETURN FUND	1,044	0.40
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	STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK LUXEMBOURG SCA ON BEHALF OF ITS CLIENTS : CLIENT OMNI OM25	822	0.32
20	Individual investor	800	0.31
	Total	137,507	53.55

Changes in Composition of Unitholders (17th to 26th Fiscal Periods)



(Note) Figures for unitholding ratio are rounded down to the first decimal place.

Future Management Policy



Main Initiatives in 26th Fiscal Period

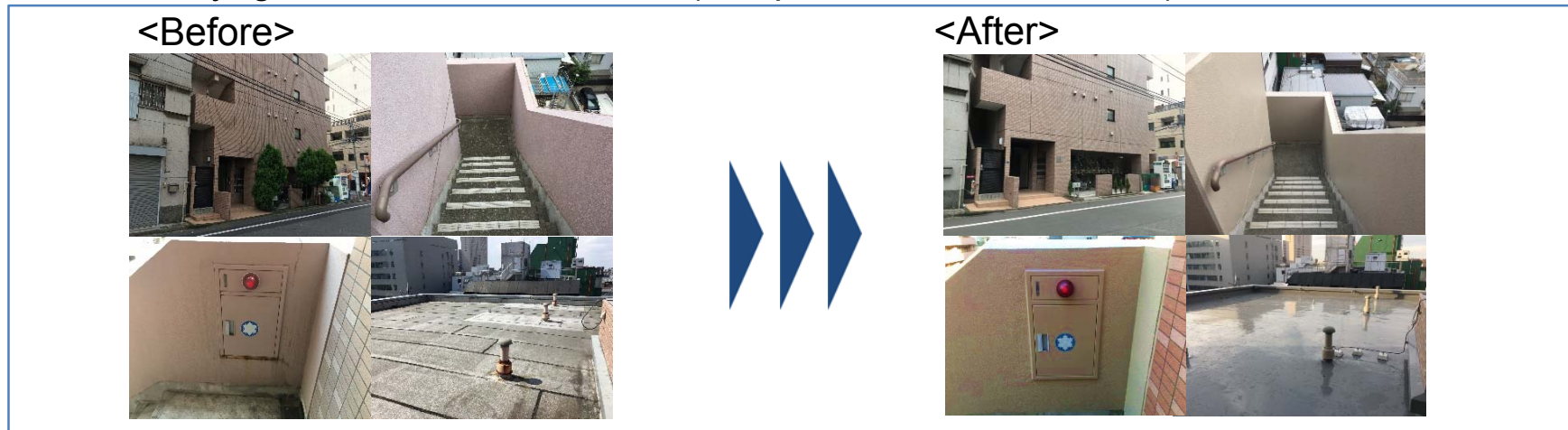
Initiatives from 27th Fiscal Period (six months ending April 30, 2018)

	Main Initiatives in 26th Fiscal Period	Initiatives from 27th Fiscal Period (six months ending April 30, 2018)																
External Growth	<ul style="list-style-type: none"> ●Improvement of portfolio through property acquisition <table border="1" data-bbox="297 403 1068 472"> <tr> <td>Acquisition</td> <td>Proceed Ichikawa Myoden II</td> </tr> </table>	Acquisition	Proceed Ichikawa Myoden II	<ul style="list-style-type: none"> ●Early achievement of a 100-billion-yen portfolio. ●Acquisition of prime properties and initiatives for development projects in cooperation with the Starts Group. ●Improvement of portfolio quality through property replacement. ●Initiatives for new investment targets associated with the amendment to management guideline (After the resolution at the general meeting of unitholders in 2019). 														
Acquisition	Proceed Ichikawa Myoden II																	
Internal Growth	<ul style="list-style-type: none"> ●Maintaining of period-average occupancy rate of over 95%. ⇒Period-end occupancy rate: 96.0% (25th fiscal period: 95.9%) Period average occupancy rate: 95.9% (25th fiscal period: 96.0%) ●Cost reduction (expenses related to rent business/lease business expenses) ⇒Advertising cost: Comparison with budget 3,361 thousand yen ●Recycling properties for service upon restoration to their original state. <ul style="list-style-type: none"> • Improvement of impression through the replacement of indoor facilities (kitchen, modular bathroom, etc.). • Improvement in convenience and enhancement of competitiveness with the introduction of new indoor facilities. • Improvement of interior design through the exchange of collar cloth, bed and fittings. ●Enhancement of appeal upon preview by using them as model homes. 	<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 recognition of properties by brokers/advertisement agencies. • Enhancement of appeal by introducing model homes, strengthening of sales capability. • Restoration work to original state and added value that can accommodate user needs. • Occupancy at an early stage due to the improvement in convenience/design through construction work for recycling. ●Continuation of cost reduction. (Advertising, repair and building management costs, non-life insurance costs, etc.) ●Improvement of asset value through major repair and upgrading of facilities utilizing capital expenditure and increase in rental revenue. 																
Financial Strategy	<ul style="list-style-type: none"> ●Conservative management of LTV. ●Extension of average remaining period of loans, lowering of average interest rates. ●Further development of bank formation. <table border="1" data-bbox="309 1318 1064 1441"> <thead> <tr> <th></th> <th>End of 24th FP</th> <th>End of 25th FP</th> <th>End of 26th FP</th> </tr> </thead> <tbody> <tr> <td>Average remaining period</td> <td>2.9 years</td> <td>3.0 years</td> <td>2.8 years</td> </tr> <tr> <td>Average interest rate</td> <td>0.69%</td> <td>0.69%</td> <td>0.69%</td> </tr> <tr> <td>Number of banks</td> <td>12</td> <td>13</td> <td>14</td> </tr> </tbody> </table>		End of 24th FP	End of 25th FP	End of 26th FP	Average remaining period	2.9 years	3.0 years	2.8 years	Average interest rate	0.69%	0.69%	0.69%	Number of banks	12	13	14	<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 24th FP	End of 25th FP	End of 26th FP															
Average remaining period	2.9 years	3.0 years	2.8 years															
Average interest rate	0.69%	0.69%	0.69%															
Number of banks	12	13	14															

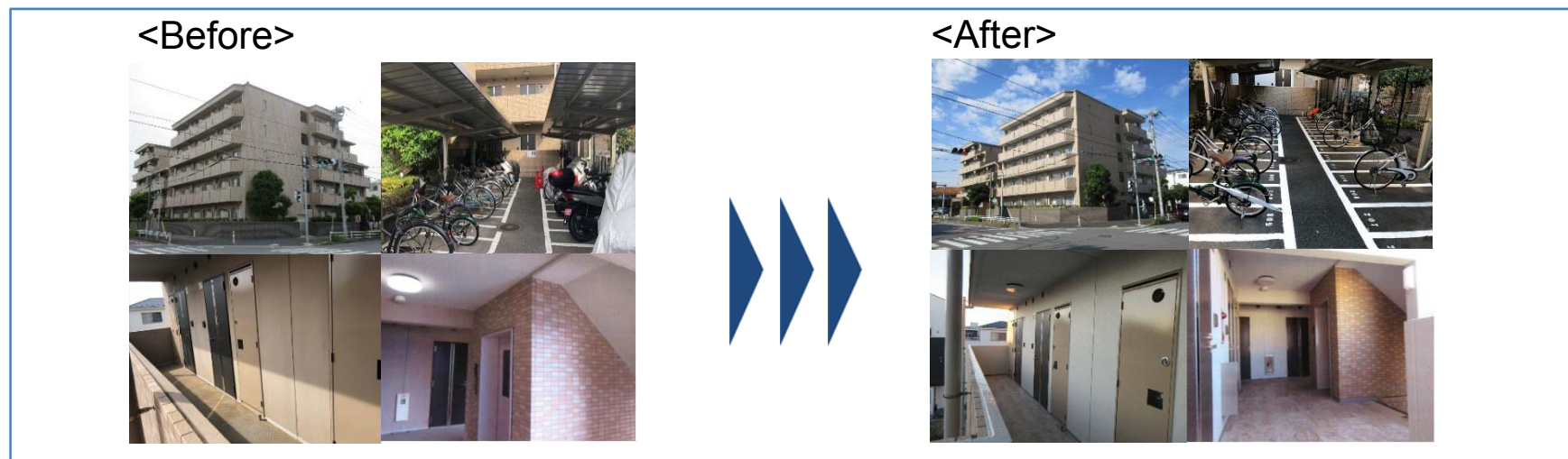
Securing of stable distributions

Initiatives to Enhance Image and Asset Value

■ Proceed Ryogoku/Exterior makeovers (completed in October 2018)



■ Proceed Myoden/Exterior makeovers (completed in October 2018)



Exterior makeovers contributing to the enhancement of asset value

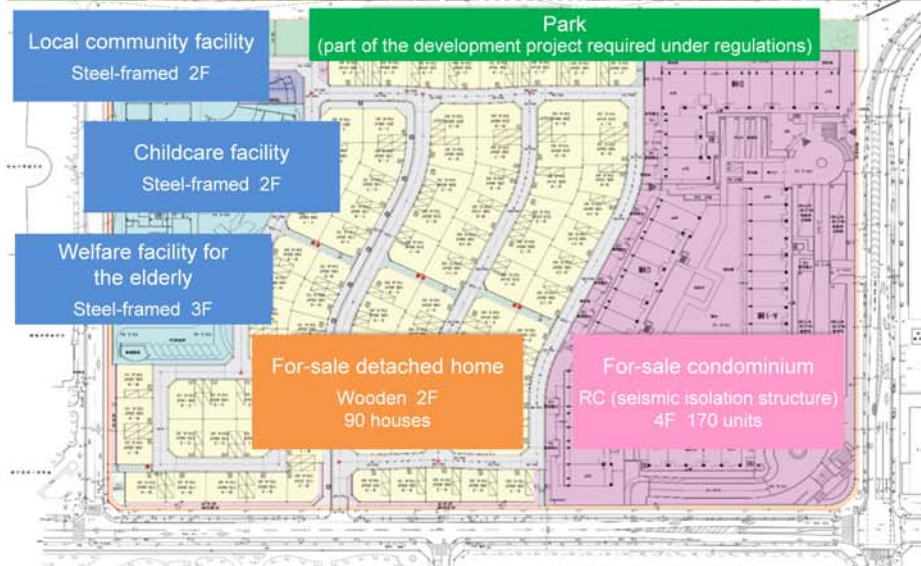
■ Project under way in Shinurayasu: Timeless Town Shinurayasu (Urayasu City, Chiba)



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



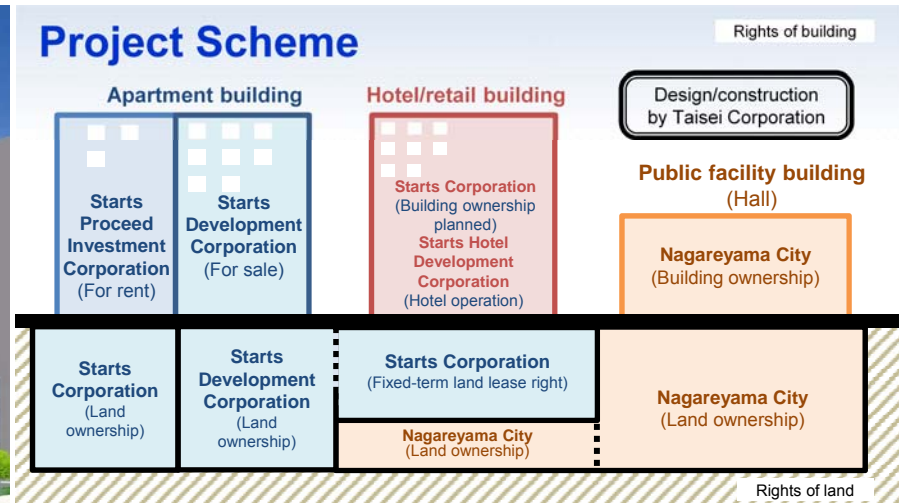
Properties Developed by the Sponsor I

Nagareyama Otaka Forest City-owned land development project

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



Project Scheme



Property Overview (As of November 2018)

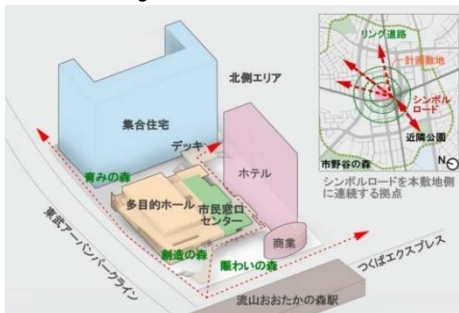
	Apartment building	Hotel/retail building	Hall/resident service counter
Site area	4,200 m ²	2,000 m ²	3,945 m ²
Building area (m ²)	1,927 m ²	1,047 m ²	2,586 m ²
Building-to-land ratio (%)	45.90%	52.36%	65.56%
Total floor area	19,393 m ²	8,161 m ²	3,493 m ²
Floor-area ratio	399.97%	392.22%	87.34%
Structure	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



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

Properties Developed by the Sponsor II

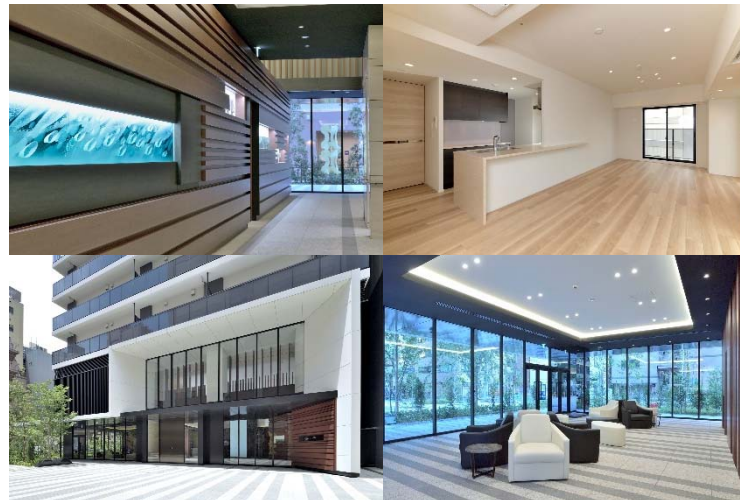
■ Kanda-Higashimatsushitacho Private Residential Building Development Project Alpha Grande Chizakura Tower

Seismic
isolation



Occupancy rate: 100%
(as of December 20, 2018)

Structure	: RC/25F (Base seismic isolation)
Completion	: July 2018
Number of units for sale	: 185 units (have been contracted)
Number of leasing units (type)	: 2LDK 55 units; 3LDK 10 units; Retail 3 units; Total 68 units
Location	: Kanda Higashimatsushita-cho, Chiyoda-ku
Site area	: 3,428.28 m ²
Total floor area	: 26,971.61 m ²
Use	: Apartment, retail, office, living support facility
Zoning	: Commercial district, fire preventive district



- Kanda-Higashimatsushitacho Private Residential Building Development Project (Alpha Grande Chizakura Tower) is a plan to set a fixed-term land lease hold 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 through a public proposal of Chiyoda Ward in 2010, and the property was completed in July 2018.

Proceed Kanayama 3



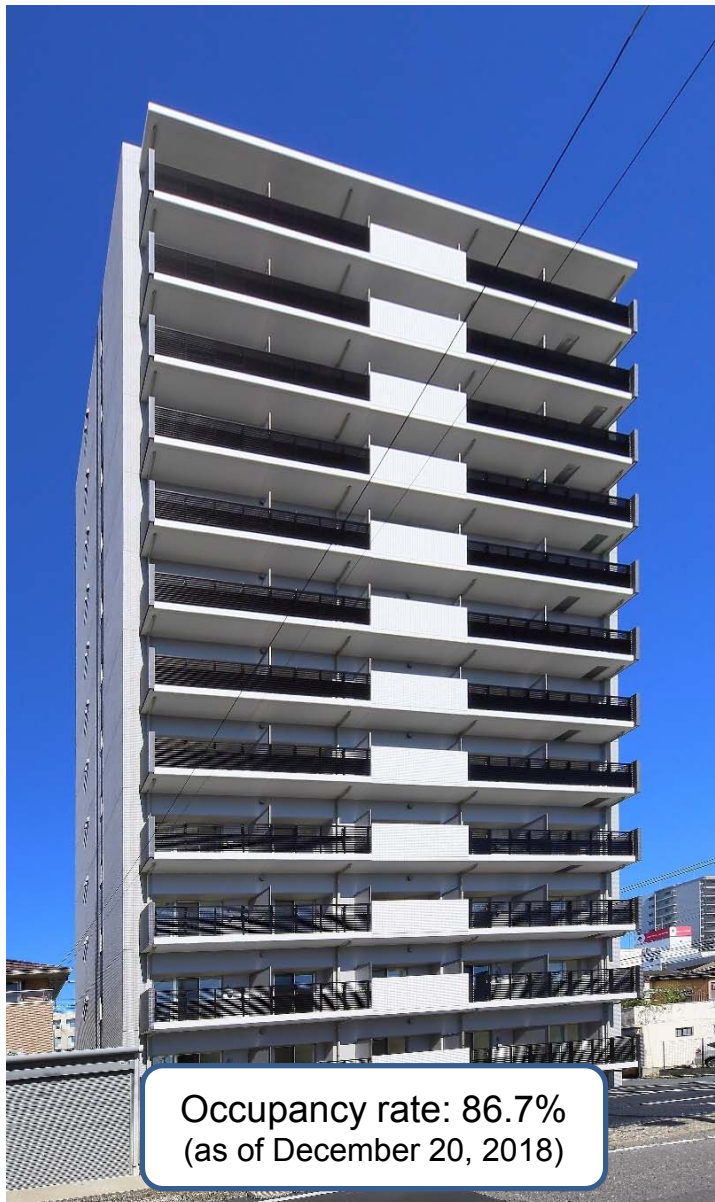
Occupancy rate: 81.7%
(as of December 20, 2018)

Structure	: RC/13F
Completion	: August 2018
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	: 465.41 m ²
Total floor area	: 2,008.86 m ²
Use	: Apartment
Zoning	: Neighborhood commercial district




Properties Developed by the Sponsor IV

Proceed Mito 3



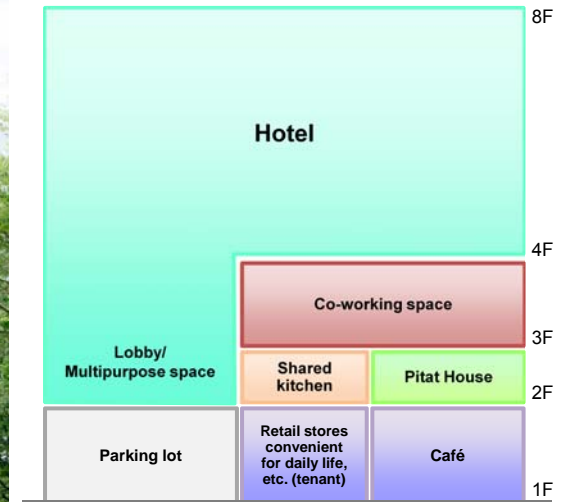
Structure : RC/12F
Completion : October 2018
Number of leasing units (type) : 1R 24 units; 1LDK 36 units; Total 60 units
Location : Minamimachi, Mito-shi, Ibaraki
Site area : 744.01 m²
Total floor area : 2,359.02 m²
Use : Apartment
Zoning : Commercial district



Proceed Yamashita Koen The Tower	The Parkhabio Yokohama Yamate
	
<p>Structure : RC/B2F, 18F</p> <p>Completion : January 2008</p> <p>Number of leasing units (type) : 1R 84 units; 1LDK 31 units; 2LDK 24 units; 3LDK 3 units; Retail 6 units; Total 148 units</p> <p>Location : Yamashita-cho, Naka-ku, Yokohama-shi, Kanagawa</p> <p>Site area : 1,676.02 m²</p> <p>Total floor area : 14,619.19 m²</p> <p>Use : Apartment, retail, parking, nursery</p> <p>Zoning : Commercial district</p>	<p>Structure : RC/B1F, 6F</p> <p>Completion : July 2015</p> <p>Number of leasing units (type) : 1R 2 units; 1K 48 units; 1DK 13 units; 1LDK+S 13 units; Total 76 units</p> <p>Location : 2-chome, Ishikawa-cho, Naka-ku, Yokohama-shi, Kanagawa</p> <p>Site area : 944.24 m²</p> <p>Total floor area : 3,606.4 m²</p> <p>Use : Apartment</p> <p>Zoning : Neighborhood commercial district</p>

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

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

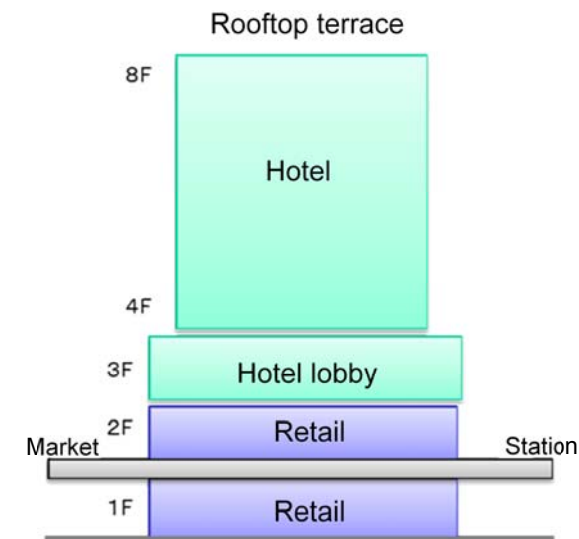


<Plan overview>

- Size : 8 floors above ground
- Site area : 1,092,27 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 >

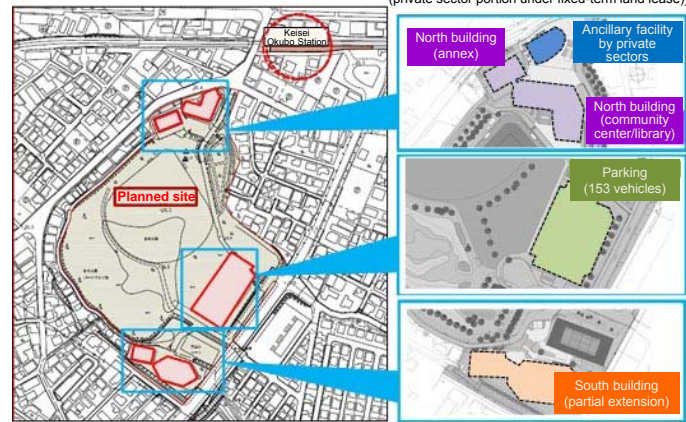


North building



South building

Project overview

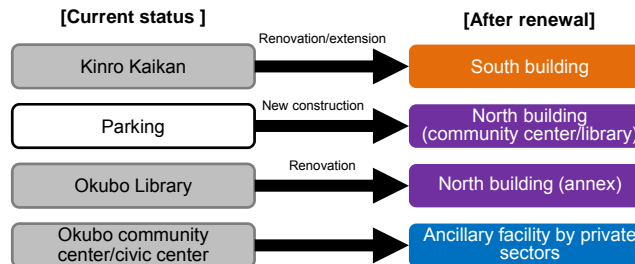


<Site overview>

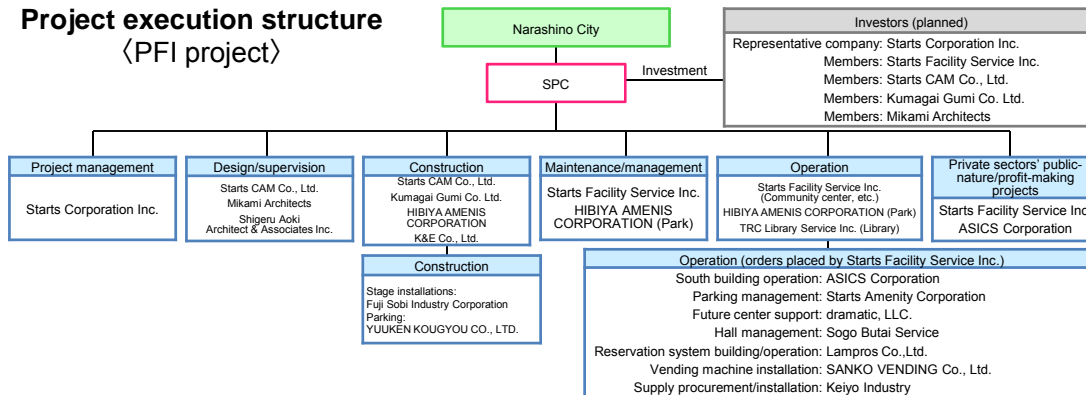
- Land for PFI projects : 45,583 m²
- Land for ancillary projects by private sectors : 1,337 m²
- Urban park : 45,460 m² (area publicly announced)

<Overview of facilities proposed>

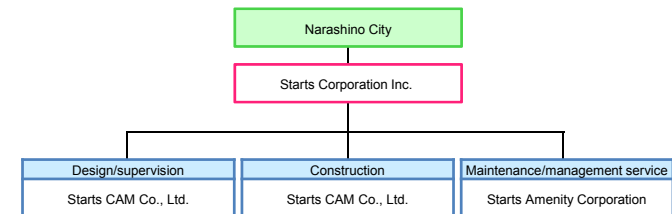
- North building (community center, library, hall)
- South building (arena, kids' space, multi-purpose room, etc.)
- Park (park golf course, baseball field, parking, open space)
- Facilities by private sectors (rental housing, café)



Project execution structure (PFI project)

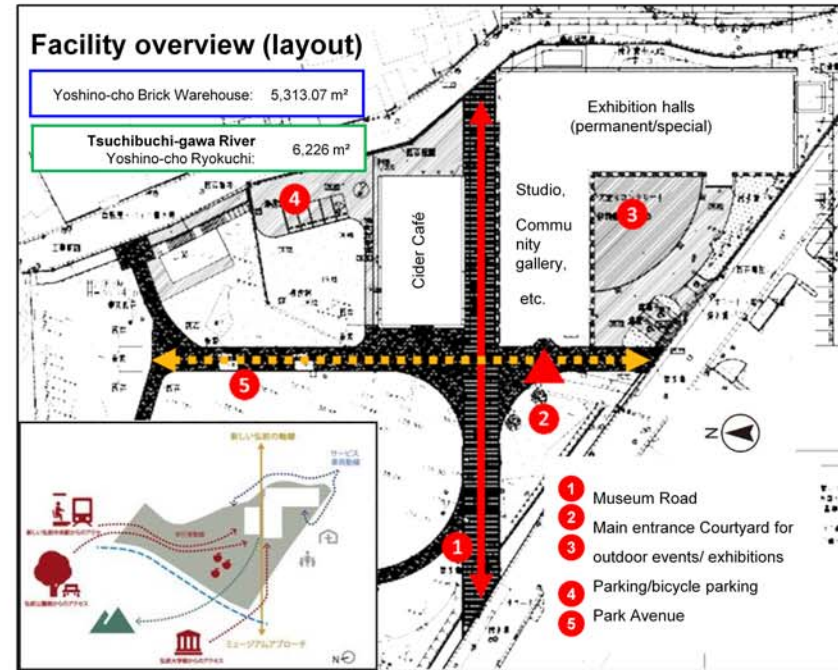


<Ancillary projects by private sectors>

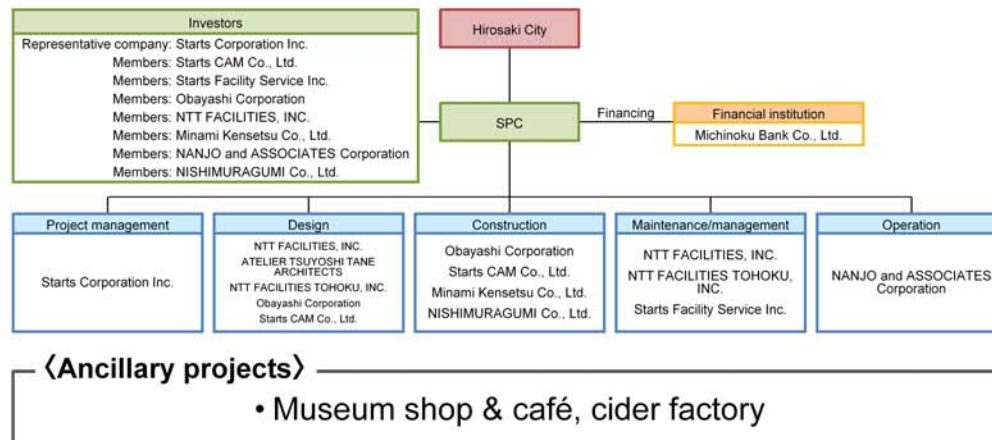


Case Example of Consulting by Management Company IV [Hirosaki-shi, Aomori]

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



Project structure (PFI project)

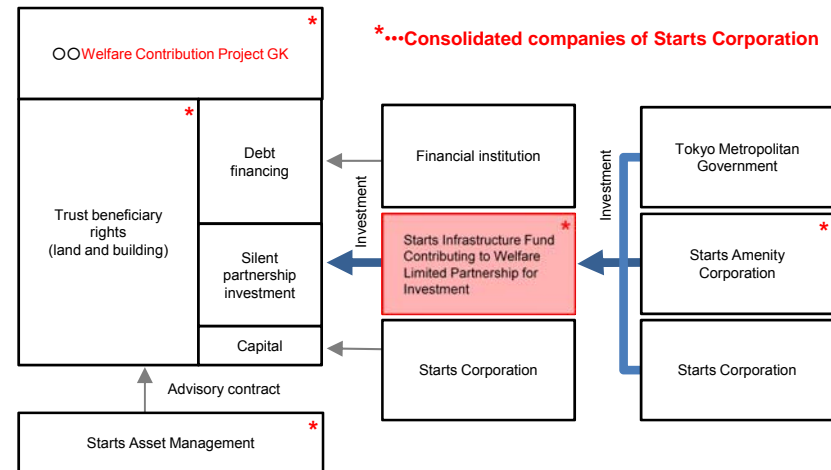


Case Example of Efforts by Management Company

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.

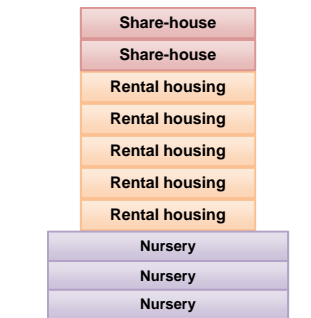
[Business structure]



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)

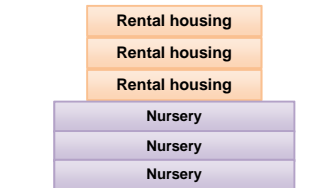
[Facility composition]



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 November 22, 2018 Refinancing

Refinancing Loans

(million yen)

Term Loan		Z
Term		3.6 years
Total amount		3,700
Breakdown	Aozora Bank	1,054
	Resona Bank	787
	Chiba Bank	382
	Musashino Bank	382
	Mizuho Bank	331
	Kagawa Bank	325
	Sumitomo Mitsui Banking	241
	Sumitomo Mitsui Trust Bank	99
	ORIX Bank	99
	Floating interest rate	
Repayment method		Lump-sum repayment on repayment date

(Note) The fixed interest rate is shown.



(million yen)

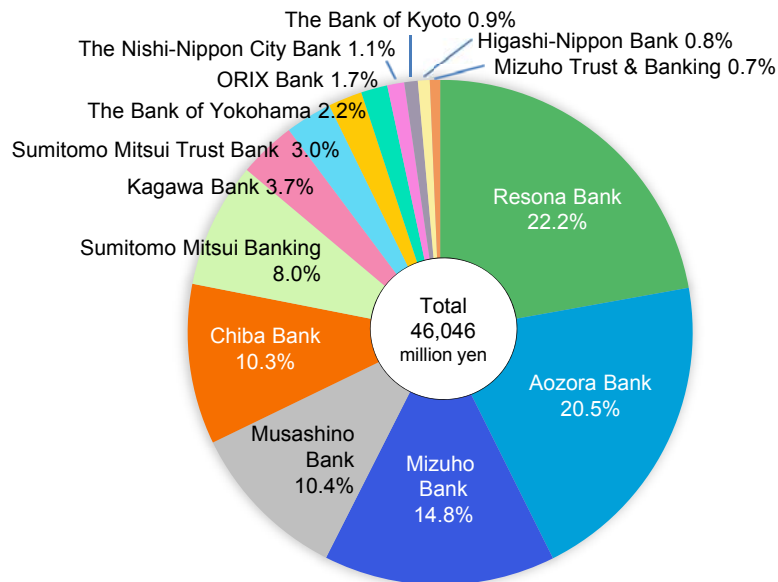
Term Loan		2M	Change
Term		6 years	
Total amount		3,700	-
Breakdown	Aozora Bank	1,089	35
	Resona Bank	825	38
	Chiba Bank	382	-
	Musashino Bank	382	-
	Mizuho Bank	357	26
	Kagawa Bank	325	-
	Sumitomo Mitsui Banking	241	-
	Sumitomo Mitsui Trust Bank	99	-
	ORIX Bank	-	-99
	Floating interest rate		0.930% (Note)
Repayment method		Lump-sum repayment on repayment date	

(Note) The fixed interest rate is shown.

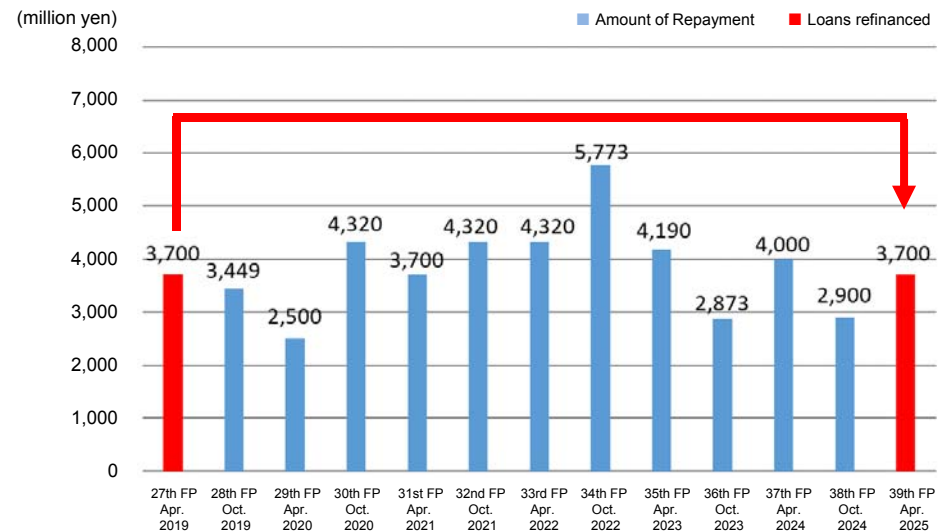
	End of 24th FP	End of 25th FP	End of 26th FP	After Refinancing November 22, 2018
Average remaining period	2.9 years	3.0 years	2.8 years	3.3 years
Ratio of fixed-rate loans	29.0%	27.2%	21.5%	21.5%
Average interest rate	0.69%	0.69%	0.69%	0.69%

Overview after Refinancing (November 22, 2018)

Allocation of Total Loan Amount



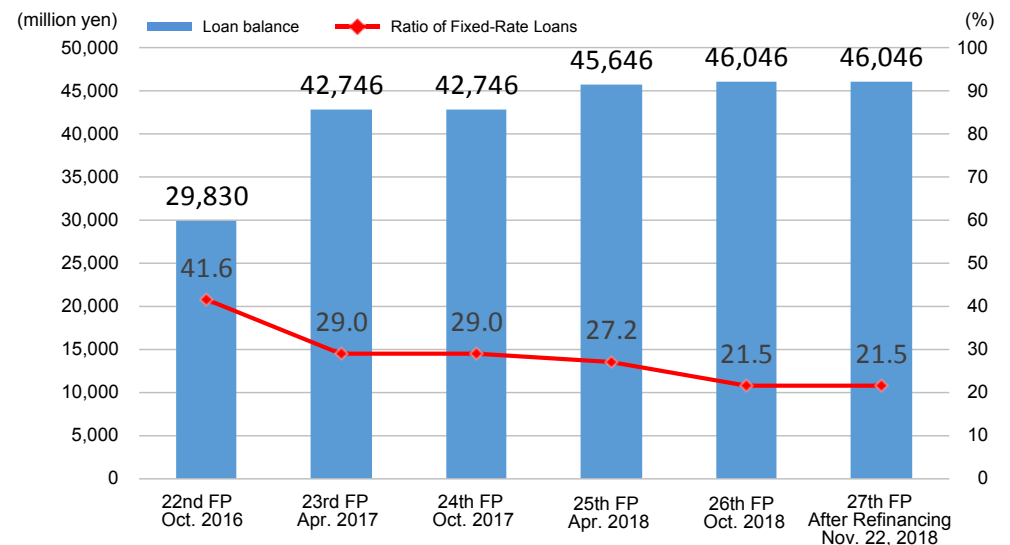
Status of Diversification of Interest-Bearing Liabilities



Breakdown of Lenders

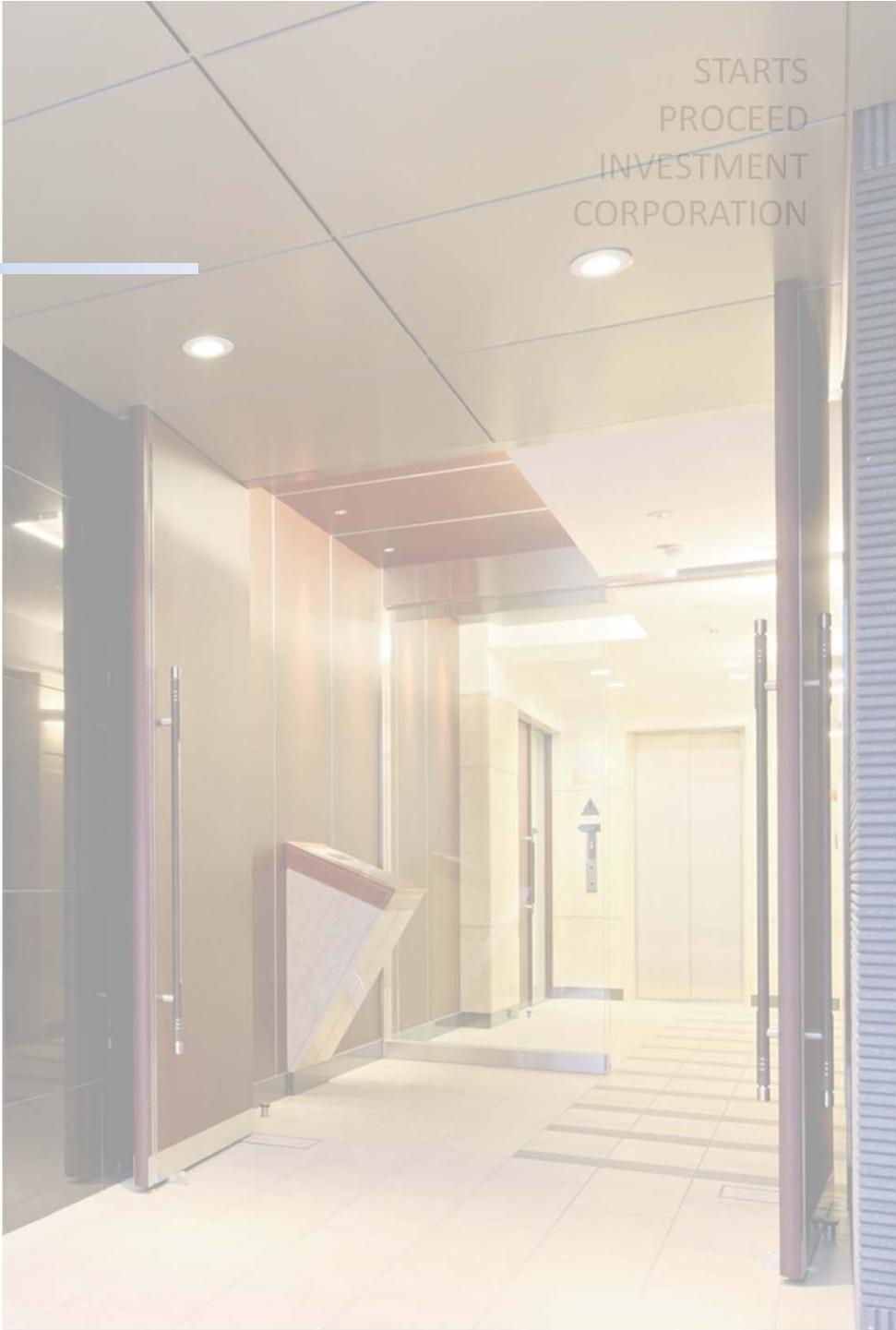
Lenders	Loan balance (million yen)
Resona Bank	10,209
Aozora Bank	9,416
Mizuho Bank	6,831
Musashino Bank	4,768
Chiba Bank	4,728
Sumitomo Mitsui Banking	3,701
Kagawa Bank	1,687
Sumitomo Mitsui Trust Bank	1,375
The Bank of Yokohama	1,000
ORIX Bank	780
The Nishi-Nippon City Bank	500
The Bank of Kyoto	400
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)

	25th Fiscal Period As of Apr. 30, 2018	26th Fiscal Period As of Oct. 31, 2018	Change
Assets			
Current assets			
Cash and deposits	1,713,559	1,697,815	-15,743
Cash and deposits in trust	1,927,684	2,032,413	104,728
Operating accounts receivable	29,426	23,140	-6,285
Prepaid expenses	95,170	84,706	-10,464
Consumption taxes receivable	47,561	-	-47,561
Other	1,108	1,671	562
Total current assets	3,814,511	3,839,747	25,235
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	43,765,198	44,054,191	288,993
Accumulated depreciation	-7,108,960	-7,670,448	-561,487
Buildings in trust, net	36,656,238	36,383,743	-272,494
Structures in trust	1,216,160	1,217,384	1,224
Accumulated depreciation	-580,195	-616,904	-36,709
Structures in trust, net	635,964	600,479	-35,484
Machinery and equipment in trust	5,376	5,376	-
Accumulated depreciation	-3,149	-3,454	-304
Machinery and equipment in trust, net	2,226	1,921	-304
Tools, furniture and fixtures in trust	317,657	338,335	20,678
Accumulated depreciation	-164,975	-182,982	-18,007
Tools, furniture and fixtures in trust, net	152,682	155,352	2,670
Land in trust	48,400,499	49,060,326	659,826
Total property, plant and equipment	85,847,610	86,201,824	354,213
Intangible assets			
Software	3,366	2,772	-594
Total intangible assets	3,366	2,772	-594
Investments and other assets			
Lease and guarantee deposits	10,000	10,000	-
Lease and guarantee deposits in trust	530,943	535,874	4,931
Long-term prepaid expenses	152,564	139,879	-12,685
Deferred tax assets	84	75	-8
Other	12,387	13,023	636
Total investments and other assets	705,979	698,853	-7,126
Total noncurrent assets	86,556,956	86,903,449	346,492
Deferred assets			
Investment unit issuance costs	12,729	8,486	-4,243
Total deferred assets	12,729	8,486	-4,243
Total assets	90,384,197	90,751,682	367,485

(thousand yen)

	25th Fiscal Period As of Apr. 30, 2018	26th Fiscal Period As of Oct. 31, 2018	Change
Liabilities			
Current liabilities			
Current portion of long-term loans payable	6,200,000	7,149,000	949,000
Operating accounts payable	159,634	184,273	24,638
Accounts payable –other	202,510	202,517	7
Accrued expenses	3,462	864	-2,598
Income taxes payable	2,007	1,879	-128
Accrued consumption taxes	9,703	15,001	5,298
Advances received	2,702	2,265	-437
Other	157	1,108	951
Total current liabilities	6,580,178	7,556,911	976,732
Noncurrent liabilities			
Long-term loans payable	39,446,000	38,897,000	-549,000
Tenant leasehold and security deposits in trust	707,011	706,148	-863
Asset retirement obligation	128,638	129,699	1,060
Total noncurrent liabilities	40,281,650	39,732,848	-548,802
Total liabilities	46,861,829	47,289,759	427,930
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)	1,192,910	1,132,465	-60,444
Total surplus	1,291,910	1,231,465	-60,444
Total unitholders' equity	43,522,367	43,461,923	-60,444
Total net assets	43,522,367	43,461,923	-60,444
Total liabilities and net assets	90,384,197	90,751,682	367,485

Statements of Income / Cash Distributions

Statements of Income

(thousand yen)

	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	Change
Operating revenue			
Rent revenue – real estate (1)	3,053,129	3,079,506	26,376
Gain on sales of real estate properties	73,921	-	-73,921
Total operating revenue	3,127,051	3,079,506	-47,544
Operating expenses			
Expenses related to rent business (2)	1,328,909	1,325,306	-3,602
Asset management fee	265,187	264,990	-196
Asset custody fee	8,465	8,489	23
Administrative service fees	28,552	28,108	-444
Directors' compensations	1,200	1,200	-
Other operating expenses	96,121	113,234	17,112
Total operating expenses	1,728,436	1,741,329	12,892
Operating income	1,398,614	1,338,176	-60,437
Non-operating income			
Interest income	18	16	-1
Insurance income	1,562	5,626	4,063
Reversal of distribution payable	1,611	750	-861
Other	-	193	193
Total non-operating income	3,192	6,586	3,394
Non-operating expenses			
Interest expenses	153,941	158,371	4,429
Amortization of investment unit issuance costs	4,243	4,243	-
Borrowing related expenses	48,329	47,433	-895
Other	450	540	90
Total non-operating expenses	206,964	210,588	3,624
Ordinary income	1,194,843	1,134,175	-60,667
Income before income taxes	1,194,843	1,134,175	-60,667
Income taxes – current	2,010	1,881	-128
Income taxes – deferred	-3	8	12
Total income taxes	2,006	1,890	-116
Net income	1,192,836	1,132,284	-60,551
Retained earnings brought forward	74	181	106
Unappropriated retained earnings (undisposed loss)	1,192,910	1,132,465	-60,444

(1) “Real estate rent revenue”

(thousand yen)

	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	Change
Rent	2,650,689	2,689,764	39,075
Common area maintenance charges	179,868	182,935	3,067
Parking revenue	86,041	86,328	287
Incidental revenue	1,776	1,862	86
Other lease business revenue	134,754	118,614	-16,140
Total	3,053,129	3,079,506	26,377

(2) “Expenses related to rent business”

(thousand yen)

	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	Change
Management expenses	191,133	195,319	4,186
Repair expenses	98,246	93,813	-4,433
Real estate taxes	171,197	177,859	6,662
Trust fees	35,333	34,662	-671
Utilities expenses	56,729	55,103	-1,626
Nonlife insurance expenses	10,368	10,494	126
Depreciation and amortization	608,540	616,509	7,969
Other lease business expenses	157,361	141,544	-15,817
Total	1,328,909	1,325,306	-3,603

Cash Distributions

	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	Change
I Unappropriated retained earnings	1,192,910,475 yen	1,132,465,701 yen	-60,444,774 yen
II Amount of distributions	1,192,729,165 yen	1,132,386,570 yen	-60,342,595 yen
[Amount of distribution per investment unit]	4,645 yen	4,410 yen	-235 yen
III Retained earnings carried forward	181,310 yen	79,131 yen	-102,179 yen

Statements of Cash Flows and Key Performance Indicators



Statements of Cash Flows

(thousand yen)

	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)
Net cash provided by (used in) operating activities		
Income before income taxes	1,194,843	1,134,175
Depreciation and amortization	609,134	617,103
Amortization of investment unit issuance costs	4,243	4,243
Interest income	-18	-16
Interest expenses	153,941	158,371
Decrease (increase) in operating accounts receivable	-1,102	6,285
Decrease (increase) in prepaid expenses	5,485	10,464
Decrease (decrease) in consumption taxes receivable	-47,561	47,561
Increase (decrease) in accrued consumption taxes	-48,517	5,298
Increase (decrease) in operating accounts payable	-32,407	33,730
Increase (decrease) in accounts payable – other	-5,674	-276
Decrease (increase) in long-term prepaid expenses	-4,197	12,685
Decrease from sales of property, plant and equipment in trust	306,096	-
Other, net	590	262
Subtotal	2,134,853	2,029,887
Interest income received	18	16
Interest expenses paid	-151,289	-160,969
Income taxes paid	-1,957	-2,010
Net cash provided by (used in) operating activities	1,981,625	1,866,924
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-5,861,751	-979,814
Proceeds from tenant leasehold and security deposits in trust	81,436	49,472
Repayments of tenant leasehold and security deposits in trust	-49,469	-50,335
Decrease (increase) in other investments	-636	-5,567
Net cash provided by (used in) investing activities	-5,830,420	-986,244
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	6,900,000	2,900,000
Repayment of long-term loans payable	-4,000,000	-2,500,000
Dividends paid	-1,191,782	-1,191,694
Net cash provided by (used in) financing activities	1,708,217	-791,694
Net increase (decrease) in cash and cash equivalents	-2,140,577	88,985
Cash and cash equivalents at beginning of period	5,781,821	3,641,243
Cash and cash equivalents at end of period	3,641,243	3,730,228

Key Performance Indicators

	Unit	25th Fiscal Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)
Total assets (a)	million yen	90,384	90,751
Net assets (b)	million yen	43,522	43,461
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	169,494	169,259
Net income per unit (Note 1)	yen	4,645	4,409
Total distributions (d)	million yen	1,192	1,132
Distribution per unit (d) ÷ (c)	yen	4,645	4,410
[Of which, distribution of earnings per unit]	yen	4,645	4,410
[Of which, distribution in excess of earnings per unit]	yen	(-)	(-)
Return on assets (Note 2)	%	1.3(2.7)	1.3(2.5)
Return on equity (Note 2)	%	2.7(5.5)	2.6(5.2)
Equity ratio (b) ÷ (a)	%	48.2	47.9
Distribution payout ratio (Note 2)	%	100.0	100.0

[Other Reference Information]

Number of investment properties (Note 3)	properties	106	107
Total number of leasable units (Note 3)	units	5,208	5,267
Gross leasable area	m ²	193,583.85	194,802
Period-end occupancy rate (Note 3)	%	95.9	96.0
Depreciation and amortization	million yen	608	616
Capital expenditures	million yen	119	109
Property leasing NOI (Net Operating Income) (Note 2)	million yen	2,332	2,370
FFO (Funds from Operations) per unit (Note 2)	yen	6,746	6,829
FFO multiple (Note 2)	times	11.8	12.0
Debt service coverage ratio (Note 2)	times	12.7	12.0
Earnings before interest, depreciation and amortization	million yen	1,955	1,907
Interest expenses	million yen	153	158
Total interest-bearing liabilities	million yen	45,646	46,046
LTV (Loan-To-Value) ratio (Note 2)	%	50.5	50.7
Number of days of management (Note 2)	days	181	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

(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 October 31, 2018)



Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 26th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Resona Bank, Ltd.	Nov. 25, 2014	711,000	1.19000 (Note 2)	Nov. 25, 2019	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan Y
Aozora Bank, Ltd.		441,000						
Mizuho Bank, Ltd.		299,000						
Sumitomo Mitsui Banking Corporation		299,000						
The Chiba Bank, Ltd.		259,000						
The Musashino Bank, Ltd.		259,000						
Sumitomo Mitsui Trust Bank, Limited		107,000						
ORIX Bank Corporation		104,000						
The Kagawa Bank, Ltd.		21,000						
Aozora Bank, Ltd.		May 22, 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							
Aozora Bank, Ltd.	Nov. 24, 2015		1,054,000	0.99000 (Note 2)	Nov. 24, 2020	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
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						
Resona Bank, Ltd.		May 24, 2016	763,500					
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							

Status of Interest-Bearing Liabilities II (As of October 31, 2018)



Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 26th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Resona Bank, Ltd.	May 24, 2016	763,500	0.90747	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	0.47747	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	0.31747	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	0.34747	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						
Resona Bank, Ltd.	Dec. 9, 2016	1,105,000	0.37747	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						

Status of Interest-Bearing Liabilities III (As of October 31, 2018)



Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 26th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name							
Mizuho Bank, Ltd.	May 24, 2017	1,090,000	0.72747	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	0.75747	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	0.65747	May 24, 2022	Lump-sum repayment on repayment date	Part of funds for refinancing and acquisition of AUM	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													
Resona Bank, Ltd.		727,000													
Aozora Bank, Ltd.	450,000														
Bank of Kyoto, Ltd.	400,000														
Mizuho Bank, Ltd.	May 25, 2018	299,000	0.75804	May 24, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2L							
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													
The Kagawa Bank, Ltd.		100,000													
Total									46,046,000						

Total interest-bearing liabilities

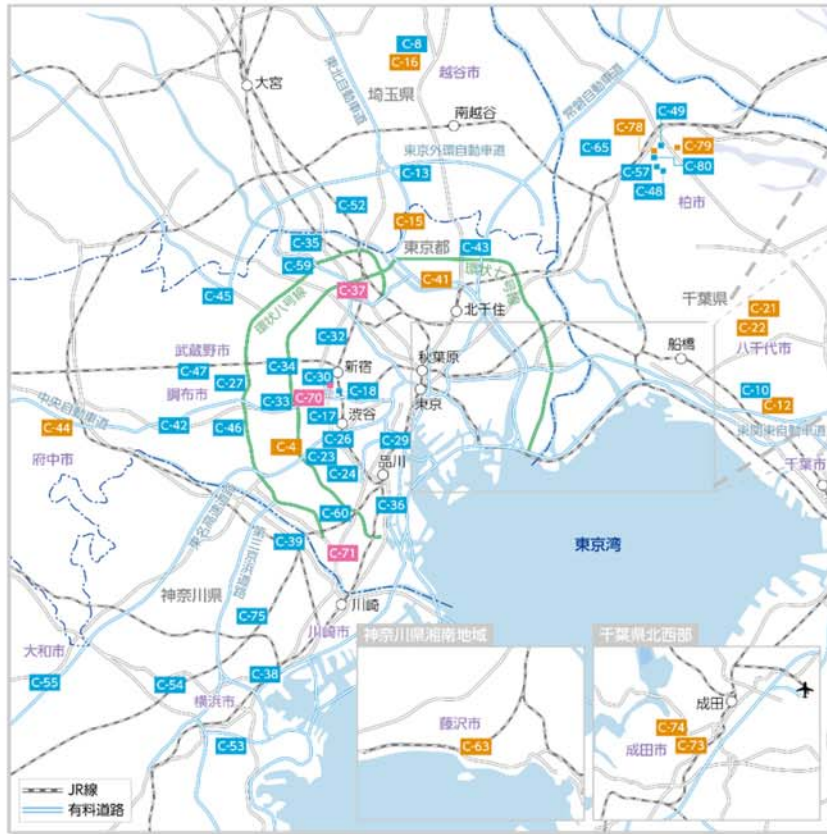
45,646,000 thousand yen

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

(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 October 31, 2018)

Cities surrounding Tokyo



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 Ozumigakuen	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 Gummyoji	C-78 Proceed K2
C-22 Proceed Yachiyo Midorigaoka II	C-38 Proceed Hakuraku	C-54 Proceed Tsurugamine	C-79 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	

Enlarged map of Tokyo and the surrounding area

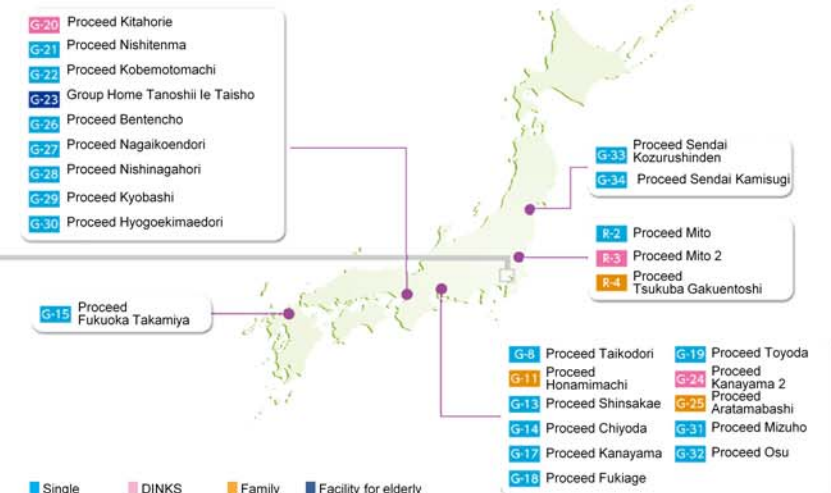


C-1 Proceed Ichikawa	C-14 Proceed Funabori	C-51 Proceed Funabashi Honcho	C-68 Proceed Kasai 2
C-2 Proceed Toyoko	C-19 Proceed Urayasu	C-56 Proceed Shinozaki 2	C-69 Proceed Nihonbashi Honcho
C-3 Proceed Kasai	C-20 Proceed Shinkoiwa	C-58 Proceed Shinozaki Tower	C-72 Proceed Minamigyotoku 2
C-5 Proceed 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-81 Proceed Ichikawa Myoden II New
C-9 Proceed Gyotoku	C-40 Proceed Motoyawata	C-66 Proceed Gyotoku 2	
C-11 Proceed Minamigyotoku	C-50 Proceed Gyotokuekimae	C-67 Proceed Nishikasai	

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

Total: 107 properties

Cabinet Order Designated Cities / Regional Area Major Cities



Acquired assets: Single, DINKS, Family, Facility for elderly
 Assets acquired after settlement of accounts: Single, DINKS, Family, Facility for elderly

Breakdown of Revenue of Major Properties (26th Fiscal Period Results)



	Tokyo metropolitan area major cities					Cabinet order designated cities			Regional area major cities
Property number	C-41	C-69	C-70	C-75	C-77	G-24	G-25	G-26	R-4
Property name	Proceed Nishiarai	Proceed Nihonbashi Honcho	Proceed Nishi Shinjuku	Proceed Shin Yokohama	Proceed Kinshicho	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	3-chome, Shinyokohama, Koto-ku, Yokohama-shi, Kanagawa	4-chome, Kamezawa, Sumida-ku, Tokyo	2-chome, Kanayama, Naka-ku, 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/11F·B1F	SRC/9F	RC/14F·B1F	RC/10F	RC/14F	RC/9F
Construction completion	July 20, 2007	February 25, 2003	February 25, 2003	April 19, 2007	July 1, 2005	August 22, 2007	August 19, 2005	January 11, 2008	March 3, 2008
Number of leasable units	294 units	84 units	66 units	226 units	64 units	72 units	72 units	126 units	34 units
Acquisition price	5,172,000	2,499,000	2,549,000	4,330,000	2,140,000	2,040,400	2,129,600	2,170,000	775,600
(A) Property leasing operating revenue	300,922	61,781	60,200	121,617	52,627	67,021	66,802	65,923	25,802
(B) Property leasing operating expenses	101,108	10,681	12,921	23,406	12,119	14,958	15,164	10,346	6,184
(C) Property leasing NOI = (A) - (B)	199,813	51,099	47,278	98,211	40,507	52,062	51,637	55,576	19,617
(D) Depreciation and amortization	93,786	5,618	6,145	20,086	6,257	17,496	15,775	6,493	8,184
(E) Property leasing income (loss) = (C) - (D)	106,027	45,480	41,133	78,124	34,249	34,565	35,862	49,082	11,432
(F) Capital expenditures	2,607	436	253	226	1,454	275	724	-	279
(G) NCF = (C) - (F)	197,205	50,662	47,025	97,984	39,052	51,787	50,912	55,576	19,337
Annualized NOI yield (Note)	7.7%	4.2%	3.7%	4.5%	3.8%	5.1%	4.8%	5.1%	5.1%
PML value	ARTIER Bldg.: 3.9% OZAREA Bldg.: 5.0% Hall Bldg.: 3.5% Nursery Bldg.: 3.5%	8.3%	4.5%	6.9%	6.1%	6.2%	6.2%	8.1%	3.8%

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

Portfolio List I (As of October 31, 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) (26th FP results)	PML (%)	Construction completion (Note 5)
C-1	Proceed Ichikawa	Chiba	1,076,000	1.2	1,018,251	1,330,000	3,322.17	3,137.07	50	42	95.3	33,030	5.9	April 1, 1997
C-2	Proceed Toyocho	Tokyo	646,700	0.7	589,319	855,000	1,085.56	1,085.56	45	5	100.0	20,930	8.6	January 31, 2003
C-3	Proceed Kasai	Tokyo	688,700	0.8	614,850	799,000	1,243.80	1,222.12	57	0	98.3	19,891	5.1	March 1, 2003
C-4	Proceed Sangenjaya	Tokyo	555,900	0.6	628,953	589,000	1,019.27	1,019.27	9	8	100.0	15,642	9.3	June 29, 1990
C-5	Proceed Mizue	Tokyo	602,600	0.7	629,820	746,000	2,076.68	2,002.97	28	22	98.3	18,009	7.0	June 20, 1991
C-6	Proceed Funabashi Miyamoto	Chiba	419,900	0.5	458,346	558,000	1,685.73	1,600.93	33	1	95.4	15,539	4.7	June 24, 1991
C-7	Proceed Minamikasai	Tokyo	303,500	0.4	331,138	299,000	1,045.28	1,045.28	16	7	99.1	9,456	10.4	March 12, 1993
C-8	Proceed Sengendai	Saitama	259,200	0.3	265,692	311,000	1,344.74	1,189.64	43	10	93.1	9,572	5.7	May 31, 1991
C-9	Proceed Gytoku	Chiba	315,600	0.4	344,014	333,000	1,218.56	1,218.56	20	7	98.3	9,743	6.7	March 15, 1988
C-10	Proceed Makuharihongo	Chiba	279,300	0.3	278,092	313,000	963.00	906.00	34	3	97.0	8,804	8.7	February 22, 1989
C-11	Proceed Minamigyotoku	Chiba	287,300	0.3	299,823	323,000	838.95	838.95	26	6	100.0	9,539	6.8	February 6, 1990
C-12	Proceed Makuharihongo 2	Chiba	223,400	0.3	222,630	247,000	1,104.84	1,104.84	22	10	98.5	7,422	4.8	September 24, 1989
C-13	Proceed Higashikawaguchi	Saitama	206,500	0.2	193,194	197,000	648.11	648.11	30	14	99.5	6,832	3.6	March 15, 1993
C-14	Proceed Funabori	Tokyo	226,100	0.3	237,858	247,000	479.52	479.52	24	1	100.0	6,971	7.3	October 11, 1991
C-15	Proceed Takenozuka	Tokyo	169,400	0.2	174,600	249,000	860.55	860.55	15	7	95.5	5,484	3.4	March 10, 1994
C-16	Proceed Sengendai 2	Saitama	86,700	0.1	93,773	106,000	695.81	587.23	12	3	79.1	2,565	3.3	April 3, 1991
C-17	Proceed Shoto	Tokyo	937,400	1.1	887,187	949,000	890.22	890.22	40	6	98.5	22,731	5.3	November 18, 2005
C-18	Proceed Sangubashi	Tokyo	497,600	0.6	484,512	477,000	527.88	527.88	26	0	96.9	11,186	7.0	July 22, 2005
C-19	Proceed Urayasu	Chiba	431,400	0.5	473,880	456,000	1,786.58	1,786.58	21	8	96.6	13,117	7.8	June 4, 1992
C-20	Proceed Shinkoiwa	Tokyo	465,200	0.5	490,925	553,000	1,629.07	1,558.66	27	9	99.3	14,274	7.1	March 15, 1991
C-21	Proceed Yachiyo Midorigaoka I	Chiba	383,600	0.4	401,892	386,000	1,805.76	1,738.88	27	32	93.2	10,540	6.9	February 12, 1997
C-22	Proceed Yachiyo Midorigaoka II	Chiba	339,000	0.4	356,982	348,000	1,605.12	1,605.12	24	31	92.4	7,500	6.9	February 12, 1997
C-23	Proceed Toritsudaigaku	Tokyo	790,400	0.9	749,732	782,000	808.65	808.65	37	2	99.6	17,532	8.3	March 13, 2006
C-24	Proceed Toritsudaigaku 2	Tokyo	772,200	0.9	721,615	803,000	831.74	831.74	36	2	100.0	20,031	7.8	September 7, 2006
C-25	Proceed Honjozumabashi	Tokyo	339,800	0.4	304,457	446,000	570.53	570.53	19	0	100.0	10,259	6.7	July 7, 2006
C-26	Proceed Meguro Aobadai	Tokyo	466,700	0.5	456,712	466,000	485.15	485.15	24	1	100.0	11,087	11.6	March 27, 2003
C-27	Proceed Suginami Miyamae	Tokyo	454,900	0.5	437,392	487,000	680.50	680.50	29	1	100.0	12,666	7.1	January 26, 2004
C-28	Proceed Ryogoku	Tokyo	443,900	0.5	437,691	561,000	702.54	702.54	27	5	100.0	12,243	6.9	March 15, 2003
C-29	Proceed Mita	Tokyo	1,537,200	1.8	1,434,733	1,670,000	1,500.57	1,500.57	72	0	100.0	36,242	8.7	February 6, 2006
C-30	Proceed Nakanoshimbashi	Tokyo	638,800	0.7	682,199	700,000	849.08	849.08	50	0	100.0	18,643	10.4	September 24, 1992
C-31	Proceed Kameido	Tokyo	339,000	0.4	350,905	346,000	853.98	853.98	23	0	100.0	9,013	7.6	March 23, 1994
C-32	Proceed Takadanobaba	Tokyo	223,700	0.3	255,546	265,000	278.36	278.36	17	0	100.0	6,887	13.8	October 24, 1991
C-33	Proceed Shinkoenji	Tokyo	742,100	0.9	792,084	871,000	1,040.24	1,040.24	57	0	100.0	21,584	10.0	August 31, 1990
C-34	Proceed Koenjiminami	Tokyo	277,400	0.3	311,153	251,000	337.05	337.05	20	0	100.0	7,620	11.7	October 2, 1989
C-35	Proceed Hasune	Tokyo	284,000	0.3	321,774	267,000	587.13	587.13	29	0	100.0	8,368	6.8	July 17, 1991
C-36	Proceed Oimachi	Tokyo	944,000	1.1	996,348	952,000	961.88	961.88	59	0	100.0	23,265	13.0	April 13, 1992
C-37	Proceed Jujo	Tokyo	533,000	0.6	565,838	558,000	1,206.90	1,206.90	30	0	100.0	15,153	7.2	June 15, 1989
C-38	Proceed Hakuraku	Kanagawa	241,000	0.3	263,322	191,000	445.16	445.16	27	0	100.0	8,163	16.4	July 19, 1991
C-39	Proceed Shinmaruko	Kanagawa	635,000	0.7	670,828	609,000	759.00	759.00	46	0	100.0	16,290	11.7	September 12, 1988
C-40	Proceed Motoyawata	Chiba	307,000	0.4	261,498	335,000	602.39	602.39	25	1	98.2	7,901	4.4	January 9, 2004
C-41*	Proceed Nishiarai (Note 6)	Tokyo	5,172,000	6.0	3,478,001	6,870,000	20,137.85	19,637.53	294	146	98.2	199,813	ARTIER: 3.9 OZAREA: 5.0 Hall: 3.5 Nursery: 3.5	July 20, 2007

Portfolio List II (As of October 31, 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) (26th FP results)	PML (%)	Construction completion (Note 5)
C-42	Proceed Chofu	Tokyo	460,500	0.5	413,023	557,000	764.48	734.91	26	0	98.8	13,232	6.4	February 17, 2007
C-43	Proceed TX Rokucho	Tokyo	156,800	0.2	179,254	181,000	518.31	518.31	20	2	96.6	4,940	6.6	June 21, 1991
C-44	Proceed Nakagawara (Note 7)	Tokyo	1,141,000	1.3	1,232,836	1,330,000	3,061.94	2,930.93	54	35	96.2	30,733	10.7 11.8	April 1, 1989
C-45	Proceed Oizumigakuen	Tokyo	268,300	0.3	292,039	282,000	483.43	483.43	29	0	98.3	7,202	10.6	November 26, 1991
C-46	Proceed Chitosekarasuyama	Tokyo	289,600	0.3	331,159	333,000	449.96	417.82	28	0	96.4	7,964	11.7	December 8, 1988
C-47	Proceed Mitaka	Tokyo	477,200	0.6	534,070	581,000	739.48	739.48	47	0	100.0	14,153	9.3	December 16, 1988
C-48	Proceed Kashiwa Est	Chiba	732,000	0.8	687,204	698,000	1,279.93	1,163.52	44	5	94.8	17,331	4.5	February 13, 2007
C-49	Proceed Kashiwa Nord	Chiba	689,000	0.8	637,366	605,000	1,391.55	1,237.65	47	0	88.9	13,052	5.7	February 13, 2007
C-50	Proceed Gyotokuekimae	Chiba	331,000	0.4	284,520	372,000	659.68	659.68	24	3	98.6	9,078	5.2	September 4, 2007
C-51	Proceed Funabashi Honcho	Chiba	531,700	0.6	503,881	598,000	996.44	946.94	40	0	96.3	14,498	5.7	July 19, 2006
C-52	Proceed Nishikawaguchi	Saitama	881,000	1.0	974,123	839,000	1,630.24	1,598.84	104	1	95.5	21,745	5.5	February 10, 1989
C-53	Proceed Gumyoji	Kanagawa	552,000	0.6	579,589	626,000	1,246.48	1,056.83	77	0	87.1	13,871	19.0	May 12, 1988
C-54	Proceed Tsurugamine	Kanagawa	356,000	0.4	370,823	389,000	855.00	803.70	50	4	93.7	10,325	7.2	March 12, 1991
C-55	Proceed Sagamiotsuka	Kanagawa	234,000	0.3	236,086	222,000	741.24	712.24	29	7	98.1	6,371	12.9	April 5, 1991
C-56*	Proceed Shinozaki 2	Tokyo	913,300	1.1	824,734	1,140,000	2,134.07	2,134.07	35	13	99.8	27,078	4.2	September 18, 2008
C-57	Proceed Kashiwa Trois	Chiba	537,100	0.6	489,925	659,000	1,149.95	1,121.95	38	6	97.6	16,865	5.4	May 8, 2009
C-58	Proceed Shinozaki Tower (Note 8)	Tokyo	1,564,000	1.8	1,457,464	2,190,000	5,117.49	5,014.29	88	30	98.3	61,058	High-rise bldg.: 2.6 Low-rise Bldg.: 4.4	March 17, 2008
C-59	Proceed Tobu Nerima	Tokyo	422,000	0.5	416,678	538,000	779.84	779.84	35	2	96.2	12,756	7.7	August 31, 2007
C-60	Proceed Yukigaya	Tokyo	323,000	0.4	367,008	392,000	600.62	549.23	35	0	94.8	10,198	14.0	October 7, 1991
C-61	Proceed Ichikawa Minami	Chiba	687,000	0.8	710,562	923,000	1,635.59	1,635.59	66	17	98.3	24,508	2.0	February 10, 1997
C-62	Proceed Ichikawa Myoden	Chiba	498,000	0.6	537,274	621,000	945.00	882.00	45	1	98.2	14,033	6.8	March 15, 2003
C-63	Proceed Fujisawa Kugenuma	Kanagawa	729,000	0.8	786,306	884,000	2,005.76	2,005.76	25	20	98.5	23,751	14.7	March 30, 2001
C-64	Proceed Nihonbashi-horidomecho	Tokyo	1,486,800	1.7	1,523,806	1,690,000	1,904.45	1,904.45	37	2	98.1	36,075	7.5	April 7, 2006
C-65*	Proceed TX Nagareyama Central Park (Note 9)	Chiba	979,700	1.1	985,202	1,160,000	2,976.85	2,902.65	73	0	96.4	33,153	2.9	April 11, 2014
C-66	Proceed Gyotoku 2	Chiba	830,000	1.0	846,337	896,000	1,626.54	1,575.94	59	20	95.2	22,170	6.5	October 7, 2006
C-67	Proceed Nishikasai (Note 10)	Tokyo	875,600	1.0	959,403	979,000	2,993.52	2,993.52	63	39	98.1	28,842	11.0 8.1	October 17, 1993 July 23, 1985
C-68*	Proceed Kasai 2	Tokyo	750,000	0.9	815,756	880,000	2,140.59	2,085.90	29	6	98.8	24,119	7.1	September 12, 2003
C-69	Proceed Nihonbashi Honcho	Tokyo	2,449,000	2.8	2,593,687	2,530,000	2,553.89	2,510.83	84	7	98.6	51,099	8.3	February 25, 2003
C-70	Proceed Nishi Shinjuku	Tokyo	2,549,000	3.0	2,662,253	2,630,000	2,461.88	2,427.88	66	5	95.0	47,278	4.5	February 25, 2003
C-71	Proceed Unoki	Tokyo	917,000	1.1	952,705	955,000	1,260.58	1,260.58	29	4	93.8	22,226	13.9	September 5, 2015
C-72*	Proceed Minamigyotoku 2	Chiba	1,080,000	1.3	1,130,344	1,120,000	2,832.74	2,832.74	36	18	99.1	31,780	6.4	May 15, 2014
C-73	Proceed CO-Z East Building	Chiba	1,830,000	2.1	1,975,070	1,960,000	6,873.33	6,603.17	112	121	95.4	56,611	6.0	March 10, 1997
C-74	Proceed CO-Z West Building	Chiba	971,000	1.1	1,063,674	1,030,000	3,716.05	3,329.25	71	87	89.7	28,708	6.0	January 9, 1998
C-75	Proceed Shin Yokohama	Kanagawa	4,330,000	5.0	4,509,527	4,400,000	5,457.56	5,328.71	226	68	96.7	98,211	6.9	April 19, 2007
C-76	Life Support Residence Funaboriekimae	Tokyo	380,000	0.4	268,936	410,000	1,408.71	1,408.71	2	0	100.0	10,218	6.6	January 14, 2013
C-77	Proceed Kinshicho	Tokyo	2,140,000	2.5	2,260,027	2,160,000	2,302.92	2,207.53	64	11	97.2	40,507	6.1	July 1, 2005
C-78	Proceed K2	Chiba	1,170,000	1.4	1,245,555	1,230,000	4,099.04	3,972.96	59	22	95.7	31,704	3.9	February 10, 1995
C-79	Proceed K3 Annex	Chiba	283,000	0.3	305,565	307,000	1,590.30	1,524.78	24	25	98.6	8,936	5.5	March 2, 1997
C-80	Proceed K5	Chiba	269,000	0.3	288,344	273,000	788.95	704.43	16	0	88.4	5,991	6.3	February 13, 1998
C-81	Proceed Ichikawa Myoden II	Chiba	800,000	0.9	846,348	810,000	1,218.00	1,218.00	58	1	100.0	21,502	6.7	March 15, 2003
Tokyo metropolitan area major cities subtotal			61,405,700	71.1	61,046,056	68,481,000	138,908.28	135,111.36	3,644	972	97.0	1,715,409		

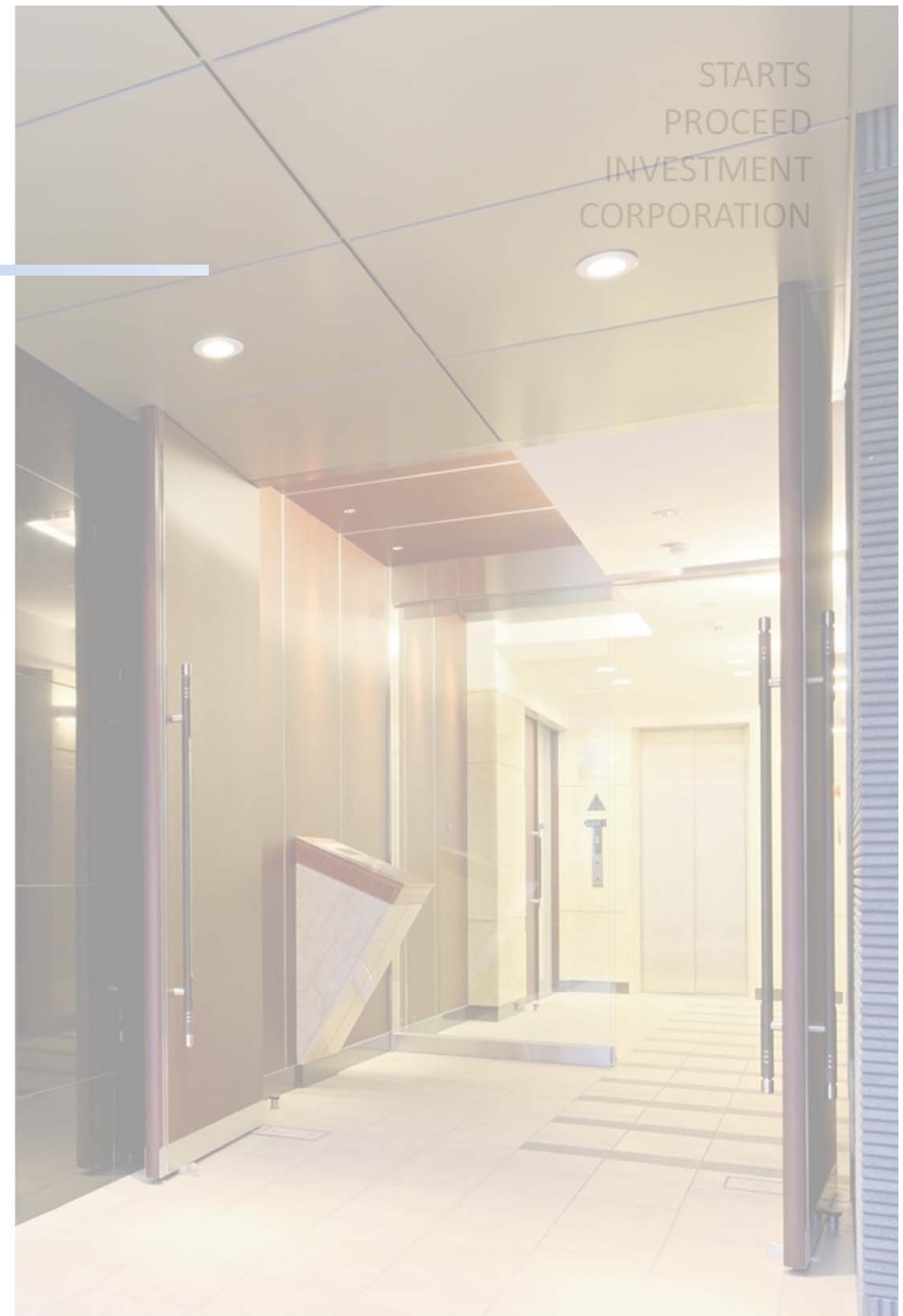
Portfolio List III (As of October 31, 2018)



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) (26th FP results)	PML (%)	Construction completion (Note 5)
G-8	Proceed Taikodori	Aichi	403,400	0.5	314,169	460,000	1,101.56	1,054.02	44	6	96.4	12,465	11.3	March 15, 2006
G-11	Proceed Honamimachi	Aichi	275,000	0.3	232,138	238,000	620.22	620.22	10	8	100.0	6,256	10.5	March 27, 2006
G-13*	Proceed Shinsakae	Aichi	792,500	0.9	665,422	939,000	1,958.44	1,828.90	77	11	92.9	22,853	7.1	February 28, 2007
G-14	Proceed Chiyoda	Aichi	309,300	0.4	261,083	377,000	922.40	892.08	30	4	95.1	9,648	7.3	March 20, 2007
G-15	Proceed Fukuoka Takamiya	Fukuoka	453,600	0.5	407,294	500,000	1,312.29	1,254.12	46	10	95.7	13,124	3.2	March 12, 2007
G-17*	Proceed Kanayama	Aichi	1,022,000	1.2	974,914	1,340,000	2,733.58	2,599.10	94	18	95.3	33,134	6.0	February 18, 2008
G-18*	Proceed Fukiage	Aichi	499,000	0.6	478,642	645,000	1,204.65	1,156.03	48	15	96.5	16,297	6.2	March 13, 2008
G-19*	Proceed Toyoda	Aichi	219,000	0.3	211,843	285,000	752.04	752.04	27	8	99.5	9,035	6.7	February 29, 2008
G-20	Proceed Kitahorie	Osaka	1,917,300	2.2	1,926,288	2,520,000	4,146.18	3,897.35	106	8	95.4	57,523	11.0	November 29, 2007
G-21	Proceed Nishitenma	Osaka	880,000	1.0	886,934	1,150,000	1,775.89	1,612.95	56	3	91.1	24,008	13.9	November 30, 2007
G-22	Proceed Kobemotomachi	Hyogo	780,000	0.9	795,391	971,000	1,590.64	1,466.12	61	6	93.0	18,966	8.6	December 21, 2007
G-23	Group Home Tanoshii Ie Taisho	Osaka	158,000	0.2	162,356	185,000	482.72	482.72	1	0	100.0	5,194	14.8	February 28, 2007
G-24	Proceed Kanayama 2	Aichi	2,040,400	2.4	2,089,923	2,240,000	4,218.01	3,859.97	72	31	93.6	52,062	6.2	August 22, 2007
G-25	Proceed Aratamabashi	Aichi	2,129,600	2.5	2,195,477	2,240,000	5,335.93	4,988.75	72	45	91.3	51,637	6.2	August 19, 2005
G-26	Proceed Bentencho	Osaka	2,170,000	2.5	2,262,543	2,240,000	4,134.70	4,084.52	126	21	98.1	55,576	8.1	January 11, 2008
G-27	Proceed Nagaikoendori	Osaka	1,070,000	1.2	1,117,835	1,070,000	2,170.80	1,983.79	81	24	91.5	23,052	14.4	May 28, 2007
G-28	Proceed Nishinagahori	Osaka	942,000	1.1	981,633	934,000	1,506.18	1,332.39	52	5	83.7	14,147	8.1	February 15, 2008
G-29	Proceed Kyobashi	Osaka	2,040,000	2.4	2,120,157	2,040,000	3,274.56	2,811.40	120	30	86.6	40,411	13.0	January 16, 2008
G-30	Proceed Hyogoekimaedori	Hyogo	1,670,000	1.9	1,741,226	1,690,000	3,086.99	2,760.95	117	18	92.0	40,227	9.2	February 8, 2008
G-31	Proceed Mizuho	Aichi	535,000	0.6	573,317	553,000	1,126.40	980.24	40	5	92.1	12,430	6.2	February 28, 2007
G-32	Proceed Osu	Aichi	831,000	1.0	872,511	863,000	1,851.30	1,795.20	66	10	98.0	23,434	7.6	March 7, 2016
G-33	Proceed Sendai Kozurushinden	Miyagi	698,000	0.8	751,244	766,000	1,913.28	1,772.40	63	32	92.5	18,754	8.4	March 20, 2006
G-33	Proceed Sendai Kamisugi	Miyagi	1,560,000	1.8	1,661,499	1,640,000	3,409.93	3,349.96	108	16	97.4	48,013	4.8	February 21, 2017
Cabinet order designated cities subtotal			23,395,100	27.1	23,683,850	25,886,000	50,628.69	47,335.22	1,517	334	93.7	608,246		
R-2	Proceed Mito	Ibaraki	383,700	0.4	318,647	472,000	1,223.83	1,158.55	36	7	96.9	13,498	4.0	January 7, 2007
R-3	Proceed Mito 2	Ibaraki	416,900	0.5	360,012	525,000	1,381.34	1,141.42	36	25	87.5	13,889	3.6	March 11, 2008
R-4	Proceed Tsukuba Gakuentoshi	Ibaraki	775,600	0.9	793,257	825,000	2,659.71	2,305.02	34	35	87.5	19,617	3.8	March 3, 2008
Regional area major cities subtotal			1,576,200	1.8	1,471,916	1,822,000	5,264.88	4,604.99	106	67	89.7	47,004		
Portfolio total			86,377,000	100.0	86,201,824	96,189,000	194,801.85	187,051.57	5,267	1,373	95.9	2,370,659	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 the first 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 the first decimal place. For properties with fixed rent, 100% is indicated.
- (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. 1, 2016 Notification of change in content and method of business concerning commencement of discretionary investment management business
 - Feb. 7, 2018 Registered Change in Type of Financial Instruments Business
(Addition of investment advisory and agency business)

■ Outline

President Kazuya Hiraide

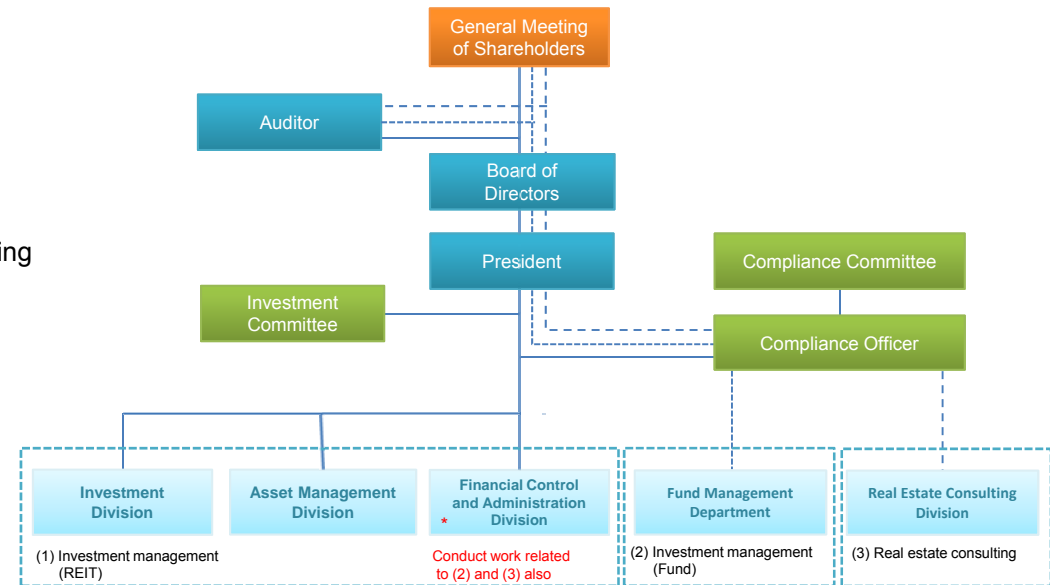
Head office location 3-1-8 Nihonbashi, Chuo-ku, Tokyo

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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