

Financial Results Briefing

27th Fiscal Period (six months ended April 30, 2019)
June 17, 2019

27th Fiscal Period Financial Results Summary

27th Fiscal Period Financial Results Highlights	3
27th Fiscal Period Financial Results	4
Management Forecast	5
Overview of Repurchase of Own Investment Units	6
Current Issues and Future Initiatives Aimed at Enhancing Unitholder Value	7
Asset Replacement Results between 23rd and 27th Fiscal Periods and Future Asset Replacement Policy	8
Effects of Asset Replacement	9
Portfolio Policy	10
Status of Occupancy Conditions of AUM	11
Stable Occupancy Rates and Background	12
Building a Portfolio that Responds to Various Fluctuation Risks	13
Status of Leasing Conditions of AUM	14
AUM Average Occupancy Period by Residential Unit Type (Results of 23rd–27th Fiscal Period Residents)	15
Initiatives to Enhance Asset Value	16
Changes in AUM Indicators	17
Financial Status	18
Status of Interest-Bearing Liabilities after Refinancing (May 24, 2019)	19
Overview of May 24, 2019 Refinancing	20
Changes in Investment Unit Price	21
Status of Unitholders (As of April 30, 2019)	22

Future Management Policy

Management Policy from 28th Fiscal Period	24
Collaborative Structure of Starts Group	25
Properties for Warehousing	26
Properties Developed by the Sponsor	28
Development Projects of Starts Group	29
Scale of PFI/PPP Projects	30
Case Example of Consulting by Management Company	31
Case Example of Ongoing Project of Starts Group	37
Case Example of Efforts by Management Company	38

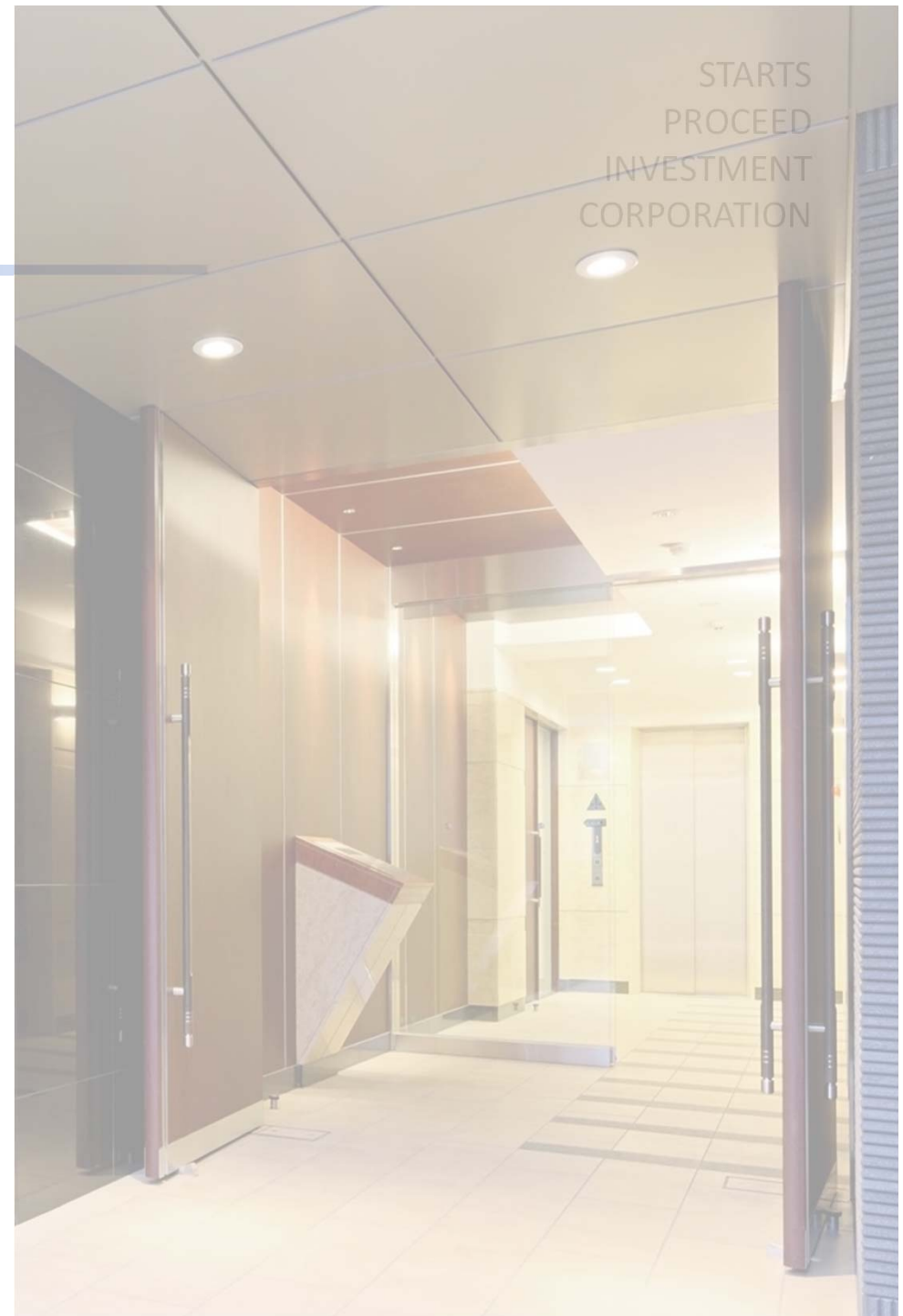
Reference Materials

Balance Sheet	40
Statements of Income / Cash Distributions	41
Statements of Cash Flows and Key Performance Indicators	42
Status of Interest-Bearing Liabilities (As of April 30, 2019)	43
Portfolio Map (As of April 30, 2019)	46
Breakdown of Revenue of Major Properties (27th Fiscal Period Results)	47
Portfolio List (As of April 30, 2019)	48

Management Company Overview

Starts Asset Management Co., Ltd.	52
Disclaimer	54

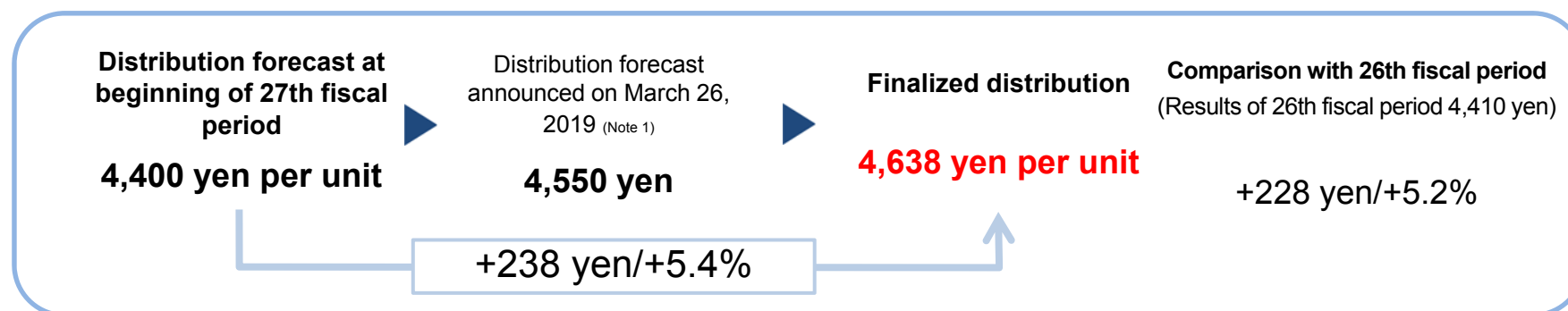
27th Fiscal Period Financial Results Summary



27th Fiscal Period Financial Results Highlights



27th fiscal period Distribution Per Unit



(Note 1) Distribution per unit forecast has been revised in line with arising of capital gain of specified assets.

27th fiscal period Management Summary

External Growth	Aim to improve portfolio quality	<ul style="list-style-type: none"> ■ (C-8) Disposed Proceed Sengendai, with gain on sale of 25 million yen ■ Changed investment corporation articles of incorporation and operational guidelines to establish a stable portfolio
Internal Growth	Continue stable asset management	<ul style="list-style-type: none"> ■ Period average occupancy rate of 96.4% (0.5-percentage-point increase from 26th Fiscal Period) ■ Accomplished occupancy rates of 95% or more for the twentieth consecutive fiscal period
Financial Status	Maintain sound finances	<ul style="list-style-type: none"> ■ Total asset LTV (after refinancing) (Note 2) 50.8% (0.1-percentage-point increase from 26th Fiscal Period) ■ Ratio of fixed-rate loans (after refinancing) 28.4% (6.9-percentage-point increase from 26th Fiscal Period)
Others	Conduct initiatives that contribute to improving unitholder value	<ul style="list-style-type: none"> ■ Starts Proceed repurchased and cancelled 3,000 of its own investment units for the first time, which led to a 54 yen increase for distributions per unit

(Note 2) After-refinancing total asset LTV refers to the balance of interest-bearing liabilities on the refinancing date (May 24, 2019) divided by the sum total of total net assets at the end of the 27th Fiscal Period as recorded on the balance sheet, in addition to the amount of interest-bearing liabilities procured in the 28th Fiscal Period, subtracted by the amount of interest-bearing liabilities repaid in the 28th Fiscal Period

(Note 3) All amounts are round down, and figures with decimal places calculated for percentage or averaged are rounded off. The same shall apply hereinafter.

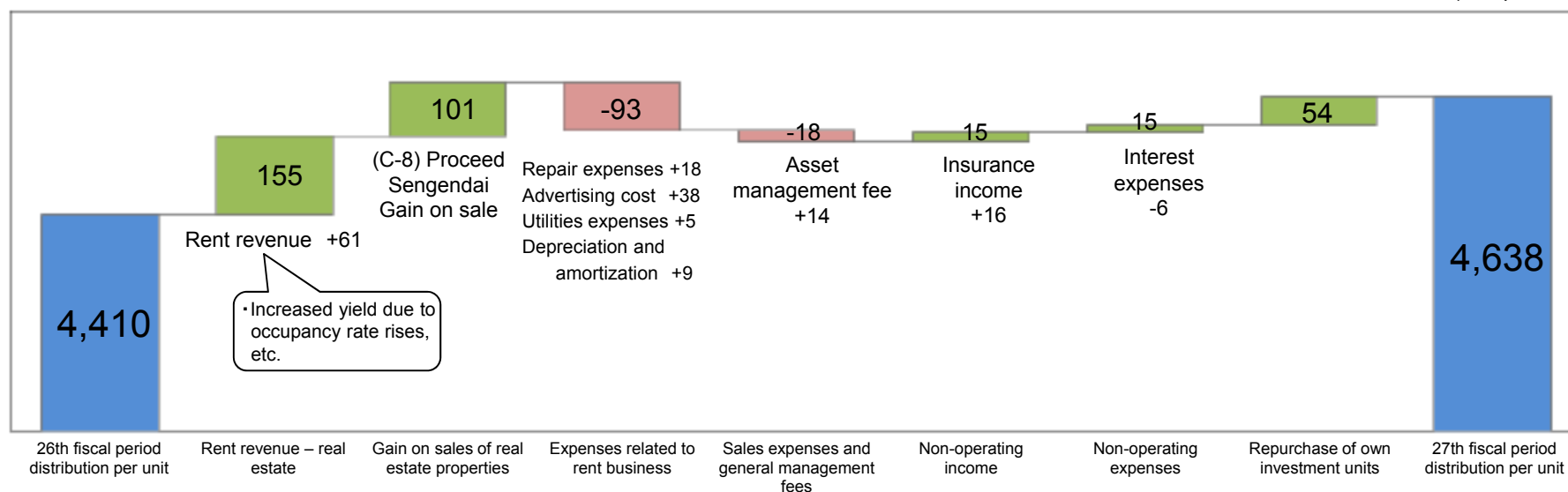
27th Fiscal Period Financial Results

■ Comparing the Results of the 26th Fiscal Period with the Forecast of the 27th Fiscal Period

	26th FP Results	27th FP Forecast	Against the 26th Fiscal Period	27th FP Forecast	Against the Forecast
Operating revenue (million yen)	3,079	3,144	65	3,101	42
Operating expenses (million yen)	1,741	1,769	28	1,765	4
Operating income (million yen)	1,338	1,374	36	1,336	38
Ordinary income (million yen)	1,134	1,178	44	1,131	47
Net income (million yen)	1,132	1,177	44	1,129	47
Distribution per unit (yen)	4,410	4,638	228	4,400	238
Number of investment units issued and outstanding (Unit)	256,777	253,777	-3,000	256,777	-3,000
Period average occupancy rate (%)	95.9	96.4	0.5	96.0	0.4

■ Main factors of difference from the results of the 26th Fiscal Period to the results of the 27th Fiscal Period

(Yen per unit)



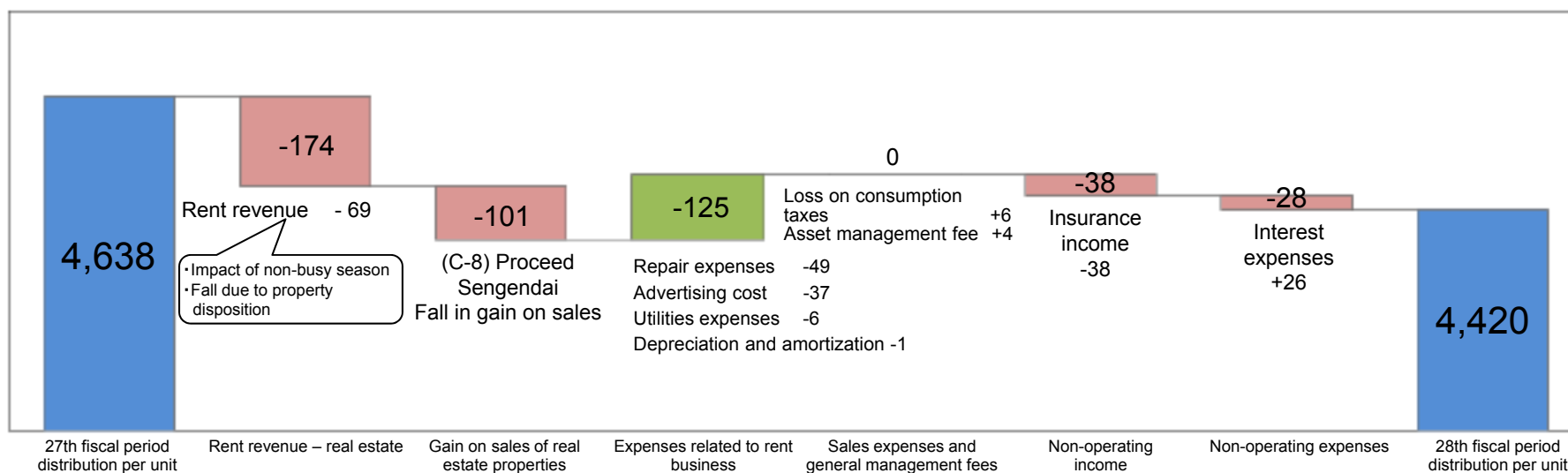
Management Forecast

Forecast for the 28th and 29th fiscal periods

	27th FP Results	28th FP Forecast	Against the 26th Fiscal Period	29th FP Forecast	Against the Forecast
Operating revenue (million yen)	3,144	3,074	-70	3,109	34
Operating expenses (million yen)	1,769	1,738	-31	1,778	40
Operating income (million yen)	1,374	1,336	-38	1,330	-6
Ordinary income (million yen)	1,178	1,123	-55	1,123	0
Net income (million yen)	1,177	1,121	-55	1,121	0
Distribution per unit (yen)	4,638	4,420	-218	4,420	0
Number of investment units issued and outstanding (Unit)	253,777	253,777	-	253,777	-
Period average occupancy rate (%)	96.4	95.6	-0.8	96.1	0.5

Main factors of difference from the results of the 27th Fiscal Period to the Forecast of the 28th Fiscal Period

(Yen per unit)



Overview of Repurchase of Own Investment Units

Rationale behind Repurchasing of Own Investment Units

- Improve distribution per unit
- Implement new unitholder return method



• It was resolved that Starts Proceed's first-ever repurchase of own investment units would **improve unitholder value in the medium to long term.**

Overview of repurchase of own investment units

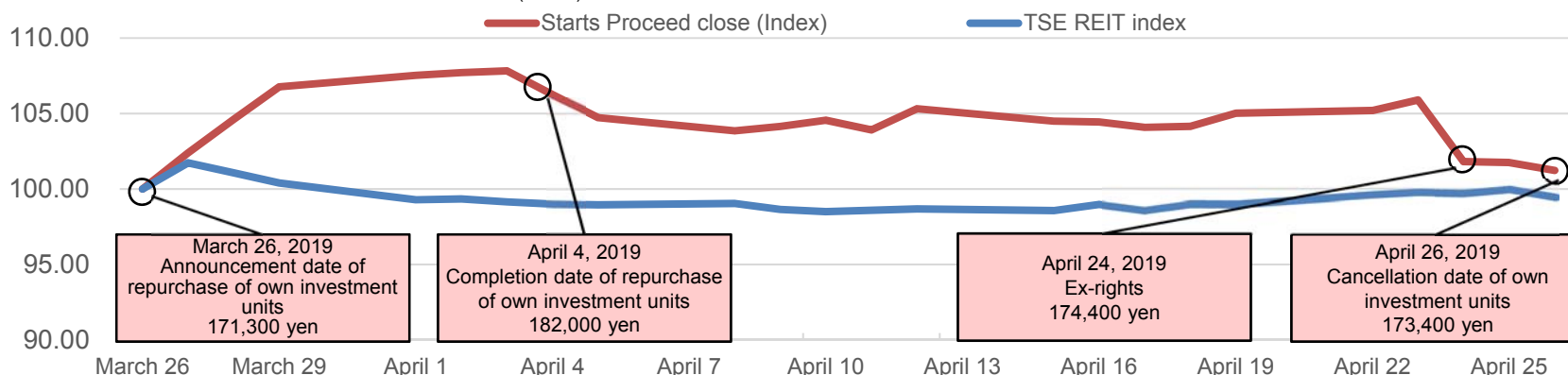
Total number of investment units repurchased	3,000 units (Ratio of total number of investment units issued and outstanding: 1.17%)
Total amount of repurchased investment units	545,913 thousand yen
Period of repurchase	March 27, 2019 to April 4, 2019 (on a trade date basis)
Repurchase method	Market purchase at Tokyo Stock Exchange based on discretionary transaction contracts with securities companies
Cancellation date	April 26, 2019 (Total number of investment units issued and outstanding after cancellation: 253,777 units)

Effect of repurchase of own investment units

Impact on distribution per unit	Distribution forecast at beginning of 27th fiscal period 4,400 yen	Effect of cancellation (Note 1) +54 yen (+1.2%)	27th FP Finalized distribution 4,638 yen
Impact on NAV per unit	End of 26th FP 203,743 yen	Effect of cancellation (Note 1) +2,458 yen (+1.2%)	End of 27th FP 210,360 yen

(Note 1) Upon calculating the value if own investment were not repurchased or cancelled (if the total number of investment units issued and outstanding was 256,777), the difference is calculated and shown.

Change in investment unit price after announcement of repurchase of own investment units (Note 2)



(Note 2) The closing price of investment unit on the announcement date of repurchase of own investment units, 171,300 yen and With closing price of investment unit on the announcement date of repurchase of own investment units (171,300 yen) and TSE REIT index on the same day (1,899.90) are deemed as 100 and set as the base, and change in price and index are indicated until the cancellation date of own investment units.

■ Issues Recognized by Starts Proceed

- Need to improve evaluation on investment units as the situation where NAV multiple **falls below 1.0x** is continuing
- Need to build highly stable and attractive portfolio as it has no advantage over competing REITs in **terms of scale**



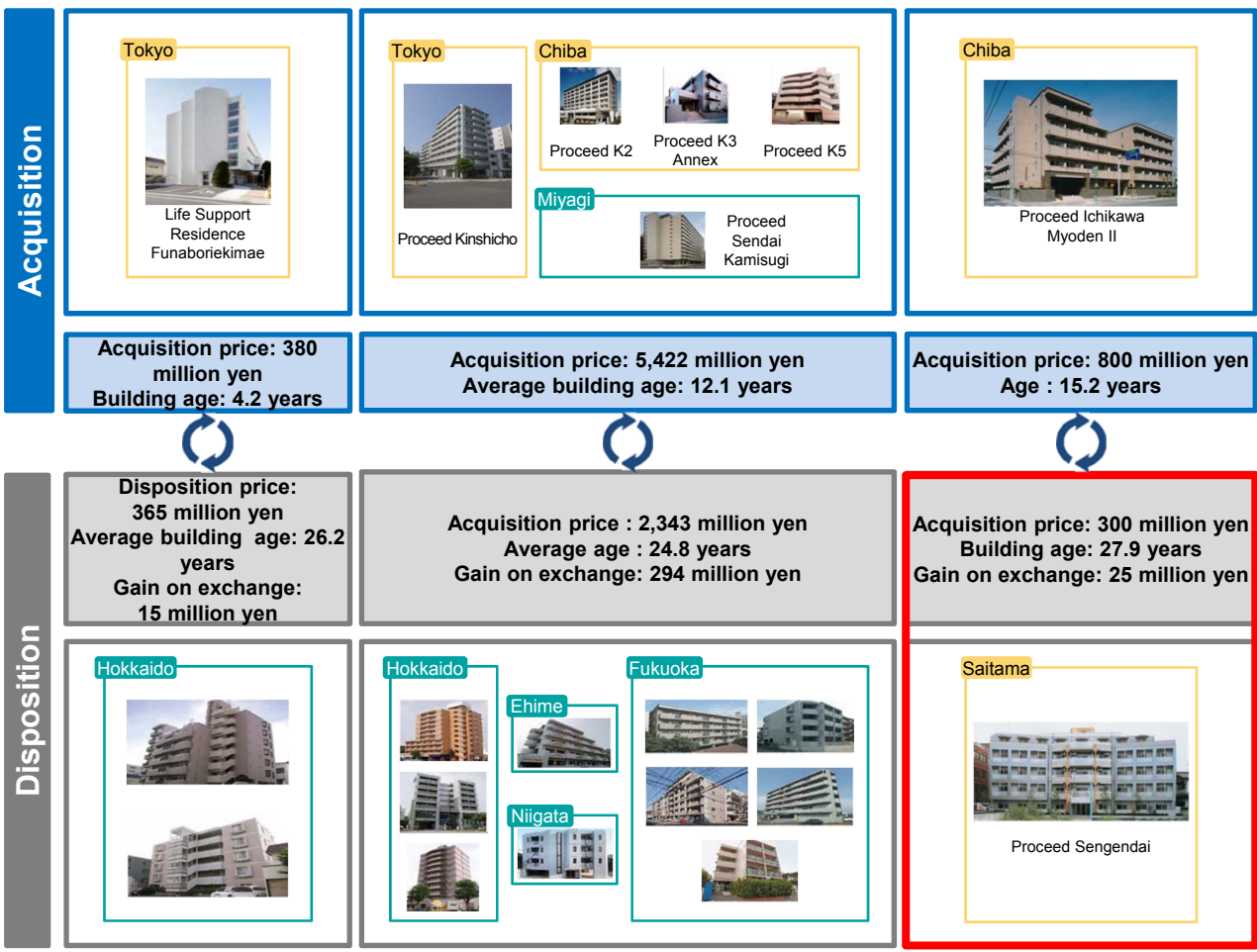
■ Future initiatives of Starts Proceed

Given the current issues, Starts Proceed will implement measures focusing more on the improvement of unitholder value

- ① Improve portfolio quality through agile property replacement
 - Return capital gain from on sale to unitholders, benefiting from the high price of real estate
 - Consider property acquisition as well to improve medium- to long-term NOI
- ② Improve liquidity and stability through acquisition of pipeline properties
 - Build a highly stable and attractive portfolio through acquisition of highly competitive properties developed by the sponsor
- ③ Unitholder return through repurchase of own investment units utilizing surplus
 - Enforce measures for unitholder return by considering repurchase of own investment units, an aggressive approach to utilizing surplus

Results of Property Replacements between the 23rd and 27th FP and Future Property Replacement Policy

Starts Proceed is improving its portfolio quality through agile property replacements. It increased the asset size by 4,029 million yen and obtained 333 million yen of gain on sale and exchange of assets (of which, 99 million yen was internally reserved as reserve for reduction entry) through property replacements conducted since the previous public offering, from the 23rd fiscal period to the 27th fiscal period. Starts Proceed will continuously consider property replacement and unitholder return.



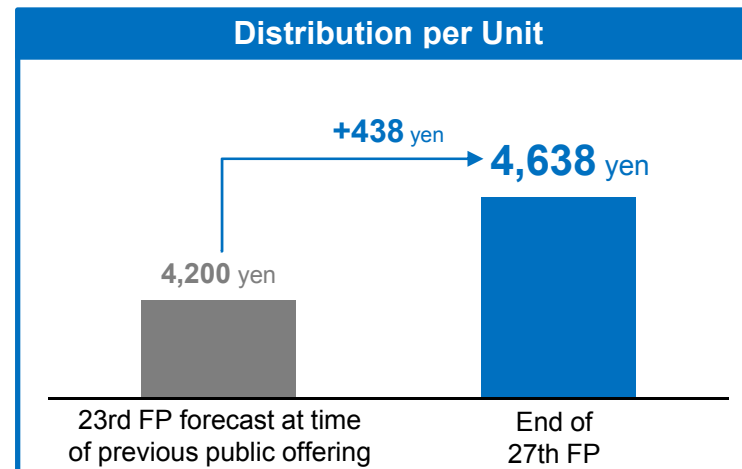
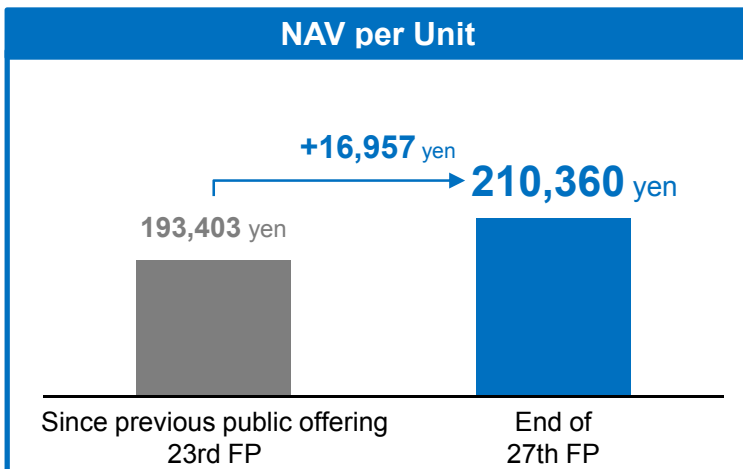
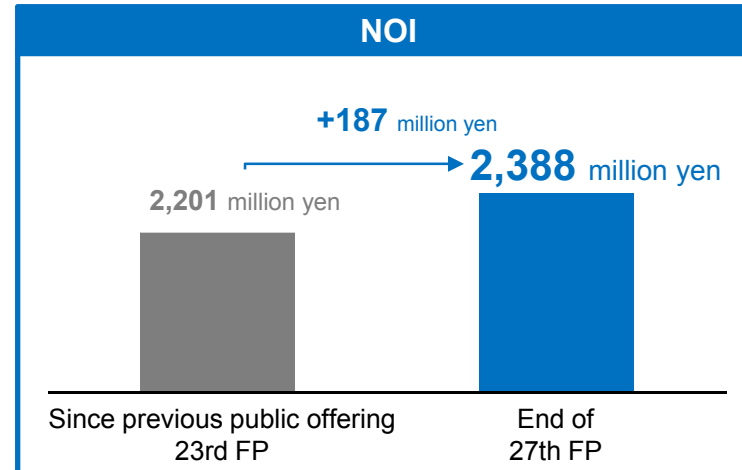
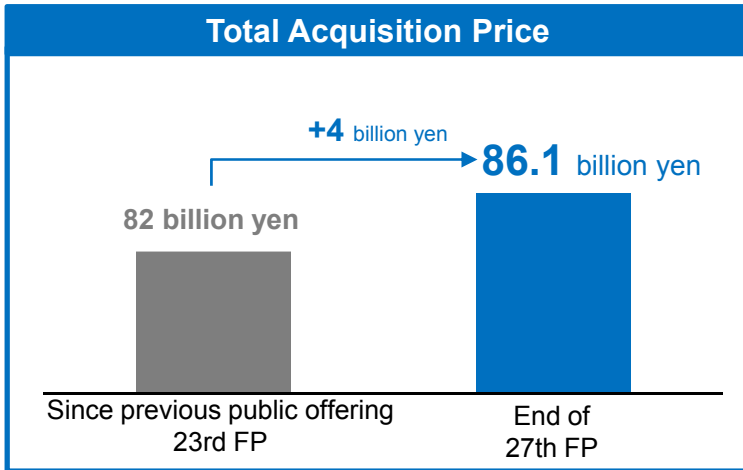
Future property replacement policy

- Consider disposition in regards to old properties along the outer fringe of Tokyo.
- In addition to adding capital gain on sale to distribution as unitholder return, consider use as acquisition funds.
- Acquire more properties than those being disposed and achieve steady external growth in addition to improving portfolio quality.

Realize the Maximization of Unitholder Value

Effect of Property Replacements

Starts Proceed achieved expansion of asset size while increasing unitholder value through property replacements. Starts Proceed will aim for further growth and improvement of unitholder value through its continuous efforts.



Portfolio policy and the status as of the end of the 27th FP

- Development projects through real estate consulting business concurrently conducted by the Asset Management Company as a subsidiary business
- Other development projects implemented by Starts Group

By expanding target investments so that the abovementioned properties could be integrated, we contribute to establishing a stable portfolio and realizing enhancement of unitholder value.

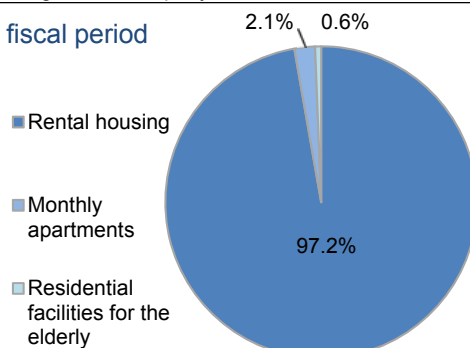
Portfolio policy by use (Note1)

Investment target	Characteristics	Price ratio
Rental housing	Regular rental housing for singles, DINKS, families, etc.	<u>70%</u> or more
Monthly apartments	Rental housing with furniture that accepts short-term contracts such as a monthly contract.	<u>25%</u> or less
Serviced apartments	Rental housing with furniture that provides services such as linen changes.	
Hotels	<u>Primarily hotels specialized in lodging, etc.</u>	
Residential facilities for the elderly	Rental housing in the form of paid nursing homes, etc., and <u>elderly nursing facilities such as insurance-covered nursing care facilities, etc.</u>	10% or less
<u>Others</u>	<u>Property developments, etc., through PFI, PPP, and urban redevelopment work, etc., which have been constructed and designed, etc., through the real estate consulting business, which is concurrently conducted by the Asset Management Company.</u>	<u>25%</u> or less

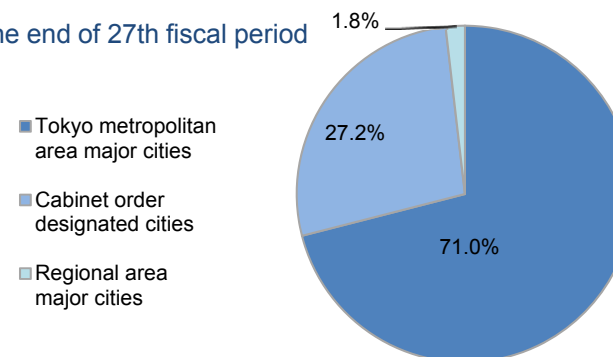
Portfolio policy by area (Note1)

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 27th fiscal period



As of the end of 27th fiscal period



(Note 1) Price ratio is calculated by dividing subtotal of acquisition prices in each category by total acquisition price of entire portfolio. Moreover, actual price ratios may not meet the target ratios due to economic climate, real estate market conditions and other factors.

(Note 2) The main changes to the operational guidelines are underlined on the chart.

Status of Occupancy Conditions of AUM

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

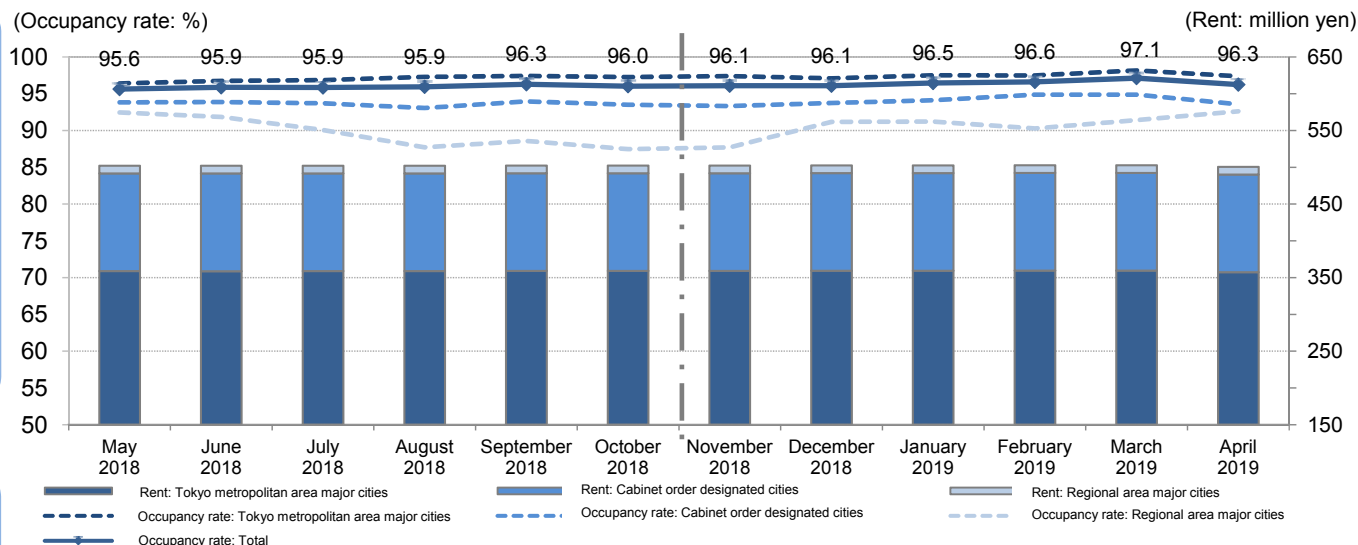
Average occupancy rate for the 26th fiscal period:

95.9%

+0.5 percentage points

Average occupancy rate for the 27th fiscal period:

96.4%



Status of occupancy conditions

The results exceeded 96.0%, the results of the previous peak season in the 25th Fiscal Period, and rent revenue increased by 58 million yen from the 25th Fiscal Period.

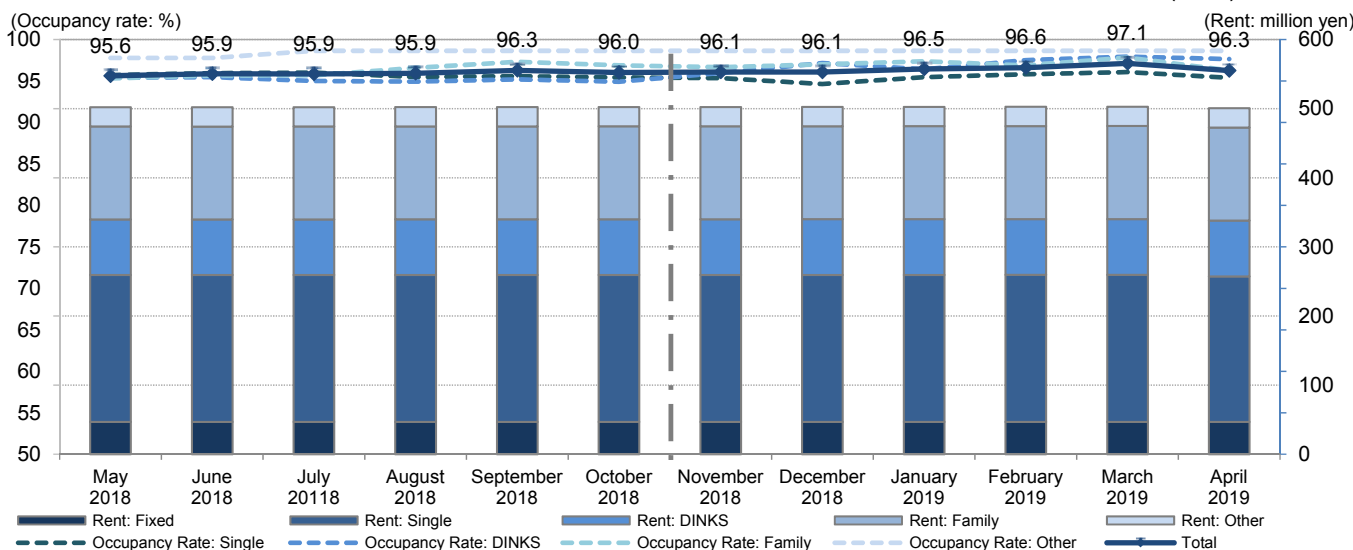
Occupancy rates by area

Occupancy rates remained at 97% or higher in Tokyo metropolitan area major cities. An increase of 4 percentage points or more were seen from the beginning of the fiscal period even in regional area major cities.

Occupancy rates by type

Occupancy rates were at 96% or higher for each type, and occupancy is stable.

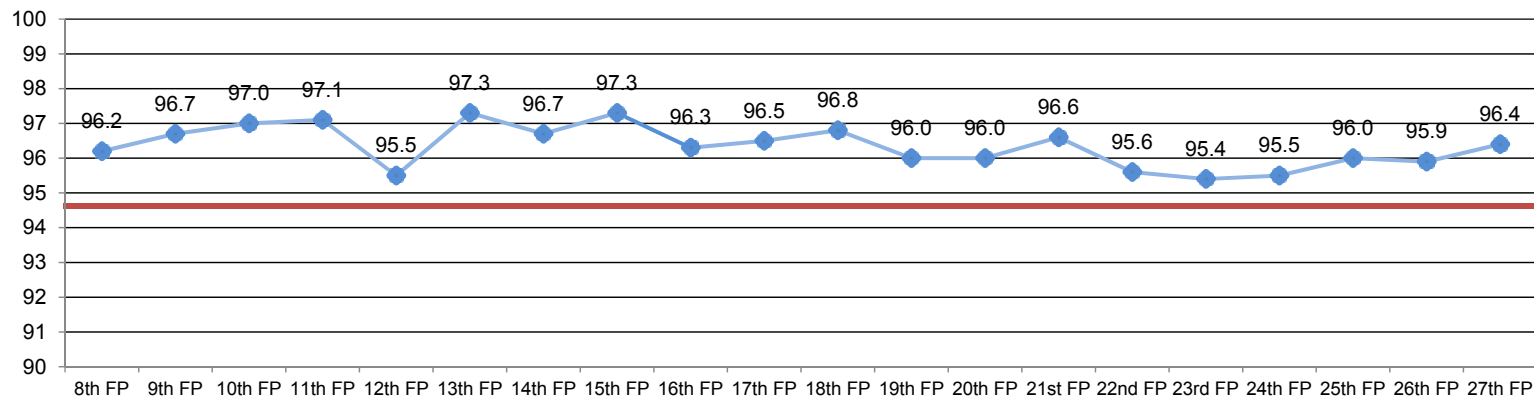
Changes in Period-Round Occupancy Rates and Set Rent by Type (Note)



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

■ Occupancy Rate Trends (from 8th FP to 27th FP)

Properties owned by Starts Proceed maintained a high occupancy rate at 95% or above for the twentieth consecutive fiscal period.



■ Background of Maintaining High Occupancy Rates

① Collaborative structure of entire Starts Group

- Stable leasing activities by Pitat House which has 660 stores around Japan (as of May 31, 2019)
- A dominant area centering along the Tozai Line where the collective effort of Starts Group is maximally realized

② Establishing a portfolio targeting the needs of the market

- Investment targets are properties for the average income households where demand is thought to be most stable
- With property acquisitions targeting both the 23 wards of Tokyo and the area around Tokyo, a stable and highly profitable portfolio has been established

Building a Portfolio that Responds to Various Fluctuation Risks

■ Characteristics of Rental Housing in which Starts Proceed Primarily Invests

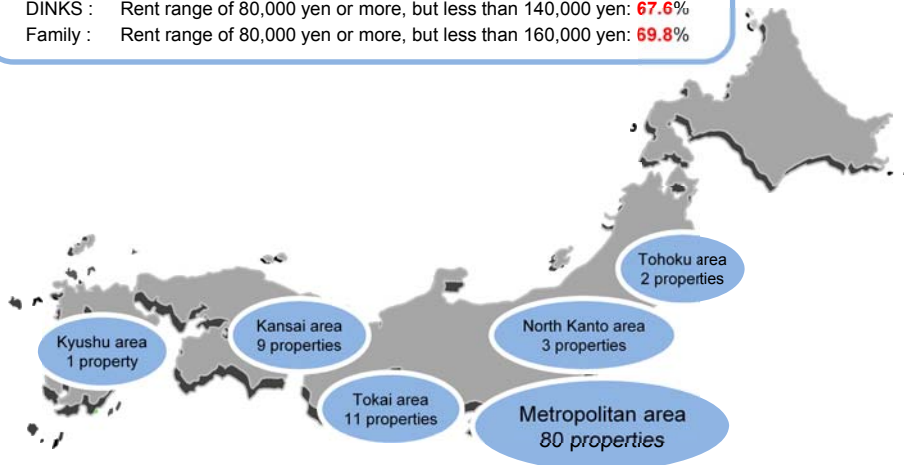
Setting as the primary investment target single, family and other rental housing for average-income households that have the most stable demand, we aim to build a portfolio that can respond to the fluctuations of market rent, resident demand, etc. as much as possible and to carry out stable management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

Average Rent Range by Residential Unit Type (Note)

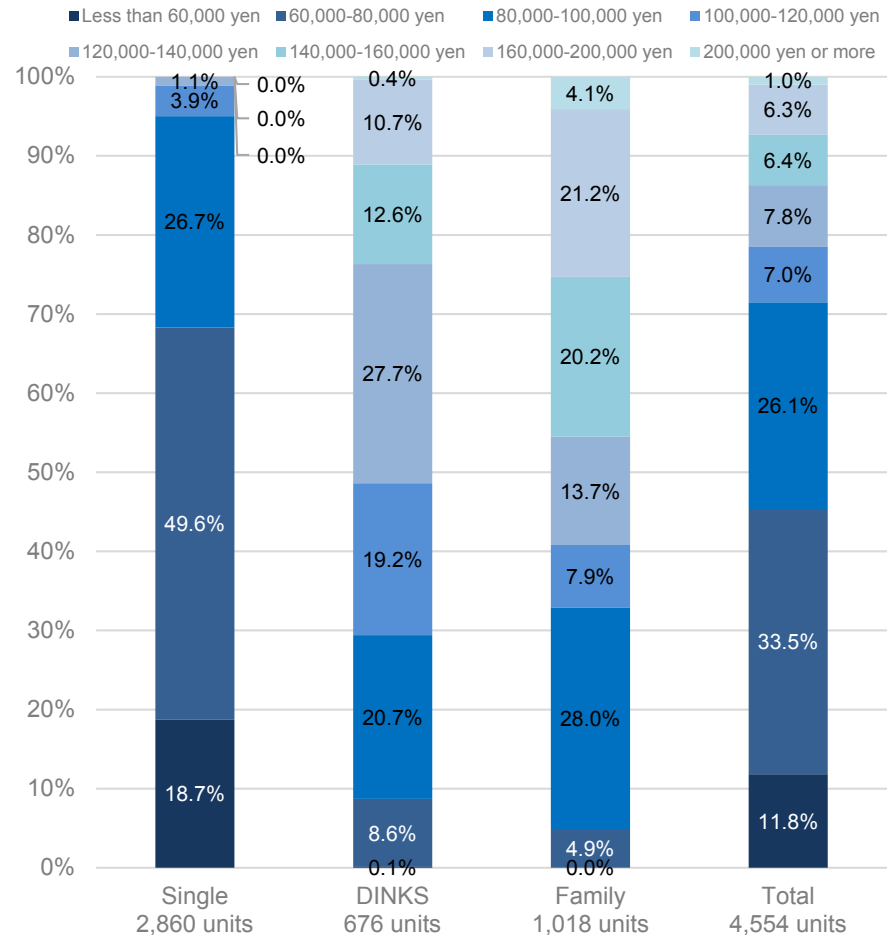
Residential unit type	Average rent (yen)	
	26th FP	27th FP
Single	73,568	73,647
DINKS	119,272	119,396
Family	132,077	132,348
Overall average	93,432	93,560

Starts Proceed Portfolio Characteristics
Targeted at Middle-Income Households

- Single : Rent range of 60,000 yen or more, but less than 100,000 yen: **76.3%**
- DINKS : Rent range of 80,000 yen or more, but less than 140,000 yen: **67.6%**
- Family : Rent range of 80,000 yen or more, but less than 160,000 yen: **69.8%**



Rent Range by Residential Unit Type (Note)



(Note) • Average Rent and Rent Range by Residential Unit Type targets the 4,554 units in pass-through type properties, excluding residential facilities for the elderly, tenants, and offices, from the 106 properties continuously operated from the end of the 26th Fiscal Period to the end of the 27th Fiscal Period (excludes (C-8) Proceed Sengendai disposed on April 25).
 • 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.

Status of Leasing Conditions of AUM

Rent setting for agreement (Note 1)

Difference in Rent between New Agreement and Previous Agreement

(thousand yen)

	23rd FP		24th FP		25th FP		26th FP		27th FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	231 cases	815	178 cases	469	214 cases	696	191 cases	718	278 cases	841
No change	206 cases	0	115 cases	0	175 cases	0	121 cases	0	132 cases	0
Decrease	134 cases	-549	115 cases	-433	116 cases	-406	100 cases	-440	107 cases	-353
Total	571 cases	266	408 cases	35	505 cases	290	412 cases	278	517 cases	488
Rate of Change ^(Note 2)	0.5%		0.1%		0.6%		0.7%		1.1%	

Renewal Rent Revision

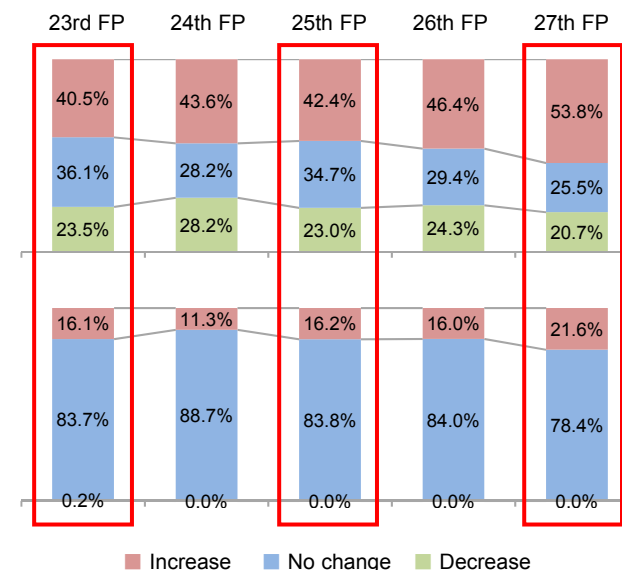
(thousand yen)

	23rd FP		24th FP		25th FP		26th FP		27th FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	65 cases	180	44 cases	63	96 cases	165	75 cases	116	126 cases	197
No change	338 cases	0	345 cases	0	496 cases	0	395 cases	0	456 cases	0
Decrease	1 cases	-8	0 cases	0	0 cases	0	0 cases	0	0 cases	0
Total	404 cases	172	389 cases	63	592 cases	165	470 cases	116	582 cases	197

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

(Note 2) Rate of change refers to the total monthly rent after tenant replacements against the total monthly rent before tenant replacement for units where tenant replacement occurs.

Calculated based on dividing the total monthly rent after tenant replacement by the total monthly rent before tenant replacement.



■ Increase ■ No change ■ Decrease

Difference in key money setting and rent for agreements (Note 3)

Difference in Key Money between New Agreement and Previous Agreement

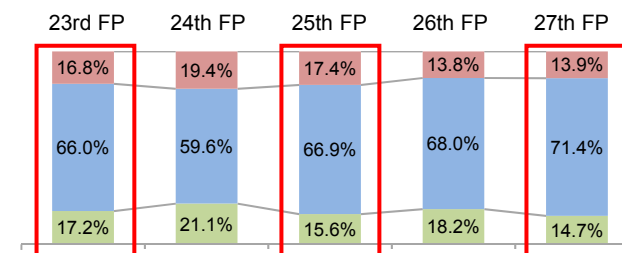
(thousand yen)

	23rd FP		24th FP		25th FP		26th FP		27th FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	96 cases	10,363	79 cases	8,563	88 cases	9,635	57 cases	6,470	72 cases	7,761
No change	377 cases	0	243 cases	0	338 cases	0	280 cases	62	369 cases	0
Decrease	98 cases	-8,802	86 cases	-7,580	79 cases	-7,104	75 cases	-6,284	76 cases	-6,966
Total	571 cases	1,561	408 cases	983	505 cases	2,531	412 cases	247	517 cases	794

Total amount and difference in rent (at the end of fiscal periods)

(thousand yen)

	23rd FP	24th FP	25th FP	26th FP	27th FP
Total key money	216,374	216,834	234,352	235,488	234,787
Total rent	392,824	389,460	416,229	420,606	418,680
Ratio to rent	0.55 month	0.55 month	0.56 month	0.56 month	0.56 month



■ Increase ■ No change ■ Decrease

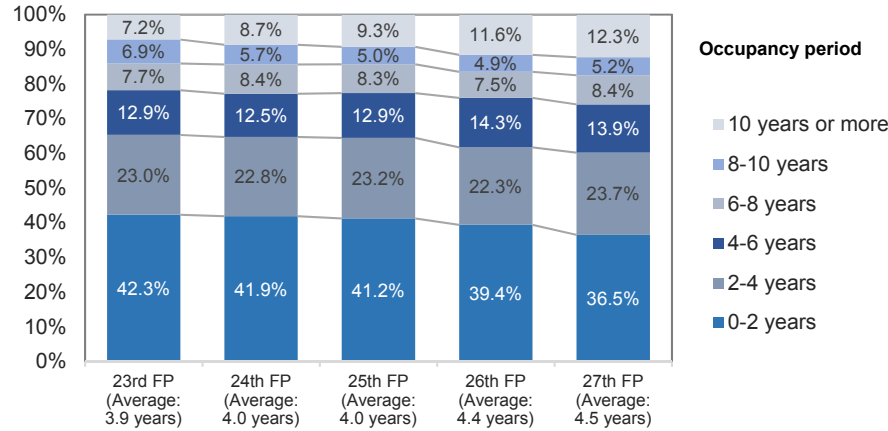
(Note 3) The ratio to rent is calculated from the sum of rents and advertised rents stated in the lease agreement and common area maintenance charges are not included. The figures are for pass-through type properties only and those for fixed-rent type properties are not included.

AUM Average Occupancy Period by Residential Unit Type (Results of 23rd–27th Fiscal Period Residents)

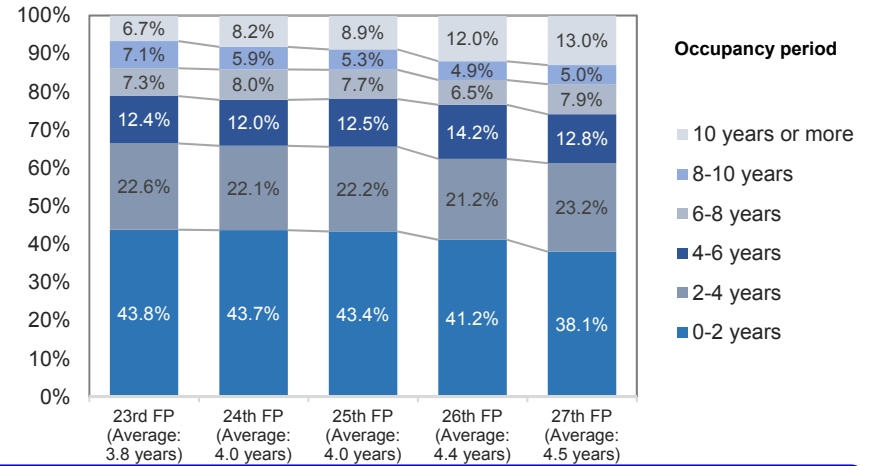


Average occupancy period is growing for each residential unit type, contributing to cost reductions, etc.

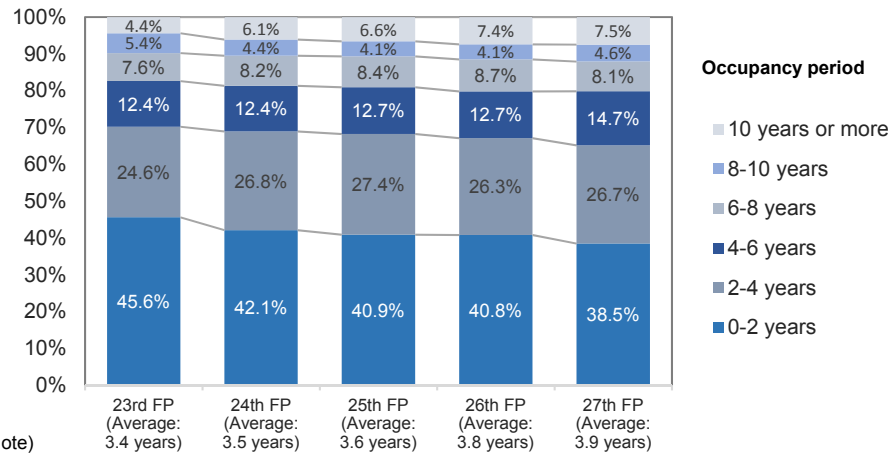
All (End of 23th FP: average 3.9 years → End of 27th FP: average 4.5 years)



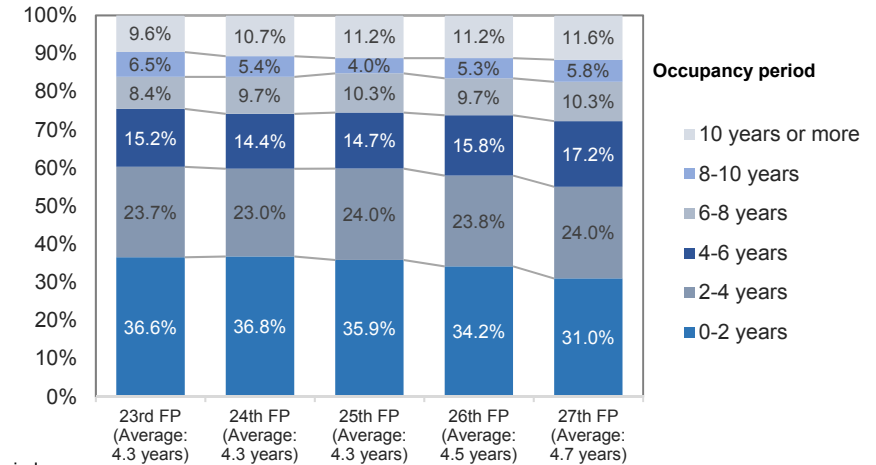
Single (End of 23th FP: average 3.8 years → End of 27th FP: average 4.5 years)



DINKS (End of 23th FP: average 3.4 years → End of 27th FP: average 3.9 years)



Family (End of 23th FP: average 4.3 years → End of 27th FP: average 4.7 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.

Initiatives to Enhance Asset Value

- Proceed Nihonbashi Honcho/Entrance renovation work (completed in December 2018)



Agreed upon contracts for ten units and accomplished increased rents of 25,000 yen

- Proceed Kasai 2/Exterior makeovers (completed in April 2019)



Replaced lights with LED lights in common areas to cut costs
Conducted external renovations that contribute to increasing asset value

Changes in AUM Indicators

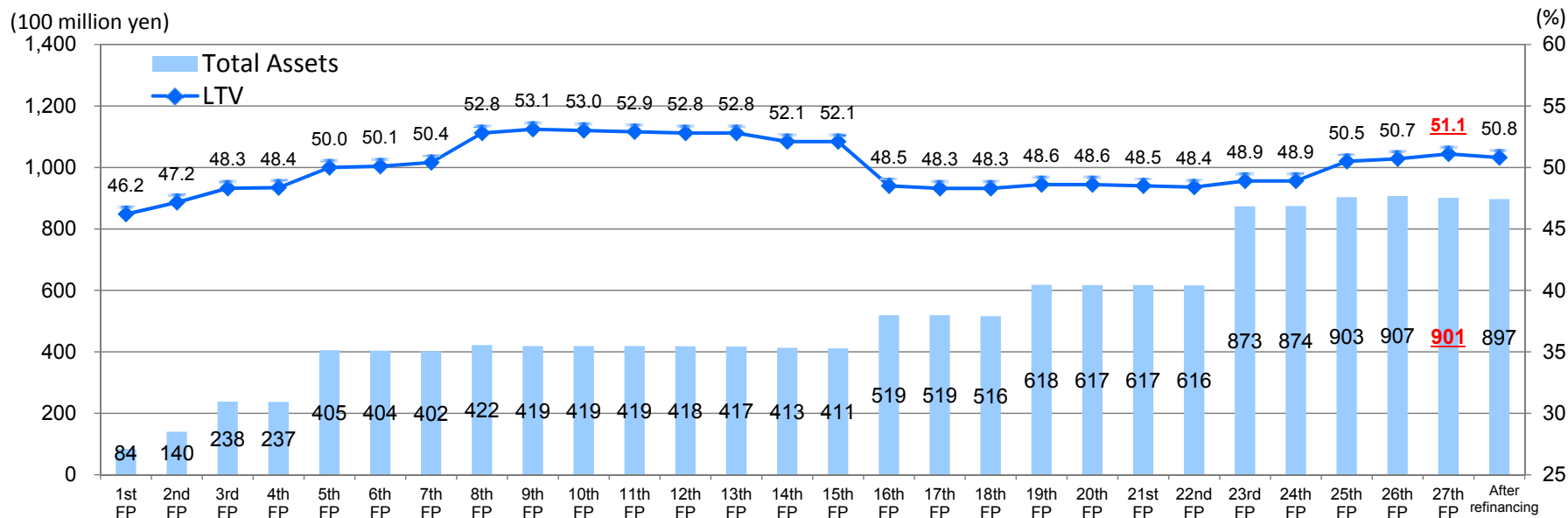
- Appraisal value for the 27th Fiscal Period was 97.03 billion, a period-on-period increase of 840 million yen.
- Unrealized gain increased to 11.60 billion yen, up 1.62 billion yen compared with the previous period.
- NOI yield (based on acquisition price) for the entire portfolio was **5.5%**.

	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	27th FP	26th FP	27th FP	26th FP	27th FP	26th FP	27th FP	26th FP	27th FP	26th FP	27th FP
Tokyo metropolitan area major cities	61,146	60,450	68,481	68,878	97.3	97.4	1,715	1,734	5.6	5.7	5.0	5.0	4.2	4.2
Cabinet order designated cities	23,395	23,526	25,886	26,321	93.5	93.6	608	598	5.2	5.1	4.7	4.5	3.8	3.7
Regional area major cities	1,576	1,453	1,822	1,833	87.5	92.6	47	47	6.0	6.0	5.2	5.2	3.6	3.7
Total	86,117	85,431	96,189	97,032	96.0	96.3	2,370	2,380	5.5	5.5	4.9	4.9	4.1	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.

Financial Status

Changes in Total Assets and LTV Ratio (Note 1)



(Note 1) "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.
 (Note 2) After refinancing total asset LTV refers to the balance of interest-bearing liabilities on the refinancing date (May 24, 2019) divided by the sum total of total assets at the end of the 27th Fiscal Period as recorded on the balance sheet, in addition to the amount of interest-bearing liabilities procured in the 28th Fiscal Period, subtracted by the amount of interest-bearing liabilities repaid in the 28th Fiscal Period

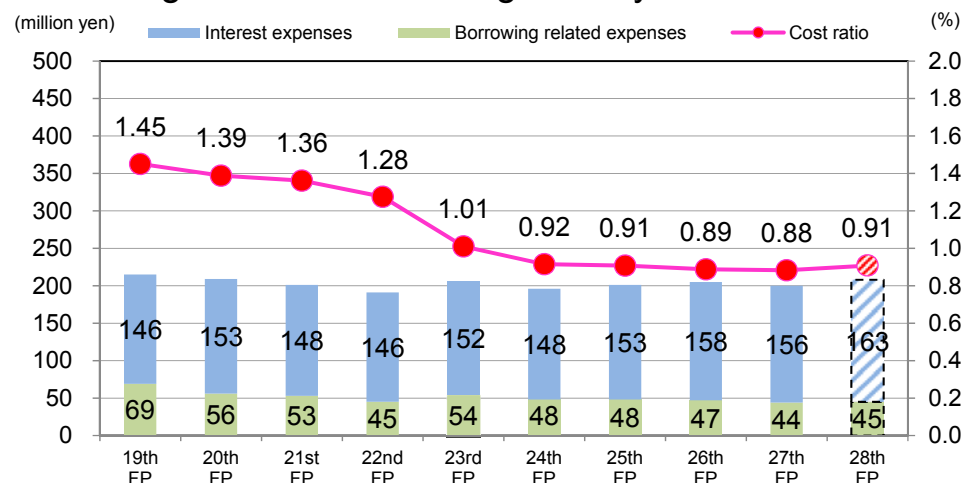
Balance of Interest-Bearing Liabilities at End of 27th Fiscal Period (April 30, 2019)

	Loans balance
Current portion of long-term loans payable	5,949 million yen
Long-term loans payable	40,097 million yen
Total loans	46,046 million yen
LTV ratio	51.1%

Status of credit rating

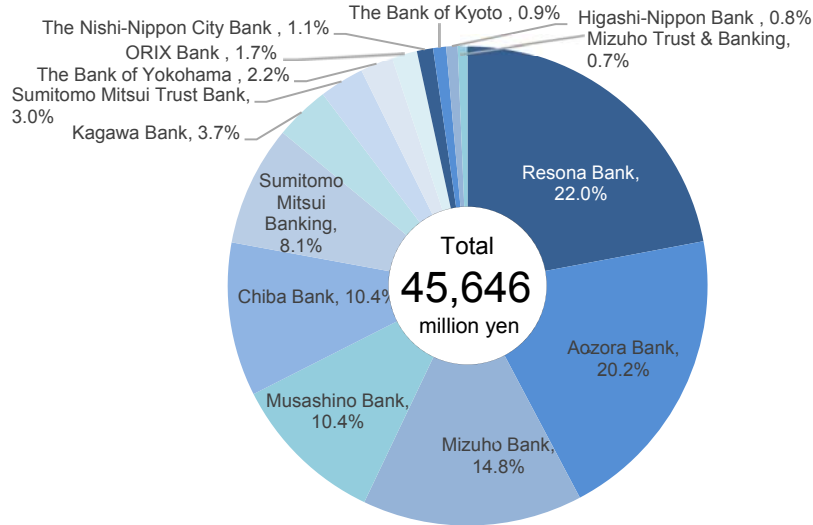
Japan Credit Rating Agency, Ltd. (JCR): A- (stable)

Change in Interest-Bearing Liability Costs

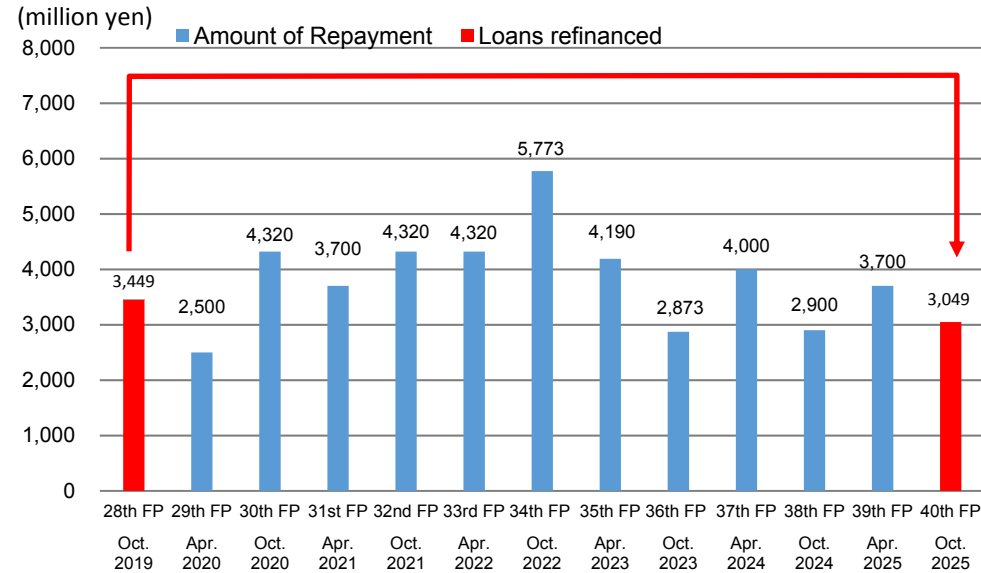


Overview after Refinancing (May 24, 2019)

Allocation of Total Loan Amount



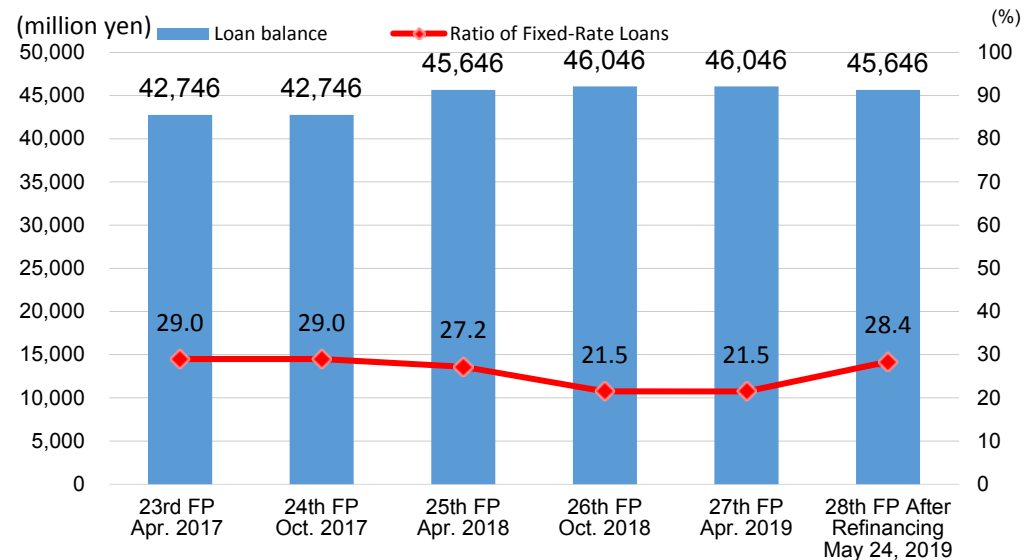
Status of Diversification of Interest-Bearing Liabilities



Breakdown of Lenders

Lenders	Loan balance (million yen)
Resona Bank	10,061
Aozora Bank	9,222
Mizuho Bank	6,773
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	45,646

Change in Loan Balance and Ratio of Fixed-Rate Loans



■ Refinancing Loans

(million yen)

Term Loan		2E
Term		2.6 years
Total amount		3,449
Breakdown	Aozora Bank	1,025
	Resona Bank	783
	Chiba Bank	356
	Musashino Bank	356
	Mizuho Bank	308
	Kagawa Bank	303
	Sumitomo Mitsui Banking	225
	Sumitomo Mitsui Trust Bank	93
	Floating interest rate	Base interest rate +0.420% (Note 1)
	Repayment method	Lump-sum repayment on repayment date



(million yen)

Term Loan		2M	Change
Term		6 years	
Total amount		3,049	-400
Breakdown	Aozora Bank	831	-194
	Resona Bank	635	-148
	Chiba Bank	356	-
	Musashino Bank	356	-
	Kagawa Bank	303	-
	Mizuho Bank	250	-58
	Sumitomo Mitsui Banking	225	-
	Sumitomo Mitsui Trust Bank	93	-
	Fixed interest rate	0.860% (Note 2)	
	Repayment method	Lump-sum repayment on repayment date	

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

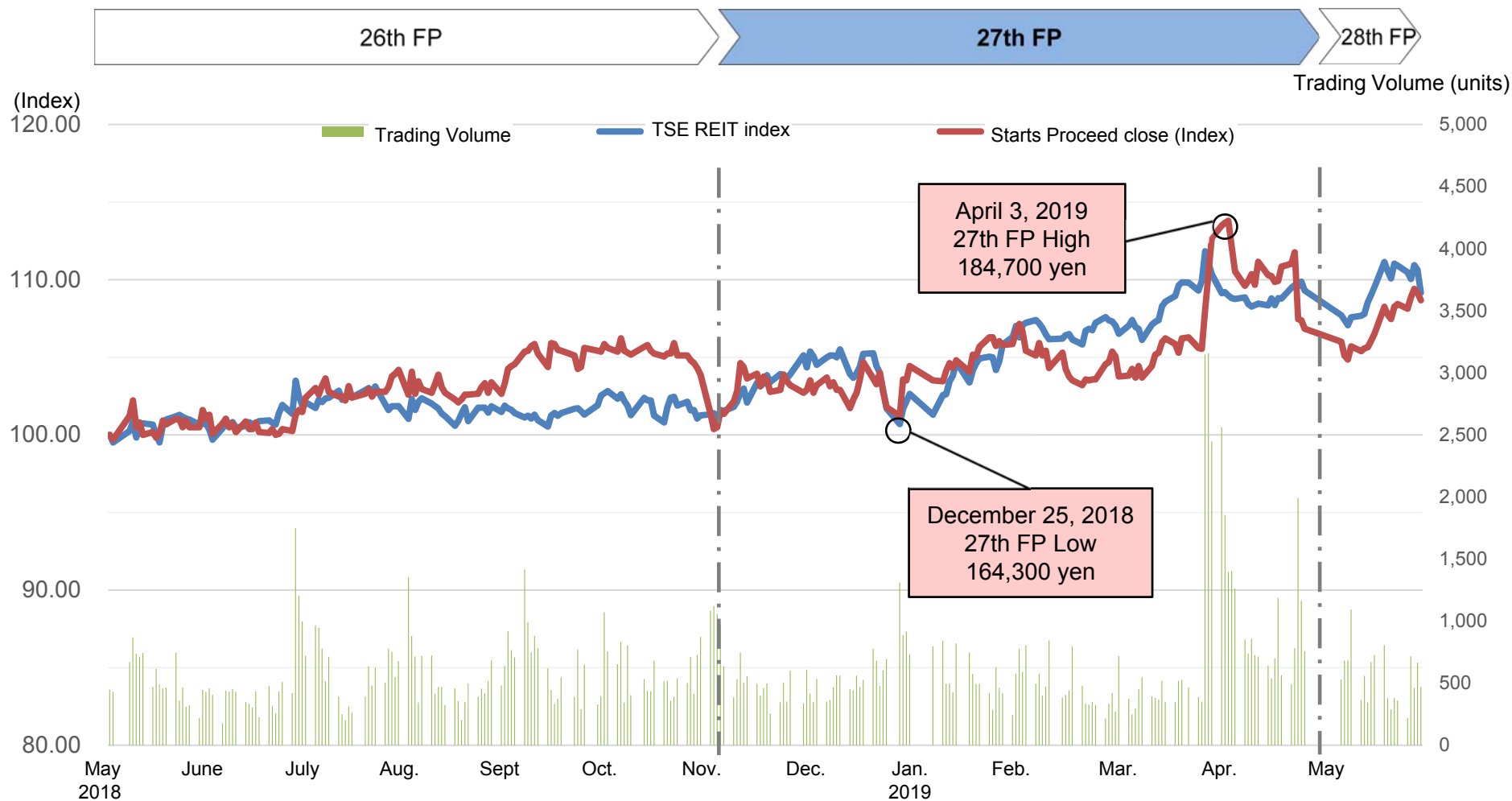
(Note 2) The fixed interest rate is shown.

	End of 25th FP	End of 26th FP	End of 27th FP	After Refinancing May 24, 2019
Average remaining period	3.0 years	2.8 years	2.8 years	3.2 years
Ratio of fixed-rate loans	27.2%	21.5%	21.5%	28.4%
Average interest rate	0.69%	0.69%	0.69%	0.71%

Changes in Investment Unit Price



During the 27th fiscal period, the investment unit price marked a high of **184,700 yen** (April 3, 2019) and a low of **164,300 yen** (December 25, 2018), based on closing price.

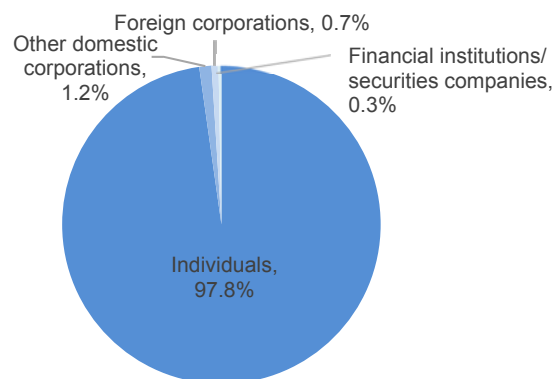


(Note) With closing price of investment unit of Starts Proceed at the beginning of the 26th FP (162,300 yen) and TSE REIT index on the same day (1,728.39) deemed as 100 and set as the base, change in price and index for up to May 31, 2019 are indicated.

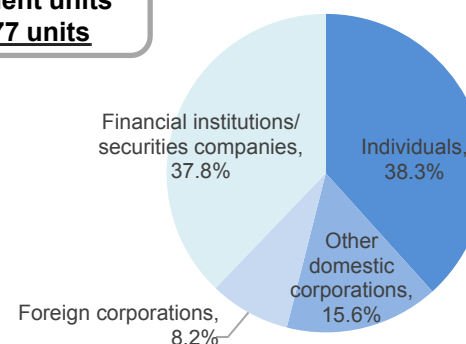
Status of Unitholders (As of April 30, 2019)

■ Composition of Unitholders and Investment Units at End of 27th Fiscal Period

Number of unitholders
15,417 unitholders



Number of investment units
253,777 units

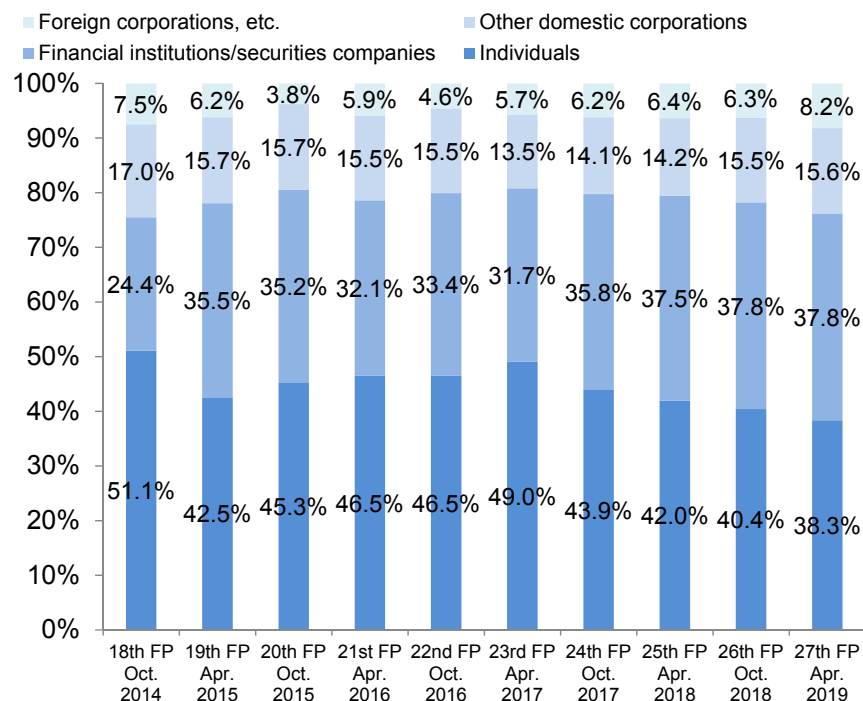


■ Major Unitholders at End of 27th Fiscal Period (April 30, 2019)

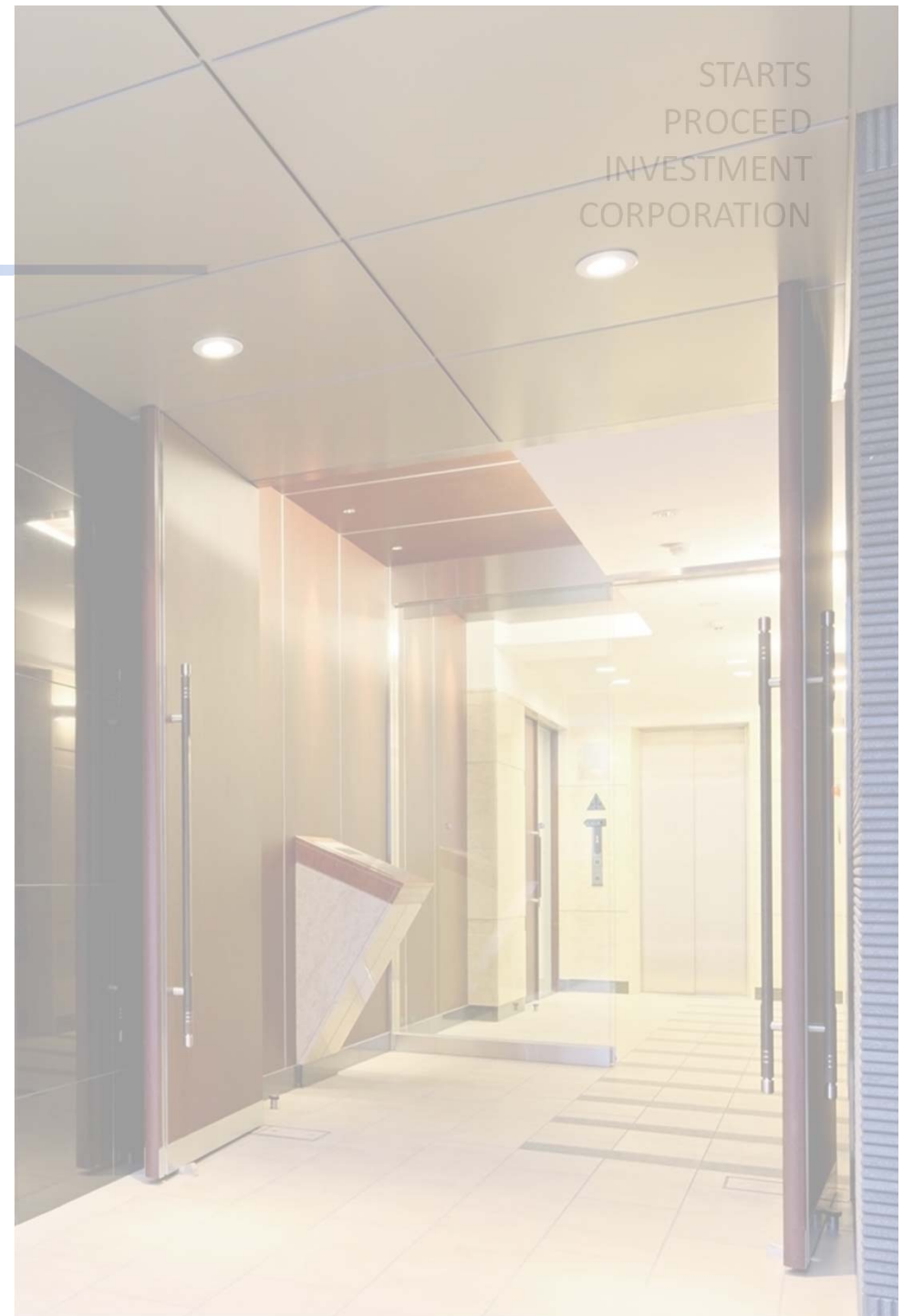
	Name	Number of investment units held (units)	Unitholding ratio (%) (Note)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	34,647	13.65
2	Starts Corporation Inc.	34,153	13.45
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	30,609	12.06
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	8,919	3.51
5	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	5,149	2.02
6	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,780	1.48
7	Kinki Sangyo Credit Union	3,313	1.30
8	PAG INVESTMENT ADVISORS PTE LTD - STARLET CAYMAN L. P. -DAIWA CM SINGAPORE LTD - NOMINEE	3,019	1.18
9	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd	2,011	0.79
10	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,008	0.79
11	Individual investor	2,000	0.78
12	BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	1,900	0.74
13	SSBTC CLIENT OMNIBUS ACCOUNT	1,365	0.53
14	STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK LUXEMBOURG SCA ON BEHALF OF ITS CLIENTS : CLIENT OMNI OM25	1,279	0.50
15	SMBC Nikko Securities, Inc.	1,163	0.45
16	JP Morgan Securities Japan Co., Ltd.	1,049	0.41
16	Yoshida Shoji Co., Ltd	1,000	0.39
16	The Banshu Shinkin Bank	1,000	0.39
19	Individual investor	1,000	0.39
20	BNY FOR GCM CLIENT ACCOUNTS (E)BD	940	0.37
	Total	140,304	55.28

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

■ Changes in Composition of Unitholders (18th to 27th Fiscal Periods)



Future Management Policy



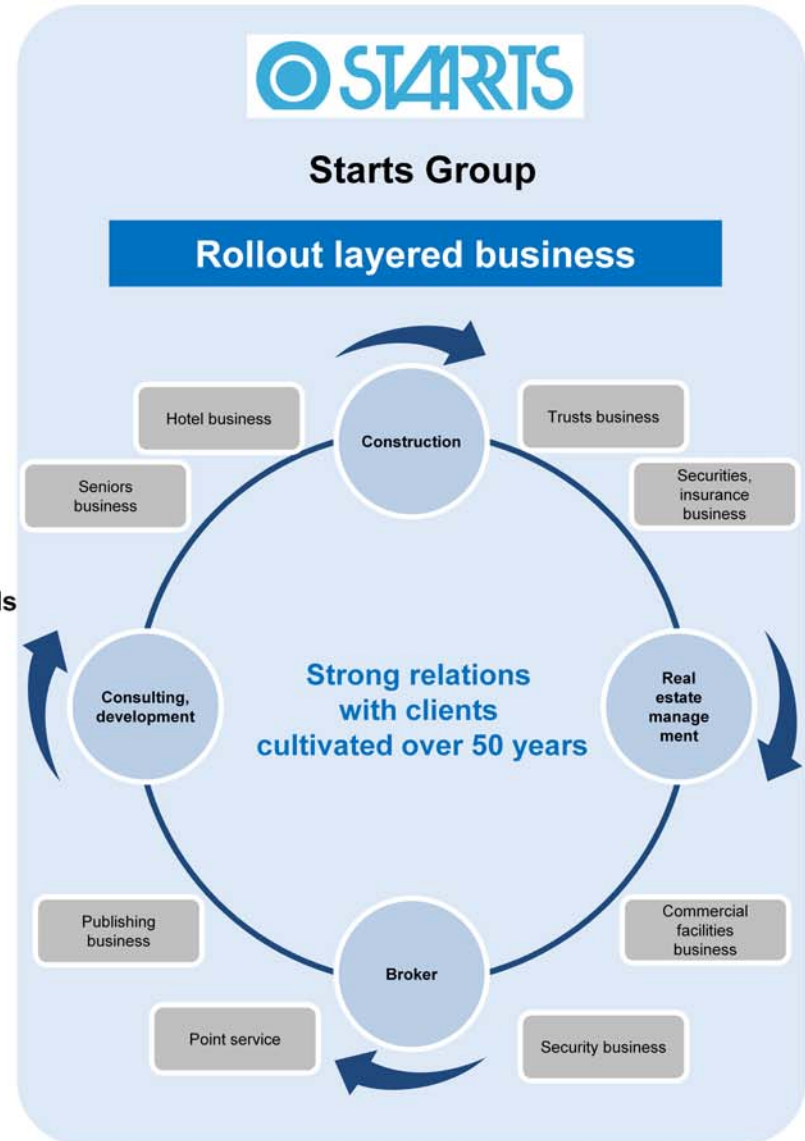
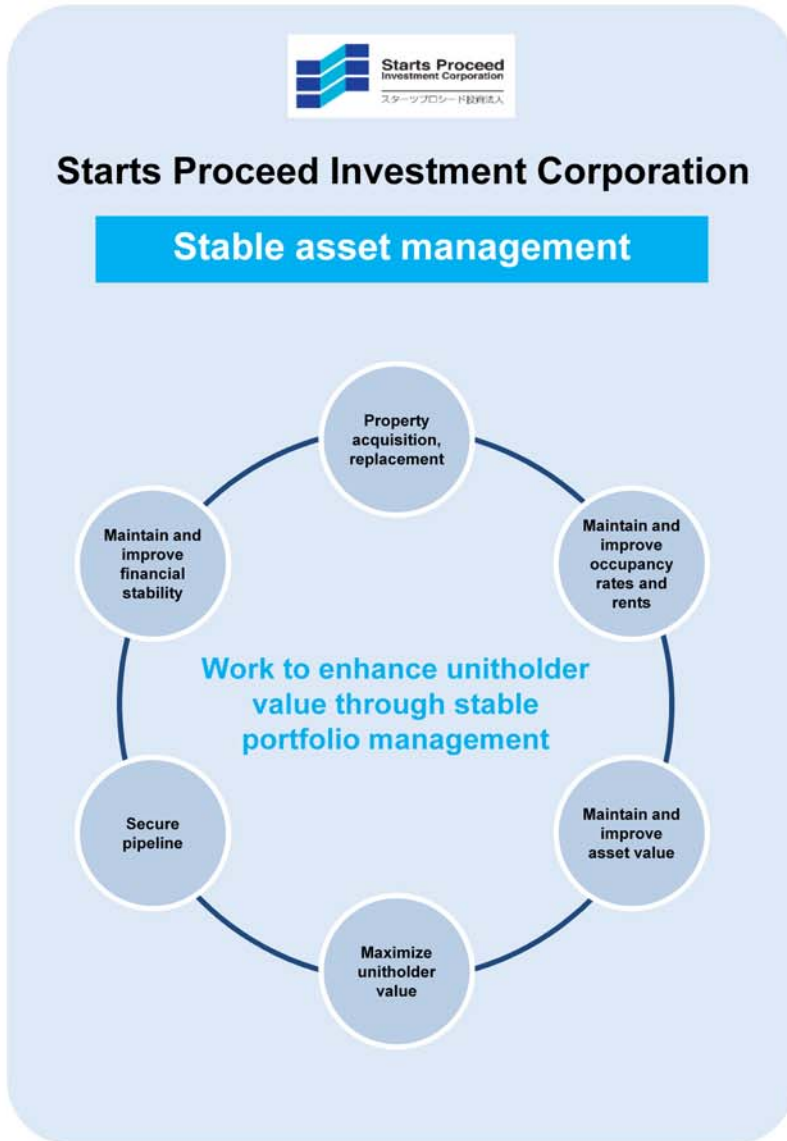
Main Initiatives in 27th Fiscal Period

Initiatives from 28th Fiscal Period (six months ending October 31, 2019)

	Main Initiatives in 27th Fiscal Period	Initiatives from 28th Fiscal Period (six months ending October 31, 2019)
External Growth	<ul style="list-style-type: none"> ● Property disposition (C-8) Disposed Proceed Sengandai ● Changed operational guidelines 	<ul style="list-style-type: none"> ● Early achievement of 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).
Internal Growth	<ul style="list-style-type: none"> ● Maintaining of period-average occupancy rate of over 95%. ⇒ Period-end occupancy rate: 96.3%(26th fiscal period: 96.0%) Period average occupancy rate: 96.4%(26th fiscal period: 95.9%) ● Cost reduction <ul style="list-style-type: none"> • Reviewed earthquake insurance before rise in insurance premium, and cut costs by 5 million yen annually. ● Recycling properties for service upon restoration to their original state. <ul style="list-style-type: none"> • Increased value through renewing indoor facilities • Improvement in convenience and enhancement of competitiveness with the introduction of new indoor facilities. • Design improvements by changing cross design, floor materials, 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. • Enhance online posting, improve property recognition levels of brokerage firms • Enhancement of appeal by introducing model homes, strengthening of sales capability. • Conduct construction work to restore to original state and add value • Improve convenience and design through productization to secure occupants at an early stage ● Continuation of cost reduction. (Advertising, repair and building management costs)
Financial Strategy	<ul style="list-style-type: none"> ● Conservative management of LTV. ● Extension of average remaining period of loans, lowering of average interest rates. ● Promotion of fixing interest rates ● Repurchase and cancellation of own investment units 	<ul style="list-style-type: none"> ● Establishment of stable financial base. <ul style="list-style-type: none"> • Conservative LTV control. • Make loans on longer periods with fixed interest rates, ladder repayment periods • Further development of bank formation and diversification of fund procurement means.

Securing of stable distributions

■ Cooperative Relations within the Group in the form of Sponsor Support



Further accelerate the real estate business with the backflow of funds



Sponsor support as a Group with property acquisitions, etc.

Proceed Yamashita Koen The Tower



<Property Overview>

- Structure : RC/B2F, 18F
- Completion : January 2008
- Number of leasing units (type) : 1R 84 units; 1LDK 29 units; 2LDK 26 units; 3LDK 3 units; Retail 5 units; Total 147 units
- Location : Yamashita-cho, Naka-ku, Yokohama-shi, Kanagawa
- Site area : 1,676.56 m²
- Total floor area : 12,208.74 m²
- Use : Apartment, retail, parking, nursery
- Zoning : Commercial district



The Parkhabio Yokohama Yamate



<Property Overview>

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	: 3,606.42 m ²
Use	: Apartment
Zoning	: Neighborhood commercial district



Properties Developed by the Sponsor

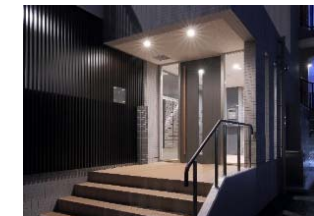
Proceed Kanayama 3



<Property Overview>

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

Proceed Mito 3



<Property Overview>

Structure	: RC/12F
Completion	: October 2018
Number of leasing units (type)	: 1R 24 units; 1LDK 24 units; 1K 12 units; Total 60 units
Location	: 3-chome, Minamimachi, Mito-shi, Ibaraki
Site area	: 744.01 m ²
Total floor area	: 2,359.02 m ²
Use	: Apartment
Zoning	: Commercial district

Development Projects of Starts Group



Alpha Grande Chizakura Tower
Chiyoda-ku, Tokyo
Residence, retail, office, living support facility
Completed July 2018



Nagareyama Otaka Forest City-owned land development project
Nagareyama City, Chiba Prefecture
Public facility, hotel, residence
Opened January 2019 (hotel building)
Opened April 2019 (hall building)
Scheduled to be completed and handed off March 2020 (residential building)



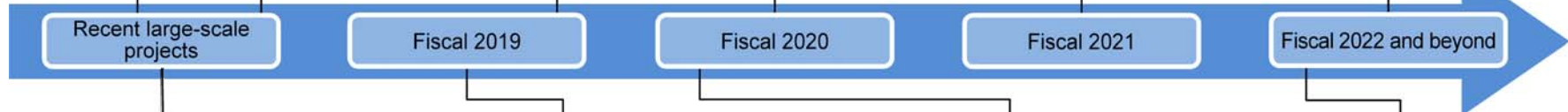
Project utilizing "Bustle Zone" at No. 1 market of Kyoto Central Wholesale Market
Kyoto City, Kyoto
Hotel, retail
Scheduled to open July 2020



Utilization Project of Site of Fuchu Green Plaza
Fuchu City, Tokyo
Hotel, retail, office, co-working space
Scheduled to open around summer 2021



Sapporo Kita 8 Nishi 1 District Redevelopment Project
Sapporo City, Hokkaido
Hotel, retail
Scheduled completion June 2023



Hotel Emion Tokyo Bay, new building
Urayasu City, Chiba Prefecture
Hotel
Completed September 2018



Narashino-City Okubo District Public Facility Revitalization Project
Narashino City, Chiba Prefecture
Public facility (library, citizen hall, community center), park, parking lot, facilities by private sectors
Scheduled to open November 2019



PFI project for development of surrounding area of Yoshino-cho Ryokuchi in Hirosaki City
Hirosaki City, Aomori Prefecture
Public facility (art museum)
Facilities by private sectors (museum shop, café, cider mill)
Scheduled to open April 2020



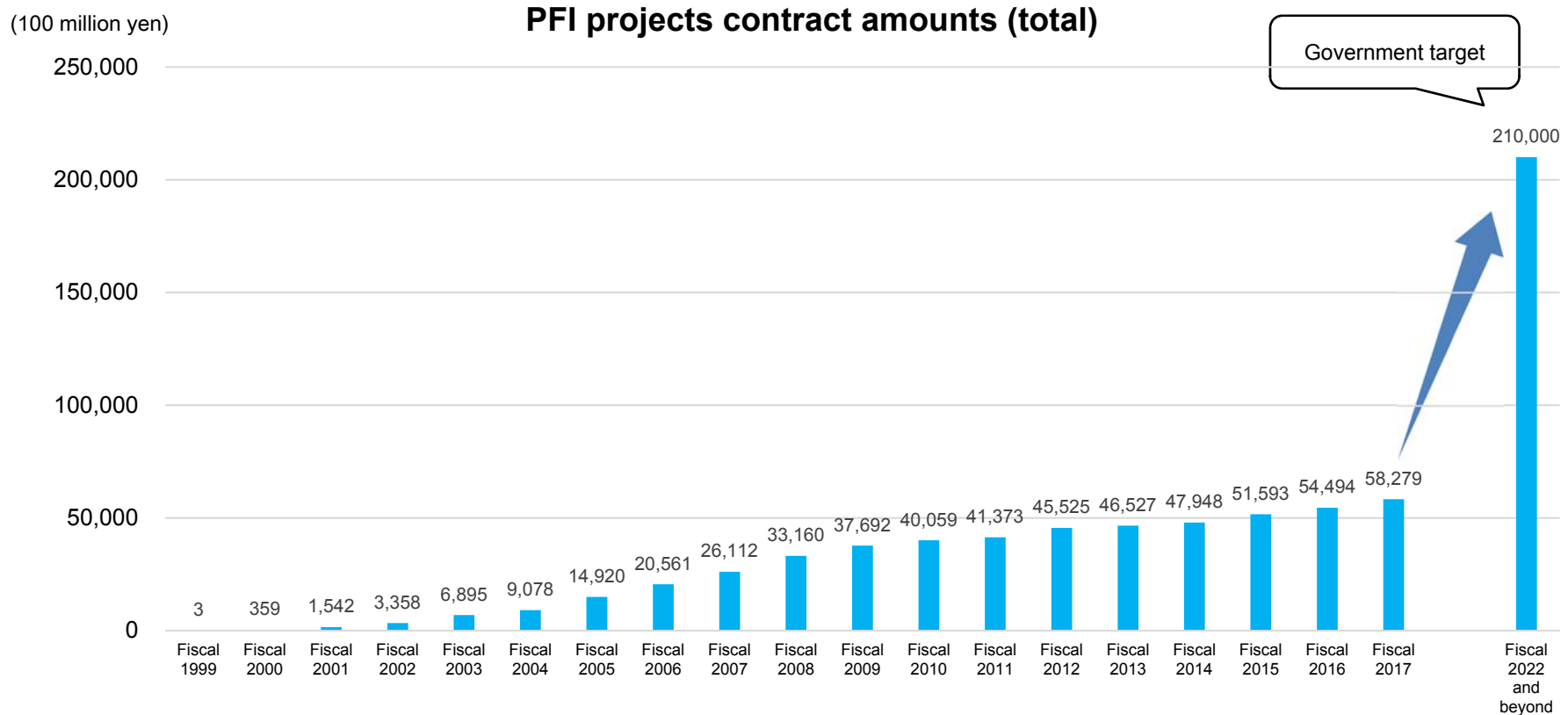
Yokohama Cultural Gymnasium Redevelopment Project
For profit private sector facility ① (hotel, etc.)
Yokohama City, Kanagawa Prefecture
Hotel, retail, parking lot
Scheduled to open April 2024

(Note) The images may differ from reality.

The scale of PFI projects is expected to increase from 5.8 trillion yen in 2017 to 21 trillion yen in 2022.



It is possible to acquire at competitive prices large-scale properties that are expected to flourish and have good locations near train stations, etc.



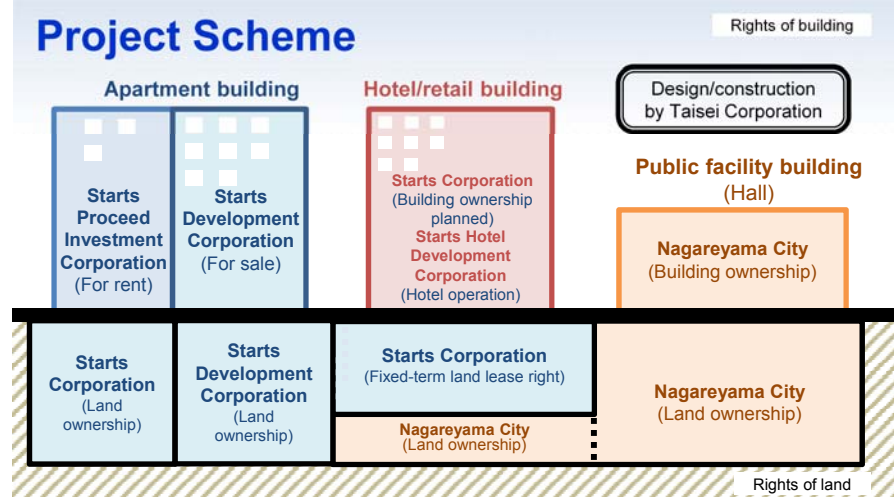
Source: "Current state of PFI," Public Private Partnership / Private Finance Initiative Promotion Office, Cabinet Office

Case Example of Consulting by Management Company I [Nagareyama, Chiba]



Nagareyama Otaka Forest City-owned land development project

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



Property Overview (As of April 2019)

	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 (Partially steel structure)
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 •Allocate resident service center and tourist information center that is convenient for users



Lease portion of apartment building is to come under the AUM of Starts Proceed



Connecting three facilities with a pedestrian deck



Schedule

- July 2016 Disclosure of guidelines for applicants
- Nov. 2016 Determination of preferred negotiation rights holder
- Jan. 2017 Start of construction
- Mar. 2017 Conclusion of business contract
- Oct. 2018 Hotel building, completed
- Dec. 2018 Public facilities building, completed
- Jan. 2019 Hotel building, handed off and opened
- Feb. 2019 Public facilities building handed off to Nagareyama City
- Mar. 2020 Planned completion/delivery of the apartment building

Case Example of Consulting by Management Company II [Chiyoda-ku, Tokyo]

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

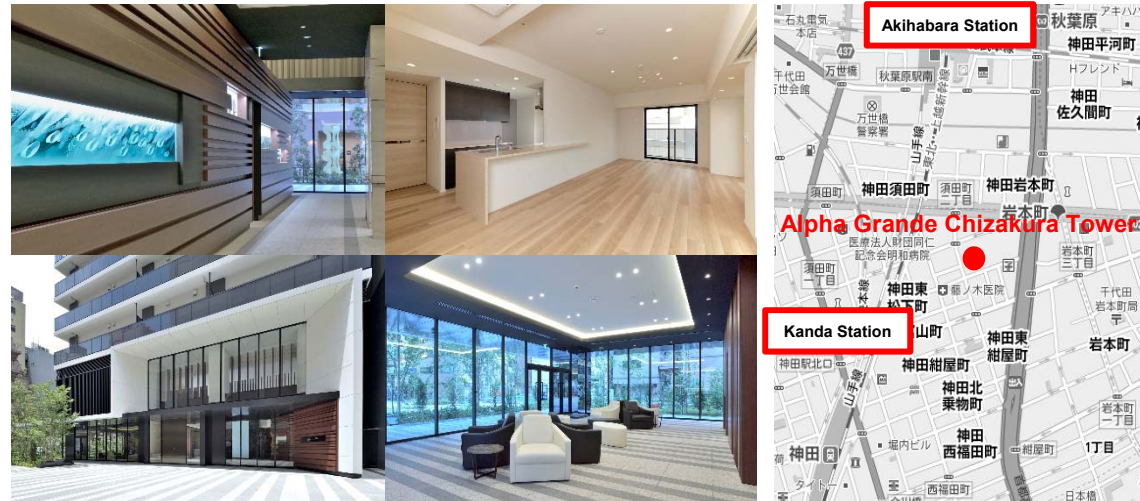
Seismic
isolation



Occupancy rate: 98.7%
(as of May 31, 2019)

<Property Overview >

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 45 units; 2SLDK 10 units; 3LDK 10 units; Retail 3 units; Total 68 units
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.

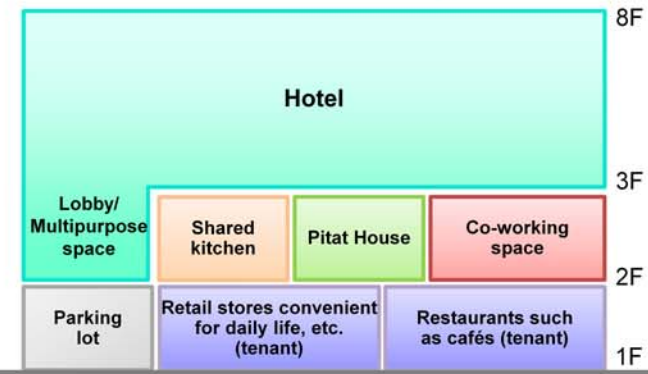
Case Example of Consulting by Management Company III [Fuchu-shi, Tokyo]



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



Directly connected to the station by walkway



<Plan overview>

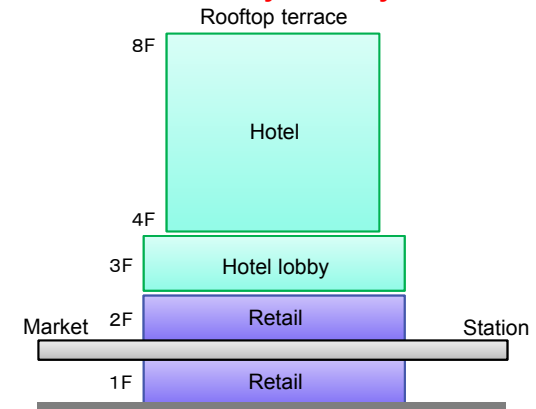
- Size : 8 floors above ground
- Site area : 1,092,27 m²
- Total floor area : 5,764.00 m²
- Structure : Steel-framed
- Operation period : 50 years (fixed-term land lease)

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

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

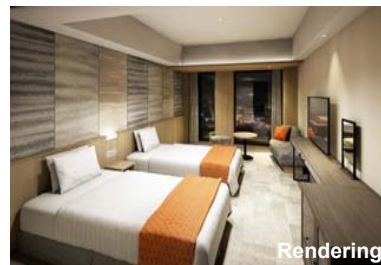
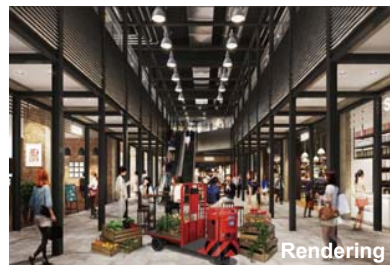


Connected to JR Umekoji-Kyoto-Nishi Station by walkway



<Plan overview>

- Size : 8 floors above ground, 1 floor below ground, 1 PH floor
- Site area : 4,000 m²
- Total floor area : 17,673.71 m²
- Use : Hotel, retail facility
- Operation period : Operation period: 60 years (fixed-term land lease)



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



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

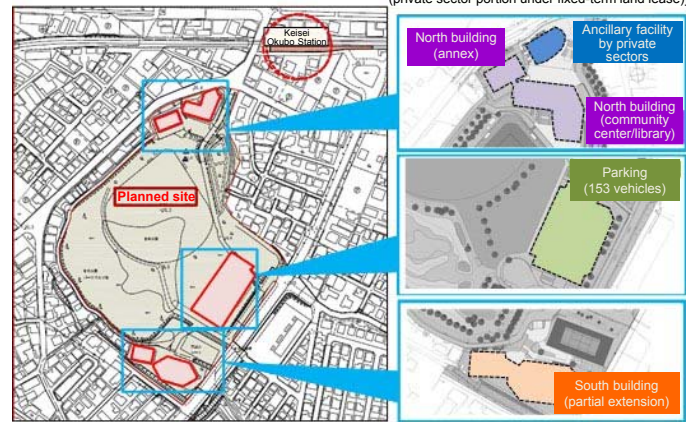


North building



South building

<Project overview>



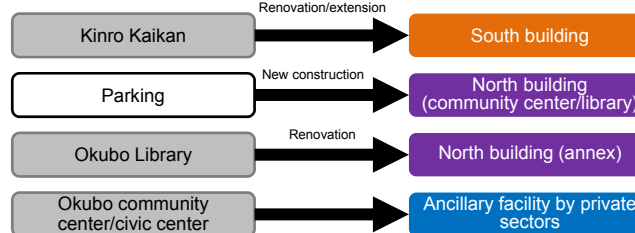
<Site overview>

- 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)

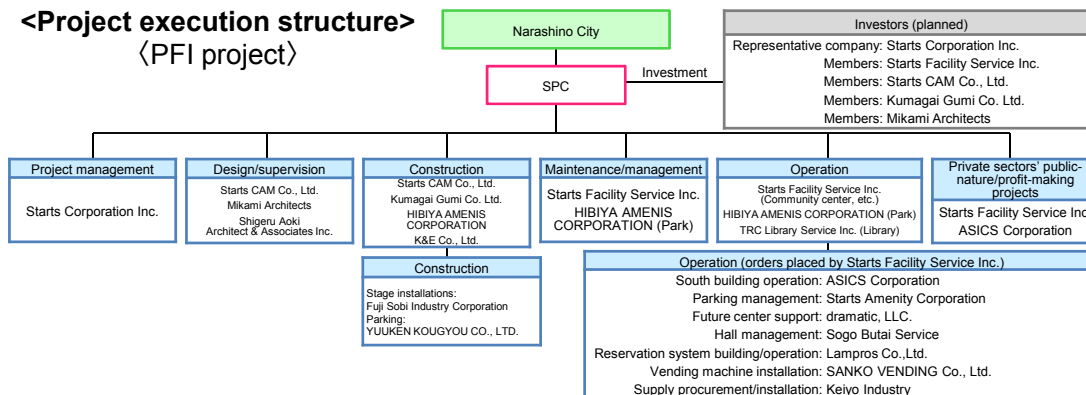
<Overview of facilities proposed>

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

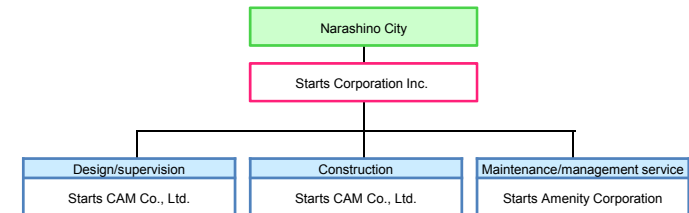
[Current status]



<Project execution structure> (PFI project)

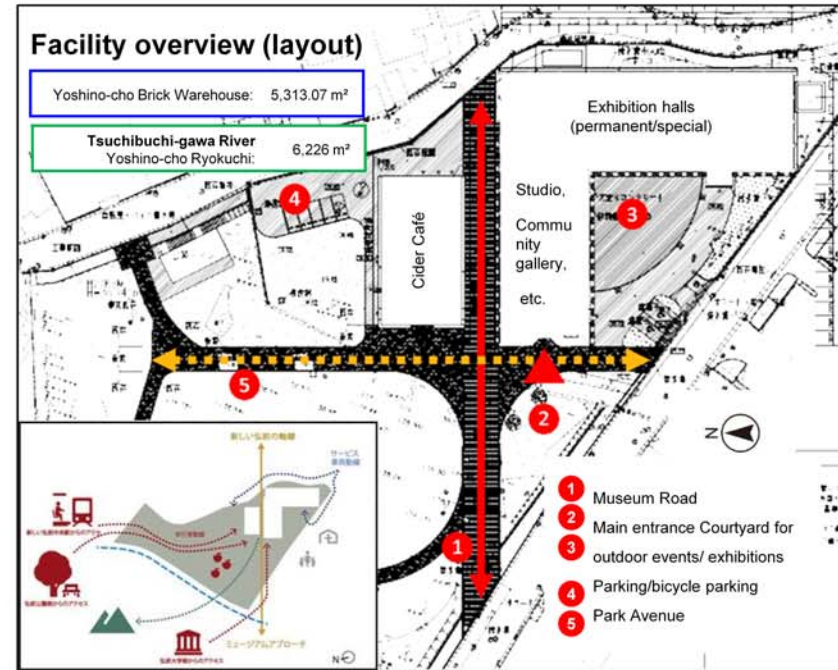


<Ancillary projects by private sectors>

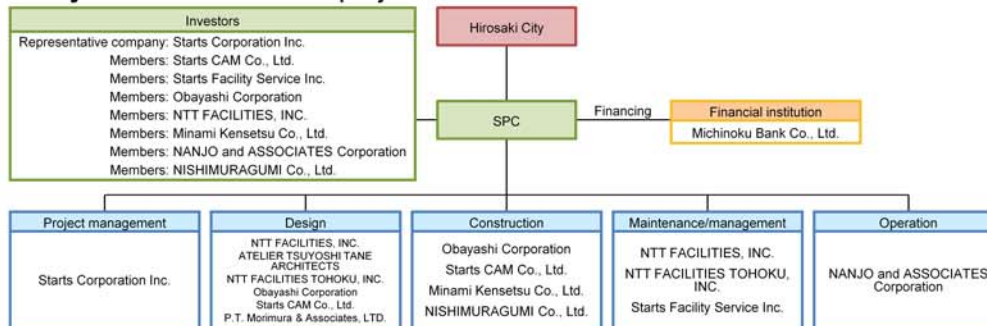


Case Example of Consulting by Management Company VI [Hirosaki-shi, Aomori]

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



<Project structure> (PFI project)



<Ancillary projects>

- Museum shop & café, cider factory



Case Example of Ongoing Projects by Starts Group

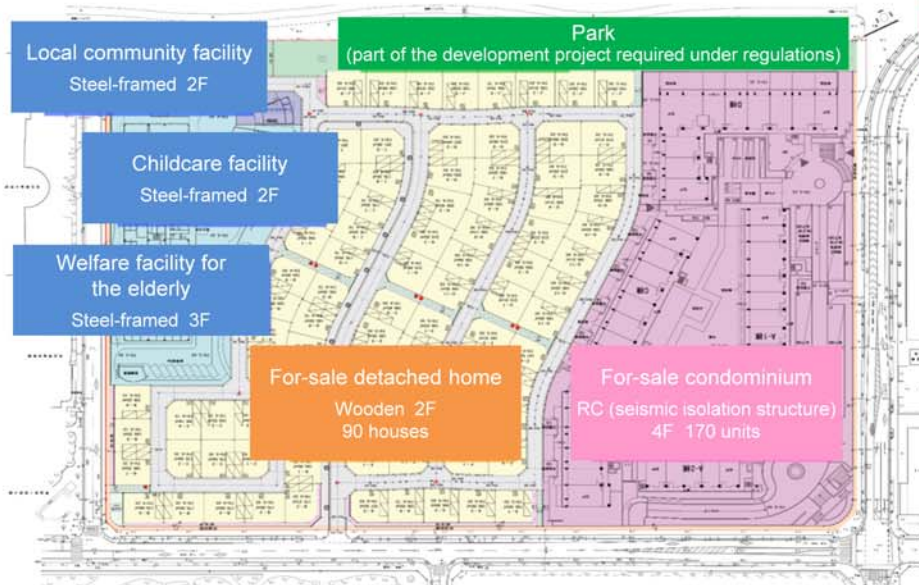
Project under way in Shinurayasu: Timeless Town Shinurayasu (Urayasu City, Chiba)



<Project overview>

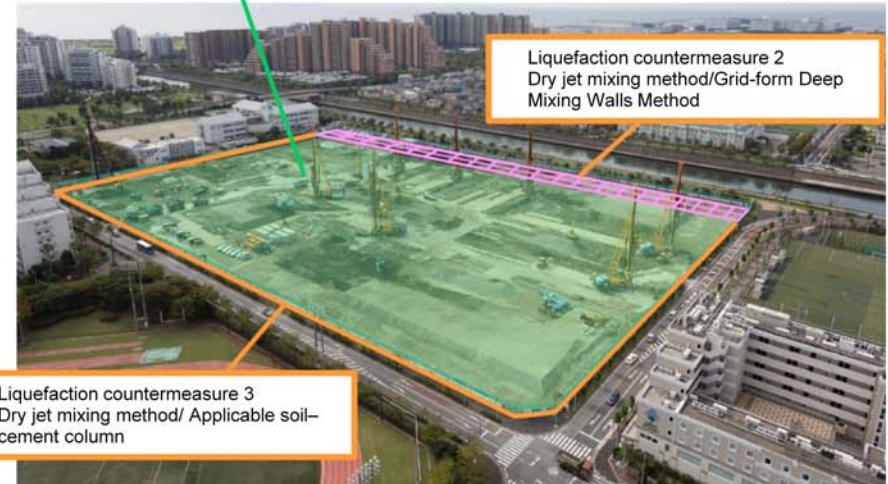
Site area: Approx. 51,900 m²

- 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)

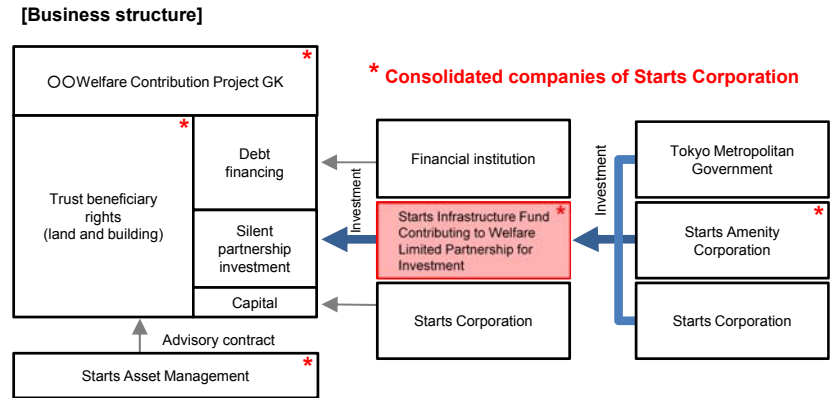
Advanced liquefaction countermeasure engineering work



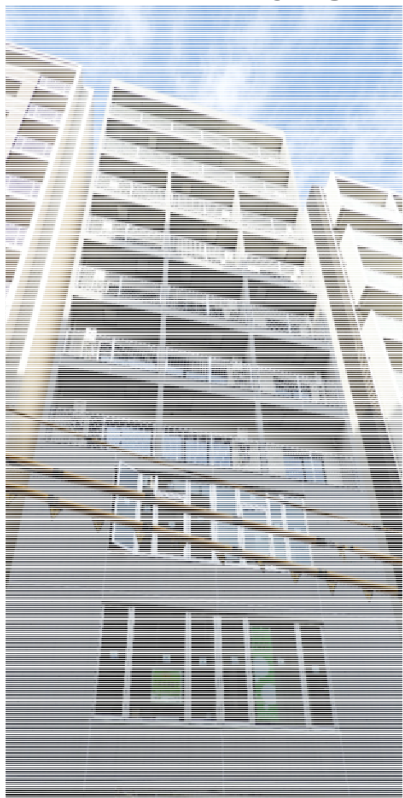
Case Example of Efforts by Management Company

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.



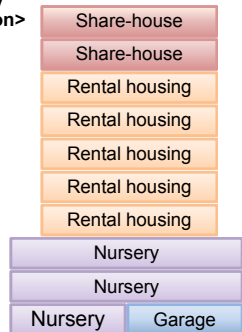
Proceed Ryogoku 2



<Project overview>

Location : 1-chome, Midori Sumida-ku, Tokyo
 Site area : Approx. 444.17 m²
 Structure : RC (seismic isolation)/10F
 Use : Authorized nursery school
 Apartment (24 units)
 Shared house (2 floors for 8 people)
 Completion : January 2019

<Property configuration>



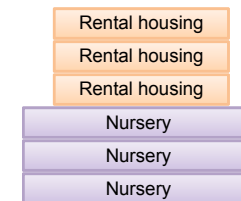
Proceed Chidoricho



<Project overview>

Location : 1-chome, Chidori, Ota-ku, Tokyo
 Site area : Approx. 364.82 m²
 Structure : RC/6F
 Use : Authorized nursery school
 Apartment (11 units)
 Completion : January 2019

<Property configuration>





Reference Materials



Balance Sheet



(thousand yen)

	26th Fiscal Period As of Oct. 31, 2018	27th Fiscal Period As of Apr. 30, 2019	Change
Assets			
Current assets			
Cash and deposits	1,697,815	1,950,605	252,789
Cash and deposits in trust	2,032,413	1,926,790	-105,622
Operating accounts receivable	23,140	33,734	10,594
Prepaid expenses	84,706	90,896	6,190
Other	1,671	3,567	1,895
Total current assets	3,839,747	4,005,594	165,846
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	44,054,191	43,965,915	-88,276
Accumulated depreciation	-7,670,448	-8,185,697	-515,249
Buildings in trust, net	36,383,743	35,780,218	-603,525
Structures in trust	1,217,384	1,216,982	-402
Accumulated depreciation	-616,904	-653,067	-36,162
Structures in trust, net	600,479	563,915	-36,564
Machinery and equipment in trust	5,376	5,376	-
Accumulated depreciation	-3,454	-3,759	-304
Machinery and equipment in trust, net	1,921	1,616	-304
Tools, furniture and fixtures in trust	338,335	356,344	18,008
Accumulated depreciation	-182,982	-200,388	-17,405
Tools, furniture and fixtures in trust, net	155,352	155,956	603
Land in trust	49,060,326	48,929,300	-131,025
Total property, plant and equipment	86,201,824	85,431,006	-770,817
Intangible assets			
Software	2,772	2,178	-594
Total intangible assets	2,772	2,178	-594
Investments and other assets			
Lease and guarantee deposits	10,000	10,000	-
Lease and guarantee deposits in trust	535,874	535,874	-
Long-term prepaid expenses	139,879	187,623	47,744
Deferred tax assets	75	80	4
Other	13,023	13,659	636
Total investments and other assets	698,853	747,238	48,385
Total noncurrent assets	86,903,449	86,180,423	-723,025
Deferred assets			
Investment unit issuance costs	8,486	4,243	-4,243
Total deferred assets	8,486	4,243	-4,243
Total assets	90,751,682	90,190,261	-561,421

(thousand yen)

	26th Fiscal Period As of Oct. 31, 2018	27th Fiscal Period As of Apr. 30, 2019	Change
Liabilities			
Current liabilities			
Current portion of long-term loans payable	7,149,000	5,949,000	-1,200,000
Operating accounts payable	184,273	131,656	-52,616
Accounts payable –other	202,517	201,565	-952
Accrued expenses	864	4,325	3,461
Income taxes payable	1,879	1,948	69
Accrued consumption taxes	15,001	13,433	-1,568
Advances received	2,265	1,918	-346
Other	1,108	144	-964
Total current liabilities	7,556,911	6,303,993	-1,252,917
Noncurrent liabilities			
Long-term loans payable	38,897,000	40,097,000	1,200,000
Tenant leasehold and security deposits in trust	706,148	697,855	-8,292
Asset retirement obligation	129,699	130,769	1,069
Total noncurrent liabilities	39,732,848	40,925,625	1,192,776
Total liabilities	47,289,759	47,229,618	-60,141
Net assets			
Unitholders' equity			
Unitholders' capital	42,230,457	42,230,457	-
Deduction from unitholders' capital	-	-545,913	-545,913
Unitholders' capital (net)	42,230,457	41,684,544	-545,913
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)	1,132,465	1,177,098	44,632
Total surplus	1,231,465	1,276,098	44,632
Total unitholders' equity	43,461,923	42,960,642	-501,280
Total net assets	43,461,923	42,960,642	-501,280
Total liabilities and net assets	90,751,682	90,190,261	-561,421

Statements of Income

(thousand yen)

	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	Change
Operating revenue			
Rent revenue – real estate (1)	3,079,506	3,119,057	39,551
Gain on sales of real estate properties	-	25,797	25,797
Total operating revenue	3,079,506	3,144,854	65,348
Operating expenses			
Expenses related to rent business (2)	1,325,306	1,349,131	23,825
Asset management fee	264,990	261,435	-3,554
Asset custody fee	8,489	8,487	-2
Administrative service fees	28,108	28,966	857
Directors' compensations	1,200	1,200	-
Other operating expenses	113,234	120,695	7,460
Total operating expenses	1,741,329	1,769,916	28,586
Operating income	1,338,176	1,374,938	36,761
Non-operating income			
Interest income	16	18	1
Insurance income	5,626	9,769	4,143
Reversal of distribution payable	750	859	109
Other	193	-	-193
Total non-operating income	6,586	10,646	4,059
Non-operating expenses			
Interest expenses	158,371	156,754	-1,616
Amortization of investment unit issuance costs	4,243	4,243	-
Borrowing related expenses	47,433	44,917	-2,516
Other	540	703	163
Total non-operating expenses	210,588	206,619	-3,969
Ordinary income	1,134,175	1,178,965	44,790
Income before income taxes	1,134,175	1,178,965	44,790
Income taxes – current	1,881	1,951	69
Income taxes – deferred	8	-4	-13
Total income taxes	1,890	1,946	55
Net income	1,132,284	1,177,019	44,734
Retained earnings brought forward	181	79	-102
Unappropriated retained earnings (undisposed loss)	1,132,465	1,177,098	44,632

(1) “Real estate rent revenue”

(thousand yen)

	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	Change
Rent	2,689,764	2,705,376	15,612
Common area maintenance charges	182,935	184,103	1,168
Parking revenue	86,328	85,639	-689
Incidental revenue	1,862	1,781	-81
Other lease business revenue	118,614	142,157	23,543
Total	3,079,506	3,119,057	39,551

(2) “Expenses related to rent business”

(thousand yen)

	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	Change
Management expenses	195,319	197,583	2,264
Repair expenses	93,813	98,537	4,724
Real estate taxes	177,859	178,380	521
Trust fees	34,662	34,981	319
Utilities expenses	55,103	56,571	1,468
Nonlife insurance expenses	10,494	8,800	-1,694
Depreciation and amortization	616,509	618,868	2,359
Other lease business expenses	141,544	155,406	13,862
Total	1,325,306	1,349,131	23,825

Cash Distributions

	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	Change
I Unappropriated retained earnings	1,132,465,701 yen	1,177,098,426 yen	44,632,725 yen
II Amount of distributions	1,132,386,570 yen	1,177,017,726 yen	44,631,156 yen
[Amount of distribution per investment unit]	4,410 yen	4,638 yen	228 yen
III Retained earnings carried forward	79,131 yen	80,700 yen	1,569 yen

Statements of Cash Flows and Key Performance Indicators



Statements of Cash Flows

(thousand yen)

	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)
Net cash provided by (used in) operating activities		
Income before income taxes	1,134,175	1,178,965
Depreciation and amortization	617,103	619,462
Amortization of investment unit issuance costs	4,243	4,243
Interest income	-16	-18
Interest expenses	158,371	156,754
Decrease (increase) in operating accounts receivable	6,285	-10,594
Decrease (increase) in prepaid expenses	10,464	-6,190
Decrease (increase) in consumption taxes receivable	47,561	-
Increase (decrease) in accrued consumption taxes	5,298	-1,568
Increase (decrease) in operating accounts payable	33,730	-44,715
Increase (decrease) in accounts payable – other	-276	-850
Decrease (increase) in long-term prepaid expenses	12,685	-47,744
Decrease from sales of property, plant and equipment in trust	-	264,209
Other, net	262	-2,996
Subtotal	2,029,887	2,108,958
Interest income received	16	18
Interest expenses paid	-160,969	-153,293
Income taxes paid	-2,010	-1,882
Net cash provided by (used in) operating activities	1,866,924	1,953,801
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-979,814	-120,162
Proceeds from tenant leasehold and security deposits in trust	49,472	39,924
Repayments of tenant leasehold and security deposits in trust	-50,335	-48,217
Decrease (increase) in other investments	-5,567	-636
Net cash provided by (used in) investing activities	-986,244	-129,091
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	2,900,000	3,700,000
Repayment of long-term loans payable	-2,500,000	-3,700,000
Purchase of treasury investment units	-	-545,913
Dividends paid	-1,191,694	-1,131,629
Net cash provided by (used in) financing activities	-791,694	-1,677,542
Net increase (decrease) in cash and cash equivalents	88,985	147,167
Cash and cash equivalents at beginning of period	3,641,243	3,730,228
Cash and cash equivalents at end of period	3,730,228	3,877,396

Key Performance Indicators

	Unit	26th Fiscal Period (From: May 1, 2018 To: Oct. 31, 2018)	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)
Total assets (a)	million yen	90,751	90,190
Net assets (b)	million yen	43,461	42,960
Unitholders' capital (net) (Note 1)	million yen	42,230	41,684
Total number of investment units issued and outstanding (c)	units	256,777	253,777
Net assets per unit (b) ÷ (c)	yen	169,259	169,285
Net income per unit (Note 2)	yen	4,409	4,585
Total distributions (d)	million yen	1,132	1,177
Distribution per unit (d) ÷ (c)	yen	4,410	4,638
[Of which, distribution of earnings per unit]	yen	4,410	4,638
[Of which, distribution in excess of earnings per unit]	yen	(-)	(-)
Return on assets (Note 3)	%	1.3(2.5)	1.3(2.6)
Return on equity (Note 3)	%	2.6(5.2)	2.7(5.5)
Equity ratio (b) ÷ (a)	%	47.9	48
Distribution payout ratio (Note 3)	%	100.0	99.9

[Other Reference Information]

Number of investment properties (Note 4)	properties	107	106
Total number of leasable units (Note 4)	units	5,267	5,224
Gross leasable area	m ²	194,801.85	193,457.11
Period-end occupancy rate (Note 4)	%	96.0	96.3
Depreciation and amortization	million yen	616	618
Capital expenditures	million yen	109	112
Property leasing NOI (Net Operating Income) (Note 3)	million yen	2,370	2,388
FFO (Funds from Operations) per unit (Note 3)	yen	6,829	6,994
FFO multiple (Note 3)	times	12.0	12.3
Debt service coverage ratio (Note 3)	times	12.0	12.5
Earnings before interest, depreciation and amortization	million yen	1,907	1,952
Interest expenses	million yen	158	156
Total interest-bearing liabilities	million yen	46,046	46,046
LTV (Loan-To-Value) ratio (Note 3)	%	50.7	51.1
Number of days of management	days	184	181

(Note 1) Unitholders' capital (net) indicates the amount for unitholders' capital after subtracting the amount of deduction from unitholders' capital.

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

(Note 3) The indicators presented are calculated as follows. In addition, 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 Because there were changes in the number of investment units during the 27th Fiscal Period, as repurchase and cancellation was performed for own investment units during the 27th Fiscal Period, distribution payout ratio is calculated based on the following equation: Total distribution (not including distribution in excess of earnings per unit) / net income
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 4) The number of investment properties are indicated in units that are generally accepted to be one. In addition, the total number of leasable units is the number of units that are leasable for residential, office, retail and other uses, and the period-end occupancy rate is the leased area expressed as a percentage of gross leasable area as at the date of settlement of accounts.

Status of Interest-Bearing Liabilities I (As of April 30, 2019)



■ Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 27th 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.		Nov. 24, 2015						
Resona Bank, Ltd.	787,000							
The Chiba Bank, Ltd.	382,000							
The Musashino Bank, Ltd.	382,000							
Mizuho Bank, Ltd.	331,000							
The Kagawa Bank, Ltd.	325,000							
Sumitomo Mitsui Banking Corporation	241,000							
ORIX Bank Corporation	99,000							
Sumitomo Mitsui Trust Bank, Limited	99,000							
Resona Bank, Ltd.	May 24, 2016		763,500	0.85210	May 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
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	0.91210	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						

Status of Interest-Bearing Liabilities II (As of April 30, 2019)

■ Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 27th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
Aozora Bank, Ltd.	Nov. 24, 2016	1,025,000	0.48211	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	0.32211	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						
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	0.38211	Nov. 24, 2021	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
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					
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							

Status of Interest-Bearing Liabilities III (As of April 30, 2019)

Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 27th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks	Name
The Bank of Yokohama	Nov. 24, 2017	1,000,000	0.76210	Nov. 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2J
Resona Bank, Ltd.		519,000						
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						
Resona Bank, Ltd.	Dec. 15, 2017	650,000	0.66210	May 24, 2022	Lump-sum repayment on repayment date	Funds for 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.	May 25, 2018	727,000	0.76210	May 24, 2024	Lump-sum repayment on repayment date	Part of funds for refinancing and acquisition of AUM	Unsecured Unguaranteed	Term Loan 2L
Aozora Bank, Ltd.		450,000						
Bank of Kyoto, Ltd.		400,000						
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						
The Kagawa Bank, Ltd.		100,000						
Aozora Bank, Ltd.	Nov. 22, 2018	1,089,000	0.93000 (Note 2)	Nov. 22, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2M
Resona Bank, Ltd.		825,000						
The Chiba Bank, Ltd.		382,000						
The Musashino Bank, Ltd.		382,000						
Mizuho Bank, Ltd.		357,000						
The Kagawa Bank, Ltd.		325,000						
Sumitomo Mitsui Banking Corporation		241,000						
Sumitomo Mitsui Trust Bank, Limited		99,000						
Total		46,046,000						

Total interest-bearing liabilities

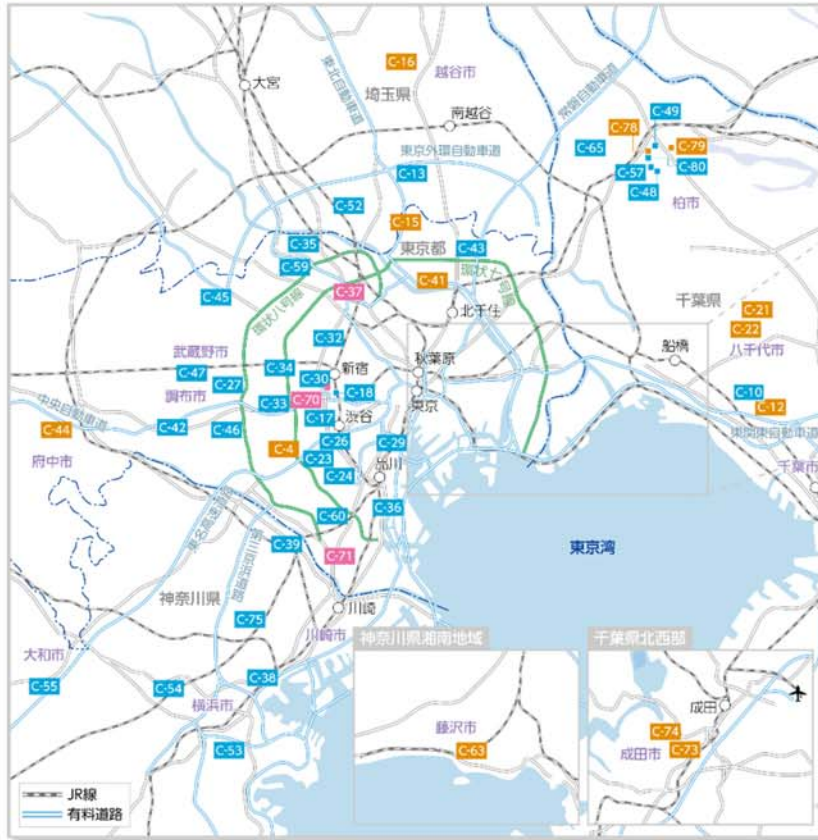
46,046,000 thousand yen

(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 April 30, 2019)

Cities surrounding Tokyo



C-4 Proceed Sangenjaya	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 Gumyoji	C-76 Proceed K2
C-22 Proceed Yachiyo Midorigaoka II	C-38 Proceed Hakuraku	C-54 Proceed Tsurugamine	C-79 Proceed K3 Annex
C-23 Proceed Totsudaigaku	C-39 Proceed Shinmaruko	C-55 Proceed Sagamiotsuka	C-80 Proceed K5
C-24 Proceed Totsudaigaku 2	C-41 Proceed Nishiari	C-57 Proceed Kashiwa Trois	
C-26 Proceed Meguro Aobadai	C-42 Proceed Chofu	C-59 Proceed Tobu Nerima	

Enlarged map of Tokyo and the surrounding area

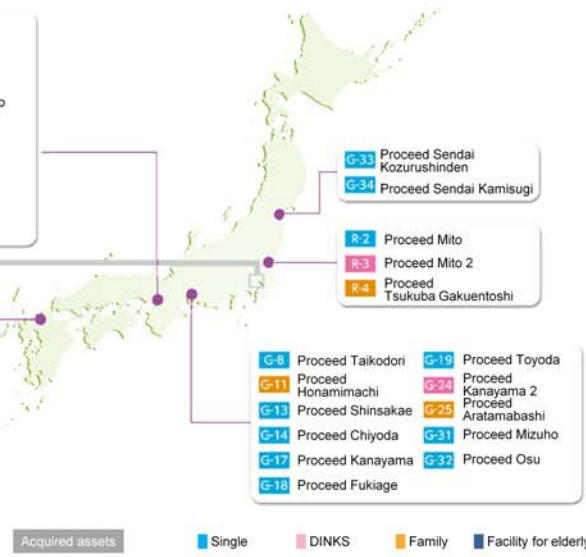


C-1 Proceed Ichikawa	C-14 Proceed Funabori	C-51 Proceed Funabashi Honcho	C-68 Proceed Kasai 2
C-2 Proceed Toyochō	C-19 Proceed Urayasu	C-56 Proceed Shinozaki 2	C-69 Proceed Nihonbashi Honcho
C-3 Proceed Kasai	C-20 Proceed Shinkoiwa	C-58 Proceed Shinozaki Tower	C-72 Proceed Minamigyotoku 2
C-5 Proceed Mizue	C-25 Proceed Honjozumabashi	C-61 Proceed Ichikawa Minami	C-77 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
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	

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 Tanoshii Ie Taisho	
G-26 Proceed Bentencho	
G-27 Proceed Nagakoendori	
G-28 Proceed Nishinagahori	
G-29 Proceed Kyobashi	
G-30 Proceed Hyogoekimaeori	
G-15 Proceed Fukuoka Takamiya	
R-2 Proceed Mito	
R-3 Proceed Mito 2	
R-4 Proceed Tsukuba Gakuentoshi	

◆Tokyo metropolitan area major cities: **80 properties**
 ◆Cabinet order designated cities: **23 properties**
 ◆Regional area major cities: **3 properties**
Total: 106 properties



Acquired assets: Single (blue), DINKS (pink), Family (orange), Facility for elderly (dark blue)

Breakdown of Revenue of Major Properties (27th 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-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, Kohoku-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	2,449,000	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	303,024	62,505	62,916	123,585	53,313	63,933	69,149	66,946	28,292
(B) Property leasing operating expenses	104,401	14,045	10,707	24,080	10,175	16,769	15,543	10,174	7,737
(C) Property leasing NOI = (A) - (B)	198,622	48,460	52,208	99,504	43,137	47,163	53,606	56,771	20,554
(D) Depreciation and amortization	93,819	5,767	6,169	20,091	6,360	17,502	15,785	6,505	8,190
(E) Property leasing income (loss) = (C) - (D)	104,803	42,692	46,039	79,413	36,777	29,660	37,820	50,266	12,364
(F) Capital expenditures	1,172	21,188	464	113	1,801	-	-	534	306
(G) NCF = (C) - (F)	197,449	27,271	51,744	99,391	41,336	47,163	53,606	56,237	20,248
Annualized NOI yield (Note)	7.7%	4.0%	4.1%	4.6%	4.0%	4.6%	5.0%	5.2%	5.3%
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 April 30, 2019)



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) (27th FP results)	PML (%)	Construction completion (Note 5)
C-1	Proceed Ichikawa	Chiba	1,076,000	1.2	1,014,057	1,360,000	3,322.17	3,261.15	50	42	97.2	33,372	5.9	April 1, 1997
C-2	Proceed Toyocho	Tokyo	646,700	0.8	584,709	875,000	1,085.56	1,085.56	45	5	100.0	21,036	8.6	January 31, 2003
C-3	Proceed Kasai	Tokyo	688,700	0.8	609,817	811,000	1,243.80	1,243.80	57	0	97.2	19,855	5.1	March 1, 2003
C-4	Proceed Sangenjaya	Tokyo	555,900	0.6	625,329	597,000	1,019.27	1,019.27	9	8	100.0	16,519	9.3	June 29, 1990
C-5	Proceed Mizue	Tokyo	602,600	0.7	628,647	756,000	2,076.68	1,855.55	28	22	95.3	18,620	7.0	June 20, 1991
C-6	Proceed Funabashi Miyamoto	Chiba	419,900	0.5	456,391	570,000	1,685.73	1,685.73	33	1	98.7	16,986	4.7	June 24, 1991
C-7	Proceed Minamikasai	Tokyo	303,500	0.4	328,396	304,000	1,045.28	974.38	16	7	98.9	9,828	10.4	March 12, 1993
C-9	Proceed Gytoku	Chiba	315,600	0.4	341,857	340,000	1,218.56	1,218.56	20	7	100.0	10,137	6.7	March 15, 1988
C-10	Proceed Makuharihongo	Chiba	279,300	0.3	276,952	319,000	963.00	963.00	34	3	96.0	8,798	8.7	February 22, 1989
C-11	Proceed Minamigyotoku	Chiba	287,300	0.3	298,425	330,000	838.95	838.95	26	6	99.1	9,483	6.8	February 6, 1990
C-12	Proceed Makuharihongo 2	Chiba	223,400	0.3	222,313	247,000	1,104.84	1,104.84	22	10	97.8	8,225	4.8	September 24, 1989
C-13	Proceed Higashikawaguchi	Saitama	206,500	0.2	191,957	197,000	648.11	627.11	30	14	98.0	6,705	3.6	March 15, 1993
C-14	Proceed Funabashi	Tokyo	226,100	0.3	236,774	247,000	479.52	479.52	24	1	100.0	6,585	7.3	October 11, 1991
C-15	Proceed Takenozuka	Tokyo	169,400	0.2	173,379	249,000	860.55	803.18	15	7	91.1	5,237	3.4	March 10, 1994
C-16	Proceed Sengendai 2	Saitama	86,700	0.1	92,937	108,000	695.81	586.23	12	3	90.9	3,129	3.3	April 3, 1991
C-17	Proceed Shoto	Tokyo	937,400	1.1	883,692	966,000	890.22	869.92	40	6	96.6	21,737	5.3	November 18, 2005
C-18	Proceed Sangubashi	Tokyo	497,600	0.6	483,214	484,000	527.88	508.05	26	0	97.5	10,984	7.0	July 22, 2005
C-19	Proceed Urayasu	Chiba	431,400	0.5	470,501	456,000	1,786.58	1,786.58	21	8	100.0	15,348	7.8	June 4, 1992
C-20	Proceed Shinkoiwa	Tokyo	465,200	0.5	498,565	553,000	1,629.07	1,629.07	27	9	96.6	13,554	7.1	March 15, 1991
C-21	Proceed Yachiyo Midorigaoka I	Chiba	383,600	0.4	399,198	386,000	1,805.76	1,738.88	27	32	96.9	12,220	6.9	February 12, 1997
C-22	Proceed Yachiyo Midorigaoka II	Chiba	339,000	0.4	354,788	348,000	1,605.12	1,538.24	24	31	98.6	10,718	6.9	February 12, 1997
C-23	Proceed Toritsudaigaku	Tokyo	790,400	0.9	747,165	792,000	808.65	744.80	37	2	96.5	17,570	8.3	March 13, 2006
C-24	Proceed Toritsudaigaku 2	Tokyo	772,200	0.9	717,874	822,000	831.74	831.74	36	2	100.0	20,081	7.8	September 7, 2006
C-25	Proceed Honjoazumabashi	Tokyo	339,800	0.4	301,902	455,000	570.53	570.53	19	0	100.0	10,359	6.7	July 7, 2006
C-26	Proceed Meguro Aobadai	Tokyo	466,700	0.5	454,855	466,000	485.15	485.15	24	1	100.0	11,091	11.6	March 27, 2003
C-27	Proceed Suginami Miyamae	Tokyo	454,900	0.5	435,030	484,000	680.50	680.50	29	1	100.0	12,703	7.1	January 26, 2004
C-28	Proceed Ryogoku	Tokyo	443,900	0.5	434,787	573,000	702.54	702.54	27	5	100.0	13,598	6.9	March 15, 2003
C-29	Proceed Mita	Tokyo	1,537,200	1.8	1,428,570	1,670,000	1,500.57	1,500.57	72	0	100.0	36,307	8.7	February 6, 2006
C-30	Proceed Nakanoshimbashi	Tokyo	638,800	0.7	679,244	700,000	849.08	849.08	50	0	100.0	18,580	10.4	September 24, 1992
C-31	Proceed Kameido	Tokyo	339,000	0.4	348,918	346,000	853.98	853.98	23	0	100.0	9,808	7.6	March 23, 1994
C-32	Proceed Takadanobaba	Tokyo	223,700	0.3	254,297	268,000	278.36	278.36	17	0	100.0	6,914	13.8	October 24, 1991
C-33	Proceed Shinkoenji	Tokyo	742,100	0.9	788,783	871,000	1,040.24	1,040.24	57	0	100.0	21,749	10.0	August 31, 1990
C-34	Proceed Koenjiminami	Tokyo	277,400	0.3	310,247	251,000	337.05	337.05	20	0	100.0	7,603	11.7	October 2, 1989
C-35	Proceed Hasune	Tokyo	284,000	0.3	319,602	267,000	587.13	587.13	29	0	100.0	8,330	6.8	July 17, 1991
C-36	Proceed Oimachi	Tokyo	944,000	1.1	991,087	950,000	961.88	961.88	59	0	100.0	23,253	13.0	April 13, 1992
C-37	Proceed Jujo	Tokyo	533,000	0.6	563,251	558,000	1,206.90	1,206.90	30	0	100.0	14,546	7.2	June 15, 1989
C-38	Proceed Hakuraku	Kanagawa	241,000	0.3	262,005	185,000	445.16	445.16	27	0	100.0	8,042	16.4	July 19, 1991
C-39	Proceed Shinmaruko	Kanagawa	635,000	0.7	668,728	609,000	759.00	759.00	46	0	100.0	16,076	11.7	September 12, 1988
C-40	Proceed Motoyawata	Chiba	307,000	0.4	258,320	322,000	602.39	602.39	25	1	98.6	8,630	4.4	January 9, 2004
C-41*	Proceed Nishiarai (Note 6)	Tokyo	5,172,000	6.0	3,385,354	6,940,000	20,137.85	19,802.13	294	146	98.6	198,622	ARTIER: 3.9 OZAREA: 5.0 Hall: 3.5 Nursery: 3.5	July 20, 2007

Portfolio List II (As of April 30, 2019)



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) (27th FP results)	PML (%)	Construction completion (Note 5)
C-42	Proceed Chofu	Tokyo	460,500	0.5	409,403	572,000	764.48	764.48	26	0	96.9	13,097	6.4	February 17, 2007
C-43	Proceed TX Rokucho	Tokyo	156,800	0.2	178,285	181,000	518.31	492.34	20	2	98.3	5,617	6.6	June 21, 1991
C-44	Proceed Nakagawara (Note 7)	Tokyo	1,141,000	1.3	1,227,875	1,330,000	3,061.94	2,822.23	54	35	96.3	33,346	Ichibankan: 10.7 Nibankan: 11.8	April 1, 1989
C-45	Proceed Oizumigakuen	Tokyo	268,300	0.3	291,378	282,000	483.43	483.43	29	0	97.1	6,852	10.6	November 26, 1991
C-46	Proceed Chitosekarasuyama	Tokyo	289,600	0.3	330,047	333,000	449.96	449.96	28	0	97.6	8,110	11.7	December 8, 1988
C-47	Proceed Mitaka	Tokyo	477,200	0.6	531,517	581,000	739.48	739.48	47	0	100.0	14,267	9.3	December 16, 1988
C-48	Proceed Kashiwa Est	Chiba	732,000	0.8	682,616	711,000	1,279.93	1,161.94	44	5	93.9	15,641	4.5	February 13, 2007
C-49	Proceed Kashiwa Nord	Chiba	689,000	0.8	632,436	608,000	1,391.55	1,391.55	47	0	94.9	13,839	5.7	February 13, 2007
C-50	Proceed Gytokuekimae	Chiba	331,000	0.4	281,091	372,000	659.68	631.90	24	3	98.0	9,382	5.2	September 4, 2007
C-51	Proceed Funabashi Honcho	Chiba	531,700	0.6	500,689	598,000	996.44	971.46	40	0	94.2	14,243	5.7	July 19, 2006
C-52	Proceed Nishikawaguchi	Saitama	881,000	1.0	968,668	839,000	1,630.24	1,567.76	104	1	96.7	23,355	5.5	February 10, 1989
C-53	Proceed Gummyoji	Kanagawa	552,000	0.6	575,002	619,000	1,246.48	1,038.89	77	0	86.1	13,945	19	May 12, 1988
C-54	Proceed Tsurugamine	Kanagawa	356,000	0.4	368,394	386,000	855.00	752.40	50	4	86.0	8,954	7.2	March 12, 1991
C-55	Proceed Sagamiotsuka	Kanagawa	234,000	0.3	234,500	223,000	741.24	741.24	29	7	97.8	6,233	12.9	April 5, 1991
C-56*	Proceed Shinozaki 2	Tokyo	913,300	1.1	815,752	1,140,000	2,134.07	2,134.07	35	13	97.8	26,754	4.2	September 18, 2008
C-57	Proceed Kashiwa Trois	Chiba	537,100	0.6	484,445	660,000	1,149.95	1,065.95	38	6	95.1	16,315	5.4	May 8, 2009
C-58	Proceed Shinozaki Tower (Note 8)	Tokyo	1,564,000	1.8	1,432,319	2,240,000	5,117.49	5,117.49	88	30	99.1	61,886	High-rise bldg.: 2.6 Low-rise Bldg.: 4.4	March 17, 2008
C-59	Proceed Tobu Nerima	Tokyo	422,000	0.5	414,176	538,000	779.84	759.12	35	2	96.9	13,415	7.7	August 31, 2007
C-60	Proceed Yukigaya	Tokyo	323,000	0.4	365,067	392,000	600.62	548.69	35	0	93.8	9,637	14	October 7, 1991
C-61	Proceed Ichikawa Minami	Chiba	687,000	0.8	707,347	947,000	1,635.59	1,606.38	66	17	98.6	24,674	2	February 10, 1997
C-62	Proceed Ichikawa Myoden	Chiba	498,000	0.6	534,056	634,000	945.00	945.00	45	1	93.7	13,109	6.8	March 15, 2003
C-63	Proceed Fujisawa Kugenuma	Kanagawa	729,000	0.8	779,363	900,000	2,005.76	2,005.76	25	20	98.5	24,842	14.7	March 30, 2001
C-64	Proceed Nihonbashi-horidomecho	Tokyo	1,485,800	1.7	1,519,887	1,720,000	1,904.45	1,841.83	37	2	98.7	37,465	7.5	April 7, 2006
C-65*	Proceed TX Nagareyama Central Park (Note 9)	Chiba	979,700	1.1	966,670	1,180,000	2,976.85	2,801.68	73	0	96.6	32,693	2.9	April 11, 2014
C-66	Proceed Gytoku 2	Chiba	830,000	1.0	841,477	909,000	1,626.54	1,626.54	59	20	95.3	21,402	6.5	October 7, 2006
C-67	Proceed Nishikasai (Note 10)	Tokyo	875,600	1.0	955,891	984,000	2,993.52	2,993.52	63	39	100.0	31,304	Ichibankan: 11.0 Nibankan: 8.1	October 17, 1993 July 23, 1985
C-68*	Proceed Kasai 2	Tokyo	750,000	0.9	852,978	911,000	2,140.59	2,085.90	29	6	94.0	17,808	7.1	September 12, 2003
C-69	Proceed Nihonbashi Honcho	Tokyo	2,449,000	2.8	2,609,108	2,560,000	2,553.89	2,553.89	84	7	97.8	48,460	8.3	February 25, 2003
C-70	Proceed Nishi Shinjuku	Tokyo	2,549,000	3.0	2,656,548	2,660,000	2,461.88	2,367.67	66	5	98.2	52,208	4.5	February 25, 2003
C-71	Proceed Unoki	Tokyo	917,000	1.1	946,663	973,000	1,260.58	1,219.33	29	4	97.2	23,700	13.9	September 5, 2015
C-72*	Proceed Minamigyotoku 2	Chiba	1,080,000	1.3	1,120,119	1,140,000	2,832.74	2,755.97	36	18	98.3	32,944	6.4	May 15, 2014
C-73	Proceed CO-Z East Building	Chiba	1,830,000	2.1	1,963,873	2,000,000	6,873.33	6,655.78	112	121	97.5	58,636	6	March 10, 1997
C-74	Proceed CO-Z West Building	Chiba	971,000	1.1	1,058,262	1,050,000	3,716.05	3,604.90	71	87	95.5	32,072	6	January 9, 1998
C-75	Proceed Shin Yokohama	Kanagawa	4,330,000	5.0	4,489,549	4,410,000	5,457.56	5,103.07	226	68	97.4	99,504	6.9	April 19, 2007
C-76	Life Support Residence Funaboriekimae	Tokyo	380,000	0.4	265,928	420,000	1,408.71	1,408.71	2	0	100.0	10,217	6.6	January 14, 2013
C-77	Proceed Kinshicho	Tokyo	2,140,000	2.5	2,255,468	2,170,000	2,302.92	2,272.63	64	11	98.4	43,137	6.1	July 1, 2005
C-78	Proceed K2	Chiba	1,170,000	1.4	1,243,657	1,260,000	4,099.04	3,857.59	59	22	95.5	33,061	3.9	February 10, 1995
C-79	Proceed K3 Annex	Chiba	283,000	0.3	304,948	313,000	1,590.30	1,590.30	24	25	99.3	8,915	5.5	March 2, 1997
C-80	Proceed K5	Chiba	269,000	0.3	288,878	274,000	788.95	745.06	16	0	93.6	6,539	6.3	February 13, 1998
C-81	Proceed Ichikawa Myoden II	Chiba	800,000	0.9	844,526	826,000	1,218.00	1,218.00	58	1	100.0	24,290	6.7	March 15, 2003
Tokyo metropolitan area major cities subtotal			61,146,500	71.0	60,450,810	68,878,000	137,563.54	133,950.59	3,601	962	97.3	1,734,845		

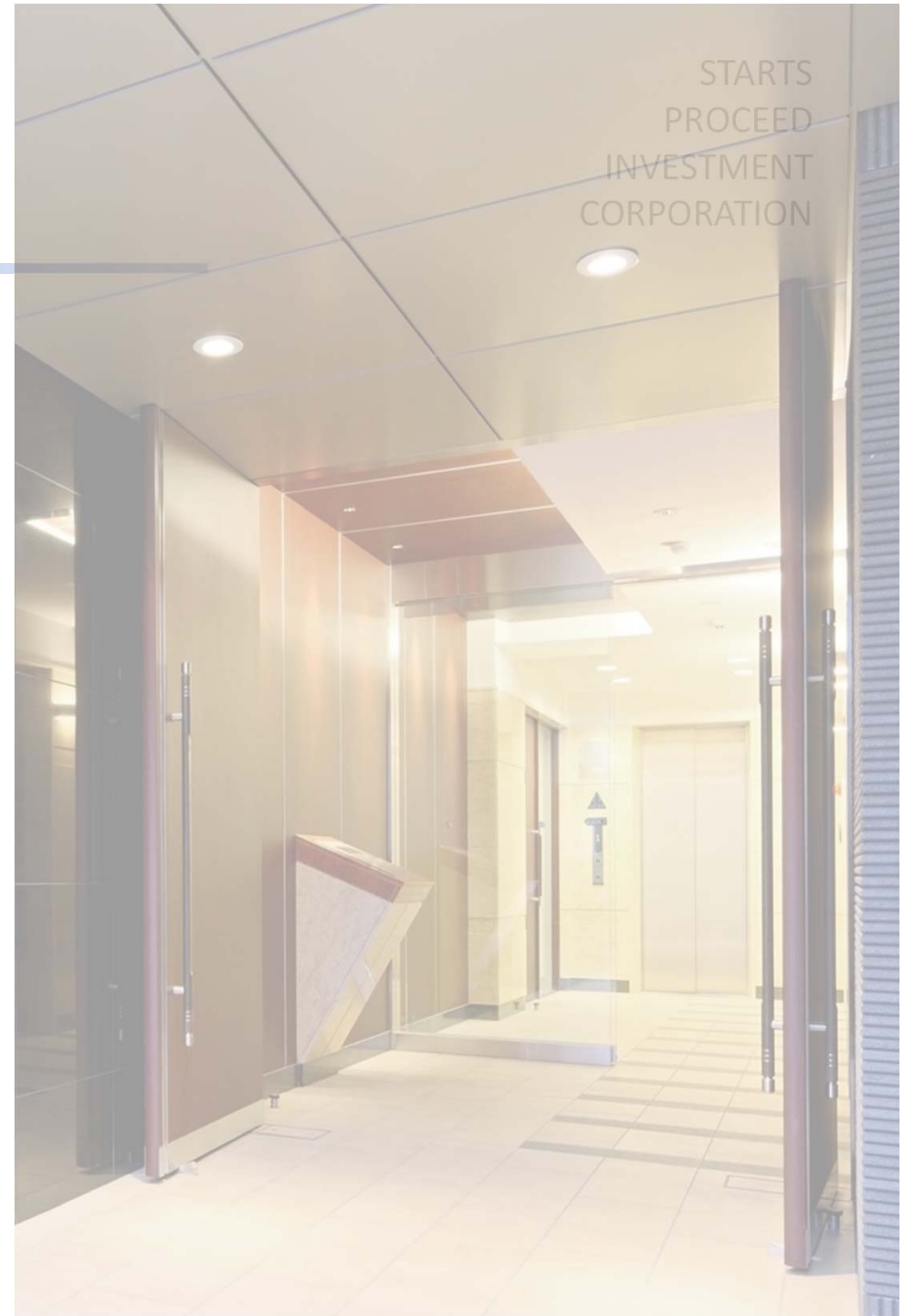
Portfolio List III (As of April 30, 2019)



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) (27th FP results)	PML (%)	Construction completion (Note 5)
G-8	Proceed Taikodori	Aichi	403,400	0.5	309,277	468,000	1,101.56	1,031.15	44	6	96.8	12,245	11.3	March 15, 2006
G-11	Proceed Honamimachi	Aichi	275,000	0.3	229,609	241,000	620.22	513.26	10	8	94.3	5,511	10.5	March 27, 2006
G-13*	Proceed Shinsakae	Aichi	792,500	0.9	656,511	959,000	1,958.44	1,836.49	77	11	94.7	23,499	7.1	February 28, 2007
G-14	Proceed Chiyoda	Aichi	309,300	0.4	257,516	383,000	922.40	859.85	30	4	98.9	10,613	7.3	March 20, 2007
G-15	Proceed Fukuoka Takamiya	Fukuoka	453,600	0.5	402,437	506,000	1,312.29	1,263.22	46	10	96.9	12,421	3.2	March 12, 2007
G-17*	Proceed Kanayama	Aichi	1,022,000	1.2	964,625	1,370,000	2,733.58	2,565.10	94	18	95.5	33,212	6.0	February 18, 2008
G-18*	Proceed Fukiage	Aichi	499,000	0.6	472,789	650,000	1,204.65	1,204.65	48	15	97.7	16,235	6.2	March 13, 2008
G-19*	Proceed Toyoda	Aichi	219,000	0.3	209,301	292,000	752.04	752.04	27	8	96.8	8,257	6.7	February 29, 2008
G-20	Proceed Kitahorie	Osaka	1,917,300	2.2	1,914,288	2,580,000	4,146.18	3,744.31	106	8	93.1	53,877	11.0	November 29, 2007
G-21	Proceed Nishitenma	Osaka	880,000	1.0	882,312	1,180,000	1,775.89	1,723.29	56	3	96.4	25,018	13.9	November 30, 2007
G-22	Proceed Kobemotomachi	Hyogo	780,000	0.9	790,059	994,000	1,590.64	1,541.27	61	6	95.9	22,416	8.6	December 21, 2007
G-23	Group Home Tanoshii Ie Taisho	Osaka	158,000	0.2	160,758	185,000	482.72	482.72	1	0	100.0	5,172	14.8	February 28, 2007
G-24	Proceed Kanayama 2	Aichi	2,040,400	2.4	2,072,420	2,290,000	4,218.01	4,106.16	72	31	92.1	47,163	6.2	August 22, 2007
G-25	Proceed Aratamabashi	Aichi	2,129,600	2.5	2,179,692	2,240,000	5,335.93	4,918.44	72	45	94.1	53,606	6.2	August 19, 2005
G-26	Proceed Bentencho	Osaka	2,170,000	2.5	2,256,573	2,300,000	4,134.70	4,109.61	126	21	99.2	56,771	8.1	January 11, 2008
G-27	Proceed Nagaikoendori	Osaka	1,070,000	1.2	1,114,596	1,070,000	2,170.80	2,009.08	81	24	94.3	22,659	14.4	May 28, 2007
G-28	Proceed Nishinagahori	Osaka	942,000	1.1	979,255	934,000	1,506.18	1,332.08	52	5	86.8	16,660	8.1	February 15, 2008
G-29	Proceed Kyobashi	Osaka	2,040,000	2.4	2,115,529	2,040,000	3,274.56	2,675.88	120	30	86.9	38,055	13.0	January 16, 2008
G-30	Proceed Hyogoekimaedori	Hyogo	1,670,000	1.9	1,736,102	1,750,000	3,086.99	2,961.59	117	18	91.5	35,100	9.2	February 8, 2008
G-31	Proceed Mizuho	Aichi	535,000	0.6	569,406	553,000	1,126.40	1,051.38	40	5	89.5	9,892	6.2	February 28, 2007
G-32	Proceed Osu	Aichi	831,000	1.0	862,855	881,000	1,851.30	1,711.05	66	10	95.2	23,069	7.6	March 7, 2016
G-33	Proceed Sendai Kozurushinden	Miyagi	698,000	0.8	745,737	775,000	1,913.28	1,809.44	63	32	93.0	19,705	8.4	March 20, 2006
G-34	Proceed Sendai Kamisugi	Miyagi	1,560,000	1.8	1,644,672	1,680,000	3,409.93	3,175.73	108	16	96.0	47,000	4.8	February 21, 2017
Cabinet order designated cities subtotal			23,395,100	27.2	23,526,330	26,321,000	50,628.69	47,377.79	1,517	334	94.1	598,170		
R-2	Proceed Mito	Ibaraki	383,700	0.4	313,815	481,000	1,223.83	1,192.87	36	7	92.7	13,096	4.0	January 7, 2007
R-3	Proceed Mito 2	Ibaraki	416,900	0.5	354,677	527,000	1,381.34	1,349.09	36	25	88.7	13,826	3.6	March 11, 2008
R-4	Proceed Tsukuba Gakuentoshi	Ibaraki	775,600	0.9	785,373	825,000	2,659.71	2,333.91	34	35	90.9	20,554	3.8	March 3, 2008
Regional area major cities subtotal			1,576,200	1.8	1,453,866	1,833,000	5,264.88	4,875.87	106	67	90.7	47,477		
Portfolio total			86,117,800	100.0	85,431,006	97,032,000	193,457.11	186,204.25	5,224	1,363	96.4	2,380,492	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) Of the assets Starts Proceed has acquired, the properties with the asterisk (*) mark attached at their property numbers are seismic isolated.

Management Company Overview

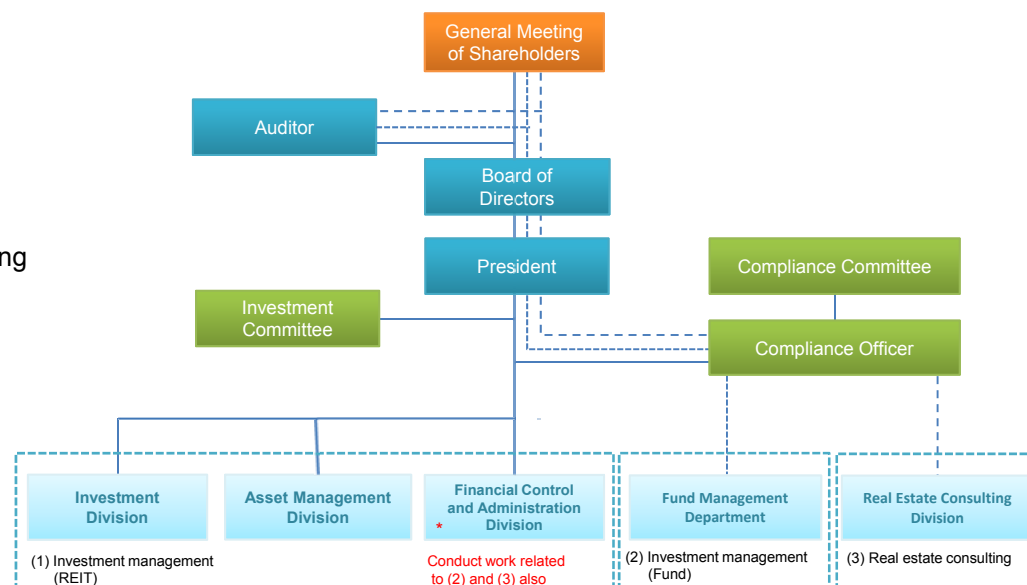


- **Established** Oct. 31, 2001
- **History**
 - Dec. 22, 2001 Obtained building lots and buildings transaction business license (Tokyo Governor (4) No.80325)
 - Nov. 11, 2004 Obtained discretionary transaction agent and other approval under the Building Lots and Buildings Transaction Business Act (Minister 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



This document has been prepared for informational purposes only and should not be construed as an offer or solicitation of an offer to buy or sell any specific product.

This document includes charts, data and other information prepared by Starts Asset Management Co., Ltd. (the “Asset Management Company”) based on data, indices and other information disclosed by third parties, in addition to statements related to Starts Proceed Investment Corporation (“Starts Proceed”). Statements on analysis, judgments and other opinions concerning those charts, data and other information of the Asset Management Company as of the date of this document are also included.

The Asset Management Company is a financial services provider under the Financial Instruments and Exchange Law.

The contents of this document have not been audited and their accuracy and completeness are not guaranteed. Analysis, judgments and such of the Asset Management Company only reflect the views of the Asset Management Company as of the date of the document. Therefore, the contents may be changed or abolished without prior notice.

Neither Starts Proceed nor the Asset Management Company accepts responsibility for the accuracy of data, indices and other information (including data based on appraisal reports) disclosed by third parties.

This document includes statements concerning future forecast and operating results, but such statements do not guarantee the future operating results, financial standing, etc. of Starts Proceed.

While reasonable attention is paid in the preparation of this document, there may be errors and the contents may be corrected or amended without prior notice.

Unless otherwise stated, information in this document is as of April 30, 2019.