



Financial Results Briefing
28th Fiscal Period (six months ended October 31, 2019)
December 17, 2019

MEMO

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28th Fiscal Period Financial Results Summary

28th Fiscal Period Financial Results Highlights	4
28th Fiscal Period Financial Results	5
Management Forecast	6
Current Issues and Future Initiatives Aimed at Enhancing Unitholder Value	7
Asset Replacement Results between 23rd and 28th Fiscal Periods and Future Asset Replacement Policy	8
Acquisition of Proceed Kanayama 3	9
Effects of Asset Replacement	10
Stable Occupancy Rates and Background	11
Status of Leasing Conditions of AUM	12
AUM Average Occupancy Period by Residential Unit Type (Results of 23rd–28th Fiscal Period Residents)	13
Building a Portfolio that Responds to Various Fluctuation Risks	14
Initiatives to Enhance Asset Value	15
Acquisition Price and Appraisal Value of AUM	16
Changes in LTV	17
Overview of Investment Corporation Bonds and Financial Status	18
Status of Interest-Bearing Liabilities after Refinancing (November 25, 2019)	19
Changes in Investment Unit Price	20
Status of Unitholders (As of October 31, 2019)	21

Future Management Policy

Management Policy from 29th Fiscal Period	24
Changes in Distribution	25
Breakdown of Distribution (23rd to 28th Fiscal Periods)	26
Collaborative Structure of Starts Group	27
Properties for Warehousing	28
Properties Developed by the Sponsor	30
Development Projects of Starts Group	31
Scale of PFI/PPP Projects	32
Case Example of Consulting by Management Company	33
Case Example of Ongoing Project of Starts Group	39
Case Example of Efforts by Management Company	40

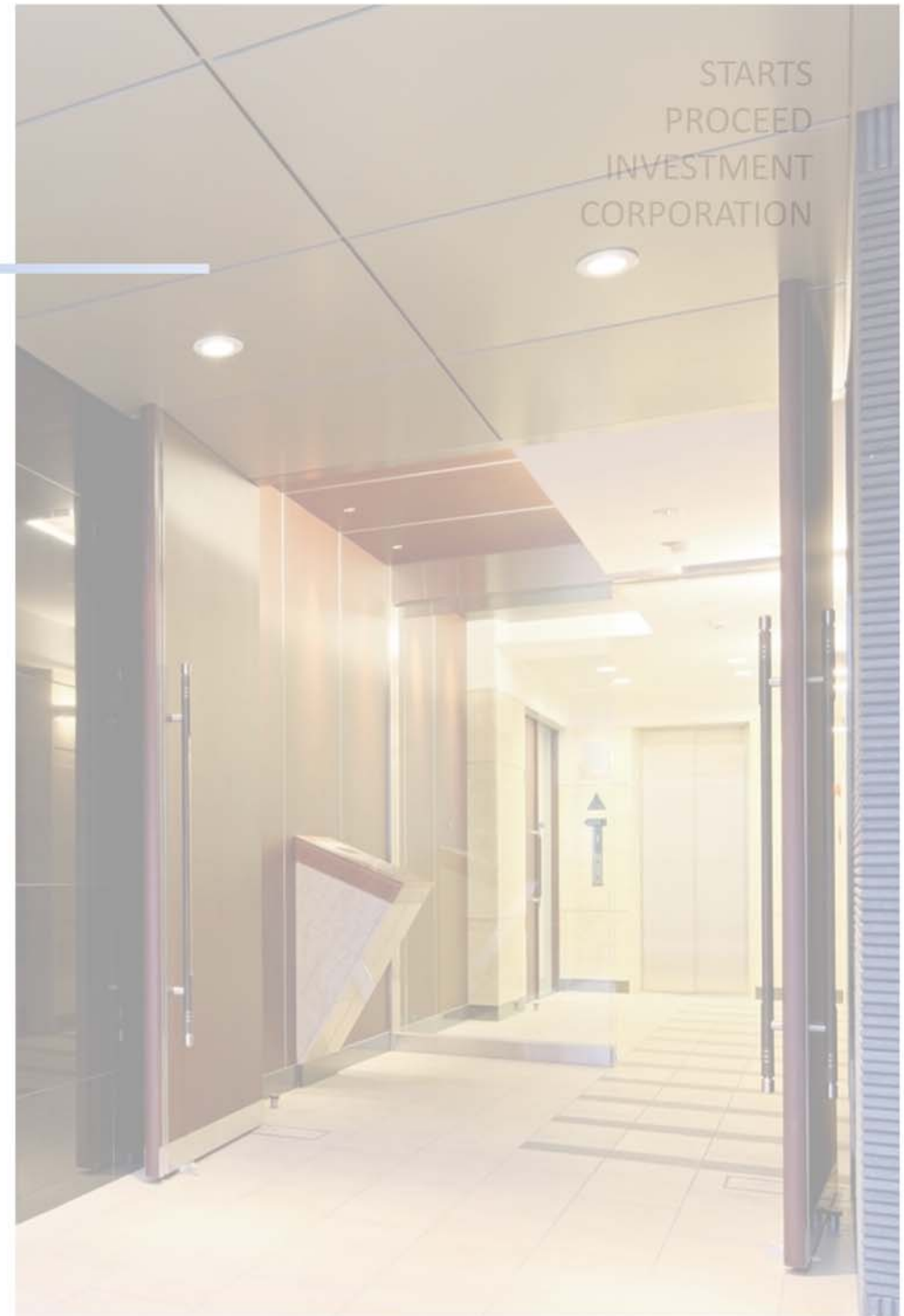
Reference Materials

Balance Sheet	42
Statements of Income / Cash Distributions	43
Statements of Cash Flows and Key Performance Indicators	44
Status of Interest-Bearing Liabilities (As of October 31, 2019)	45
Portfolio Map (As of October 31, 2019)	48
Portfolio Policy and Current Status	49
Breakdown of Revenue of Major Properties (28th Fiscal Period Results)	50
Portfolio List (As of October 31, 2019)	51

Reference Materials

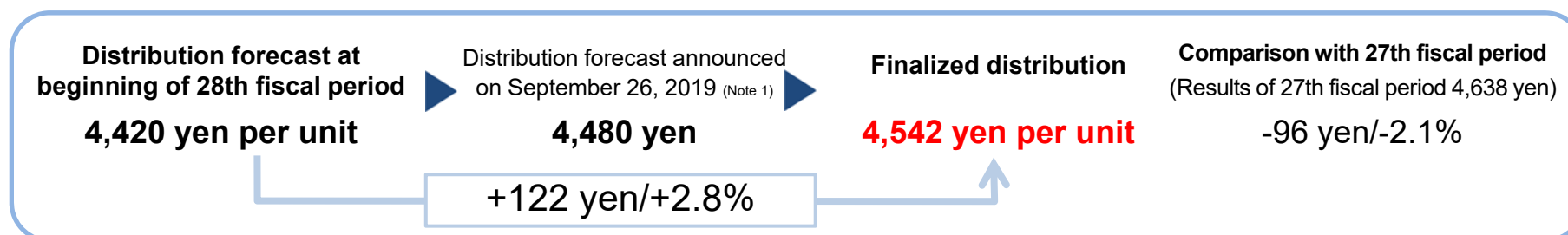
Starts Asset Management Co., Ltd.	55
Disclaimer	57

28th Fiscal Period Financial Results Summary



28th Fiscal Period Financial Results Highlights

28th Fiscal Period Distribution Per Unit

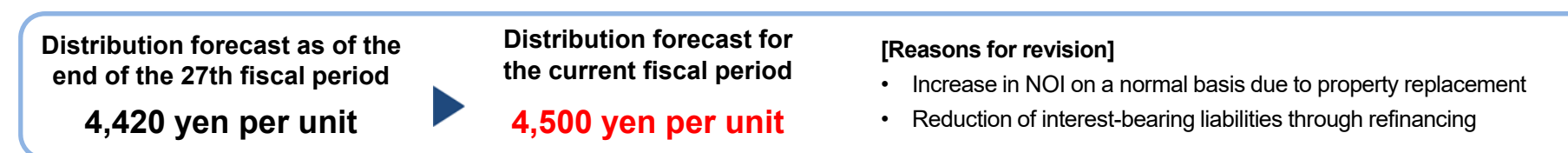


(Note 1) Distribution per unit forecast has been revised in line with arising of capital gain of specified assets.

28th Fiscal Period Management Summary

External Growth	Aim to improve portfolio quality	<ul style="list-style-type: none"> Disposed (C-13) Proceed Higashikawaguchi, with gain on sale of 5 million yen Acquired (G-35) Proceed Kanayama 3, with an acquisition price of 770 million yen Increase in NOI on a normal basis due to property replacement
Internal Growth	Continue stable asset management	<ul style="list-style-type: none"> Period average occupancy rate: 96.0% Maintained an occupancy rate of 95% or more from the 3rd fiscal period
Financial Status	Maintain sound finances	<ul style="list-style-type: none"> Reduced procurement costs by issuing investment corporation bonds (29th fiscal period) Total asset LTV: 50.8% Appraised LTV: 46.7% Ratio of fixed-rate loans: 28.4%

Revision of Distribution Forecast for the 29th Fiscal Period



(Note) All amounts are round down, and the figures with decimal places calculated for percentage or averaged are rounded off.

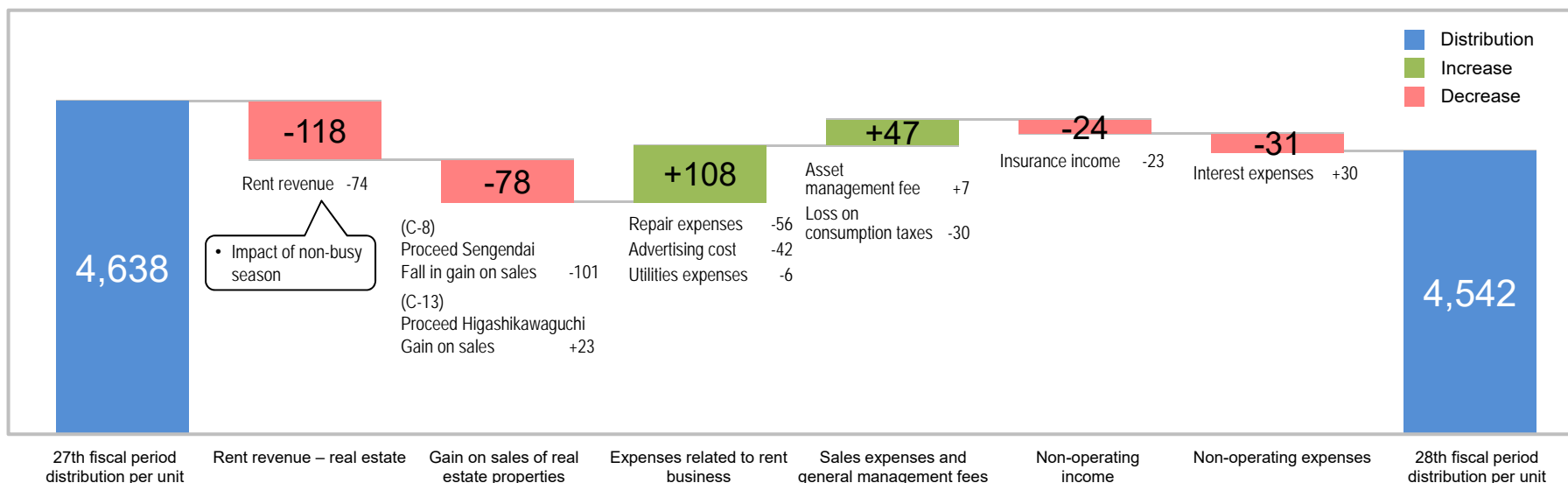
28th Fiscal Period Financial Results

- Comparing the Results of the 28th Fiscal Period with the Results of the 27th Fiscal Period and the Forecast of the 28th Fiscal Period

	27th FP Results	28th FP Results	Against the 27th Fiscal Period	Forecast at beginning of the 28th fiscal period	Against the Forecast
Operating revenue (million yen)	3,144	3,094	-49	3,074	20
Operating expenses (million yen)	1,769	1,730	-39	1,738	-7
Operating income (million yen)	1,374	1,364	-10	1,336	27
Ordinary income (million yen)	1,178	1,154	-24	1,123	30
Net income (million yen)	1,177	1,152	-24	1,121	30
Distribution per unit (yen)	4,638	4,542	-96	4,420	122
Number of investment units issued and outstanding (Unit)	253,777	253,777	-	253,777	-
Period average occupancy rate (%)	96.4	96.0	-0.4	95.6	0.4

- Main Factors of Increase/Decrease from Distribution for the 28th Fiscal Period

(yen per unit)

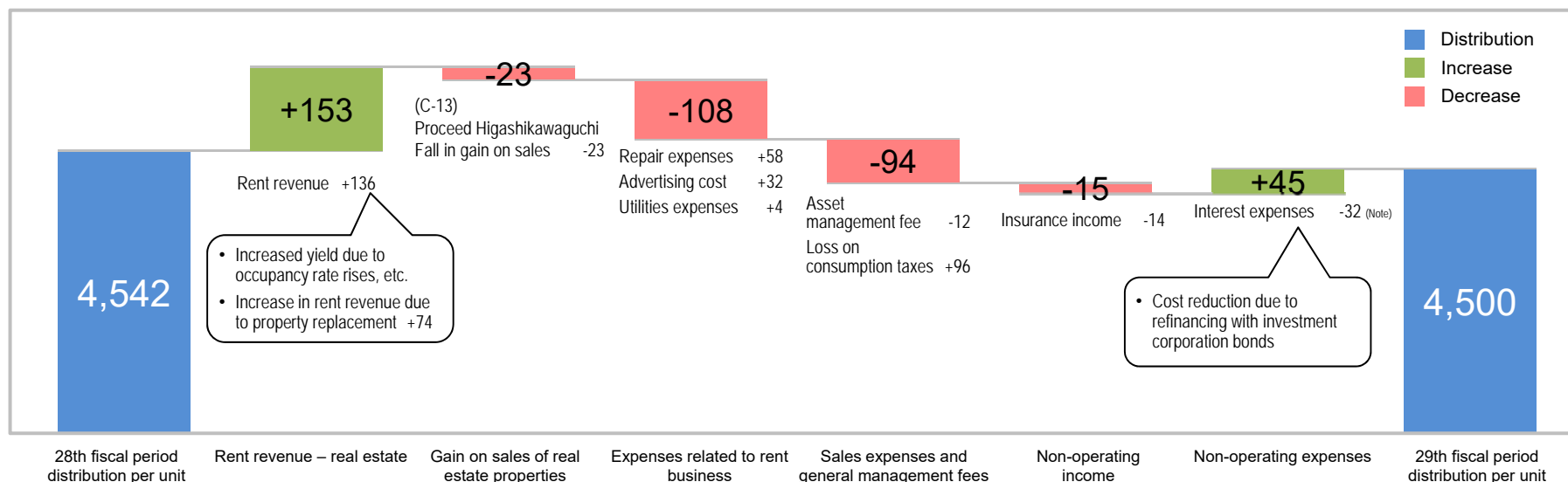


Forecast for the 29th and 30th Fiscal Periods

	28th FP Results	29th FP Forecast	Against the 28th FP Results	30th FP Forecast	Against the 29th FP Forecast
Operating revenue (million yen)	3,094	3,128	33	3,095	-33
Operating expenses (million yen)	1,730	1,781	51	1,755	-26
Operating income (million yen)	1,364	1,346	-18	1,339	-6
Ordinary income (million yen)	1,154	1,144	-10	1,131	-12
Net income (million yen)	1,152	1,142	-10	1,129	-12
Distribution per unit (yen)	4,542	4,500	-42	4,450	-50
Number of investment units issued and outstanding (Unit)	253,777	253,777	-	253,777	-
Period average occupancy rate (%)	96.0	96.3	0.3	95.7	-0.6

Main Factors of Increase/Decrease from Distribution Forecast for the 29th Fiscal Period

(yen per unit)



(Note) Interest expenses on investment corporation bonds are included.

Current Issues and Future Initiatives Aimed at Enhancing Unitholder Value



■ Issues Recognized by Starts Proceed

- Although NAV multiple increased from around 0.8x at the end of the previous fiscal period to **1.0x** at the end of the 28th fiscal period, it is necessary to continue improving evaluation on investment units as the amount is low when compared with competing REITs
- Need to build highly stable and attractive portfolio as it has no advantage over competing REITs in **terms of scale**



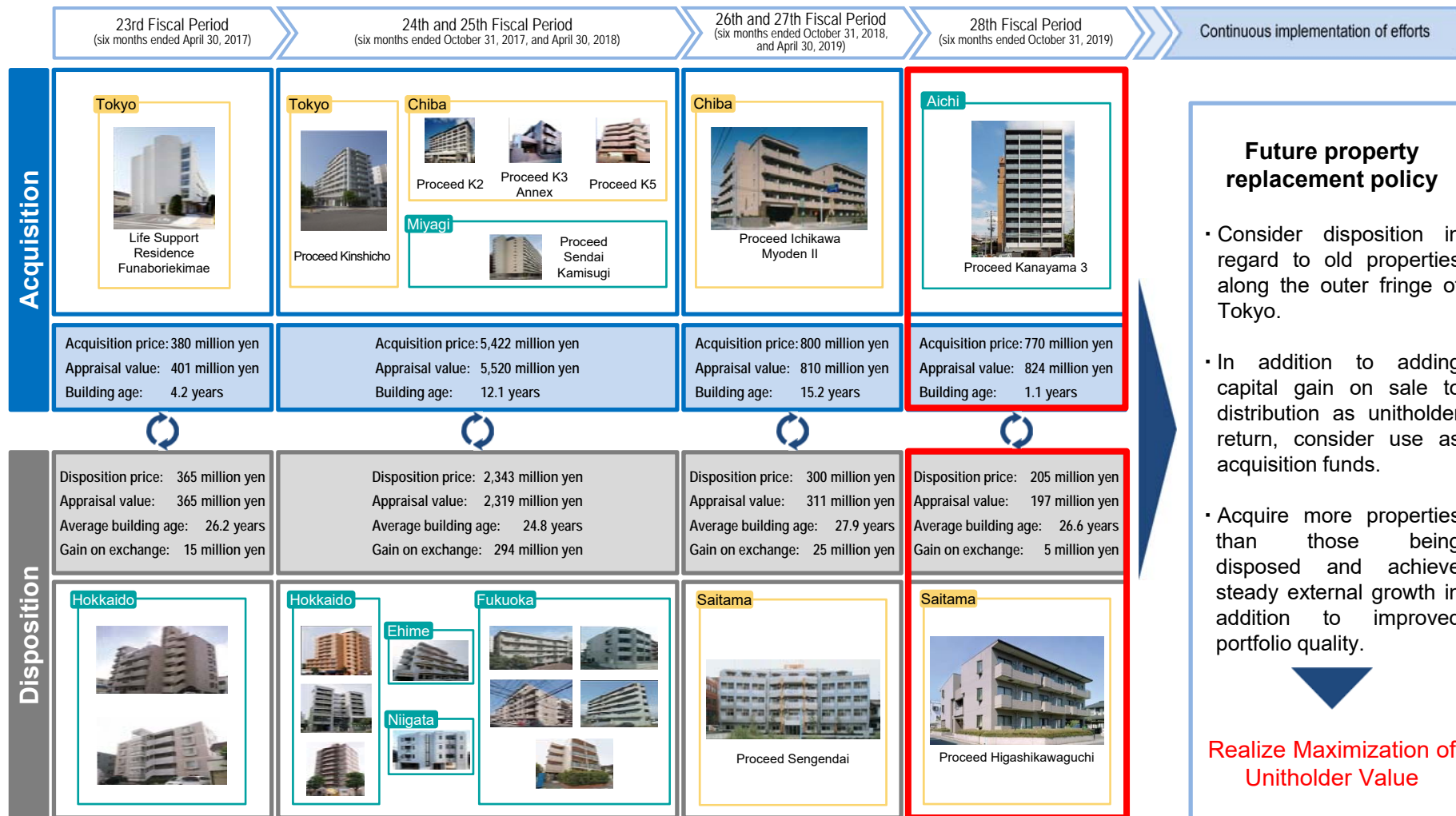
■ Future Initiatives of Starts Proceed

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 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

Asset Replacement Results between the 23rd and 28th Fiscal Periods and Future Asset Replacement Policy

Starts Proceed is improving its portfolio quality through agile property replacements. It increased the asset size by 4,593 million yen and obtained 341 million yen of gain on sale and exchange of assets (of which, 99 million yen was internally reserved as reserve for reduction entry) from the 23rd fiscal period to the 28th fiscal period through property replacements conducted since the previous public offering. Starts Proceed will continuously consider property replacement and unitholder return.



(Note) Appraisal value for acquisition is the amount immediately before the acquisition, and the appraisal value for disposition is the amount as of the end of the fiscal period before the disposition.

Acquisition of Proceed Kanayama 3

- Starts Proceed acquired Proceed Kanayama 3 on October 1, 2019.
- The property was designed and constructed by Starts Group.
- Acquisition price was 770 million yen, appraisal value (as of August 31, 2019) was 824 million yen, and the building age upon the acquisition was 1.1 years.

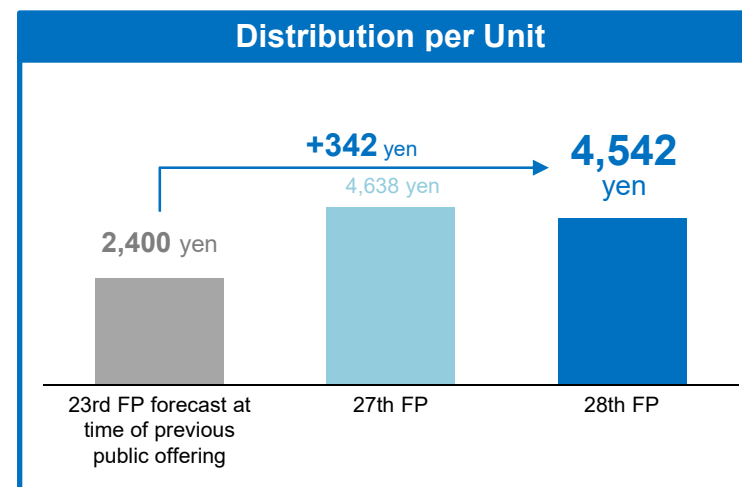
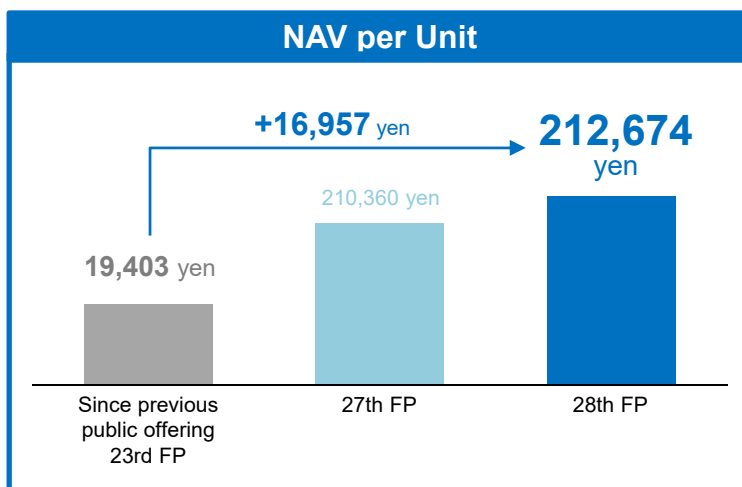
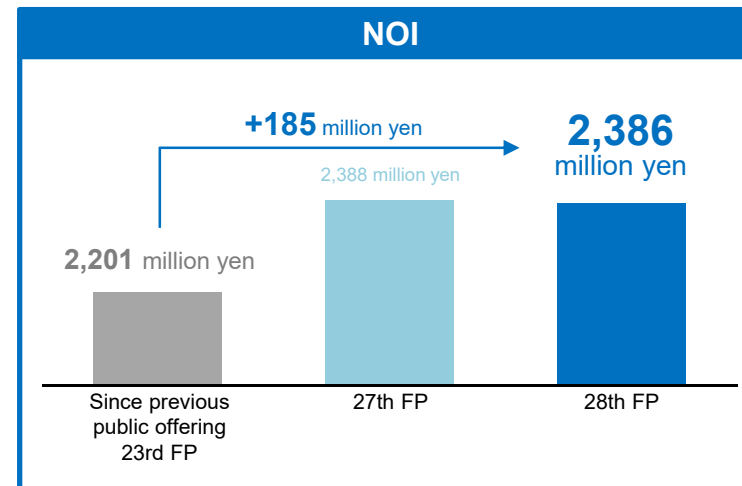
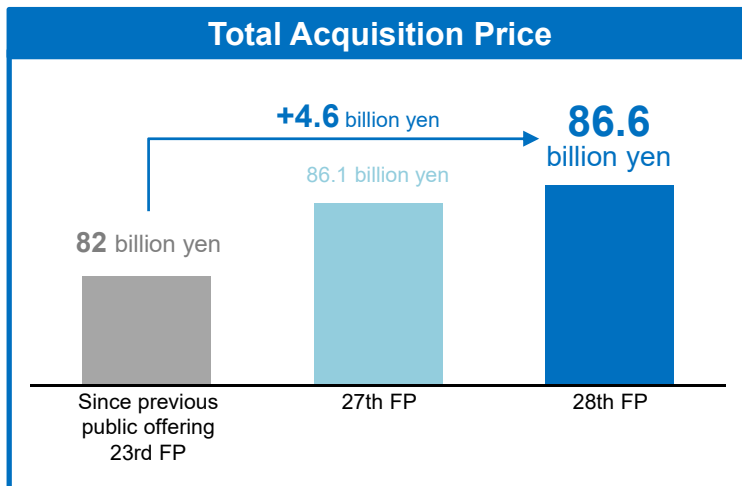


<Property Overview>

Structure	: RC/13F
Completion	: August 9, 2018
Number of leasing units (type)	: 1K 48 units; 1LDK 12 units; Total 60 units
Location	: 4-26 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

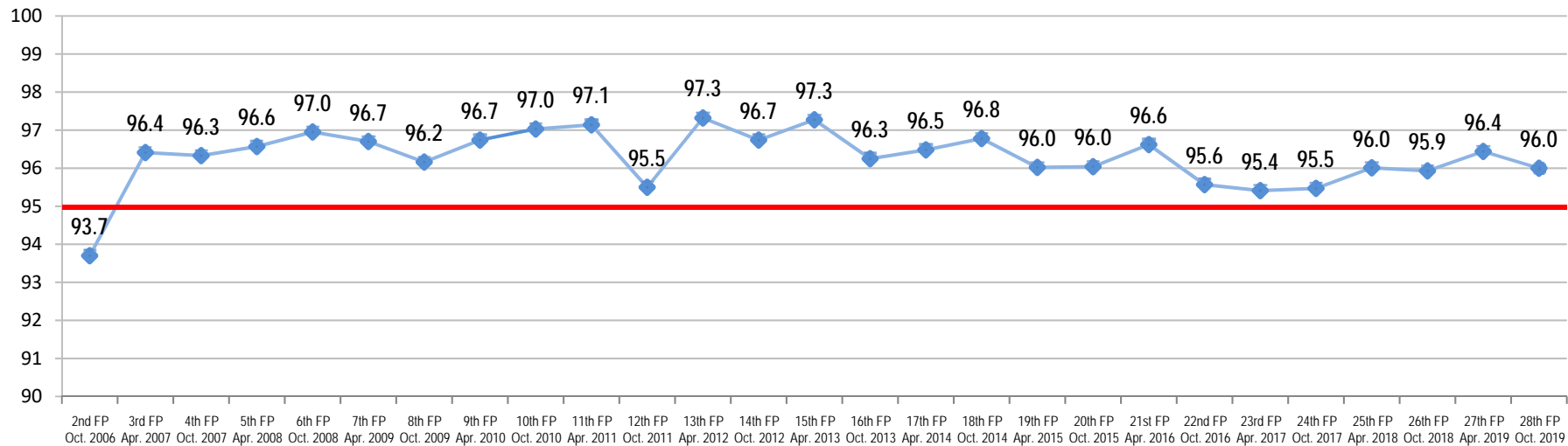
Effect of Property Replacement

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.



■ Occupancy Rate Trends (from 2nd FP to 28th FP)

Properties owned by Starts Proceed maintained a high occupancy rate at 95% or above from the 3rd fiscal period.



■ Background of Maintaining High Occupancy Rates

① Collaborative structure of entire Starts Group

- Stable leasing activities by Pitat House which has 664 stores around Japan (as of October 31, 2019)
- A dominant area centering along the Tozai Line where the collective effort of Starts Group is realized

② Establishing a portfolio targeting the needs of the market

- Investment targets are properties for 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

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		28th FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	231	815	178	469	214	696	191	718	278	841	218	565
No change	206	0	115	0	175	0	121	0	132	0	124	0
Decrease	134	-549	115	-433	116	-406	100	-440	107	-353	73	-261
Total	571	266	408	35	505	290	412	278	517	488	415	303
Rate of Change ^(Note 2)	0.5%		0.1%		0.6%		0.7%		1.1%		0.8%	

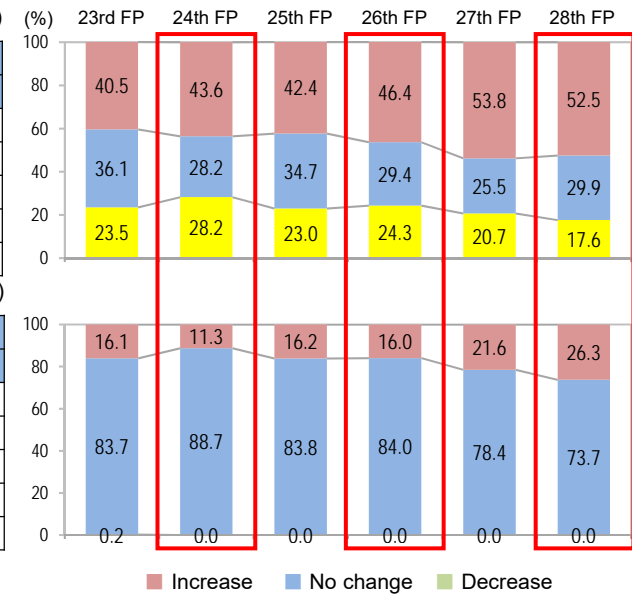
Renewal Rent Revision

(thousand yen)

	23rd FP		24th FP		25th FP		26th FP		27th FP		28th FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	65	180	44	63	96	165	75	116	126	197	120	183
No change	338	0	345	0	496	0	395	0	456	0	337	0
Decrease	1	-8	0	0	0	0	0	0	0	0	0	0
Total	404	172	389	63	592	165	470	116	582	197	457	183
Rate of Change ^(Note 2)	0.4%		0.2%		0.2%		0.3%		0.4%		0.4%	

(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 amount of monthly rent and common area maintenance charges after tenant replacements against the total amount of monthly rent and common area maintenance charges 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.



Difference in Key Money Setting and Rent for Agreements (Note 3)

Difference in Key Money between New Agreement and Previous Agreement

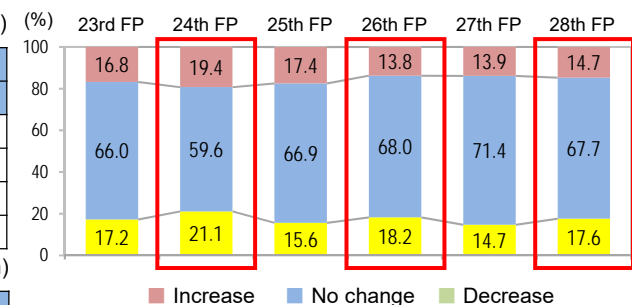
(thousand yen)

	23rd FP		24th FP		25th FP		26th FP		27th FP		28th FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	96	10,363	79	8,563	88	9,635	57	6,470	72	7,762	61	6,277
No change	377	0	243	0	338	0	280	62	369	189	281	103
Decrease	98	-8,802	86	-7,580	79	-7,104	75	-6,284	76	-6,967	73	-6,092
Total	571	1,561	408	983	505	2,531	412	247	517	984	415	287

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

(thousand yen)

	23rd FP	24th FP	25th FP	26th FP	27th FP	28th FP
Total key money	216,374	216,834	234,352	235,488	234,787	238,025
Total rent	392,824	389,460	416,229	420,606	418,680	421,393
Ratio to rent	0.55 month	0.55 month	0.56 month	0.56 month	0.56 month	0.56 month

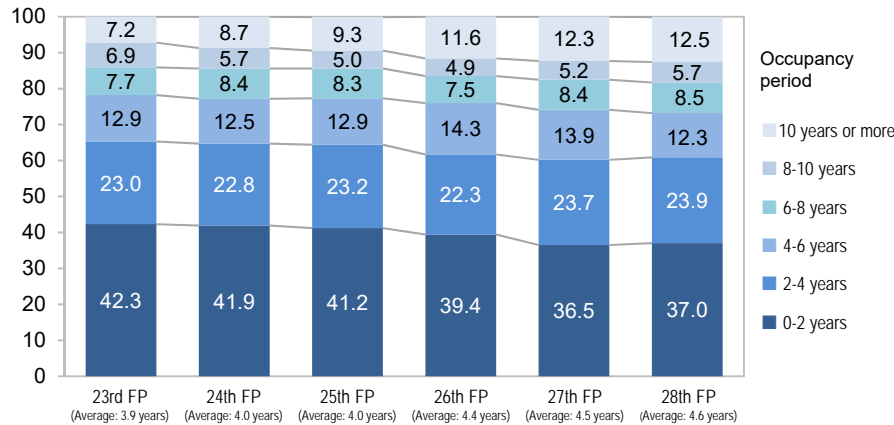


(Note 3) The ratio to rent is calculated from the sum of rents and advertised rents stated in the lease agreement and common area maintenance charges are not included. The figures are for pass-through type properties only and those for fixed-rent type properties are not included.

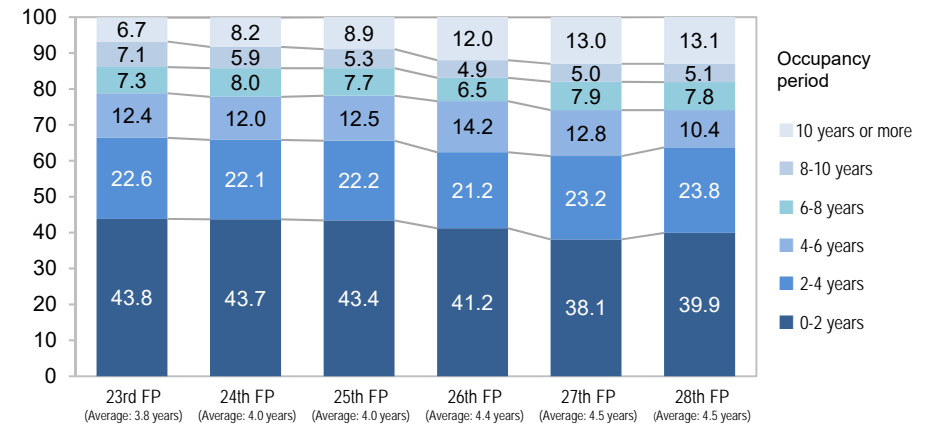
AUM Average Occupancy Period by Residential Unit Type (Results of 23rd–28th Fiscal Period Residents)



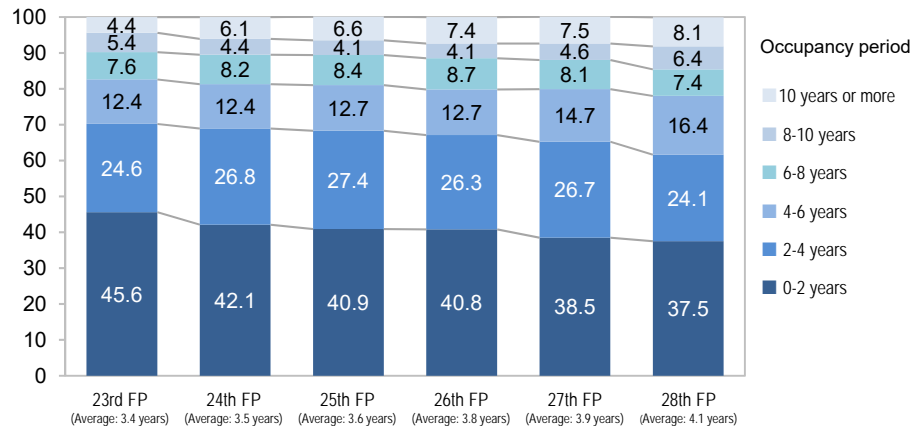
All (End of 23rd FP: average 3.9 years → End of 28th FP: average 4.6 years)



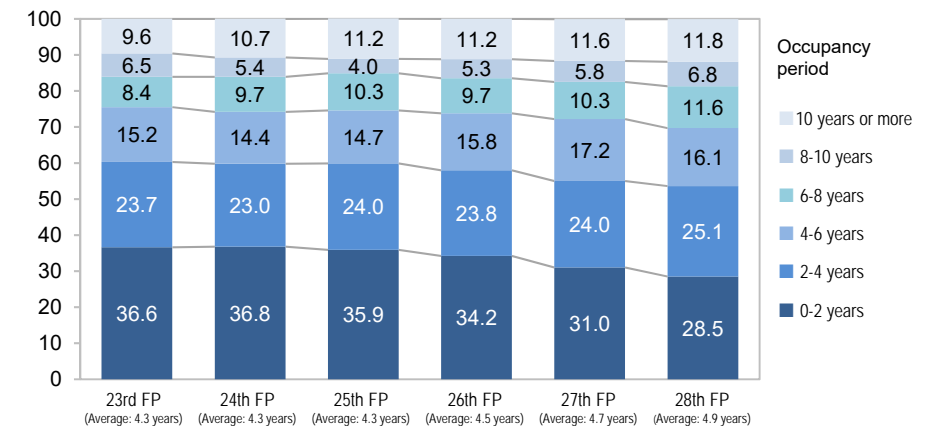
Single (End of 23rd FP: average 3.8 years → End of 28th FP: average 4.5 years)



DINKS (End of 23rd FP: average 3.4 years → End of 28th FP: average 4.1 years)



Family (End of 23rd FP: average 4.3 years → End of 28th FP: average 4.9 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.

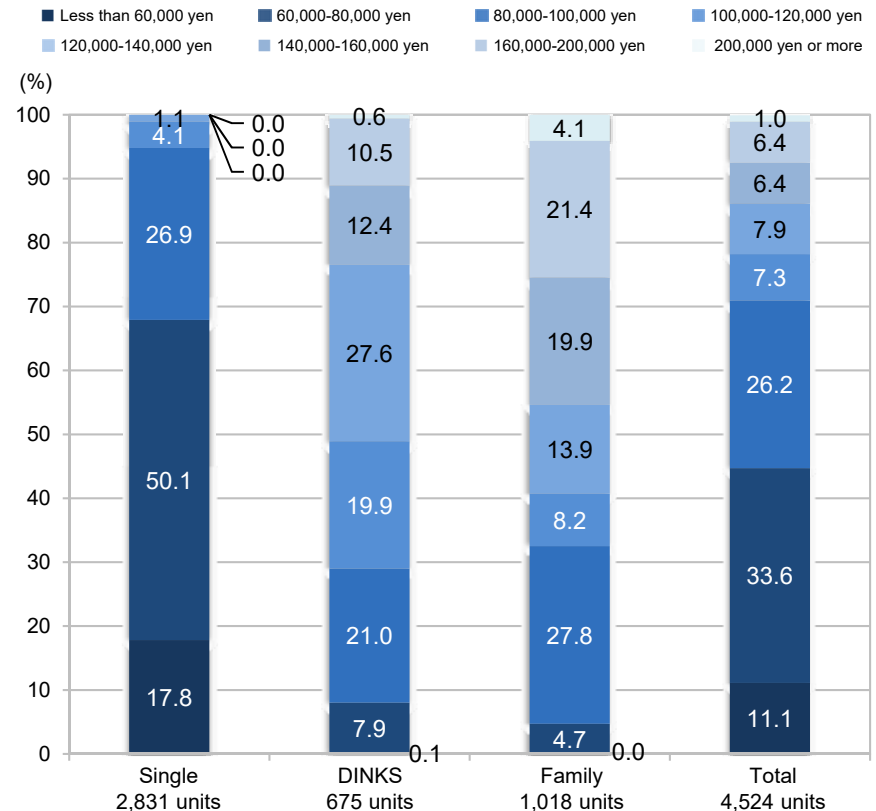
■ Characteristics of Rental Housing in which Starts Proceed Primarily Invests

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)

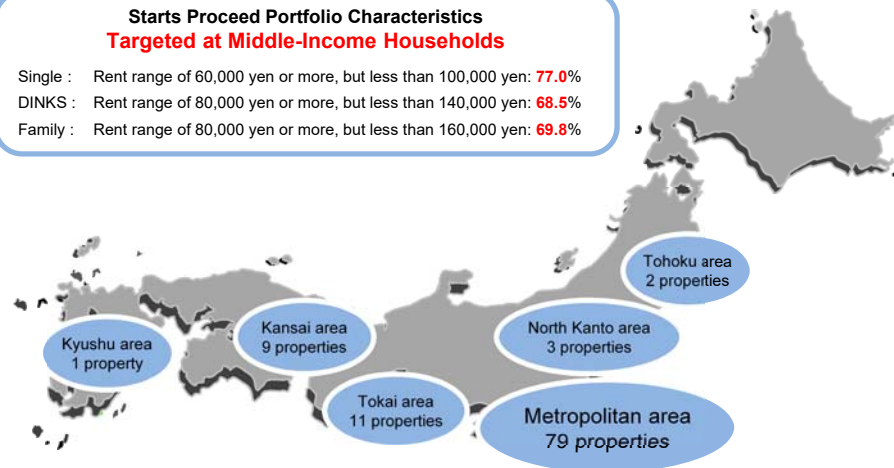
Residential unit type	Average rent (yen)	
	27th FP	28th FP
Single	73,897	73,948
DINKS	119,471	119,631
Family	132,348	132,598
Overall average	93,849	93,962

Rent Range by Residential Unit Type (Note)



Starts Proceed Portfolio Characteristics Targeted at Middle-Income Households

- Single : Rent range of 60,000 yen or more, but less than 100,000 yen: **77.0%**
- DINKS : Rent range of 80,000 yen or more, but less than 140,000 yen: **68.5%**
- Family : Rent range of 80,000 yen or more, but less than 160,000 yen: **69.8%**



(Note)

- Average Rent and Rent Range by Residential Unit Type targets the 4,524 units in pass-through type properties, excluding residential facilities for the elderly, tenants, and offices, from the 105 properties continuously operated from the end of the 27th Fiscal Period to the end of the 28th Fiscal Period (excludes (C-13) Proceed Higashikawaguchi disposed on September 27 and (G-35) Proceed Kanayama 3 acquired on October 1).
- 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.

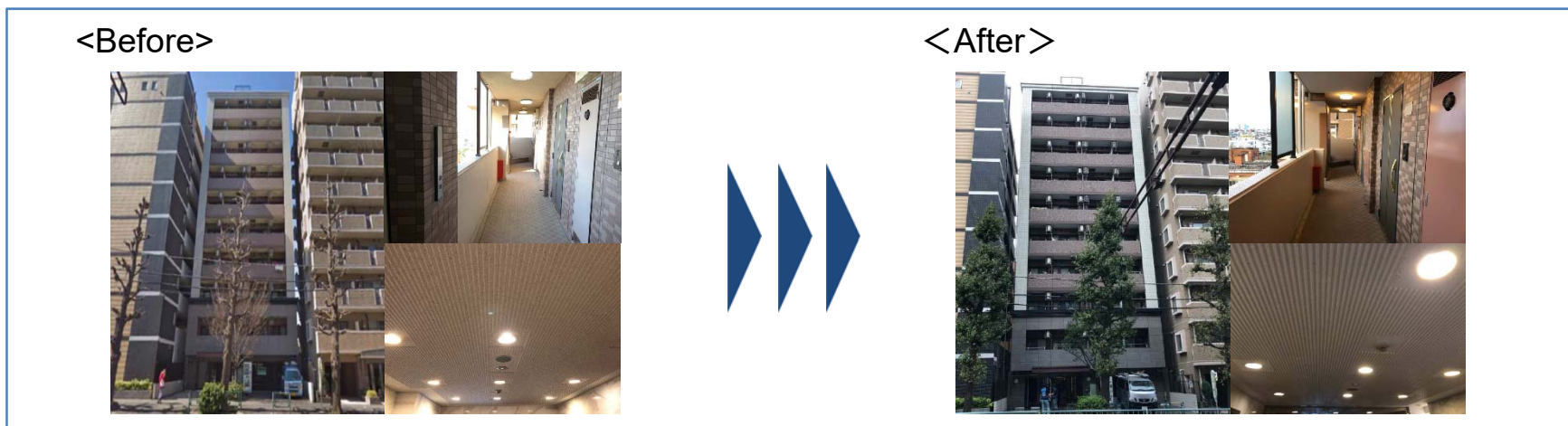
Initiatives to Enhance Asset Value

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

■ Proceed Motoyawata/Exterior Makeovers (completed in September 2019)



■ Proceed Toritsudaigaku/Exterior Wall Renovation Work (completed in September 2019)



Acquisition Price and Appraisal Value of AUM

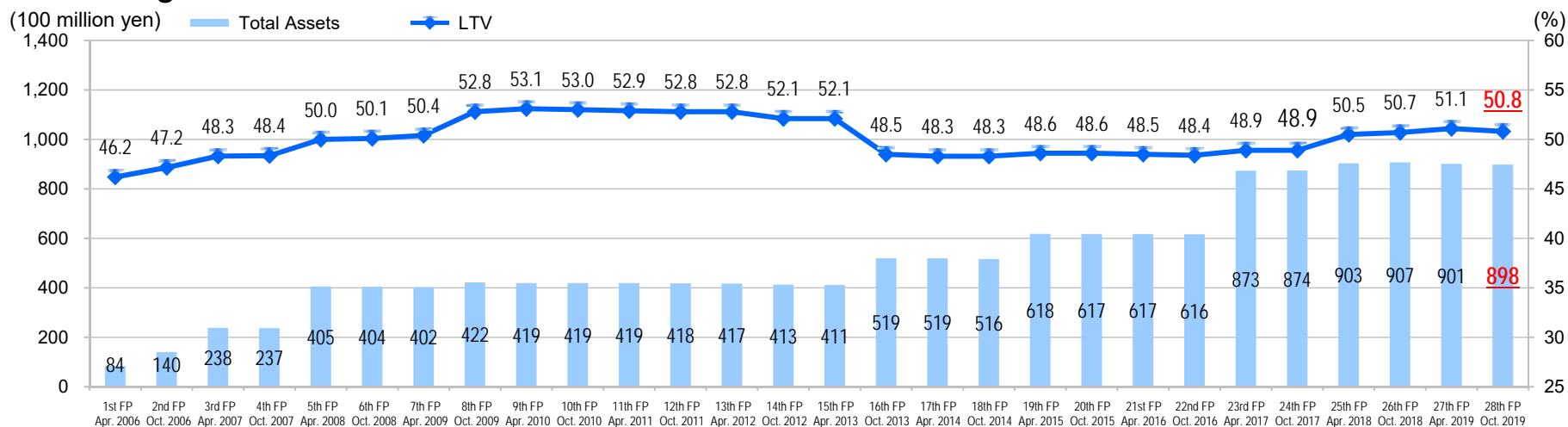
- Appraisal value for the 28th Fiscal Period was 97.77 billion yen, a period-on-period increase of 740 million yen.
- Unrealized gain increased to 12.18 billion yen (**14.2% of book value**), up 580 million yen compared with the previous period.
- NOI yield (based on acquisition price) for the entire 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) (%)	
			27th FP	28th FP	27th FP	28th FP	27th FP	28th FP	27th FP	28th FP	27th FP	28th FP	27th FP	28th FP
	At acquisition	28th FP	27th FP	28th FP	27th FP	28th FP	27th FP	28th FP	27th FP	28th FP	27th FP	28th FP	27th FP	28th FP
Tokyo metropolitan area major cities	60,940	59,929	68,878	68,774	97.4	97.2	1,734	1,731	5.7	5.7	5.0	5.0	4.2	4.2
Cabinet order designated cities	24,165	24,221	26,321	27,161	93.6	92.4	598	607	5.1	5.0	4.5	4.5	3.7	3.7
Regional area major cities	1,576	1,436	1,833	1,841	92.6	90.2	47	48	6.0	6.1	5.2	5.3	3.7	3.8
Total	86,681	85,587	97,032	97,776	96.3	95.7	2,380	2,386	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.

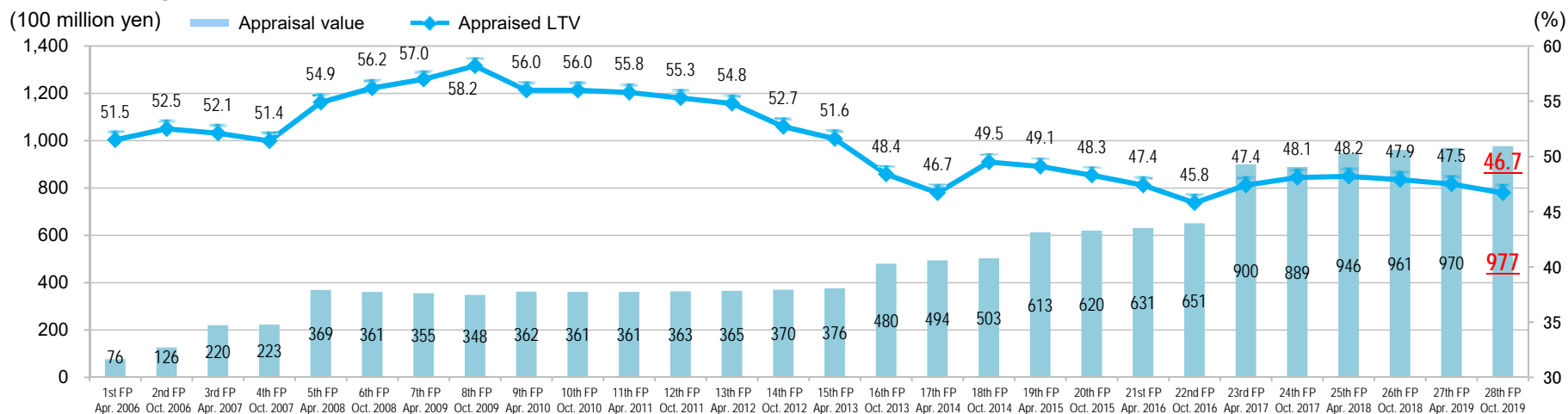
Change in LTV

Change 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.

Change in Appraisal Value and LTV (Note 2)



(Note 2) "LTV ratio" in this graph is calculated by dividing the balance of interest-bearing liabilities at the end of the fiscal period (excluding subordinated investment corporation bonds issued and outstanding for the 8th – 18th FP) by appraisal value at the end of the fiscal period.

■ Issuance of Investment Corporation Bonds

Issuance conditions

Term	5 years
Amount of issuance	1 billion yen
Coupon	0.47%
Determination date of conditions	November 12, 2019
Payment date	November 18, 2019
Redemption date	November 18, 2024
Lead manager	Mizuho Securities/SMBC Nikko Securities

- Obtained new procurement method in addition to fund procurement through investment units and loans as a result of successful issuance of investment corporation bonds through the first public offering
- Successfully procured funds at low interest rates

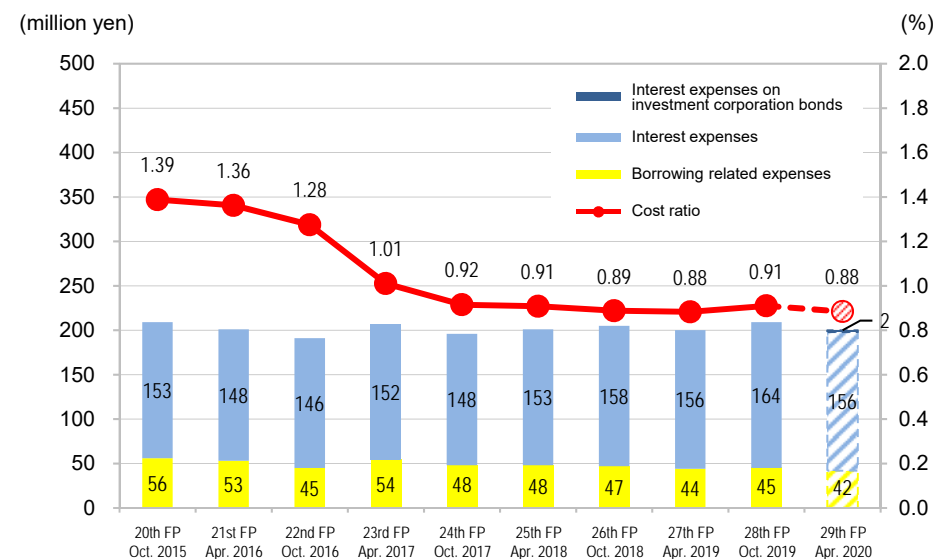
■ Balance of Interest-Bearing Liabilities at End of 28th Fiscal Period (October 31, 2019)

	Loans balance
Current portion of long-term loans payable	6,820 million yen
Long-term loans payable	38,826 million yen
Total loans	45,646 million yen
LTV ratio	50.8%

■ Status of Credit Rating

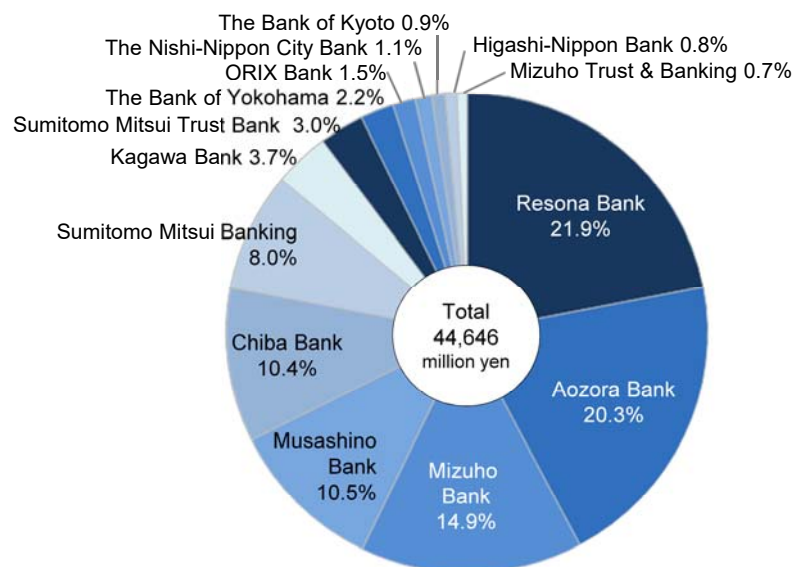
Japan Credit Rating Agency, Ltd. (JCR): A- (stable)

■ Change in Interest-Bearing Liability Costs

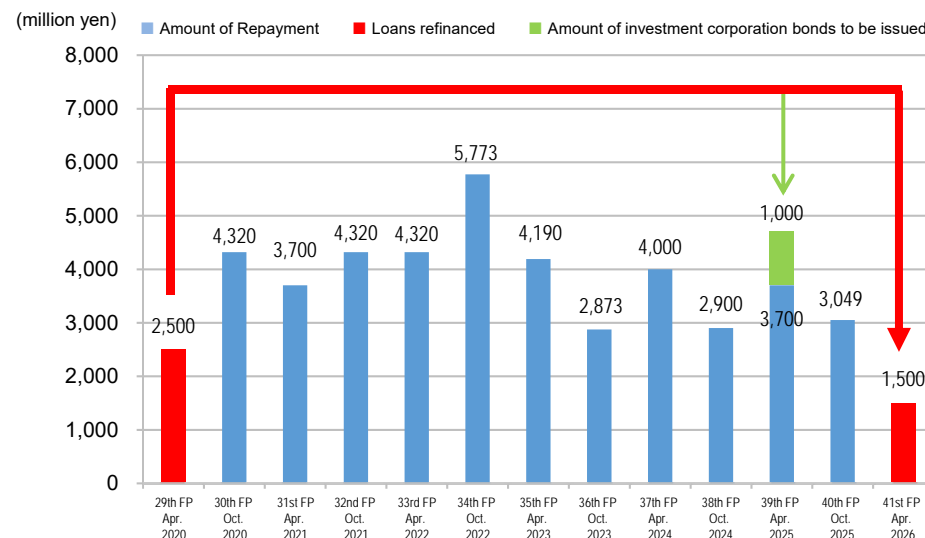


Status of Interest-Bearing Liabilities after Refinancing (November 25, 2019)

Allocation of Total Loan Amount



Status of Diversification of Interest-Bearing Liabilities



Breakdown of Lenders

Lenders	Loan balance (million yen)
Resona Bank	9,799
Aozora Bank	9,059
Mizuho Bank	6,663
Musashino Bank	4,672
Chiba Bank	4,632
Sumitomo Mitsui Banking	3,591
Kagawa Bank	1,666
Sumitomo Mitsui Trust Bank	1,337
The Bank of Yokohama	1,000
ORIX Bank	676
The Nishi-Nippon City Bank	500
The Bank of Kyoto	400
Higashi-Nippon Bank	350
Mizuho Trust & Banking	300
Total	44,646

Overview of November 25, 2019 Refinancing

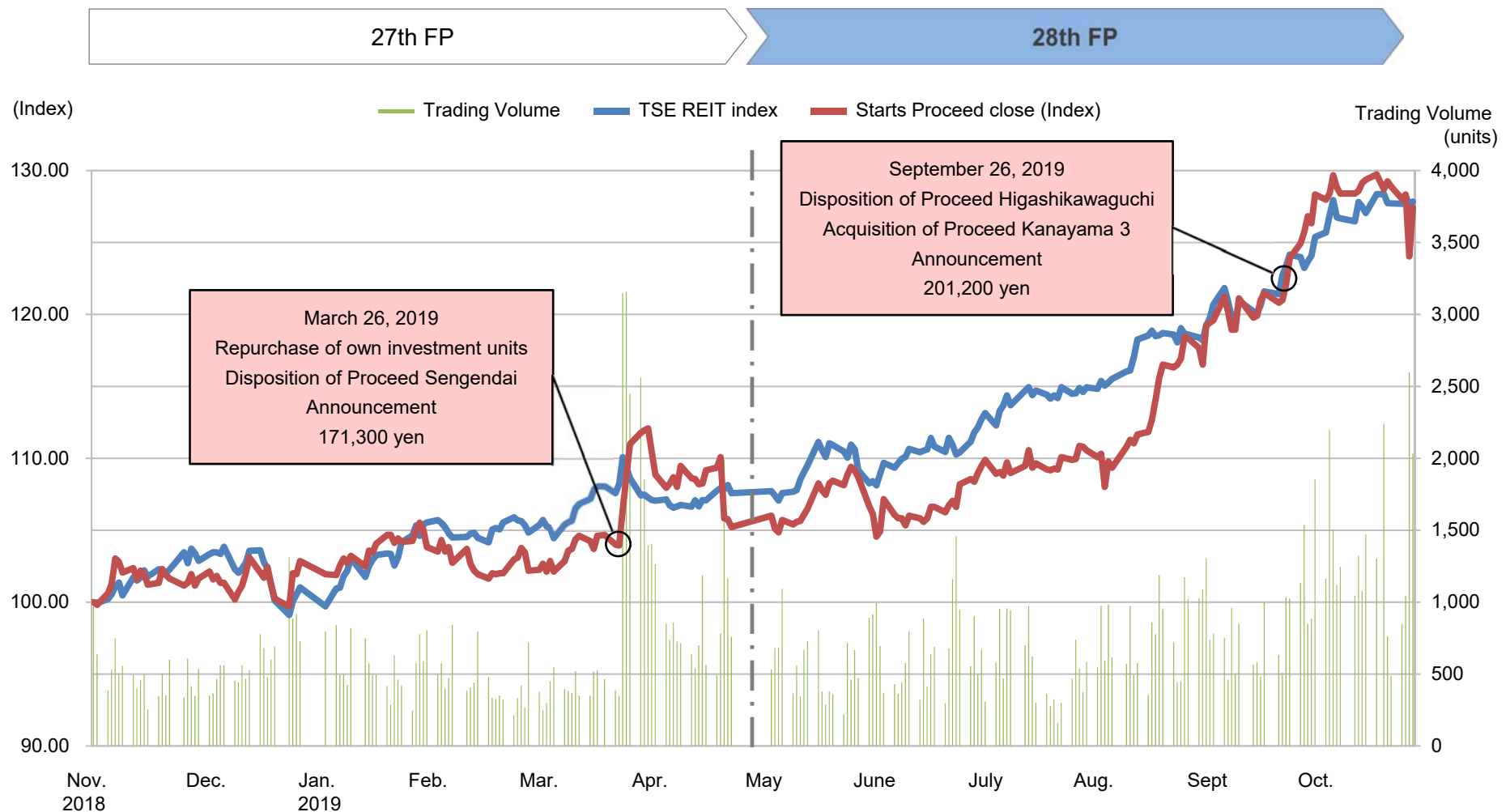
Amount	Period	Fixed interest rate
1,500 million yen	6 years	0.87%

Changes in average remaining period, ratio of fixed-rate loans and average interest rate

	End of 24th FP	End of 25th FP	End of 26th FP	End of 27th FP	End of 28th FP	Nov. 25, 2019 After refinancing
Changes in average remaining period (year)	2.9	3.0	2.8	2.8	2.7	3.0
Ratio of fixed-rate loans (%)	29.0	27.2	21.5	21.5	28.4	28.4
Average interest rate (%)	0.69	0.69	0.69	0.69	0.72	0.69

Change in Investment Unit Price

During the 28th fiscal period, the investment unit price marked a high of **213,800 yen** (October 21, 2019) and a low of **172,300 yen** (June 5, 2019), based on closing price.



(Note) With closing price of investment unit of Starts Proceed at the beginning of the 27th FP (164,800 yen) and TSE REIT index on the same day (1,756.08) deemed as 100 and set as the base, change in price and index for up to October 31, 2019, are indicated.

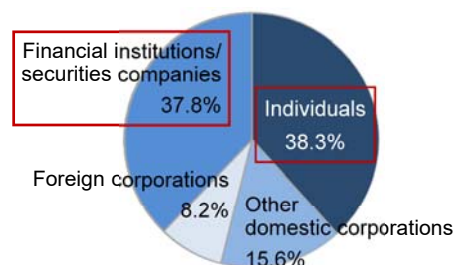
Status of Unitholders (As of October 31, 2019)

Composition of Unitholders and Investment Units at End of 27th and 28th Fiscal Periods

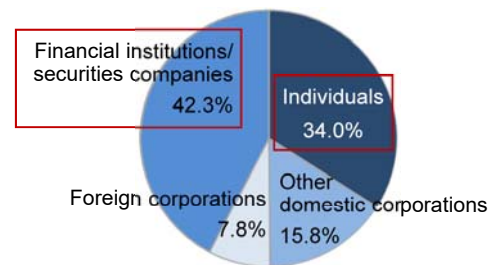
Number of investment units
253,777 units

Number of unitholders
14,355 unitholders

Composition of Investment Units at End of 27th Fiscal Period



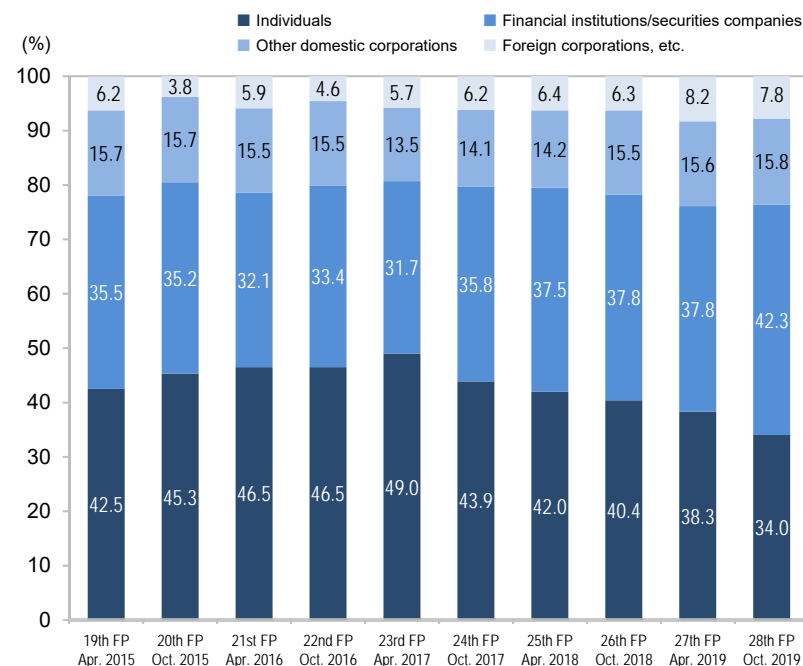
Composition of Investment Units at End of 28th Fiscal Period



Major Unitholders at End of 28th Fiscal Period (October 31, 2019)

	Name	Number of investment units held (units)	Unitholding ratio (%) (Note)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	41,803	16.47
2	Starts Corporation Inc.	34,153	13.45
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	25,928	10.21
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	9,708	3.82
5	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	6,247	2.46
6	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,947	1.55
7	Kinki Sangyo Credit Union	3,313	1.30
8	Ueda Yagi Tanshi Co., Ltd.	2,340	0.92
9	Individual investor	2,000	0.78
10	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,939	0.76
11	Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,929	0.76
12	JP Morgan Securities Japan Co., Ltd.	1,671	0.65
13	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd	1,511	0.59
14	SMBC Nikko Securities, Inc.	1,464	0.57
15	STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK LUXEMBOURG SCA ON BEHALF OF ITS CLIENTS : CLIENT OMNI OM25	1,314	0.51
16	MLI STOCK LOAN	1,313	0.51
16	SSBTC CLIENT OMNIBUS ACCOUNT	1,304	0.51
16	MSCO CUSTOMER SECURITIES	1,258	0.49
19	UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	1,129	0.44
20	Yoshida Shoji Co., Ltd	1,000	0.39
	Yonezawa Shinkin Bank	1,000	0.39
	The Banshu Shinkin Bank	1,000	0.39
	Total	147,271	58.03

Change in Composition of Unitholders (19th to 28th Fiscal Periods)

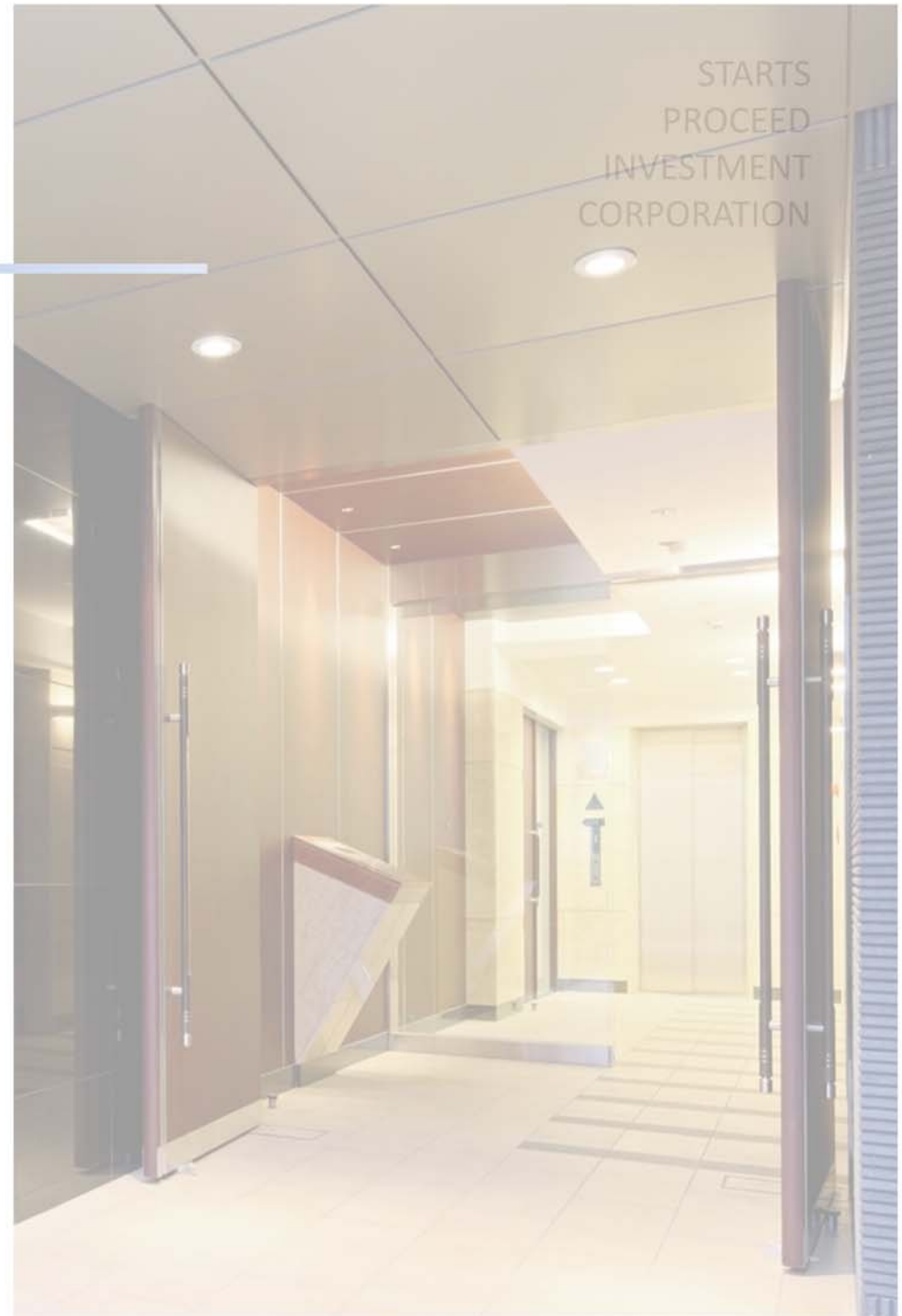


(Note) Figures for unitholding ratio are rounded down to the first decimal place.

Dotted lines for writing content.



Future Management Policy



Main Initiatives in 28th Fiscal Period

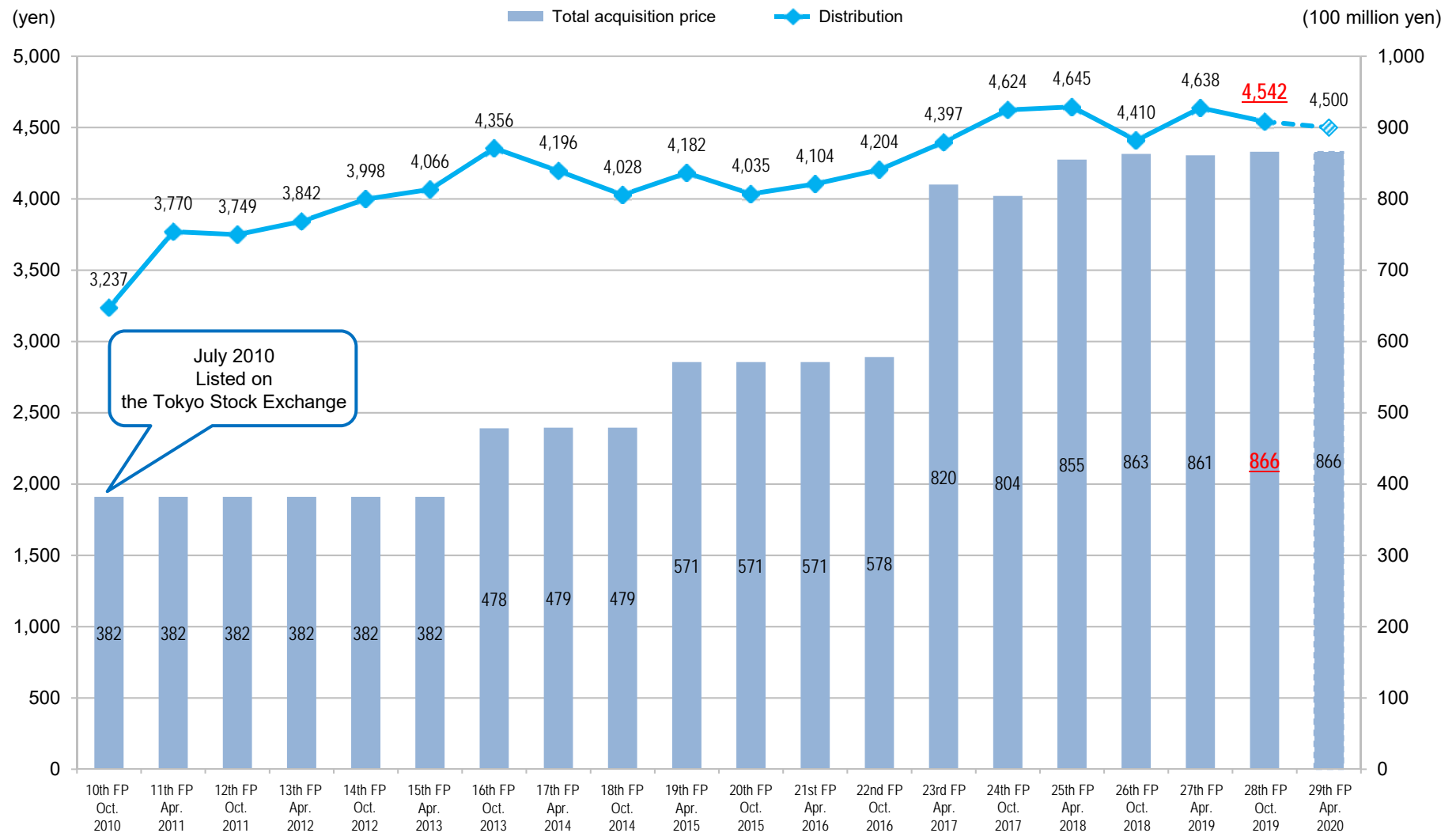
Initiatives from 29th Fiscal Period (ending April 30, 2020)

	Main Initiatives in 28th Fiscal Period	Initiatives from 29th Fiscal Period (ending April 30, 2020)
External Growth	<ul style="list-style-type: none"> ●Property disposition (C-13) Proceed Higashikawaguchi ●Property Acquisition (G-35) Proceed Kanayama 3 ●Improvement in average building age <ul style="list-style-type: none"> • Average building age improved by 0.15 years due to property replacement (Before replacement: 16.16 years → after replacement: 16.01 years) 	<ul style="list-style-type: none"> ●Promotion of property replacement <ul style="list-style-type: none"> ⇒ Promoting the replacement of properties centering on small ones at time of IPO and initial PO with properties in the Tokyo metropolitan area ●Early achievement of 100-billion-yen asset size ●Further enhancement of relationship with each company in Starts Group and acquisition of prime properties <ul style="list-style-type: none"> ⇒ Currently constructing warehousing properties in Monzennakacho and Maihama ●Promotion of acquisition of environmentally friendly properties and properties with smart house functions
Internal Growth	<ul style="list-style-type: none"> ●Maintaining of period-average occupancy rate of over 95%. <ul style="list-style-type: none"> ⇒Period-end occupancy rate: 95.7% Period average occupancy rate: 96.0% ●Cost reduction <ul style="list-style-type: none"> Revision of expenses for regular maintenance Reduction of approximately 1,000 thousand yen per year ●Recycling properties for service upon restoration to their original state. <ul style="list-style-type: none"> • Improvement in convenience and enhancement of competitiveness through renewal and exchange of indoor facilities • Design improvements by changing cross design, floor materials, and fittings ●Enhancement of appeal upon preview by using them as model homes. ●Enhancement of competitiveness through free internet use. 	<ul style="list-style-type: none"> ●Maintaining and improving period-average occupancy rate of over 95.0%. <ul style="list-style-type: none"> • Enhancement of profitability of AUM through reinforced cooperation with Starts Group companies. • Promotion of online posting of units for lease, enhancement of recognition of properties by brokers/advertisement agencies. • Enhancement of appeal by introducing model homes, strengthening of sales capability. • Restoration work to original state and added value that can accommodate user needs. • Occupancy at an early stage due to the improvement in convenience/design through construction work for recycling. ●Continuation of cost reduction. (Advertising, repair and building management costs, periodic maintenance costs, etc.) ●Achieving improvement in asset value and increase in rent revenue through major repair and upgrading of facilities utilizing capital expenditures.
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 	<ul style="list-style-type: none"> ●Establishment of stable financial base. <ul style="list-style-type: none"> • Conservative LTV control. • Extension of repayment period upon refinancing and fixing of interest rates • Promotion of diversification of fund procurement through investment corporation bonds

Securing of stable distributions

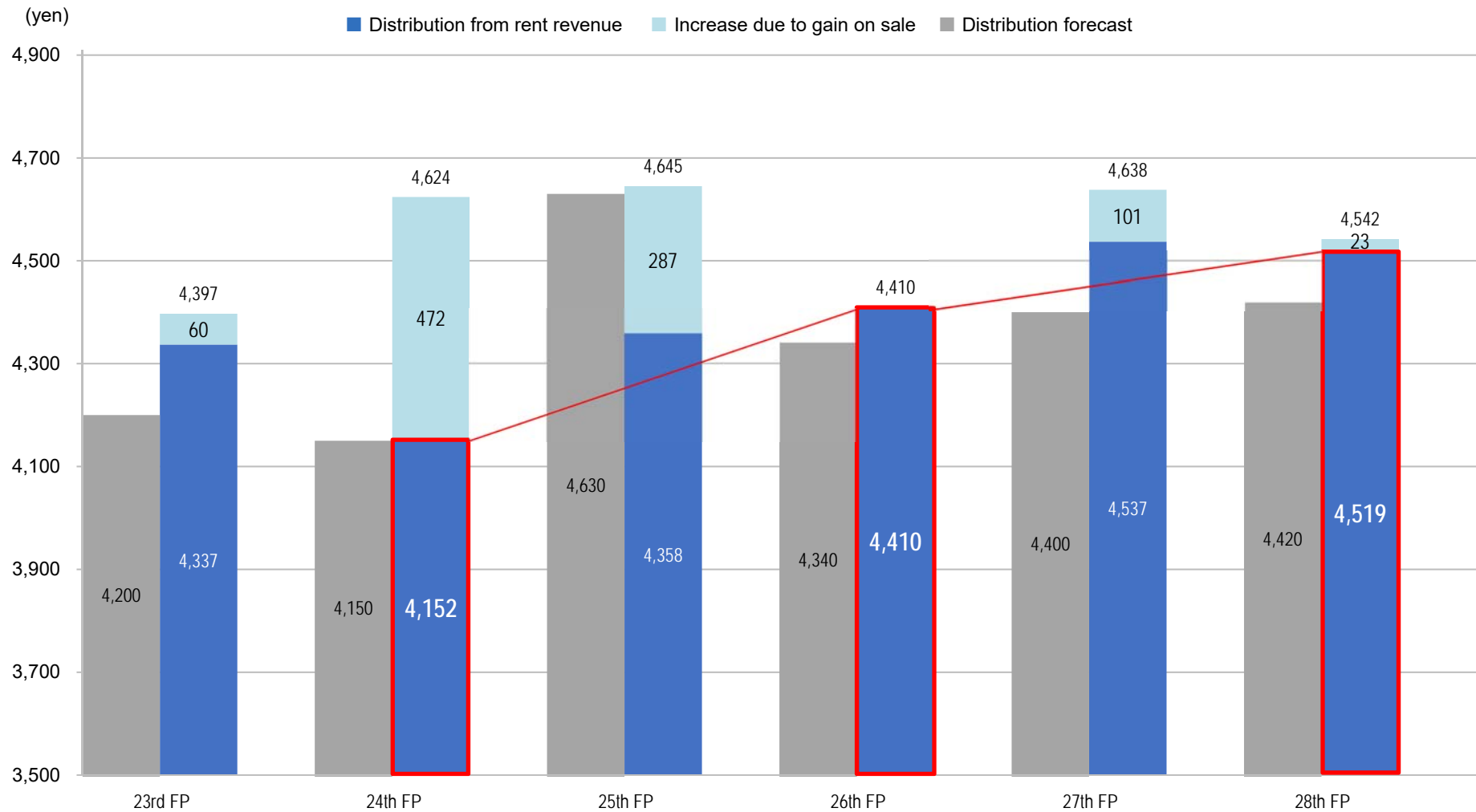
Change in Distribution

Distribution recovered from the higher 3,000-yen range in the 11th fiscal period to 4,000 yen in the 15th fiscal period, and has currently increased to 4,500 yen.

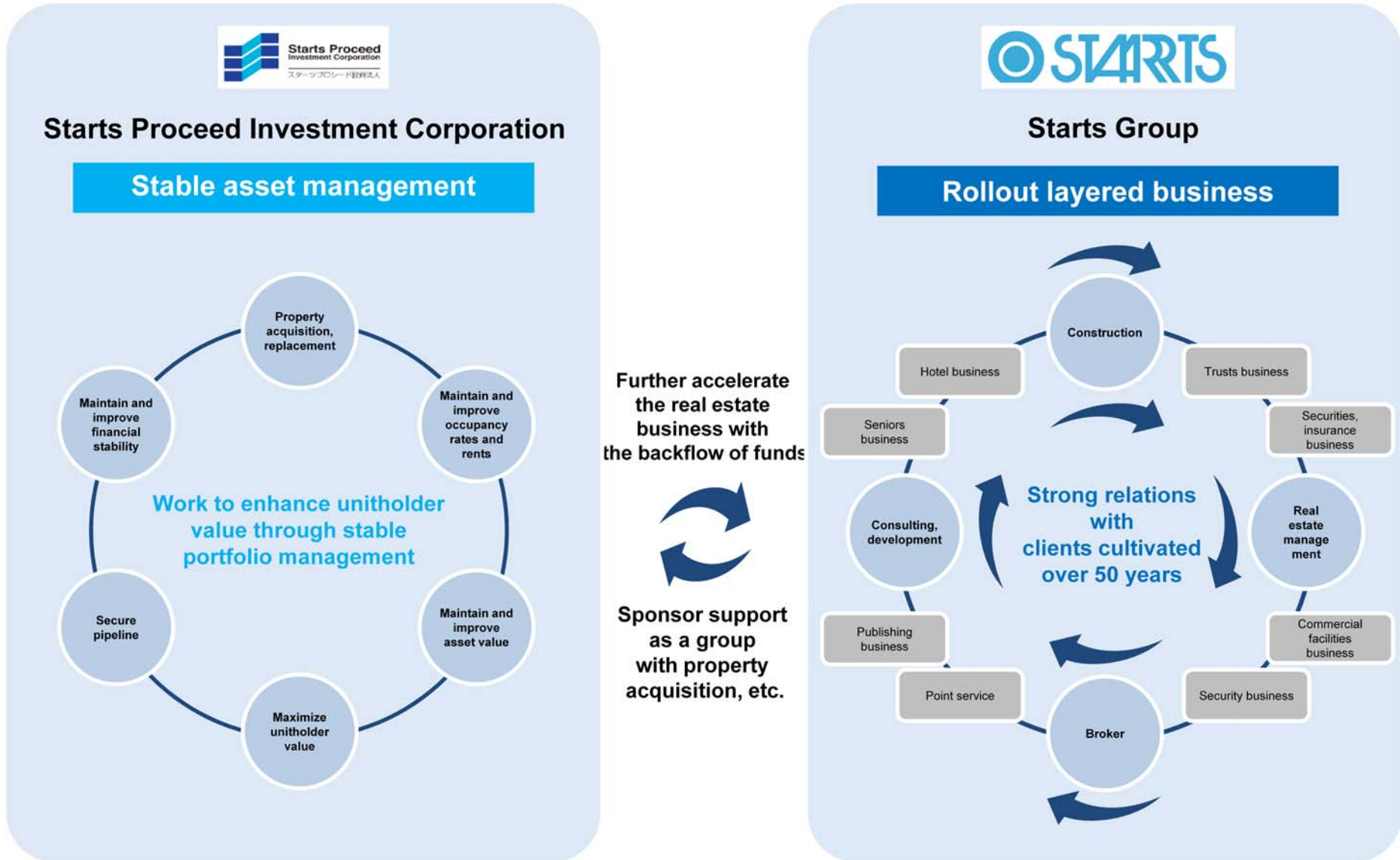


Breakdown of Distribution (23rd to 28th Fiscal Periods)

Looking at the distribution for both busy season and non-busy season, distribution from rent revenue excluding gain on sale is increasing with asset replacement



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



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



Proceed Mito 3



<Property Overview>

Structure	: RC/12F
Completion	: October 2018
Number of leasing units	: 1R 24units; 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

Proceed Monzennakacho



<Property Overview>

Structure	: RC/7F
Completion	: January 2020
Number of leasing units	: Total 48 units
Location	: 1-chome, Fukuzumi, Koto-ku, Tokyo
Site area	: 665.38 m ²
Total floor area	: 1,935.98 m ²
Use	: Apartment
Zoning	: Quasi-industrial district

Proceed Maihama



<Property Overview>

Structure	: RC/5F
Completion	: March 2020
Number of leasing units	: Total 66 units
Location	: 4-chome, Fujimi, Urayasu-shi, Chiba
Site area	: 922.85 m ²
Total floor area	: 1,808.84 m ²
Use	: Apartment
Zoning	: Category I medium-to-high-rise exclusive residential 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)



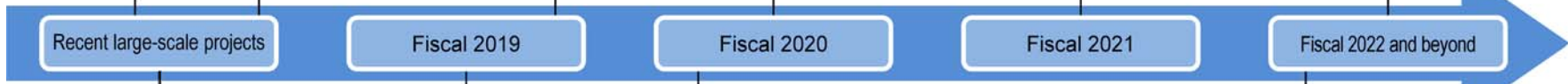
Project utilizing "Bustle Zone" at No. 1 market of Kyoto Central Wholesale Market
Kyoto City, Kyoto
Hotel, retail
Scheduled to open July 2020



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

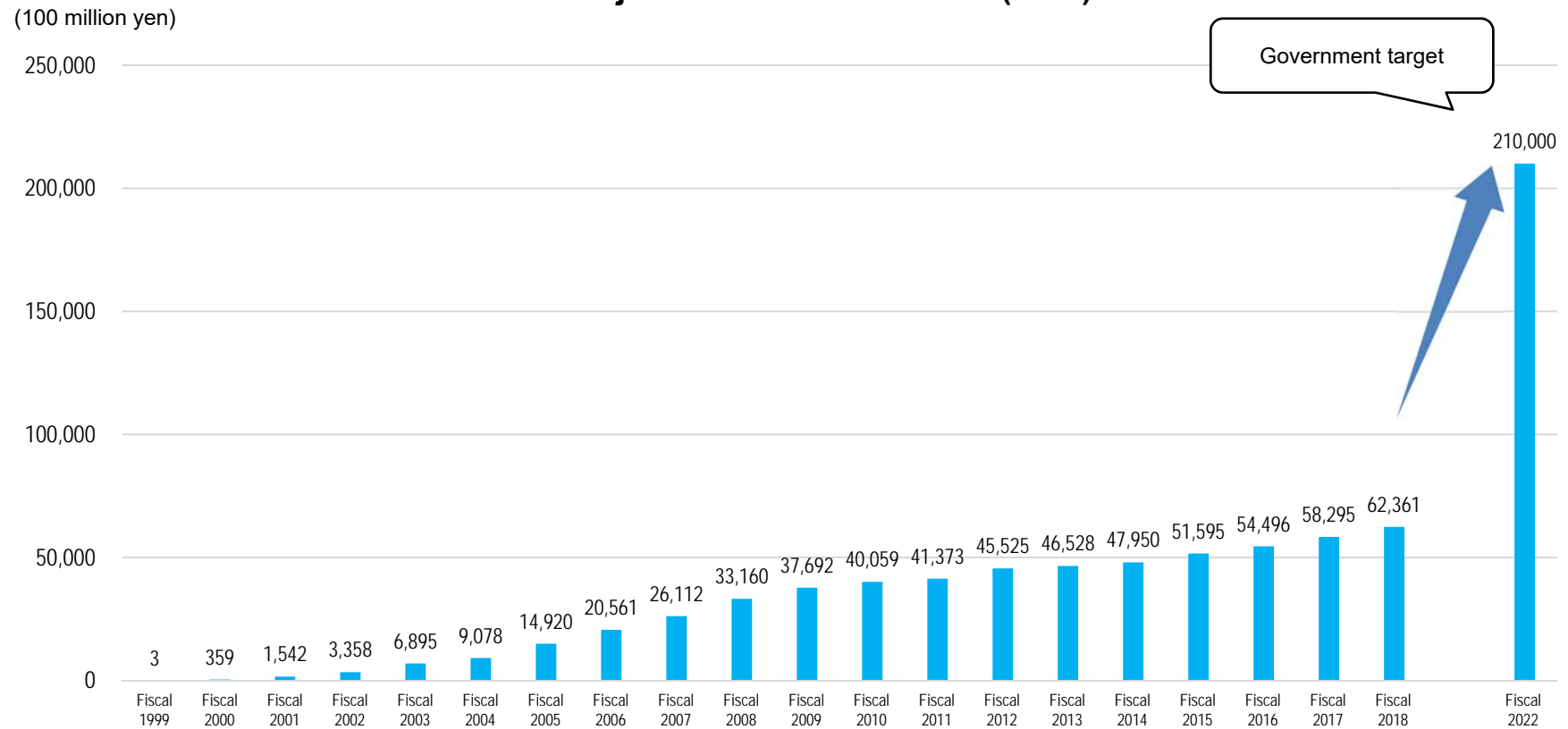
(Note) The images may differ from reality.

Scale of PFI/PPP Projects

The scale of PFI projects is expected to increase from 6.2 trillion yen in 2018 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.

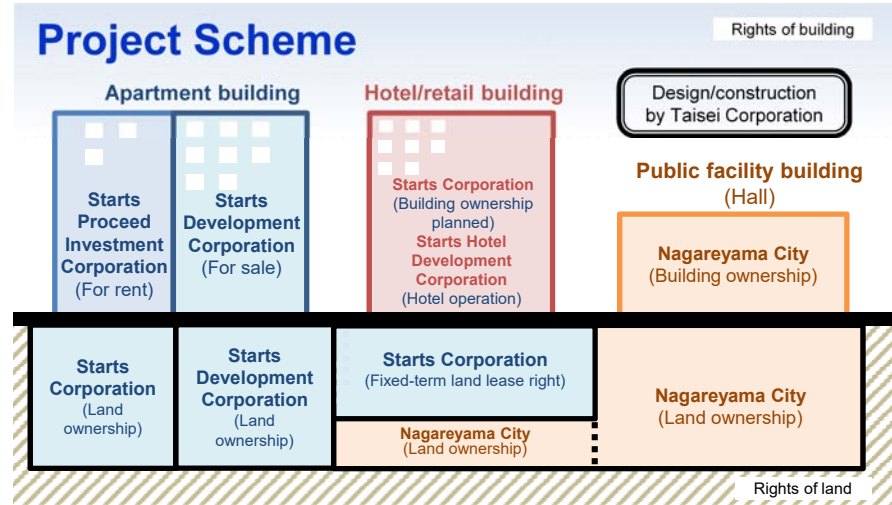
PFI Projects Contract Amounts (total)



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



Connecting three facilities with a pedestrian deck



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



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

Property Overview (As of October 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

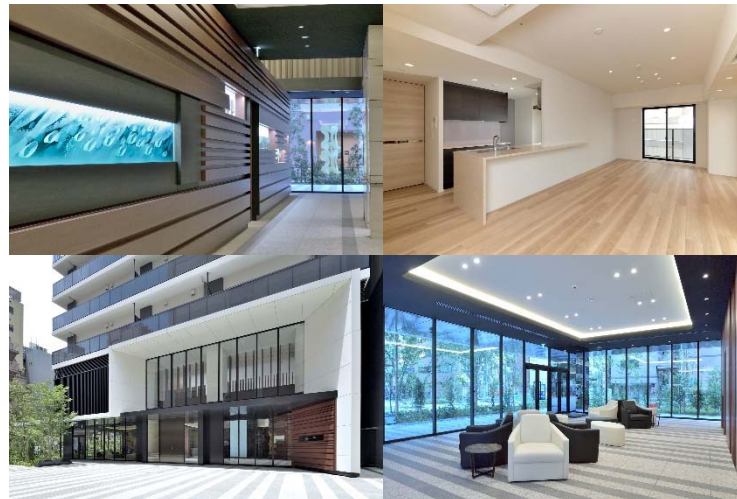
Case Example of Consulting by Management Company II [Chiyoda-ku, Tokyo]

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



<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.

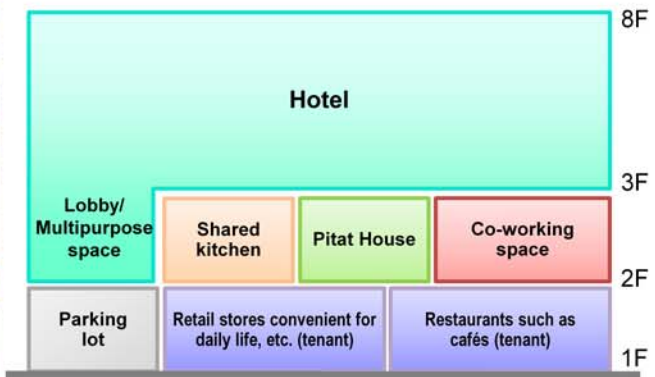
Case Example of Consulting by Management Company III [Fuchu-shi, Tokyo]



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



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



<Plan overview>

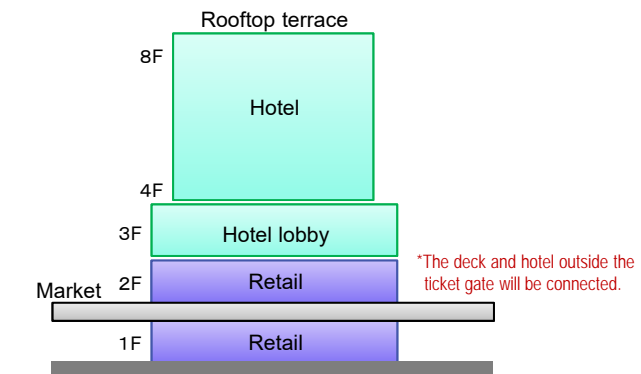
- Size : 8 floors above ground
- Site area : 1,092,27 m²
- Total floor area : 5,764.00 m²
- Structure : Steel-framed
- Operation period : 50 years (fixed-term land lease)

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 on June 27, 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>



Rendering

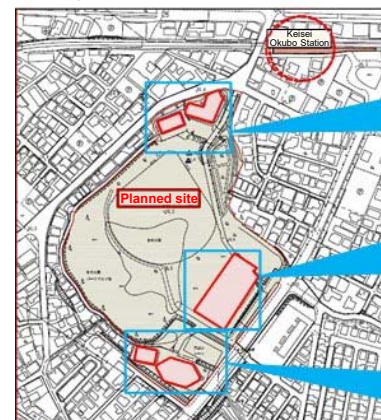


North building

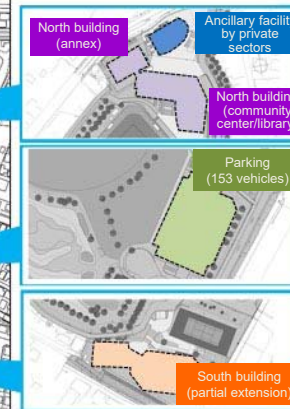


South building

<Project overview>



[Partial new construction after demolition (private sector portion under fixed-term land lease)]



<Site overview>

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

<Overview of facilities proposed>

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

[Current status]



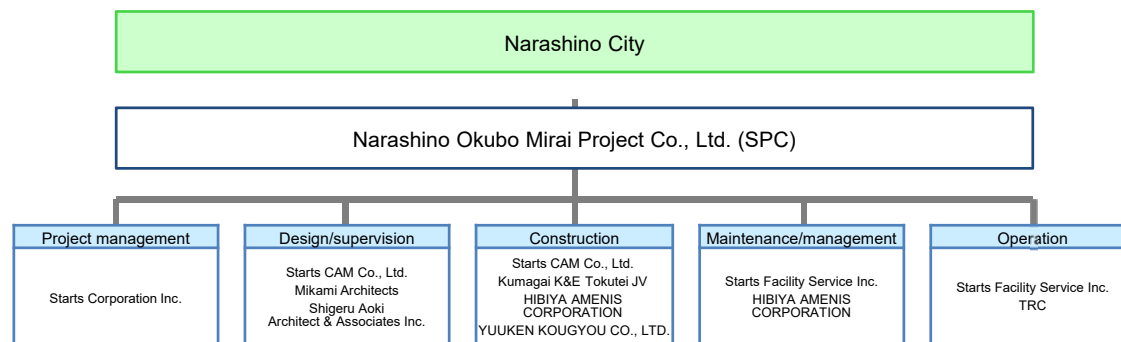
[After renewal]



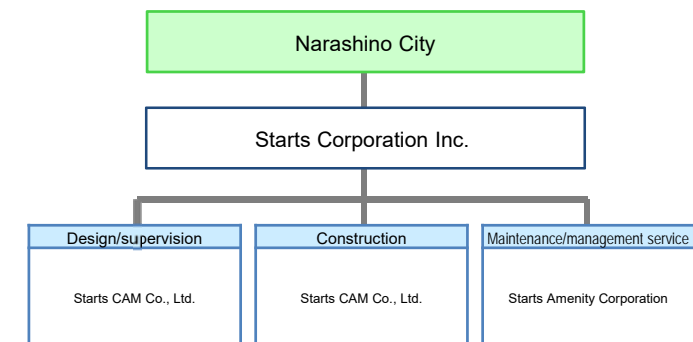
Rendering

<Project execution structure>

(PFI project)

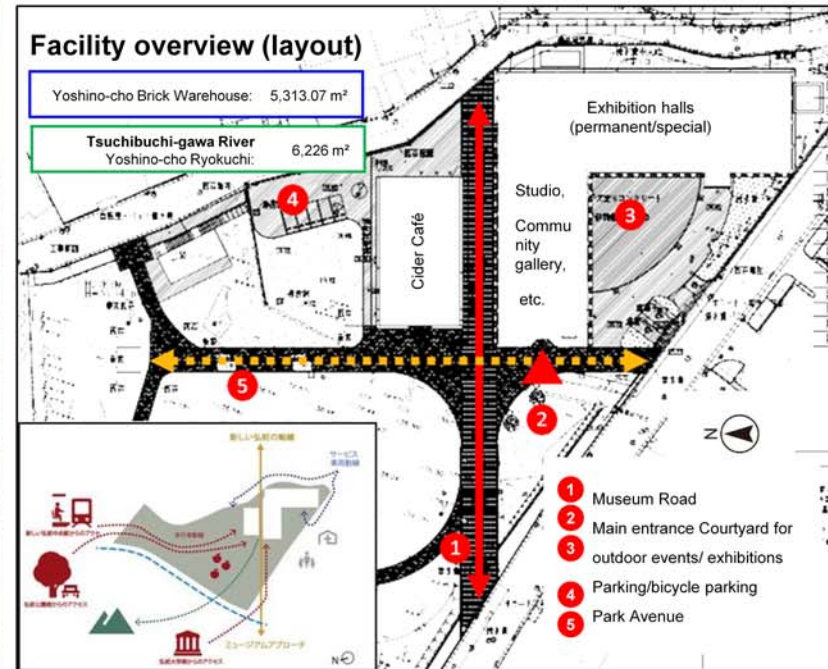


(Ancillary projects by private sectors)

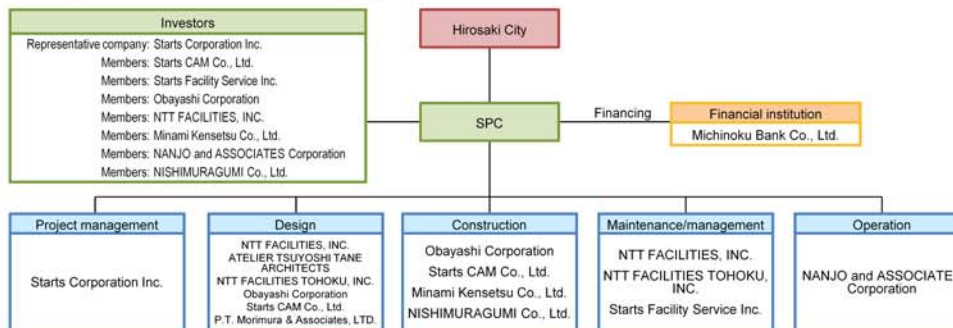


Case Example of Consulting by Management Company VI [Hirosaki-shi, Aomori]

■ 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



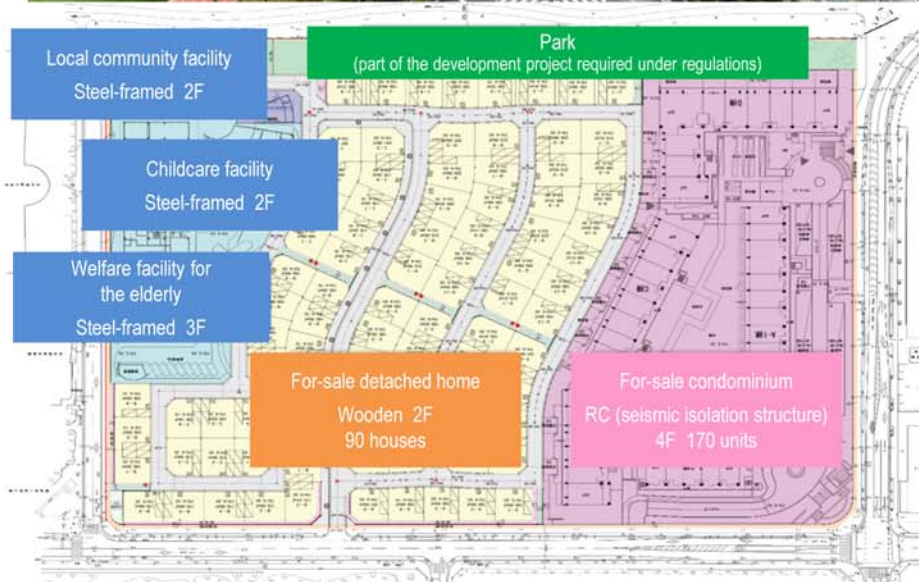
Project Under Way in Shinurayasu: Timeless Town Shinurayasu (Urayasu City, Chiba)



Project overview

Site area: Approx. 51,900 m²

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



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

Advanced liquefaction countermeasure engineering work

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

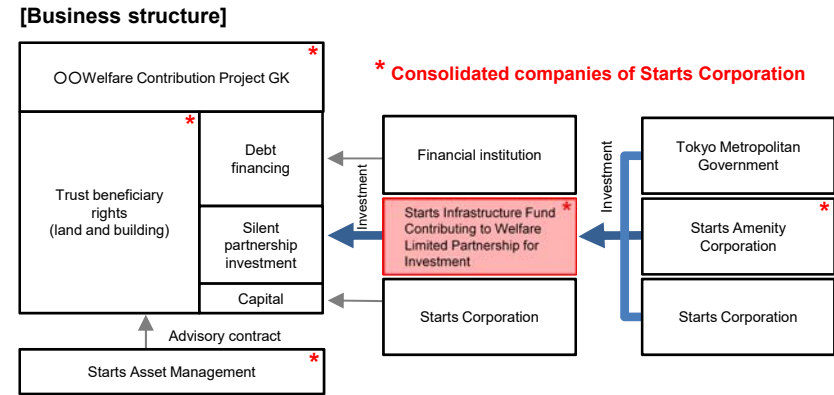
Liquefaction countermeasure 3
Dry jet mixing method/ Applicable soil-cement column



Case Example of Efforts by Management Company

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

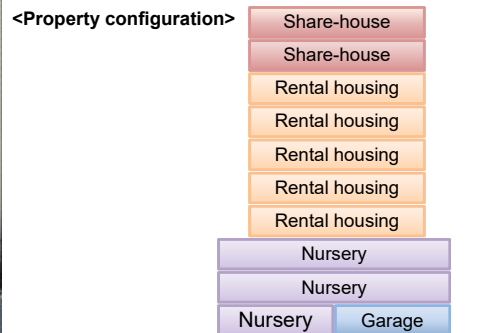
Starts Group is making efforts in development and promotion of buildings contributing to welfare including childcare support facilities in Tokyo in cooperation with the Tokyo Metropolitan Government.



Proceed Ryogoku 2



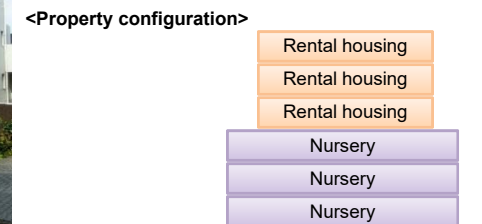
<Project overview>
 Location : 1-chome, Midori Sumida-ku, Tokyo
 Site area : Approx. 444.17 m²
 Structure : RC (seismic isolation)/10F
 Use : Authorized nursery school
 Apartment (24 units)
 Shared house (2 floors for 8 people)
 Completion : January 2019



Proceed Chidoricho

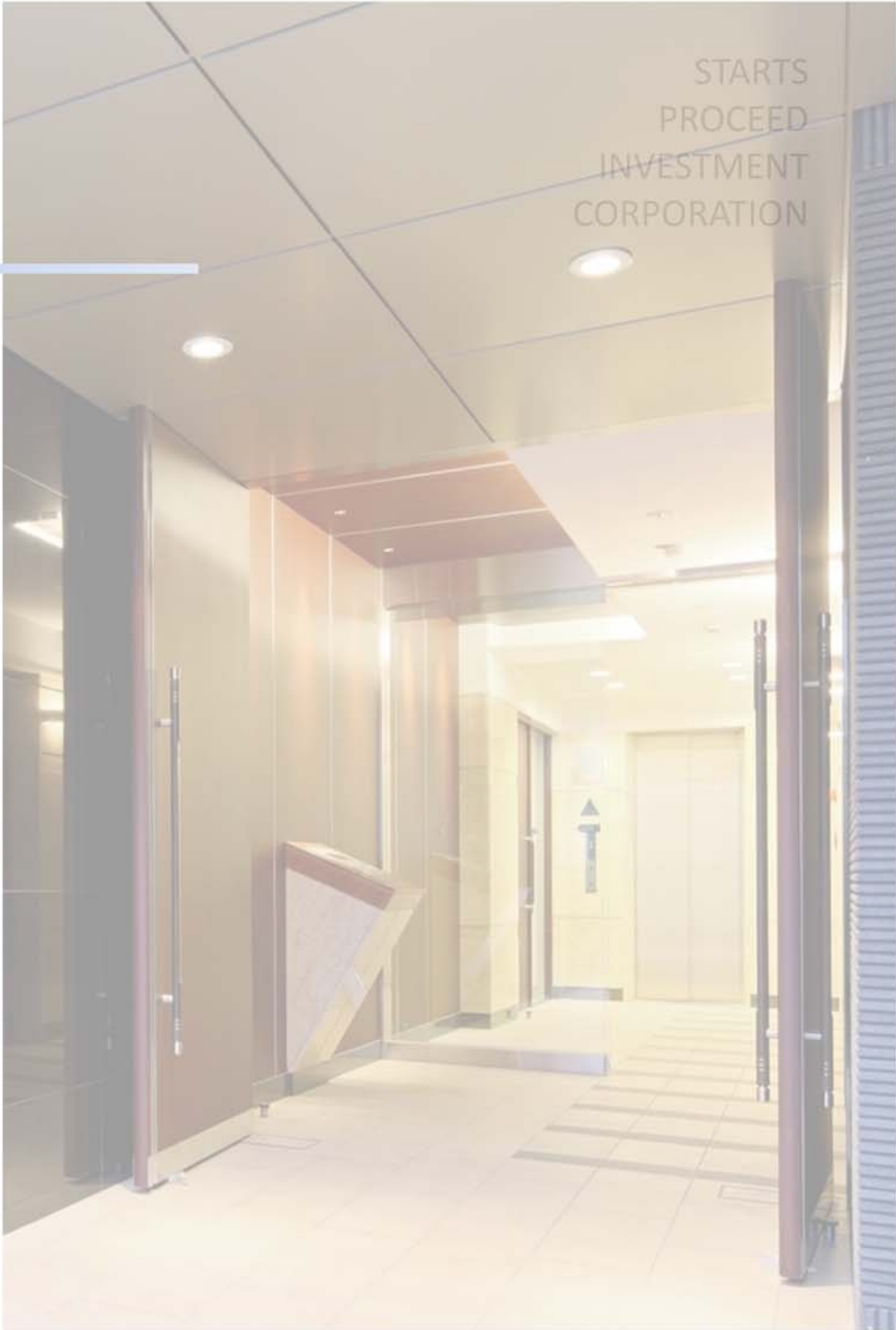


<Project overview>
 Location : 1-chome, Chidori, Ota-ku, Tokyo
 Site area : Approx. 364.82 m²
 Structure : RC/6F
 Use : Authorized nursery school
 Apartment (11 units)
 Completion : January 2019





Reference Materials



Balance Sheet



(thousand yen)

	27th Fiscal Period As of Apr. 30, 2019	28th Fiscal Period As of Oct. 31, 2019	Change
Assets			
Current assets			
Cash and deposits	1,950,605	1,350,833	-599,771
Cash and deposits in trust	1,926,790	2,012,701	85,911
Operating accounts receivable	33,734	26,364	-7,370
Prepaid expenses	90,896	92,283	1,386
Other	3,567	2,462	-1,104
Total current assets	4,005,594	3,484,645	-520,948
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	43,965,915	44,623,256	657,341
Accumulated depreciation	-8,185,697	-8,722,662	-536,965
Buildings in trust, net	35,780,218	35,900,594	120,375
Structures in trust	1,216,982	1,233,580	16,598
Accumulated depreciation	-653,067	-688,351	-35,284
Structures in trust, net	563,915	545,228	-18,686
Machinery and equipment in trust	5,376	5,376	-
Accumulated depreciation	-3,759	-4,064	-304
Machinery and equipment in trust, net	1,616	1,312	-304
Tools, furniture and fixtures in trust	356,344	378,412	22,068
Accumulated depreciation	-200,388	-215,918	-15,529
Tools, furniture and fixtures in trust, net	155,956	162,494	6,538
Land in trust	48,929,300	48,978,128	48,828
Total property, plant and equipment	85,431,006	85,587,757	156,750
Intangible assets			
Software	2,178	1,584	-594
Total intangible assets	2,178	1,584	-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	187,623	170,326	-17,297
Deferred tax assets	80	79	-1
Other	13,659	14,295	636
Total investments and other assets	747,238	730,576	-16,662
Total noncurrent assets	86,180,423	86,319,918	139,494
Deferred assets			
Investment unit issuance costs	4,243	-	-4,243
Total deferred assets	4,243	-	-4,243
Total assets	90,190,261	89,804,563	-385,697

(thousand yen)

	27th Fiscal Period As of Apr. 30, 2019	28th Fiscal Period As of Oct. 31, 2019	Change
Liabilities			
Current liabilities			
Current portion of long-term loans payable	5,949,000	6,820,000	871,000
Operating accounts payable	131,656	183,992	52,335
Accounts payable –other	201,565	202,979	1,414
Accrued expenses	4,325	906	-3,419
Income taxes payable	1,948	1,932	-16
Accrued consumption taxes	13,433	4,665	-8,767
Advances received	1,918	2,112	193
Other	144	770	626
Total current liabilities	6,303,993	7,217,358	913,365
Noncurrent liabilities			
Long-term loans payable	40,097,000	38,826,000	-1,271,000
Tenant leasehold and security deposits in trust	697,855	693,105	-4,750
Asset retirement obligation	130,769	131,848	1,078
Total noncurrent liabilities	40,925,625	39,650,953	-1,274,671
Total liabilities	47,229,618	46,868,312	-361,306
Net assets			
Unitholders' equity			
Unitholders' capital	42,230,457	42,230,457	-
Deduction from unitholders' capital	-545,913	-545,913	-
Unitholders' capital (net)	41,684,544	41,684,544	-
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)	1,177,098	1,152,707	-24,391
Total surplus	1,276,098	1,251,707	-24,391
Total unitholders' equity	42,960,642	42,936,251	-24,391
Total net assets	42,960,642	42,936,251	-24,391
Total liabilities and net assets	90,190,261	89,804,563	-385,697

Statements of Income / Cash Distributions



Statements of Income

(thousand yen)

	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	28th Fiscal Period (From: May 1, 2019 To: Oct. 31, 2019)	Change
Operating revenue			
Rent revenue – real estate	3,119,057	3,089,056	-30,000
Gain on sales of real estate properties	25,797	5,882	-19,914
Total operating revenue	3,144,854	3,094,939	-49,915
Operating expenses			
Expenses related to rent business	1,349,131	1,321,692	-27,439
Asset management fee	261,435	263,286	1,850
Asset custody fee	8,487	8,468	-19
Administrative service fees	28,966	27,117	-1,849
Directors' compensations	1,200	1,200	-
Other operating expenses	120,695	108,559	-12,136
Total operating expenses	1,769,916	1,730,322	-39,593
Operating income	1,374,938	1,364,616	-10,321
Non-operating income			
Interest income	18	18	0
Insurance income	9,769	3,783	-5,985
Reversal of distribution payable	859	649	-210
Other	-	16	16
Total non-operating income	10,646	4,467	-6,179
Non-operating expenses			
Interest expenses	156,754	164,602	7,847
Amortization of investment unit issuance costs	4,243	4,243	-
Borrowing related expenses	44,917	45,135	217
Other	703	540	-163
Total non-operating expenses	206,619	214,521	7,901
Ordinary income	1,178,965	1,154,562	-24,403
Income before income taxes	1,178,965	1,154,562	-24,403
Income taxes – current	1,951	1,934	-16
Income taxes – deferred	-4	1	6
Total income taxes	1,946	1,936	-10
Net income	1,177,019	1,152,626	-24,392
Retained earnings brought forward	79	80	1
Unappropriated retained earnings (undisposed loss)	1,177,098	1,152,707	-24,391

(1) “Real estate rent revenue”

(thousand yen)

	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	28th Fiscal Period (From: May 1, 2019 To: Oct. 31, 2019)	Change
Rent	2,705,376	2,686,527	-18,849
Common area maintenance charges	184,103	182,780	-1,323
Parking revenue	85,639	84,552	-1,087
Incidental revenue	1,781	1,868	87
Other lease business revenue	142,157	133,328	-8,829
Total	3,119,057	3,089,056	-30,001

(2) “Expenses related to rent business”

(thousand yen)

	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	28th Fiscal Period (From: May 1, 2019 To: Oct. 31, 2019)	Change
Management expenses	197,583	195,441	-2,142
Repair expenses	98,537	84,148	-14,389
Real estate taxes	178,380	179,388	1,008
Trust fees	34,981	34,624	-357
Utilities expenses	56,571	54,907	-1,664
Nonlife insurance expenses	8,800	7,723	-1,077
Depreciation and amortization	618,868	619,506	638
Other lease business expenses	155,406	145,950	-9,456
Total	1,349,131	1,321,692	-27,439

Cash Distributions

	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	28th Fiscal Period (From: May 1, 2019 To: Oct. 31, 2019)	Change
I. Unappropriated retained earnings	1,177,098,426 yen	1,152,707,292 yen	-24,391,134 yen
II. Amount of distributions	1,177,017,726 yen	1,152,655,134 yen	-24,362,592 yen
(Amount of distribution per investment unit)	(4,638 yen)	(4,542 yen)	(-96 yen)
III. Retained earnings carried forward	80,700 yen	52,158 yen	-28,542 yen

Statements of Cash Flows and Key Performance Indicators



Statements of Cash Flows

(thousand yen)

	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	28th Fiscal Period (From: May 1, 2019 To: Oct. 31, 2019)
Net cash provided by (used in) operating activities		
Income before income taxes	1,178,965	1,154,562
Depreciation and amortization	619,462	620,100
Amortization of investment unit issuance costs	4,243	4,243
Interest income	-18	-18
Interest expenses	156,754	164,602
Decrease (increase) in operating accounts receivable	-10,594	7,370
Decrease (increase) in prepaid expenses	-6,190	-1,386
Increase (decrease) in accrued consumption taxes	-1,568	-8,767
Increase (decrease) in operating accounts payable	-44,715	28,095
Increase (decrease) in accounts payable – other	-850	743
Decrease (increase) in long-term prepaid expenses	-47,744	17,297
Decrease from sales of property, plant and equipment in trust	264,209	190,933
Other, net	-2,996	2,436
Subtotal	2,108,958	2,180,213
Interest income received	18	18
Interest expenses paid	-153,293	-168,022
Income taxes paid	-1,882	-1,951
Net cash provided by (used in) operating activities	1,953,801	2,010,257
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-120,162	-943,033
Proceeds from tenant leasehold and security deposits in trust	39,924	43,217
Repayments of tenant leasehold and security deposits in trust	-48,217	-47,968
Decrease (increase) in other investments	-636	-636
Net cash provided by (used in) investing activities	-129,091	-948,420
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	3,700,000	3,049,000
Repayment of long-term loans payable	-3,700,000	-3,449,000
Purchase of treasury investment units	-545,913	-
Dividends paid	-1,131,629	-1,175,697
Net cash provided by (used in) financing activities	-1,677,542	-1,575,697
Net increase (decrease) in cash and cash equivalents	147,167	-513,860
Cash and cash equivalents at beginning of period	3,730,228	3,877,396
Cash and cash equivalents at end of period	3,877,396	3,363,535

Key Performance Indicators

	Unit	27th Fiscal Period (From: Nov. 1, 2018 To: Apr. 30, 2019)	28th Fiscal Period (From: May 1, 2019 To: Oct. 31, 2019)
Total assets (a)	million yen	90,190	89,804
Net assets (b)	million yen	42,960	42,936
Unitholders' capital (net) (Note 1)	million yen	41,684	41,684
Total number of investment units issued and outstanding (c)	units	253,777	253,777
Net assets per unit (b) ÷ (c)	yen	169,285	169,188
Net income per unit (Note 2)	yen	4,585	4,541
Total distributions (d)	million yen	1,177	1,152
Distribution per unit (d) ÷ (c)	yen	4,638	4,542
[Of which, distribution of earnings per unit]	yen	(4,638)	(4,542)
[Of which, distribution in excess of earnings per unit]	yen	(-)	(-)
Return on assets (Note 3)	%	1.3 (2.6)	1.3 (2.5)
Return on equity (Note 3)	%	2.7 (5.5)	2.7 (5.3)
Equity ratio (b) ÷ (a)	%	47.6	47.8
Distribution payout ratio (Note 3)	%	99.9	100.0

[Other Reference Information]

Number of investment properties (Note 4)	properties	106	106
Total number of leasable units (Note 4)	units	5,224	5,255
Gross leasable area	m ²	193,457.11	194,608.52
Period-end occupancy rate (Note 4)	%	96.3	95.7
Depreciation and amortization	million yen	618	619
Capital expenditures	million yen	112	117
Property leasing NOI (Net Operating Income) (Note 3)	million yen	2,388	2,386
FFO (Funds from Operations) per unit (Note 3)	yen	6,994	6,978
FFO multiple (Note 3)	times	12.3	15.2
Debt service coverage ratio (Note 3)	times	12.5	11.8
Earnings before interest, depreciation and amortization	million yen	1,952	1,936
Interest expenses	million yen	156	164
Total interest-bearing liabilities	million yen	46,046	45,646
LTV (Loan-To-Value) ratio (Note 3)	%	51.1	50.8
Number of days of management	days	181	184

(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 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 multiple	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 October 31, 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. Aozora Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited ORIX Bank Corporation The Kagawa Bank, Ltd.	Nov. 25, 2014	711,000 441,000 299,000 299,000 259,000 259,000 107,000 104,000 21,000	1.19000 (Note 2)	Nov. 25, 2019	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan Y
Sub total		2,500,000						
Aozora Bank, Ltd. Resona Bank, Ltd. The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Banking Corporation ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited	Nov. 24, 2015	1,054,000 787,000 382,000 382,000 331,000 325,000 241,000 99,000 99,000	0.99000 (Note 2)	Nov. 24, 2020	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2A
Sub total		3,700,000						
Resona Bank, Ltd. Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd. The Kagawa Bank, Ltd.	May 24, 2016	763,500 520,000 408,500 387,500 387,500 158,500 130,000 56,500 50,000 11,500	0.86727	May 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2B
Sub total		2,873,500						
Resona Bank, Ltd. Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd. The Kagawa Bank, Ltd.	May 24, 2016	763,500 520,000 408,500 387,500 387,500 158,500 130,000 56,500 50,000 11,500	0.92727	May 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2C
Sub total		2,873,500						

Status of Interest-Bearing Liabilities II (As of October 31, 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. Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	Dec. 9, 2016	1,095,000 1,060,000 917,000 480,000 470,000 152,000 146,000	0.33727	May 22, 2020	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2F
Sub total		4,320,000						
Resona Bank, Ltd. Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	Dec. 9, 2016	1,095,500 1,060,500 917,000 480,000 470,000 152,000 145,000	0.36727	May 24, 2021	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2G
Sub total		4,320,000						
Resona Bank, Ltd. Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	Dec. 9, 2016	1,105,000 1,061,000 917,000 480,000 460,000 152,000 145,000	0.39727	Nov. 24, 2021	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2H
Sub total		4,320,000						
Mizuho Bank, Ltd. The Chiba Bank, Ltd. The Nishi-Nippon City Bank, Ltd. Sumitomo Mitsui Banking Corporation The Musashino Bank, Ltd. Resona Bank, Ltd. Higashi-Nippon Bank, Ltd. Aozora Bank, Ltd. ORIX Bank Corporation Mizuho Trust & Banking Co., Ltd.	May 24, 2017	1,090,000 500,000 500,000 500,000 500,000 385,000 250,000 215,000 150,000 100,000	0.74727	Nov. 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2I
Sub total		4,190,000						
The Bank of Yokohama Resona Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Musashino Bank, Ltd. The Chiba Bank, Ltd. Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited ORIX Bank Corporation The Kagawa Bank, Ltd.	Nov. 24, 2017	1,000,000 519,000 479,000 479,000 415,000 415,000 321,000 171,000 167,000 34,000	0.77727	Nov. 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2J
Sub total		4,000,000						

Status of Interest-Bearing Liabilities III (As of October 31, 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. Aozora Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Kagawa Bank, Ltd. Higashi-Nippon Bank Mizuho Trust & Banking Co., Ltd	Dec. 15, 2017	650,000 600,000 600,000 600,000 150,000 100,000 100,000 100,000	0.67727	May 24, 2022	Lump-sum repayment on repayment date	Funds for acquisition of AUM	Unsecured Unguaranteed	Term Loan 2K
Sub total		2,900,000						
Resona Bank, Ltd. Aozora Bank, Ltd. Bank of Kyoto, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited The Kagawa Bank, Ltd.	May 25, 2018	727,000 450,000 400,000 299,000 299,000 259,000 259,000 107,000 100,000	0.77727	May 24, 2024	Lump-sum repayment on repayment date	Part of funds for refinancing and acquisition of AUM	Unsecured Unguaranteed	Term Loan 2L
Sub total		2,900,000						
Aozora Bank, Ltd. Resona Bank, Ltd. The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited	Nov. 22, 2018	1,089,000 825,000 382,000 382,000 357,000 325,000 241,000 99,000	0.93000 (Note 2)	Nov. 22, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2M
Sub total		3,700,000						
Aozora Bank, Ltd. Resona Bank, Ltd. The Chiba Bank, Ltd. The Musashino Bank, Ltd. The Kagawa Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited	May 34, 2019	831,000 635,000 356,000 356,000 303,000 250,000 225,000 93,000	0.86000 (Note 2)	May 23, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2N
Sub total		3,049,000						
Total		45,646,000						

Total interest-bearing liabilities

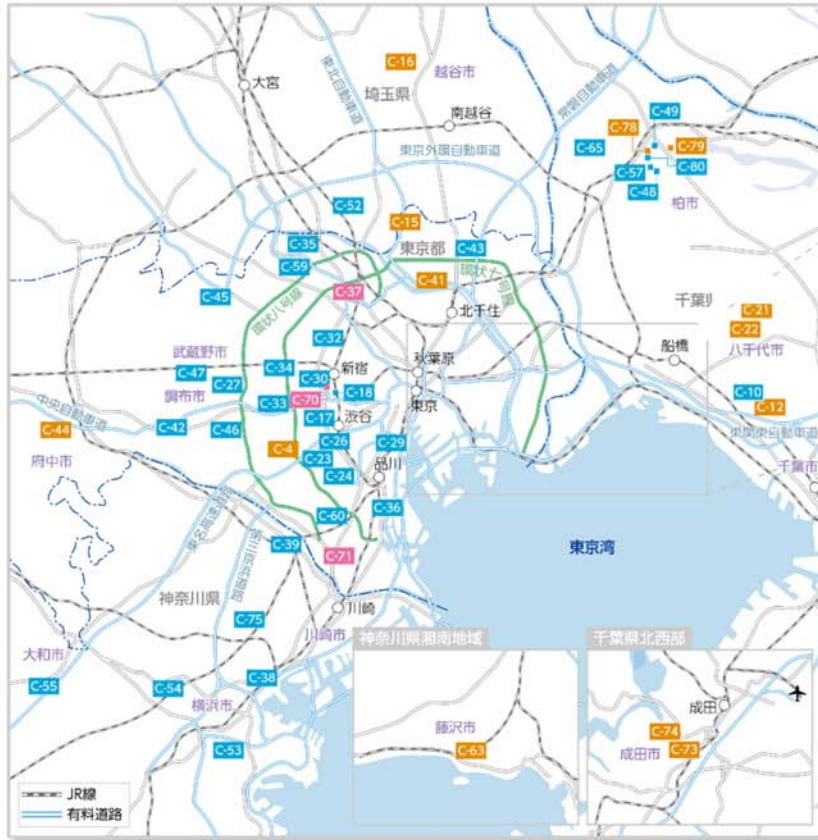
45,646,000 thousand yen

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

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

Portfolio Map (As of October 31, 2019)

Cities Surrounding Tokyo



- | | | | |
|-------------------------------------|------------------------------|--------------------------------|---|
| C-4 Proceed Sangenjaya | C-29 Proceed Mita | C-44 Proceed Nakagawara | C-63 Proceed Fujisawa Kugenuma |
| C-10 Proceed Makuharinhongo | C-30 Proceed Nakanoshimbashi | C-45 Proceed Oizumigakuen | C-65 Proceed TX Nagareyama Central Park |
| C-12 Proceed Makuharinhongo 2 | 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-73 Proceed CO-Z East Building |
| C-17 Proceed Shoto | C-35 Proceed Hasune | C-49 Proceed Kashiwa Nord | C-74 Proceed CO-Z West Building |
| C-18 Proceed Sangubashi | C-36 Proceed Oimachi | C-52 Proceed Nishikawaguchi | C-75 Proceed Shin Yokohama |
| C-21 Proceed Yachiyo Midorigaoka I | C-37 Proceed Jujo | C-53 Proceed Gummyoji | C-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 Toritsudaigaku | C-39 Proceed Shinmaruko | C-55 Proceed Sagamiotsuka | C-80 Proceed K5 |
| C-24 Proceed Toritsudaigaku 2 | C-41 Proceed Nishiarae | C-57 Proceed Kashiwa Trois | |
| C-26 Proceed Meguro Aobadai | C-42 Proceed Chofu | C-59 Proceed Tobu Nerima | |
| C-27 Proceed Suginami Miyamae | C-43 Proceed TX Rokucho | C-60 Proceed Yukigaya | |

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 Toyochi | C-19 Proceed Urayasu | C-56 Proceed Shinozaki 2 | C-69 Proceed Nihonbashi Honcho |
| C-3 Proceed Kasai | C-20 Proceed Shinkoiwa | C-58 Proceed Shinozaki Tower | C-72 Proceed Minamigyotoku 2 |
| C-5 Proceed Mizue | C-25 Proceed Honjozumabashi | C-61 Proceed Ichikawa Minami | C-76 Life Support Residence Funaboriekimae |
| C-6 Proceed Funabashi Miyamoto | C-28 Proceed Ryogoku | C-62 Proceed Ichikawa Myoden | C-77 Proceed Kinshicho |
| C-7 Proceed Minamikasai | C-31 Proceed Kameido | C-64 Proceed Nihonbashi-horidomecho | C-81 Proceed Ichikawa Myoden II |
| 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-21 Proceed Nishitenma
- G-22 Proceed Kobemotomachi
- G-23 Group Home Tanoshii Ie Taisho
- G-26 Proceed Bentencho
- G-27 Proceed Nagaikoendori
- G-28 Proceed Nishinagahori
- G-29 Proceed Kyobashi
- G-30 Proceed Hyogoekimaedori

- G-33 Proceed Sendai Kozurushinden
- G-34 Proceed Sendai Kamisugi

- R-2 Proceed Mito
- R-3 Proceed Mito 2
- R-4 Proceed Tsukuba Gakuentoshi

- G-8 Proceed Taikodori
- G-11 Proceed Honamimachi
- G-13 Proceed Shinsakae
- G-14 Proceed Chiyoda
- G-17 Proceed Kanayama
- G-18 Proceed Fukiage
- G-19 Proceed Toyoda
- G-24 Proceed Kanayama 2
- G-25 Proceed Aratamabashi
- G-31 Proceed Mizuho
- G-32 Proceed Osu
- G-35 Proceed Kanayama 3

◆ Tokyo metropolitan area major cities: **79** properties
 ◆ Cabinet order designated cities: **24** properties
 ◆ Regional area major cities: **3** properties
Total: 106 properties

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

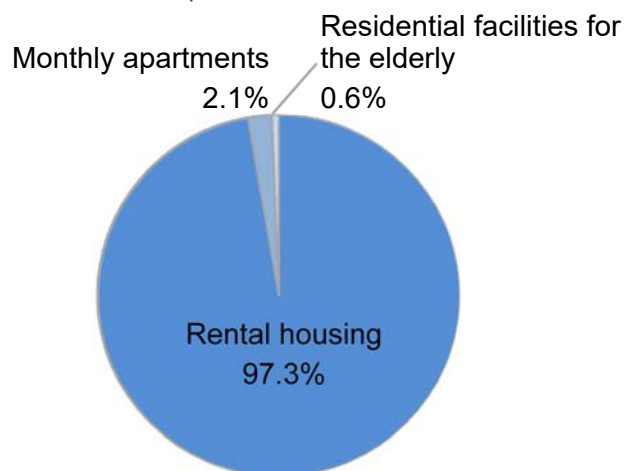
Portfolio Policy and Current Status

■ Portfolio Policy and the Status as of the End of the 28th FP

Portfolio policy by use (Note)

Investment target	Characteristics	Price ratio
Rental housing	Regular rental housing for singles, DINKS, families, etc.	70% or more
Monthly apartments	Rental housing with furniture that accepts short-term contracts such as a monthly contract.	25% or less
Serviced apartments	Rental housing with furniture that provides services such as linen changes.	
Hotels	Primarily hotels specialized in lodging, etc.	
Residential facilities for the elderly	Rental housing in the form of paid nursing homes, etc., and elderly nursing facilities such as insurance-covered nursing care facilities, etc.	10% or less
Others	Property developments, etc., through PFI, PPP, and urban redevelopment work, etc. which are not targeted for any of such uses as rental housing, etc. and have been constructed and designed, etc. through the real estate consulting business concurrently conducted by the Asset Management Company.	25% or less

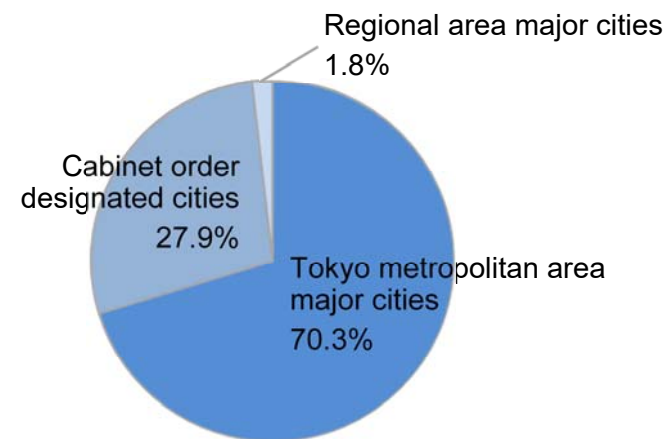
As of the end of 28th fiscal period



Portfolio policy by area (Note)

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

As of the end of 28th fiscal period



(Note) 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.

Breakdown of Revenue of Major Properties (28th 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	302,635	63,155	62,489	121,902	53,019	66,820	68,082	65,785	26,012
(B) Property leasing operating expenses	97,803	9,863	10,111	25,205	11,071	15,864	15,355	11,348	6,542
(C) Property leasing NOI = (A) - (B)	204,831	53,291	52,378	96,697	41,948	50,955	52,727	54,436	19,470
(D) Depreciation and amortization	93,849	5,869	6,198	20,125	6,427	17,502	15,796	6,548	8,214
(E) Property leasing income (loss) = (C) - (D)	110,982	47,422	46,179	76,571	35,520	33,452	36,930	47,888	11,255
(F) Capital expenditures	2,493	531	769	2,334	1,192	-	376	537	470
(G) NCF = (C) - (F)	202,337	52,759	51,608	94,362	40,755	50,955	52,351	53,899	18,999
Annualized NOI yield (Note)	7.9%	4.4%	4.1%	4.5%	3.9%	5.0%	5.0%	5.0%	5.0%
PML value	ARTIER Bldg.: 3.9% OZAREA Bldg.: 5.0% Hall Bldg.: 3.5% Nursery Bldg.: 3.5%	8.3%	4.5%	6.9%	6.1%	6.2%	6.2%	8.1%	3.8%

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

Portfolio List I (As of October 31, 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-end occupancy rate (%) (Note 4)	Leasing revenue and expenditure (thousand yen) (28th FP results)	PML (%)	Construction completion (Note 5)	Building age (year)
C-1	Proceed Ichikawa	Chiba	1,076,000	1.2	1,007,793	1,360,000	3,322.17	3,256.06	50	42	98.0	35,637	5.9	April 1, 1997	22.6
C-2	Proceed Toyocho	Tokyo	646,700	0.7	580,190	875,000	1,085.56	1,085.56	45	5	100.0	21,101	8.6	January 31, 2003	16.8
C-3	Proceed Kasai	Tokyo	688,700	0.8	605,120	811,000	1,243.80	1,243.80	57	0	100.0	19,905	5.1	March 1, 2003	16.7
C-4	Proceed Sanganjaya	Tokyo	555,900	0.6	621,709	597,000	1,019.27	1,019.27	9	8	100.0	15,292	9.3	June 29, 1990	29.4
C-5	Proceed Mizue	Tokyo	602,600	0.7	627,377	759,000	2,076.68	2,076.68	28	22	100.0	17,303	7.0	June 20, 1991	28.4
C-6	Proceed Funabashi Miyamoto	Chiba	419,900	0.5	452,049	570,000	1,685.73	1,560.33	33	1	92.6	17,914	4.7	June 24, 1991	28.4
C-7	Proceed Minamikasai	Tokyo	303,500	0.4	328,939	305,000	1,045.28	1,045.28	16	7	100.0	7,212	10.4	March 12, 1993	26.7
C-9	Proceed Gyotoku	Chiba	315,600	0.4	340,315	340,000	1,218.56	1,096.52	20	7	90.0	9,818	6.7	March 15, 1988	31.6
C-10	Proceed Makuharihongo	Chiba	279,300	0.3	275,403	319,000	963.00	820.50	34	3	85.2	8,069	8.7	February 22, 1989	30.7
C-11	Proceed Minamigyotoku	Chiba	287,300	0.3	296,738	330,000	838.95	812.90	26	6	96.9	10,184	6.8	February 6, 1990	29.8
C-12	Proceed Makuharihongo 2	Chiba	223,400	0.3	228,231	247,000	1,104.84	954.18	22	10	86.4	5,568	4.8	September 24, 1989	30.1
C-14	Proceed Funabori	Tokyo	226,100	0.3	238,162	247,000	479.52	479.52	24	1	100.0	6,906	7.3	October 11, 1991	28.1
C-15	Proceed Takenozuka	Tokyo	169,400	0.2	173,358	249,000	860.55	860.55	15	7	100.0	6,119	3.4	March 10, 1994	25.7
C-16	Proceed Sengendai 2	Saitama	86,700	0.1	94,229	108,000	695.81	531.44	12	3	76.4	2,587	3.3	April 3, 1991	28.6
C-17	Proceed Shoto	Tokyo	937,400	1.1	882,102	966,000	890.22	870.09	40	6	97.7	21,629	5.3	November 18, 2005	14.0
C-18	Proceed Sangubashi	Tokyo	497,600	0.6	482,554	484,000	527.88	509.34	26	0	96.5	10,758	7.0	July 22, 2005	14.3
C-19	Proceed Urayasu	Chiba	431,400	0.5	467,074	456,000	1,786.58	1,694.51	21	8	94.8	13,833	7.8	June 4, 1992	27.4
C-20	Proceed Shinkoiwa	Tokyo	465,200	0.5	497,489	553,000	1,629.07	1,549.11	27	9	95.1	15,974	7.1	March 15, 1991	28.6
C-21	Proceed Yachiyo Midorigaoka I	Chiba	383,600	0.4	397,733	386,000	1,805.76	1,805.76	27	32	100.0	10,969	6.9	February 12, 1997	22.7
C-22	Proceed Yachiyo Midorigaoka II	Chiba	339,000	0.4	352,746	348,000	1,605.12	1,538.24	24	31	95.8	9,434	6.9	February 12, 1997	22.7
C-23	Proceed Toritsudaigaku	Tokyo	790,400	0.9	769,017	798,000	808.65	787.37	37	2	97.4	16,208	8.3	March 13, 2006	13.6
C-24	Proceed Toritsudaigaku 2	Tokyo	772,200	0.9	714,227	822,000	831.74	831.74	36	2	100.0	20,067	7.8	September 7, 2006	13.2
C-25	Proceed Honjozumabashi	Tokyo	339,800	0.4	299,346	455,000	570.53	570.53	19	0	100.0	10,364	6.7	July 7, 2006	13.3
C-26	Proceed Meguro Aobadai	Tokyo	466,700	0.5	452,815	466,000	485.15	485.15	24	1	100.0	11,098	11.6	March 27, 2003	16.6
C-27	Proceed Suginami Miyamae	Tokyo	454,900	0.5	432,435	484,000	680.50	680.50	29	1	100.0	12,686	7.1	January 26, 2004	15.8
C-28	Proceed Ryogoku	Tokyo	443,900	0.5	431,980	574,000	702.54	702.54	27	5	100.0	13,633	6.9	March 15, 2003	16.6
C-29	Proceed Mita	Tokyo	1,537,200	1.8	1,422,406	1,660,000	1,500.57	1,500.57	72	0	100.0	36,287	8.7	February 6, 2006	13.7
C-30	Proceed Nakanoshimbashi	Tokyo	638,800	0.7	676,205	700,000	849.08	849.08	50	0	100.0	18,552	10.4	September 24, 1992	27.1
C-31	Proceed Kameido	Tokyo	339,000	0.4	346,880	346,000	853.98	853.98	23	0	100.0	9,843	7.6	March 23, 1994	25.6
C-32	Proceed Takadanobaba	Tokyo	223,700	0.3	253,061	269,000	278.36	278.36	17	0	100.0	7,017	13.8	October 24, 1991	28.0
C-33	Proceed Shinkoenji	Tokyo	742,100	0.9	785,232	871,000	1,040.24	1,040.24	57	0	100.0	21,937	10.0	August 31, 1990	29.2
C-34	Proceed Koenjiminami	Tokyo	277,400	0.3	309,343	251,000	337.05	337.05	20	0	100.0	7,618	11.7	October 2, 1989	30.1
C-35	Proceed Hasune	Tokyo	284,000	0.3	317,434	267,000	587.13	587.13	29	0	100.0	8,401	6.8	July 17, 1991	28.3
C-36	Proceed Oimachi	Tokyo	944,000	1.1	986,472	950,000	961.88	961.88	59	0	100.0	23,025	13.0	April 13, 1992	27.6
C-37	Proceed Jujo	Tokyo	533,000	0.6	560,756	558,000	1,206.90	1,206.90	30	0	100.0	14,946	7.2	June 15, 1989	30.4
C-38	Proceed Hakuraku	Kanagawa	241,000	0.3	260,722	185,000	445.16	445.16	27	0	100.0	8,093	16.4	July 19, 1991	28.3
C-39	Proceed Shinmaruko	Kanagawa	635,000	0.7	666,628	605,000	759.00	759.00	46	0	100.0	16,359	11.7	September 12, 1988	31.2
C-40	Proceed Motoyawata	Chiba	307,000	0.4	273,441	336,000	602.39	602.39	25	1	100.0	6,153	4.4	January 9, 2004	15.8
C-41*	Proceed Nishirai (Note 6)	Tokyo	5,172,000	6.0	3,293,999	6,940,000	20,137.85	19,975.14	294	146	99.2	204,831	ARTIER: 3.9 OZAREA: 5.0 Hall: 3.5 Nursery: 3.5	July 20, 2007	12.3

Portfolio List II (As of October 31, 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-end occupancy rate (%) (Note 4)	Leasing revenue and expenditure (thousand yen) (28th FP results)	PML (%)	Construction completion (Note 5)	Building age (year)
C-42	Proceed Chofu	Tokyo	460,500	0.5	405,982	573,000	764.48	764.48	26	0	100.0	12,989	6.4	February 17, 2007	12.7
C-43	Proceed TX Rokucho	Tokyo	156,800	0.2	177,935	181,000	518.31	518.31	20	2	100.0	4,039	6.6	June 21, 1991	28.4
C-44	Proceed Nakagawara (Note 7)	Tokyo	1,141,000	1.3	1,224,634	1,330,000	3,061.94	3,007.11	54	35	98.2	31,522	Ichibankan: 10.7 Nibankan: 11.8	April 1, 1989	30.6
C-45	Proceed Oizumigakuen	Tokyo	268,300	0.3	290,617	282,000	483.43	483.43	29	0	100.0	6,689	10.6	November 26, 1991	27.9
C-46	Proceed Chitosekarasuyama	Tokyo	289,600	0.3	328,947	333,000	449.96	449.96	28	0	100.0	8,397	11.7	December 8, 1988	30.9
C-47	Proceed Mitaka	Tokyo	477,200	0.6	528,970	581,000	739.48	739.48	47	0	100.0	14,287	9.3	December 16, 1988	30.9
C-48	Proceed Kashiwa Est	Chiba	732,000	0.8	678,017	719,000	1,279.93	1,247.64	44	5	97.5	16,252	4.5	February 13, 2007	12.7
C-49	Proceed Kashiwa Nord	Chiba	689,000	0.8	627,506	622,000	1,391.55	1,364.32	47	0	98.0	15,710	5.7	February 13, 2007	12.7
C-50	Proceed Gyotokuekimae	Chiba	331,000	0.4	277,858	372,000	659.68	659.68	24	3	100.0	8,447	5.2	September 4, 2007	12.2
C-51	Proceed Funabashi Honcho	Chiba	531,700	0.6	497,276	598,000	996.44	971.69	40	0	97.5	15,680	5.7	July 19, 2006	13.3
C-52	Proceed Nishikawaguchi	Saitama	881,000	1.0	963,438	839,000	1,630.24	1,426.46	104	1	87.5	22,276	5.5	February 10, 1989	30.7
C-53	Proceed Gumyoji	Kanagawa	552,000	0.6	571,132	612,000	1,246.48	1,007.28	77	0	80.8	11,911	19	May 12, 1988	31.5
C-54	Proceed Tsurugamine	Kanagawa	356,000	0.4	366,194	386,000	855.00	718.20	50	4	84.0	8,653	7.2	March 12, 1991	28.7
C-55	Proceed Sagamiotsuka	Kanagawa	234,000	0.3	232,921	223,000	741.24	741.24	29	7	100.0	6,784	12.9	April 5, 1991	28.6
C-56*	Proceed Shinozaki 2	Tokyo	913,300	1.1	806,898	1,140,000	2,134.07	2,072.53	35	13	97.1	26,637	4.2	September 18, 2008	11.1
C-57	Proceed Kashiwa Trois	Chiba	537,100	0.6	478,835	669,000	1,149.95	1,037.95	38	6	90.3	16,153	5.4	May 8, 2009	10.5
C-58	Proceed Shinozaki Tower (Note 8)	Tokyo	1,564,000	1.8	1,407,453	2,240,000	5,117.49	4,974.15	88	30	97.2	60,185	High-rise bldg.: 2.6 Low-rise Bldg.: 4.4	March 17, 2008	11.6
C-59	Proceed Tobu Nerima	Tokyo	422,000	0.5	411,558	541,000	779.84	779.84	35	2	100.0	13,176	7.7	August 31, 2007	12.2
C-60	Proceed Yukigaya	Tokyo	323,000	0.4	363,912	393,000	600.62	583.45	35	0	97.1	9,030	14	October 7, 1991	28.1
C-61	Proceed Ichikawa Minami	Chiba	687,000	0.8	704,133	947,000	1,635.59	1,553.51	66	17	95.0	24,288	2	February 10, 1997	22.7
C-62	Proceed Ichikawa Myoden	Chiba	498,000	0.6	530,928	634,000	945.00	903.00	45	1	95.6	15,504	6.8	March 15, 2003	16.6
C-63	Proceed Fujisawa Kugenuma	Kanagawa	729,000	0.8	772,565	900,000	2,005.76	1,946.11	25	20	97.0	24,341	14.7	March 30, 2001	18.6
C-64	Proceed Nihonbashi-horidomecho	Tokyo	1,485,800	1.7	1,516,001	1,730,000	1,904.45	1,851.15	37	2	97.2	35,307	7.5	April 7, 2006	13.6
C-65*	Proceed TX Nagareyama Central Park (Note 9)	Chiba	979,700	1.1	948,139	1,180,000	2,976.85	2,784.15	73	0	93.5	31,395	2.9	April 11, 2014	5.6
C-66	Proceed Gyotoku 2	Chiba	830,000	1.0	836,481	906,000	1,626.54	1,570.65	59	20	96.6	23,238	6.5	October 7, 2006	13.1
C-67	Proceed Nishikasai (Note 10)	Tokyo	875,600	1.0	955,674	992,000	2,993.52	2,939.15	63	39	98.2	29,162	Ichibankan: 11.0 Nibankan: 8.1	Ichibankan: October 17, 1993 Nibankan: July 23, 1985	Ichibankan: 26.0 Nibankan: 34.3
C-68*	Proceed Kasai 2	Tokyo	750,000	0.9	850,546	914,000	2,140.59	2,140.59	29	6	100.0	25,021	7.1	September 12, 2003	16.1
C-69	Proceed Nihonbashi Honcho	Tokyo	2,449,000	2.8	2,603,770	2,560,000	2,553.89	2,467.74	84	7	96.6	53,291	8.3	February 25, 2003	16.7
C-70	Proceed Nishi Shinjuku	Tokyo	2,549,000	2.9	2,651,119	2,660,000	2,461.88	2,461.88	66	5	100.0	52,378	4.5	February 25, 2003	16.7
C-71	Proceed Unoki	Tokyo	917,000	1.1	940,622	973,000	1,260.58	1,129.87	29	4	89.6	22,409	13.9	September 5, 2015	4.2
C-72*	Proceed Minamiyotoku 2	Chiba	1,080,000	1.2	1,109,894	1,140,000	2,832.74	2,684.82	36	18	94.8	29,572	6.4	May 15, 2014	5.5
C-73	Proceed CO-Z East Building	Chiba	1,830,000	2.1	1,951,104	2,000,000	6,873.33	6,752.99	112	121	98.2	60,519	6	March 10, 1997	22.7
C-74	Proceed CO-Z West Building	Chiba	971,000	1.1	1,051,885	1,050,000	3,716.05	3,716.05	71	87	100.0	33,196	6	January 9, 1998	21.8
C-75	Proceed Shin Yokohama	Kanagawa	4,330,000	5.0	4,471,758	4,420,000	5,457.56	5,359.25	226	68	98.2	96,697	6.9	April 19, 2007	12.5
C-76	Life Support Residence Funaboriekimae	Tokyo	380,000	0.4	262,919	421,000	1,408.71	1,408.71	2	0	100.0	9,736	6.6	January 14, 2013	6.8
C-77	Proceed Kinshicho	Tokyo	2,140,000	2.5	2,250,233	2,170,000	2,302.92	2,272.74	64	11	98.7	41,948	6.1	July 1, 2005	14.3
C-78	Proceed K2	Chiba	1,170,000	1.3	1,242,863	1,280,000	4,099.04	3,912.49	59	20	95.4	34,805	3.9	February 10, 1995	24.7
C-79	Proceed K3 Annex	Chiba	283,000	0.3	303,692	313,000	1,590.30	1,459.26	24	25	91.8	9,806	5.5	March 2, 1997	22.7
C-80	Proceed K5	Chiba	269,000	0.3	290,541	276,000	788.95	687.44	17	0	87.1	6,590	6.3	February 13, 1998	21.7
C-81	Proceed Ichikawa Myoden II	Chiba	800,000	0.9	843,040	827,000	1,218.00	1,218.00	58	1	100.0	25,818	6.7	March 15, 2003	16.6
Properties in Tokyo			36,614,300	42.2	35,066,398	42,271,000	74,366.14	73,431.93	1,881	378	98.7	1,034,915			17.7
Properties in the Tokyo metropolitan area excluding Tokyo			24,325,700	28.1	24,863,302	26,503,000	62,549.29	59,599.17	1,691	568	95.3	692,253			18.9
Tokyo metropolitan area major cities subtotal			60,940,000	70.3	59,929,738	68,774,000	136,915.43	133,031.10	3,572	946	97.2	1,727,168			18.2

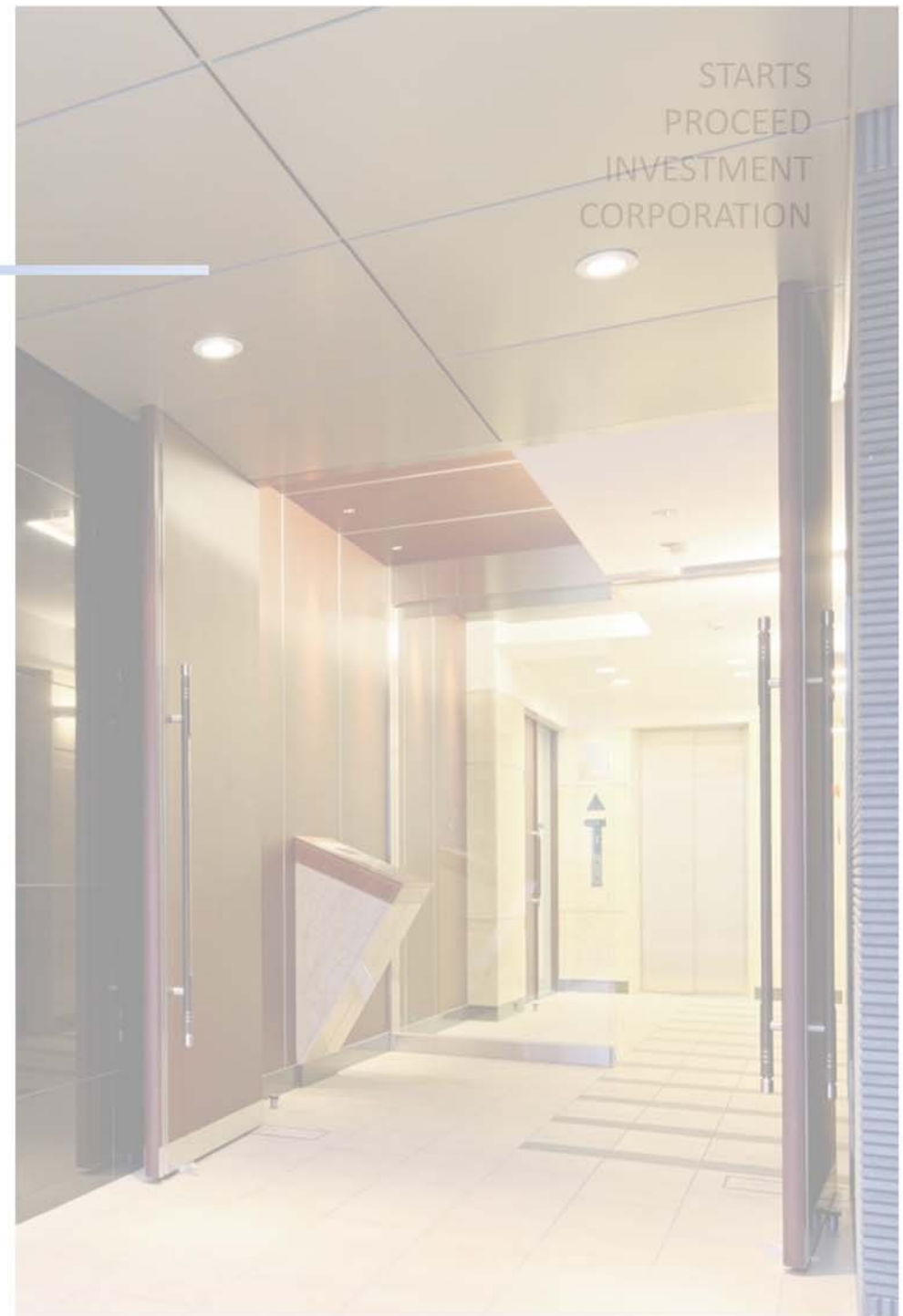
Portfolio List III (As of October 31, 2019)



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-end occupancy rate (%) (Note 4)	Leasing revenue and expenditure (thousand yen) (28th FP results)	PML (%)	Construction completion (Note 5)	Building age (year)
G-8	Proceed Taikodori	Aichi	403,400	0.5	309,759	455,000	1,101.56	1,078.51	44	6	97.9	12,426	11.3	March 15, 2006	13.6
G-11	Proceed Honamimachi	Aichi	275,000	0.3	227,080	241,000	620.22	473.26	10	8	76.3	3,753	10.5	March 27, 2006	13.6
G-13*	Proceed Shinsakae	Aichi	792,500	0.9	647,498	959,000	1,958.44	1,784.49	77	11	91.1	24,020	7.1	February 28, 2007	12.7
G-14	Proceed Chiyoda	Aichi	309,300	0.4	253,830	384,000	922.40	922.40	30	4	100.0	10,230	7.3	March 20, 2007	12.6
G-15	Proceed Fukuoka Takamiya	Fukuoka	453,600	0.5	398,476	511,000	1,312.29	1,180.26	46	10	89.9	12,954	3.2	March 12, 2007	12.6
G-17*	Proceed Kanayama	Aichi	1,022,000	1.2	954,528	1,370,000	2,733.58	2,667.34	94	18	97.6	33,403	6.0	February 18, 2008	11.7
G-18*	Proceed Fukiage	Aichi	499,000	0.6	466,960	650,000	1,204.65	1,145.97	48	15	95.1	16,293	6.2	March 13, 2008	11.6
G-19*	Proceed Toyoda	Aichi	219,000	0.3	206,664	293,000	752.04	752.04	27	8	100.0	9,137	6.7	February 29, 2008	11.7
G-20	Proceed Kilahorie	Osaka	1,917,300	2.2	1,902,157	2,580,000	4,146.18	3,504.38	106	8	84.5	51,536	11.0	November 29, 2007	11.9
G-21	Proceed Nishitenma	Osaka	880,000	1.0	876,851	1,180,000	1,775.89	1,666.77	56	3	93.9	24,501	13.9	November 30, 2007	11.9
G-22	Proceed Kobemotomachi	Hyogo	780,000	0.9	784,851	995,000	1,590.64	1,466.37	61	6	92.2	22,437	8.6	December 21, 2007	11.9
G-23	Group Home Tanoshii le Taisho	Osaka	158,000	0.2	159,502	185,000	482.72	482.72	1	0	100.0	5,156	14.8	February 28, 2007	12.7
G-24	Proceed Kanayama 2	Aichi	2,040,400	2.4	2,054,917	2,290,000	4,218.01	4,007.14	72	31	95.0	50,955	6.2	August 22, 2007	12.2
G-25	Proceed Aratamabashi	Aichi	2,129,600	2.5	2,164,271	2,240,000	5,335.93	4,879.52	72	45	91.4	52,727	6.2	August 19, 2005	14.2
G-26	Proceed Bentencho	Osaka	2,170,000	2.5	2,250,562	2,300,000	4,134.70	4,013.18	126	21	97.1	54,436	8.1	January 11, 2008	11.8
G-27	Proceed Nagaikeondori	Osaka	1,070,000	1.2	1,110,818	1,080,000	2,170.80	1,903.24	81	24	87.7	23,726	14.4	May 28, 2007	12.4
G-28	Proceed Nishinagahori	Osaka	942,000	1.1	976,877	934,000	1,506.18	1,332.39	52	5	88.5	18,927	8.1	February 15, 2008	11.7
G-29	Proceed Kyobashi	Osaka	2,040,000	2.4	2,110,879	2,040,000	3,274.56	2,946.92	120	30	90.0	38,069	13.0	January 16, 2008	11.8
G-30	Proceed Hyogekimaedori	Hyogo	1,670,000	1.9	1,730,311	1,750,000	3,086.99	2,886.35	117	18	93.5	41,317	9.2	February 8, 2008	11.7
G-31	Proceed Mizuho	Aichi	535,000	0.6	565,494	550,000	1,126.40	1,016.34	40	5	90.2	11,299	6.2	February 28, 2007	12.7
G-32	Proceed Osu	Aichi	831,000	1.0	853,200	885,000	1,851.30	1,823.25	66	10	98.5	21,682	7.6	March 7, 2016	3.7
G-33	Proceed Sendai Kozurushinden	Miyagi	698,000	0.8	740,935	775,000	1,913.28	1,694.52	63	32	88.6	19,185	8.4	March 20, 2006	13.6
G-34	Proceed Sendai Kamisugi	Miyagi	1,560,000	1.8	1,627,844	1,690,000	3,409.93	3,115.93	108	16	91.4	44,645	4.8	February 21, 2017	2.7
G-35	Proceed Kanayama 3	Aichi	770,000	0.9	847,680	824,000	1,799.52	1,691.43	60	15	94.0	4,663	6.4	August 9, 2018	1.2
Cabinet order designated cities subtotal			24,165,100	27.9	24,221,956	27,161,000	52,428.21	48,434.72	1,577	349	92.4	607,477			11.1
R-2	Proceed Mitto	Ibaraki	383,700	0.4	308,984	486,000	1,223.83	1,223.83	36	7	100.0	14,054	4.0	January 7, 2007	12.8
R-3	Proceed Mitto 2	Ibaraki	416,900	0.5	349,448	530,000	1,381.34	1,259.09	36	25	91.1	14,808	3.6	March 11, 2008	11.6
R-4	Proceed Tsukuba Gakuentoshi	Ibaraki	775,600	0.9	777,629	825,000	2,659.71	2,265.29	34	35	85.2	19,470	3.8	March 3, 2008	11.7
Regional area major cities subtotal			1,576,200	1.8	1,436,063	1,841,000	5,264.88	4,748.21	106	67	90.2	48,332			11.9
Portfolio total			86,681,300	100.0	85,587,757	97,776,000	194,608.52	186,214.03	5,255	1,362	95.7	2,382,977	3.0		16.1

- (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-end 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

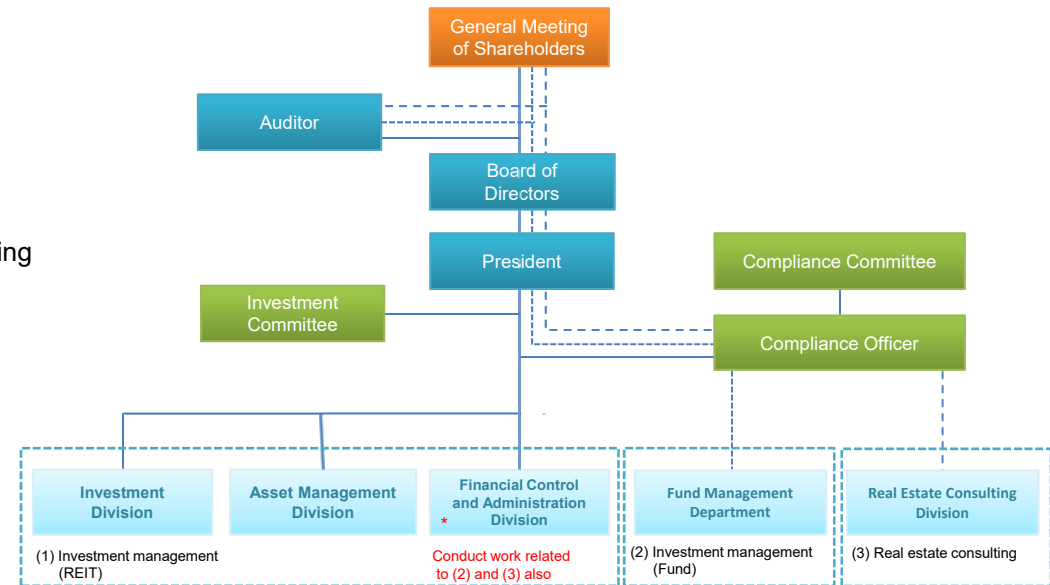
Head office location 3-1-8 Nihonbashi, Chuo-ku, Tokyo

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



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