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For Immediate Release

REIT Issuer

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Notice Concerning Acquisition and Disposition of Trust Beneficiary Interest in Domestic Real Estate

Starts Proceed Investment Corporation (“Starts Proceed”) announces that Starts Asset Management Co., Ltd., to which Starts Proceed entrusts the management of its assets (the “Asset Management Company”), today decided to conduct acquisition and disposition of trust beneficiary interest in domestic real estate (respectively the “Acquisition” and the “Disposition,” and collectively the “Transaction”). The details are as follows.

Because the counterparty of the Acquisition is an interested party, etc. as defined in the Act on Investment Trusts and Investment Corporations (Act No.198, 1951, as amended (the “Investment Trusts Act”)), the Asset Management Company, pursuant to Article 201-2 of the said Act and its internal rules, has obtained consent from Starts Proceed to proceed with the transaction based on approval from the board of directors’ meeting of Starts Proceed held today.

1. Overview of the Transaction

(1) Asset to Be Acquired Through the Acquisition (the “Asset to Be Acquired”)

Property No.	Property name	Seller (Note 1)	Planned contract conclusion date	Planned acquisition date	Planned acquisition price (thousand yen) (Note 2)	Brokerage
C-94	Proceed Shinozaki 2	Starts Development Corporation	March 29, 2024	March 29, 2024	1,130,000	None
C-95	Proceed Shin-Matsudo (Note 3)				952,000	
G-39	Proceed Shin-Anjo (Note 3)				780,000	
G-40	Proceed Nisseki-dori (Note 3)	Starts Kyushu Co., Ltd.	1,130,000			
Total					3,992,000	

(Note 1) The seller is an interested party, etc. of the Asset Management Company as defined in the Investment Trusts Act. For details, please refer to “5. Overview of Counterparty of the Transaction” below.

(Note 2) “Planned acquisition price” does not include miscellaneous acquisition related expenses, fixed property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 3) No trust has been established as of today. A trust will be established before Starts Proceed acquires the assets.

(2) Asset to Be Disposed Through the Disposition (the “Asset to Be Disposed”)

Property No.	Property name	Buyer (Note 1)	Planned contract conclusion date	Planned disposition date	Planned disposition price (thousand yen) (Note 2)	Assumed book value (thousand yen) (Note 3)	Amount of difference between planned disposition price and assumed book value (thousand yen)	Brokerage
C-23	Proceed Toritsudaigaku	A domestic limited liability company	March 27, 2024	April 26, 2024	915,000	755,208	159,792	None
C-77	Proceed Kinshicho			May 14, 2024	2,385,000	2,217,140	167,860	
Total					3,300,000	2,972,348	327,653	

(Note 1) The buyer has not agreed to the disclosure and is thus not disclosed.

(Note 2) “Planned disposition price” does not include miscellaneous disposition-related expenses, fixed property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 3) “Assumed book value” is the book value assumed as of the planned disposition date.

(1) Asset to Be Acquired Through the Acquisition (the “Asset to Be Acquired”)

In the Transaction, the planned acquisition prices and planned disposition prices will be paid on the planned acquisition dates and planned disposition dates. Borrowings and Starts Proceed’s own funds will be used to acquire the assets. The funds from the disposition of the assets will be used to prepay the borrowings. For more details, please refer to “Notice Concerning Borrowing of Funds” dated March 27, 2024.

2. Reason for the Transaction

Starts Proceed is promoting an asset replacement strategy to enhance the competitiveness of the portfolio. It conducted a careful examination of its portfolio in terms of management status over the medium to long term as well as individual property characteristics, etc. based on such strategy. As a result, Starts Proceed decided on the Disposition of the Asset to Be Disposed upon comprehensively considering the market trends and the competitiveness of the Asset to Be Disposed as well as the acquisition of the Asset to Be Acquired as an asset replacing the Asset to Be Disposed.

Of the Assets to Be Acquired, (C-94) Proceed Shinozaki 2 was sold in October 2022 following Starts Proceed’s determination of a policy of making ongoing surplus distributions. For the details of the policy of making ongoing surplus distributions, please refer to the Notice Concerning Acquisition and Leasing and Disposition of Trust Beneficiary Interests in Domestic Real Estate and the Notice of the Resolution of the Board of Directors on the Policy of Making Ongoing Surplus Distributions, both of which were published on October 14, 2022. The occupancy rate of (C-94) Proceed Shinozaki 2 has been stable since it was sold. Additionally, the property is considered to be profitable and have growth potential in addition to its stable occupancy rate in light of its features, including seismic isolation and a well. For these reasons, Starts Proceed has decided that acquiring the property again will be beneficial for it. In addition, the decision was made to acquire the Asset to Be Acquired, excluding C-94 Proceed Shinozaki 2, based on the asset management targets and policies provided in the Articles of Incorporation of Starts Proceed on the judgment that it is an asset featuring a combination of new building, profitability, growth potential and stability as outlined in “3. Description of the Asset to Be Acquired and Asset to Be Disposed (1) Description of the Asset to Be Acquired, Area/Property characteristics” below.

As the property is reasonably aged, the disposition of the Asset to Be Disposed was judged to be ideal at this point in time upon comprehensively taking into account the impacts to NOI caused by maintenance overhead including daily repair work.

3. Description of the Asset to Be Acquired and Asset to Be Disposed

(1) Description of the Asset to Be Acquired

C-94: Proceed Shinozaki 2

Overview of specified asset		Overview of leasing (as of February 29, 2024)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leasing units (Total number of leasable units)	35 (35)	
Planned acquisition price	1,130,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	11 (13)	
Location (Address)	7-21-13 Shinozaki, Edogawa-ku, Tokyo	Leased floor area	2,134.07 m ²	
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	2,134.07 m ²	
Master lease type	Pass-through	Annual rent revenue	63,833 thousand yen	
Trustee	Resona Bank, Limited	Security and guarantee deposits, etc.	10,474 thousand yen	
Period of trust agreement	From: December 17, 2009	Occupancy rate	100.0%	
	To: April 30, 2034			
Land	Ownership form	Proprietorship (co-ownership)	Overview of appraisal report	
	Site area	724.83 m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Neighborhood commercial district	Date of appraisal	March 15, 2024
	Building-to-land ratio	90%	Appraisal value	1,240,000 thousand yen
	Floor-area ratio	400%	Overview of building condition evaluation report	
Building	Ownership form	Sectionally owned	Evaluation company	Tokio Marine dR Co., Ltd.
	Structure	Reinforced concrete flat-roofed 12-story structure	Date of evaluation	March 2024
	Construction completion date	September 18, 2008	Building replacement value	936,400 thousand yen
	Total floor area	2,054.98 m ²	Long-term repair costs (12 years)	64,800 thousand yen
	Use	Apartment complex/stores	PML (Date of evaluation: March 2024)	0.2%
Collateral				
None				
Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The building-to-land ratio of the property is essentially 80% as it stands in a neighborhood commercial district. However, due to the mitigation measures for fireproof buildings in fire-prevention districts, it is set at 90%.				
2. The site size is the gross area of the site. The co-ownership interest (share of the right of site) is 213,407/276,587.				
Remarks				
A 1-minute walk from Shinozaki Station on the Toei Subway Shinjuku Line				
Area/Property characteristics				
<p>The area around Shinozaki Station provides easy access to the center of Tokyo and makes everyday living convenient. Via the Toei Subway Shinjuku Line, it is approximately 35 minutes from Shinjuku Station. There is an entrance to Keiyo Road that is convenient for drivers. There are public amenities, chain supermarkets and restaurants near the station which provide essential goods and services necessary for everyday life. Residents can enjoy the bountiful nature along the Edogawa riverbanks and in Shinozaki Park. They are good places for families to spend leisure time. The area is home to distinct stores that make it more appealing. The Edogawa-ku government is committed to supporting people raising children. There are nursery schools and elementary schools near the station which provide a good environment for households with children. The Edogawa-ku website says that there are no waiting lists for nursery schools in FY2023. This indicates there is a supportive environment for people raising children. The area around Shinozaki Station has a diverse range of features that make it an appealing place. This property is equipped with disaster mitigation features such as seismic isolation and a well. Additionally, it has modern equipment such as auto-locks, intercoms with monitors and delivery boxes which meet the standard equipment specifications. It offers different floor plans to accommodate people living in single-person households, DINKs and families. Moreover, pets are allowed. Due to these features, the property is expected to be in high demand from a wide range of potential tenants.</p>				

C-95: Proceed Shin-Matsudo

Overview of specified asset		Overview of leasing (as of February 29, 2024)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leasing units (Total number of leasable units)	48 (52)
Planned acquisition price	952,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	3 (3)
Location (Address)	4-29-2 Shinmatsudo, Matsudo-shi, Chiba	Leased floor area	1,401.38 m ²
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	1,514.93 m ²
Master lease type	Pass-through	Annual rent revenue	50,124 thousand yen
Trustee	Starts Trust Co., Ltd.	Security and guarantee deposits, etc.	3,999 thousand yen
Period of trust agreement	From: March 29, 2024	Occupancy rate	92.5%
	To: April 30, 2054		
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	431.51 m ²	Appraiser
	Zoning	Commercial district	Date of appraisal
	Building-to-land ratio	80%	Appraisal value
	Floor-area ratio	360%	Overview of building condition evaluation report
Building	Ownership form	Proprietorship	Evaluation company
	Structure	Reinforced concrete flat-roofed 9-story structure	Date of evaluation
	Construction completion date	September 1, 2023	Building replacement value
	Total floor area	1,613.30 m ²	Long-term repair costs (12 years)
	Use	Residential complex	PML (Date of evaluation: March 2024)
Collateral			
None			
Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)			
The floor-area ratio of the property is essentially 400% as it stands in a commercial district. However, due to the restriction from the width of the front road, it is set at 360%.			
Remarks			
A 4-minute walk from Shinmatsudo Station on the JR Joban Line and Musashino Line, a 6-minute walk from Koya Station on the Ryutetsu Nagareyama Line			
Area/Property characteristics			
<p>The area around Shim-Matsudo Station provides easy access to the center of Tokyo. The station is serviced by three railway lines, the JR Joban Line, JR Musashino Line and Ryutetsu Nagareyama Line. These lines can transport passengers to major stations in Tokyo in less than an hour. The area offers an attractive environment for families with children. Due to a nationwide shortage of nursery school teachers, the local government is developing an environment to secure them. Additionally, they provide a generous support system for people raising children. There are parks and walkways around the station, enabling residents to take leisurely walks and enjoy seasonal flowers. The area is convenient and provides a comfortable living experience.</p> <p>The property is located a four-minute walk from Shim-Matsudo Station. There are supermarkets and retail facilities that stay open until midnight near the station. The property features a well, outdoor cooking ranges built into convertible benches, and solar panels primarily for use in natural disasters. It has modern amenities, such as auto-locks, intercoms with a monitor, delivery boxes, and free Internet, which meet standard equipment specifications. Due to these features, the property is expected to be in firm demand, mainly from single working individuals.</p>			

G-39: Proceed Shin-Anjo

Overview of specified asset		Overview of leasing (as of February 29, 2024) (Note)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leasing units (Total number of leasable units)	0 (47)	
Planned acquisition price	780,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	0 (6)	
Location (Address)	1-22-14 Imaikecho, Anjo-shi, Aichi	Leased floor area	0.00 m ²	
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	1,824.95 m ²	
Master lease type	Pass-through	Annual rent revenue	0 thousand yen	
Trustee	Starts Trust Co., Ltd.	Security and guarantee deposits, etc.	0 thousand yen	
Period of trust agreement	From: March 29, 2024	Occupancy rate	0.0%	
	To: April 30, 2054			
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	515.75 m ²		Appraiser
	Zoning	Commercial district	Date of appraisal	March 15, 2024
	Building-to-land ratio	90%	Appraisal value	780,000 thousand yen
	Floor-area ratio	364.02%	Overview of building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	Tokio Marine dR Co., Ltd.
	Structure	Reinforced concrete flat-roofed 9-story structure	Date of evaluation	March 2024
	Construction completion date	March 26, 2024	Building replacement value	618,400 thousand yen
	Total floor area	1,933.31 m ²	Long-term repair costs (12 years)	17,467 thousand yen
	Use	Residential complex	PML (Date of evaluation: March 2024)	6.3%
Collateral				
None				
Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The building-to-land ratio of the property is essentially 80% as it stands in a commercial district. However, due to the mitigation measures for fireproof buildings in quasi-fire-prevention districts, it is set at 90%. 2. The floor-area ratio of the property is essentially 400% as it stands in a commercial district. However, due to the restriction from the width of the front road, it is set at 364.02%.				
Remarks				
A 3-minute walk from Shin Anjo Station on the Nagoya Main Line and Nishio Line of the Nagoya Railroad				
Area/Property characteristics				
<p>The Shin Anjo area is located in Anjo in Aichi prefecture. The area around Shin Anjo station is serviced by the Meitetsu Nagoya Main Line and Meitetsu Nishio Line. It takes approximately 30 minutes to travel from Shin Anjo Station to Meitetsu Nagoya Station. The Shin Anjo area has a relatively new cityscape and many parks for children. It has a tranquil atmosphere. The city of Anjo is adjacent to Toyota and Kariya and is home to multiple automobile-related plants. There are also large farms, which make Anjo look verdant. The redevelopment of the Shin Anjo area is a popular topic, and it has the potential to make the area a more comfortable place to live. Due to these features, you could say that Shin Anjo is a comfortable place to live with convenient transportation and a good natural environment.</p> <p>This property is situated just a three-minute walk away from Shin Anjo Station, and there are plenty of retail facilities around it. LaLaport Anjo will open near Anjo Station, which is located next to Shin Anjo Station, in the spring of 2025. The new facility is expected to improve the living convenience of the area. The property has modern amenities such as auto-locks, Intercoms with monitors, delivery boxes and free Internet, which meet the standard equipment specifications. Due to these features, demand for the property is expected to be firm, demand being mainly due to single working individuals.</p>				

(Note) Tenants will start to move into the property on March 30, 2024, and the occupancy rate on that date is estimated to be 44.7%. Assuming 100% occupancy, the annual rent revenue is expected to be 49,356 thousand yen. On the date of acquisition of the property, a minimum rent guarantee type master lease agreement is scheduled to be concluded between the trustee, the PM company/ML company, Starts Proceed, and the Asset Management Company. The minimum rent guaranteed in the agreement is to be 80% of the rent revenue expected assuming full occupancy.

G-40: Proceed Nisseki-dori

Overview of specified asset		Overview of leasing (as of February 29, 2024)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leasing units (Total number of leasable units)	61 (61)
Planned acquisition price	1,130,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	21 (21)
Location (Address)	1-26-1 Ogusu, Minami-ku, Fukuoka-shi, Fukuoka	Leased floor area	1,742.20 m ²
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	1,742.20 m ²
Master lease type	Pass-through	Annual rent revenue	56,352 thousand yen
Trustee	Starts Trust Co., Ltd.	Security and guarantee deposits, etc.	3,016 thousand yen
Period of trust agreement	From: March 29, 2024	Occupancy rate	100.0%
	To: April 30, 2054		
Land	Ownership form	Proprietorship	Overview of appraisal report
	Site area	892.55 m ²	Appraiser
	Zoning	Quasi-industrial district	Date of appraisal
	Building-to-land ratio	70%	Appraisal value
	Floor-area ratio	200%	Overview of building condition evaluation report
Building	Ownership form	Proprietorship	Evaluation company
	Structure	Reinforced concrete flat-roofed 8-story structure	Date of evaluation
	Construction completion date	March 27, 2023	Building replacement value
	Total floor area	2,098.55 m ²	Long-term repair costs (12 years)
	Use	Apartment complex/stores	PML (Date of evaluation: March 2024)
Collateral			
None			
Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)			
In principle, the building-to-land ratio of the property is 60% because it is in a quasi-industrial district. However, because the property is on a corner plot in a block, it is set at 70%.			
Remarks			
A 14-minute walk from Takamiya Station on the Tenjin-Omuta Line and a 15-minute walk from Nishitesu Hirao Station of the NISHI-NIPPON RAILROAD			
Area/Property characteristics			
<p>There is a concentration of medical facilities in the Ogusu area of Fukuoka, especially in the area around Fukuoka Red Cross Hospital. Patients visit from the local community and remote areas. There are also many different retail facilities that cater to a range of needs. Special items, as well as daily necessities, are available. The area is home to local cultural hotspots such as restaurants that use local ingredients and galleries where local artists display their work. The location offers easy access to Fukuoka's center, which is convenient for business, sightseeing and everyday life. The area offers the convenience of an urban lifestyle while maintaining its local charm, which makes it an attractive destination for many people.</p> <p>This property is located about a 14-to-15-minute walk away from the closest station and approximately a 30-minute walk from Hakata Station. By bus, the property is around 15 minutes from Hakata Station. A car sharing service is available on the parking area of the property and it has a spacious motorcycle parking lot. The property has modern amenities such as auto-locks, intercoms with monitors, delivery boxes and free Internet, which meet the standard equipment specifications. Additionally, it provides easy access to the area around Hakata Station and Tenjin. Pets are allowed. Due to these features, demand for the the property is expected to be firm, demand being primarily due to single working individuals, including those renting under corporate agreements.</p>			

(2) Description of the Asset to Be Disposed
 C-23: Proceed Toritsu-daigaku

Overview of specified asset		Overview of leasing (as of February 29, 2024)		
Type of specified asset	Trust beneficiary interest	Total number of tenants	1	
Use	Rental housing	Number of leasing units (Total number of leasable units)	37 (37)	
Planned disposition price	915,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	2 (2)	
Location (Address)	1-5-8 Yakumo, Meguro-ku, Tokyo	Leased floor area	808.65 m ²	
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	808.65 m ²	
Master lease type	Pass-through	Annual rent revenue	43,584 thousand yen	
Trustee	Resona Bank, Limited	Security and guarantee deposits, etc.	2,063 thousand yen	
Period of trust agreement	From: May 2, 2006	Occupancy rate	100.0%	
	To: April 30, 2026			
Land	Ownership form	Proprietorship	Overview of appraisal report	
	Site area	215.01 m ²	Appraiser	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	Commercial district	Date of appraisal	October 31, 2023
	Building-to-land ratio	100%	Appraisal value	905,000 thousand yen
	Floor-area ratio	400%	Overview of building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company	JCIA
	Structure	Reinforced concrete flat-roofed 11-story structure	Date of evaluation	October 2018
	Construction completion date	March 13, 2006	Building replacement value	205,595 thousand yen
	Total floor area	894.23 m ²	Long-term repair costs (12 years)	6,215 thousand yen
	Use	Residential complex	PML (Date of evaluation: April 2023)	8.3%
Collateral				
None				
Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)				
1. The building-to-land ratio of the property is essentially 80% as it stands in a commercial district. However, due to the mitigation measures for fireproof buildings in fire-prevention districts, it is set at 100%.				
Remarks				
A 5-minute walk from Toritsu-daigaku Station on the Tokyu Toyoko Line				

C-77: Proceed Kinshicho

Overview of specified asset		Overview of leasing (as of February 29, 2024)	
Type of specified asset	Trust beneficiary interest	Total number of tenants	1
Use	Rental housing	Number of leasing units (Total number of leasable units)	61 (64)
Planned disposition price	2,385,000 thousand yen	Number of leased parking units (Total number of leasable parking units)	9 (11)
Location (Address)	4-6-9 Kamezawa, Sumida-ku, Tokyo	Leased floor area	2,209.21 m ²
PM Company / ML Company	Starts Amenity Corporation	Total leasable floor area	2,302.92 m ²
Master lease type	Pass-through	Annual rent revenue	99,276 thousand yen
Trustee	Sumitomo Mitsui Trust Bank, Limited	Security and guarantee deposits, etc.	9,076 thousand yen
	From: November 9, 2005	Occupancy rate	95.9%
Period of trust agreement	To October 31, 2027	Overview of appraisal report	
	Ownership form	Proprietorship	Appraiser
Land	Site area	544.16 m ²	Chuo Real Estate Appraisal Co., Ltd.
	Zoning	(i) Neighborhood commercial district (ii) Quasi-industrial district	Date of appraisal
	Building-to-land ratio	94.29% ①80% ②60%	October 31, 2023
	Floor-area ratio	445.78% ①400% ②300%	Appraisal value
		2,230,000 thousand yen	
		Overview of building condition evaluation report	
Building	Ownership form	Proprietorship	Evaluation company
	Structure	Steel-framed reinforced concrete flat roofed 9-story structure	Tokio Marine dR Co., Ltd.
	Construction completion date	July 1, 2005	Date of evaluation
	Total floor area	2,770.59 m ²	October 2022
	Use	Residential complex	Building replacement value
		Long-term repair costs (12 years)	903,700 thousand yen
		PML (Date of evaluation: April 2023)	77,809 thousand yen
			6.1%
Collateral			
None			
Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)			
1. In principle, the building-to-land ratio of properties in the neighboring commercial district is 80%, and the ratio of properties in the quasi-industrial district is 60%. However, because the building is a fire-proof building in a district planning and fire prevention district in the Kamezawa district, the building-to-land ratio is raised and is calculated as a weighted average of the two based on their respective area ratios. 2. In principle, the floor-area ratio of properties in the neighboring commercial district is 400%, and the ratio of properties in the quasi-industrial district is 300%. However, because the property is in a district planning district in the Kamezawa district, the floor-area ratio is raised and is calculated as a weighted average of the two parts based on their respective area ratios.			
Remarks			
A 7-minute walk from Kinshicho Station on the JR Sobu Line and Tokyo Metro Hanzomon Line			

[Explanation]

- “Type of specified asset” indicates the type as a specified asset, such as trust beneficiary interests, real estate, etc. “Use” is indicated in accordance with the stated categories in “Part I. Fund Information, Item 1. Situation of the Fund, 2. Investment Policies, (1) Investment Policies, 3) Portfolio Construction Policies” set out in the Securities Report.
- “Planned acquisition price” and “Planned disposition price” indicate the amount (transaction price stated in the trust beneficiary interest transaction agreement, etc.) excluding the various expenses (real estate transaction brokerage fee, etc.) required for the acquisition and disposition of the Asset to Be Acquired and Asset to Be Disposed.
- “PM Company / ML Company” indicates the property management company that has concluded a property management agreement and the master lease company that has concluded a master lease agreement, agreements that are effective as of today for each property, or indicates the property management company that is scheduled to conclude a property management agreement and the master lease company that is scheduled to conclude a master lease agreement at the time of acquisition by Starts Proceed. For “Master lease type,” “Pass-through” is indicated for a master lease in which the trustee and the master lease company has agreed that the master lease company pays the same amount as the rent stated in the sublease agreement concluded between the master lease company and the end tenant to the trustee.
- “Trustee” indicates the trustee or planned trustee at the time of acquisition or disposition by Starts Proceed. As to “Period of trust agreement,” the starting

date is the effective date of the trust agreement that is effective as of today (for trust agreement that is scheduled to be concluded, the scheduled effective date is indicated), and the ending date is the termination date of the trust agreement that is scheduled to be agreed (including agreement for amendments) between the parties of the trust agreement on the same date as acquisition by Starts Proceed.

5. Concerning the description of “Land” and “Building”
 - “Site area,” “Structure,” “Construction completion date” and “Total floor area” are in accordance with information described in the certificate of entry in real estate registration. For properties that have annex buildings, the annex buildings are not included in “Total floor area.” However, it may be different if the description has been found incorrect as a result of investigation.
 - “Zoning” indicates the type of zoning district classified in accordance with Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, as amended).
 - “Building-to-land ratio” is the ratio of the building area of the building to the site area as stipulated in Article 53 of the Building Standards Act (Act No. 201 of 1950, as amended; the “Building Standards Act”) and indicates the maximum figures stipulated in the city plan in accordance with the zoning, etc. Pursuant to Article 53, Paragraph 3 or Paragraph 5 of the Building Standards Act, corner lots in a block and fireproof buildings, etc. in fire prevention districts may be subject to mitigation of building-to-land ratio or may not be subject to building-to-land ratio restriction itself. There are cases in which separate restrictions, mitigations, etc. may apply in accordance with the Building Standards Act or other administrative laws and regulations. In such cases, figures after application of such restrictions, mitigations, etc. are indicated.
 - “Floor-area ratio” is the ratio of the total floor area of the building to the site area as stipulated in Article 52 of the Building Standards Act and indicates the maximum figures stipulated in the city plan in accordance with the zoning, etc. Pursuant to Article 52, Paragraph 2 or Paragraph 9 of the Building Standards Act, restrictions due to frontage road width rules or mitigations due to specified road rules may apply in some cases. There are cases in which separate restrictions, mitigations, etc. may apply in accordance with the Building Standards Act or other administrative laws and regulations. In such cases, figures after application of such restrictions, mitigations, etc. are indicated.
 - If more than one zoning exists for one property, pursuant to Article 53, Paragraph 2 or Article 52, Paragraph 7 of the Building Standards Act, “Building-to-land ratio” and “Floor-area ratio” indicate the weighted average figures in accordance with the size of area of each zoning that are on the design drawing / completion drawing, etc. from the time of construction.
6. Concerning the description of “Overview of leasing”
 - For all Asset to Be Acquired and Asset to Be Disposed, a master lease agreement with Starts Amenity Corporation as a lessee and a sublessor is concluded or scheduled to be concluded among Starts Proceed, the trustee and Starts Amenity Corporation at the time of disposition or acquisition by Starts Proceed. Thus “Total number of tenants” indicates the number with the master lease company as a tenant as of now or after the acquisition.
 - “Number of leased units (Total number of leasable units),” “Leased floor area,” “Total leasable floor area,” “Annual rent revenue” and “Security and guarantee deposits, etc.” are indicated in accordance with the same standards as the description of notes for the table illustrated in “Part I. Fund Information, Item 1. Situation of the Fund, 5. Management Status, (2) Investment Assets, 3) Other Major Investment Assets, (iv) Overview of Leasing Status, a. Overview of Leasing Status” set out in the Securities Report. “Number of leased parking units (Total number of leasable parking units)” is indicated in accordance with the same standards as the description of notes at the beginning of “Part I. Fund Information, Item 1. Situation of the Fund, 5. Management Status, (2) Investment Assets, 3) Other Major Investment Assets, (vi) Individual Overview of Real Estate in Trust for Acquired Assets” set out in the Securities Report.
 - “Occupancy rate” is the ratio of leased floor area to each tenant to the total leasable floor area of each property and is rounded off to the first decimal place.
7. “Overview of appraisal report” describes the content indicated in the appraisal report or valuation report prepared for the Asset to Be Acquired and Asset to Be Disposed.
8. Concerning the description of “Overview of building condition evaluation report”
 - Contents described in the building condition evaluation report and the seismic risk evaluation report that were prepared for the Asset to Be Acquired and Asset to Be Disposed are provided.
 - The date of evaluation is the date of the report.
 - “Building replacement value” is the total amount of appropriate costs required assuming to reconstruct the subject building on the date of evaluation.
 - “Long-term repair costs” is the total amount of expected long-term repair costs (12 years) based on the building condition evaluation report.
 - Figures of “PML” are the figures in the report prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd. “PML” represents the probable maximum loss that the subject facility or group of facilities may suffer from an earthquake with a 10% probability of exceedance in 50 years (earthquake corresponding to a 475-year return period) by expressing the amount of physical loss corresponding to a 90% non-exceedance probability in the event of such earthquake as a percentage of the building replacement value.
9. “Collateral” describes the existence/non-existence of collateral as on the date of disposition and acquisition of the Asset to Be Acquired and Asset to Be Disposed.
10. Concerning the description of “Special notations / Status of the property (structure and other matters that have significant impact on the price of the investment property)”
 - In principle, it describes (1) the rights of third parties other than the tenants housed in the Asset to Be Acquired and Asset to Be Disposed and restrictions, etc. based on such rights, and (2) restrictions, etc. from administrative laws and regulations related to the Asset to Be Acquired and Asset to Be Disposed, as of today. In case a specific description refers to fact situations as on the date of disposition and acquisition by Starts Proceed, description is made based on future prediction that is as rational as possible as of today.
 - When the type of a specified asset that Starts Proceed is acquiring is trust beneficiary interest, description of “acquired by Starts Proceed” also refers to acquisition by Starts Proceed through trust beneficiary interest. In such cases, legal owner or right holder of the real estate that is the trust asset of the trust beneficiary interest is the trustee, and Starts Proceed acquires the trust beneficiary interest.
11. “Area/Property characteristics” is based on the description on the appraisal report, market report, etc. prepared for the Asset to Be Acquired.

4. Overview of Appraisal Report of the Asset to Be Acquired and Asset to Be Disposed

(1) Overview of Appraisal Report of the Asset to Be Acquired

Property name	Proceed Shinozaki 2
Appraisal value	1,240,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	March 15, 2024

(Unit: thousand yen)

Item	Amount	Details
Income approach value	1,240,000	Estimated by emphasizing income approach value obtained through the DCF method while also relating value based on direct capitalization method
Value based on direct capitalization method	1,260,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rat
Operating revenues	65,663	-
Effective gross income	68,547	Assessed gross income that is stable over the medium to long term, considering the building lease agreement, profitability of the property, etc. and taking into account new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	2,884	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term, taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	15,376	-
Maintenance expense	3,969	Assessed based on the present management rules, etc.
Utility expenses	0	Included in the item above and not recorded here.
Repair expenses	3,104	Assessed by taking into account the estimated repair expenses stated in the engineering report, the historical data and the level of expenses of similar properties
PM fees	1,806	Assessed by taking into account the level of expenses of similar properties, etc., based on the current PM contract terms
Tenant solicitation expenses, etc.	2,337	Assessed by taking into account the level of expenses of similar properties, assumed tenant turnover rate (average turnover period), etc., based on the current PM contract terms
Taxes and public dues	4,047	Employed the most recent actual amount
Non-life insurance fees	113	Recorded estimated amount
Other expenses	0	Assessed based on past performance, etc.
Net operating income (NOI)	50,287	-
Gain on management of income from lump-sum payment	88	Assessed assuming management yield at 1.0%
Capital expenditures	3,634	Assessed by taking into account the estimated renewal expenses stated in the engineering report and the assessment value calculated from a stable perspective over the medium to long term based on the use, age, structure, management status of the target building
Net income (NCF)	46,741	-
Capitalization rate	3.7%	Assessed by taking into account the characteristics of the property such as location, specifications, rights, etc., using investment yield relating to transactions of similar properties as reference.
Value of earnings calculated by discounted cash flow (DCF) method	1,230,000	-
Discount rate	3.5%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Terminal capitalization rate	3.9%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Cost method value	808,000	-
Land ratio	52.7%	-
Building ratio	47.3%	-

Other items considered by real estate appraisal agent upon appraisal

Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.

Property name	Proceed Shin-Matsudo	
Appraisal value	952,000 thousand yen	
Appraiser	JLL Morii Valuation & Advisory K.K.	
Date of appraisal	March 15, 2024	

(Unit: thousand yen)

Item	Amount	Details
Income approach value	952,000	Estimated by emphasizing income approach value obtained through the DCF method while also relating value based on direct capitalization method
Value based on direct capitalization method	970,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rat
Operating revenues	53,762	-
Effective gross income	56,510	Assessed gross income that is stable over the medium to long term, considering the building lease agreement, profitability of the property, etc. and taking into account new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	2,748	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term, taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	12,882	-
Maintenance expense	1,687	Assessed by taking into account the historical data, the level of expenses of similar properties, etc., based on the current BM contract terms
Utility expenses	550	Assessed by taking into account the level of expenses of similar properties, etc., based on the historical data
Repair expenses	500	Assessed by taking into account the estimated repair expenses stated in the engineering report, the historical data and the level of expenses of similar properties
PM fees	1,550	Assessed by taking into account the level of expenses of similar properties, etc., based on the current PM contract terms
Tenant solicitation expenses, etc.	2,070	Assessed by taking into account the level of expenses of similar properties, assumed tenant turnover rate (average turnover period), etc., based on the current PM contract terms
Taxes and public dues	4,286	Assessed based on the most recent actual amount in consideration of the rate of change and depreciation over time
Non-life insurance fees	209	Employed the most recent actual amount
Other expenses	1,267	Assessed based on past performance, etc.
Net operating income (NOI)	40,880	-
Gain on management of income from lump-sum payment	39	Assessed assuming management yield at 1.0%
Capital expenditures	1,167	Assessed by taking into account the estimated renewal expenses stated in the engineering report and the assessment value calculated from a stable perspective over the medium to long term based on the use, age, structure, management status of the target building
Net income (NCF)	39,752	-
Capitalization rate	4.1%	Assessed by taking into account the characteristics of the property such as location, specifications, rights, etc., using investment yield relating to transactions of similar properties as reference.
Value of earnings calculated by discounted cash flow (DCF) method	934,000	-
Discount rate	3.9%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Terminal capitalization rate	4.3%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Cost method value	852,000	-
Land ratio	30.0%	-
Building ratio	70.0%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Shin-Anjo
Appraisal value	780,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	March 15, 2024

(Unit: thousand yen)

Item	Amount	Details
Income approach value	780,000	Estimated by emphasizing income approach value obtained through the DCF method while also relating value based on direct capitalization method
Value based on direct capitalization method	782,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rat
Operating revenues	49,174	-
Effective gross income	50,804	Assessed gross income that is stable over the medium to long term, considering the building lease agreement, profitability of the property, etc. and taking into account new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	1,630	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term, taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	12,131	-
Maintenance expense	2,518	Assessed by taking into account the historical data, the level of expenses of similar properties, etc., based on the current BM contract terms
Utility expenses	1,062	Assessed by taking into account the level of expenses of similar properties, etc., based on the historical data
Repair expenses	867	Assessed by taking into account the estimated repair expenses stated in the engineering report, the historical data and the level of expenses of similar properties
PM fees	1,359	Assessed by taking into account the level of expenses of similar properties, etc., based on the current PM contract terms
Tenant solicitation expenses, etc.	553	Assessed by taking into account the level of expenses of similar properties, assumed tenant turnover rate (average turnover period), etc., based on the current PM contract terms
Taxes and public dues	5,544	Employed the most recent actual amount
Non-life insurance fees	228	Recorded estimated amount
Other expenses	0	Assessed based on past performance, etc.
Net operating income (NOI)	37,043	-
Gain on management of income from lump-sum payment	37	Assessed assuming management yield at 1.0%
Capital expenditures	1,113	Assessed by taking into account the estimated renewal expenses stated in the engineering report and the assessment value calculated from a stable perspective over the medium to long term based on the use, age, structure, management status of the target building
Net income (NCF)	35,967	-
Capitalization rate	4.6%	Assessed by taking into account the characteristics of the property such as location, specifications, rights, etc., using investment yield relating to transactions of similar properties as reference.
Value of earnings calculated by discounted cash flow (DCF) method	779,000	-
Discount rate	4.4%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Terminal capitalization rate	4.8%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Cost method value	865,000	-
Land ratio	14.3%	-
Building ratio	85.7%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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Property name	Proceed Nisseki-dori
Appraisal value	1,150,000 thousand yen
Appraiser	Sanyu Appraisal Corporation
Date of appraisal	February 15, 2024

(Unit: thousand yen)

Item	Amount	Details
Income approach value	1,150,000	Estimated by emphasizing income approach value obtained through the DCF method while also relating value based on direct capitalization method
Value based on direct capitalization method	1,150,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rat
Operating revenues	59,086	-
Effective gross income	61,488	Assessed gross income that is stable over the medium to long term, considering the building lease agreement, profitability of the property, etc. and taking into account new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	2,402	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term, taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	12,888	-
Maintenance expense	1,607	Assessed by taking into account the historical data, the level of expenses of similar properties, etc., based on the current BM contract terms
Utility expenses	444	Assessed by taking into account the level of expenses of similar properties, etc., based on the historical data
Repair expenses	299	Assessed by taking into account the estimated repair expenses stated in the engineering report, the historical data and the level of expenses of similar properties
PM fees	1,732	Assessed by taking into account the level of expenses of similar properties, etc., based on the current PM contract terms
Tenant solicitation expenses, etc.	859	Assessed by taking into account the level of expenses of similar properties, assumed tenant turnover rate (average turnover period), etc., based on the current PM contract terms
Taxes and public dues	6,171	Employed the most recent actual amount
Non-life insurance fees	230	Recorded estimated amount
Other expenses	909	Assessed based on past performance, etc.
Net operating income (NOI)	46,197	-
Gain on management of income from lump-sum payment	23	Assessed assuming management yield at 1.0%
Capital expenditures	1,404	Assessed by taking into account the estimated renewal expenses stated in the engineering report and the assessment value calculated from a stable perspective over the medium to long term based on the use, age, structure, management status of the target building
Net income (NCF)	44,816	-
Capitalization rate	3.9%	Assessed by taking into account the characteristics of the property such as location, specifications, rights, etc., using investment yield relating to transactions of similar properties as reference.
Value of earnings calculated by discounted cash flow (DCF) method	1,140,000	-
Discount rate	3.7%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Terminal capitalization rate	4.0%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Cost method value	1,070,000	-
Land ratio	29.5%	-
Building ratio	70.5%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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(2) Overview of Appraisal Report of the Asset to Be Disposed

Property name	Proceed Toritsuudaigaku
Appraisal value	905,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	October 31, 2023

(Unit: thousand yen)

Item	Amount	Details
Income approach value	905,000	Estimated by emphasizing income approach value obtained through the DCF method while also relating value based on direct capitalization method
Value based on direct capitalization method	921,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rate
Operating revenues	43,366	-
Effective gross income	45,815	Assessed gross income that is stable over the medium to long term, considering the building lease agreement, profitability of the property, etc. and taking into account new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	2,449	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term, taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	9,830	-
Maintenance expense	2,426	Assessed by taking into account the historical data, the level of expenses of similar properties, etc., based on the current BM contract terms
Utility expenses	737	Assessed by taking into account the level of expenses of similar properties, etc., based on the historical data
Repair expenses	704	Assessed by taking into account the estimated repair expenses stated in the engineering report, the historical data and the level of expenses of similar properties
PM fees	1,538	Assessed by taking into account the level of expenses of similar properties, etc., based on the current PM contract terms
Tenant solicitation expenses, etc.	1,964	Assessed by taking into account the level of expenses of similar properties, assumed tenant turnover rate (average turnover period), etc., based on the current PM contract terms
Taxes and public dues	1,865	Employed the most recent actual amount
Non-life insurance fees	50	Recorded estimated amount
Other expenses	546	Assessed based on current contract terms, past performance, etc.
Net operating income (NOI)	33,536	-
Gain on management of income from lump-sum payment	32	Assessed assuming management yield at 1.0%
Capital expenditures	416	Assessed by taking into account the estimated renewal expenses stated in the engineering report and the assessment value calculated from a stable perspective over the medium to long term based on the use, age, structure, management status of the target building
Net income (NCF)	33,152	-
Capitalization rate	3.6%	Assessed by taking into account the characteristics of the property such as location, specifications, rights, etc., using investment yield relating to transactions of similar properties as reference.
Value of earnings calculated by discounted cash flow (DCF) method	898,000	-
Discount rate	3.4%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Terminal capitalization rate	3.8%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Cost method value	464,000	-
Land ratio	80.2%	-
Building ratio	19.8%	-

Other items considered by real estate appraisal agent upon appraisal

Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.

Property name	Proceed Kinshicho
Appraisal value	2,230,000 thousand yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Date of appraisal	October 31, 2023

(Unit: thousand yen)

Item	Amount	Details
Income approach value	2,230,000	Estimated by emphasizing income approach value obtained through the DCF method while also relating value based on direct capitalization method
Value based on direct capitalization method	2,260,000	Assessed by returning net income (NCF) that is stable over the medium to long term by capitalization rat
Operating revenues	104,554	-
Effective gross income	109,198	Assessed gross income that is stable over the medium to long term, considering the building lease agreement, profitability of the property, etc. and taking into account new rent assumed when the property is newly leased, etc.
Vacancy loss, etc.	4,644	Assessed after setting an occupancy rate (vacancy rate) that is stable over the medium to long term, taking into account past occupancy results, etc. of the property and similar properties
Operating expenses	20,969	-
Maintenance expense	3,593	Assessed by taking into account the historical data, the level of expenses of similar properties, etc., based on the current BM contract terms
Utility expenses	2,120	Assessed by taking into account the level of expenses of similar properties, etc., based on the historical data
Repair expenses	2,903	Assessed by taking into account the estimated repair expenses stated in the engineering report, the historical data and the level of expenses of similar properties
PM fees	2,756	Assessed by taking into account the level of expenses of similar properties, etc., based on the current PM contract terms
Tenant solicitation expenses, etc.	3,006	Assessed by taking into account the level of expenses of similar properties, assumed tenant turnover rate (average turnover period), etc., based on the current PM contract terms
Taxes and public dues	5,780	Employed the most recent actual amount
Non-life insurance fees	197	Recorded estimated amount
Other expenses	614	Assessed based on current contract terms, past performance, etc.
Net operating income (NOI)	83,585	-
Gain on management of income from lump-sum payment	151	Assessed assuming management yield at 1.0%
Capital expenditures	4,786	Assessed by taking into account the estimated renewal expenses stated in the engineering report and the assessment value calculated from a stable perspective over the medium to long term based on the use, age, structure, management status of the target building
Net income (NCF)	78,950	-
Capitalization rate	3.5%	Assessed by taking into account the characteristics of the property such as location, specifications, rights, etc., using investment yield relating to transactions of similar properties as reference.
Value of earnings calculated by discounted cash flow (DCF) method	2,210,000	-
Discount rate	3.3%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Terminal capitalization rate	3.7%	Assessed based on capitalization rate taking into account the current economic growth rate, projected market trends as well as risk premiums such as price fall risk due to deterioration of buildings from aging, future market fluctuation risk, etc.
Cost method value	1,170,000	-
Land ratio	62.6%	-
Building ratio	37.4%	-

Other items considered by real estate appraisal agent upon appraisal	Since demand for the property comes mostly from investors emphasizing profitability, appraisal value was determined based on income approach value using cost method value only as reference.
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5. Overview of Counterparty of the Transaction

(1) Overview of Seller (as of March 27, 2024)

Name	Starts Development Corporation
Location	3-1-8 Nihonbashi, Chuo-ku, Tokyo
Representative	Kazuo Isozaki, President
Main business activities	Real estate development, planning and sales
Capital	320 million yen (as of March 31, 2023)
Established	October 3, 2005
Net assets	-3,646 million yen (as of March 31, 2023)
Total assets	34,670 million yen (as of March 31, 2023)
Major shareholder and shareholding ratio	Starts Corporation Inc. (100%)
Relationship with Starts Proceed and the Asset Management Company	<p>The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company has concluded a pipeline support agreement with the Asset Management Company and has been providing the Asset Management Company with property information, warehousing function, etc.</p> <p>The company falls within the scope of a related party of Starts Proceed and the Asset Management Company.</p>

Name	Starts Kyushu Co., Ltd.
Location	3-2-1 Tsurumai, Chuo-ku, Fukuoka City, Fukuoka
Representative	Eita Yoshinaga, Representative Director and President
Main business activities	Real estate rental, sale and purchase, management, construction, etc.
Capital	70 million yen (as of March 31, 2023)
Established	August 27, 2003
Net assets	400 million yen
Total assets	1,270 million yen
Major shareholder and shareholding ratio	Starts Corporation Inc. (100%)
Relationship with Starts Proceed and the Asset Management Company	<p>The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company has concluded a pipeline support agreement with the Asset Management Company and has been providing the Asset Management Company with property information, warehousing function, etc.</p> <p>The company falls within the scope of a related party of Starts Proceed and the Asset Management Company.</p>

(2) Overview of Buyer

The name, etc., of the buyer (a domestic company) are not disclosed as consent for disclosure has not been obtained. There is no capital, personal or business relationship to report concerning Starts Proceed and the Asset Management Company with the buyer. The buyer does not fall within the scope of a related party of Starts Proceed and the Asset Management Company.

6. Overview of Brokerage

None

7. Transaction with Interested Parties of the Transaction

Starts Development Corporation and Starts Kyushu Co., Ltd., which are the sellers of the Asset to Be Acquired, Starts Amenity Corporation, to which the master lease and property management after the acquisition of the Asset to Be Acquired are planned to be entrusted, Starts Pitat House Co., Ltd., to which the leasing business of the property manager is subcontracted, and Starts Trust Co., Ltd., one of companies to which trust services for the Asset to Be Acquired are planned to be entrusted, are all interested parties, etc. of the Asset Management Company as defined in the Investment Trusts Act. Accordingly, all transactions have been determined after following appropriate procedures based on the internal rules of the Asset Management Company and pursuant to standards stipulated by laws and regulations.

Overview of Planned Company Entrusted with Master Lease and Property Management (as of March 27, 2024)

Name	Starts Amenity Corporation
Location	8-4-3 Ichinoe, Edogawa-ku, Tokyo
Representative	Manabu Nakamatsu, President
Main business activities	Real estate management and operation, construction, interior finishing and other businesses
Capital	350 million yen (as of March 31, 2023)
Established	April 1, 1985
Relationship with Starts Proceed and the Asset Management Company	<p>The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company is leasing all properties excluding one of the assets acquired in a lump based on the master lease agreement. The company has concluded a pipeline support agreement with the Asset Management Company and has been providing the Asset Management Company with property information, warehousing function and such.</p> <p>The company falls within the scope of a related party of Starts Proceed and the Asset Management Company.</p>

Overview of Planned Company Entrusted with Trust Services (as of March 27, 2024)

Name	Starts Trust Co., Ltd.
Location	3-1-8 Nihonbashi, Chuo-ku, Tokyo
Representative	Hiroaki Otobe, President
Main business activities	Trust services, purchase/sales of trust beneficiary interest in real estate, purchase/sales and leasing agent and brokerage, etc. of real estate
Capital	300 million yen (as of March 31, 2023)
Established	September 3, 2009
Relationship with Starts Proceed and the Asset Management Company	<p>The company is a subsidiary whose shares issued and outstanding are wholly owned by Starts Corporation Inc., the parent company of the Asset Management Company. Accordingly, the company falls within the scope of an interested party, etc. as defined in the Investment Trusts Act.</p> <p>There is no personal relationship to report concerning Starts Proceed and the Asset Management Company with the company.</p> <p>The company is a trustee of 33 properties of the assets acquired by Starts Proceed.</p> <p>The company falls within the scope of a related party of Starts Proceed and the Asset Management Company.</p>

8. Status of Parties Related to the Acquisition of the Asset to Be Acquired

Property No.	Property name	Current owner		Previous owner		Owner before the previous owner	
		Name	Starts Development Corporation	Name	Starts Proceed Investment Corporation	Name	Starts Corporation Inc.
C-94	Proceed Shinozaki 2	Relationship with related parties	Please refer to “5. Overview of Counterparty of the Transaction” above	Relationship with related parties	-	Relationship with related parties	The parent company that holds all outstanding shares of the Asset Management Company
		Acquisition background and reason, etc.	Acquisition to enable the reversal of a reserve for reduction entry following Starts Proceed’s determination of its policy of making ongoing surplus distributions	Acquisition background and reason, etc.	Acquisition to increase the growth potential and stability of the portfolio	Acquisition background and reason, etc.	Warehousing under a pipeline support agreement
		Acquisition price	Omitted as the current owner’s ownership exceeds one year	Acquisition price	-	Acquisition price	-
		Acquisition period	October 31, 2022	Acquisition period	December 17, 2009	Acquisition period	March 31, 2009
		3x previous owner		4x previous owner			
		Name	Starts Development Corporation	Name	(Land) Individual		
		Relationship with related parties	Please refer to “5. Overview of Counterparty of the Transaction” above	Relationship with related parties	Other than one with a relationship of special interest		
		Acquisition background and reason, etc.	Development property of 3x previous owner	Acquisition background and reason, etc.	-		
		Acquisition price	-	Acquisition price	-		
		Acquisition period	September 25, 2008	Acquisition period	-		
		Property No.	Property name	Current owner		Previous owner	
C-95	Proceed Shin-Matsudo	Name	Starts Development Corporation	Name	Other than one with a relationship of special interest		
		Relationship with related parties	Please refer to “5. Overview of Counterparty of the Transaction” above	Relationship with related parties	-		
		Acquisition background and reason, etc.	Development property of the current owner	Acquisition background and reason, etc.	-		
		Acquisition price	Omitted as the current owner’s ownership exceeds one year	Acquisition price	-		
		Acquisition period	(Land) November 30, 2021 (Building) -	Acquisition period	-		

Property No.	Property name	Current owner		Previous owner		Owner before the previous owner
		Name		Name	Other than one with a relationship of special interest	
G-39	Proceed Shin-Anjo	Name	Starts Development Corporation	Name	Other than one with a relationship of special interest	/
		Relationship with related parties	Please refer to “5. Overview of Counterparty of the Transaction” above	Relationship with related parties	-	
		Acquisition background and reason, etc.	Development property of the current owner	Acquisition background and reason, etc.	-	
		Acquisition price	Omitted as the current owner’s ownership exceeds one year	Acquisition price	-	
		Acquisition period	(Land) September 8, 2022 (Building) -	Acquisition period	-	
G-40	Proceed Nisseki-dori	Name	Starts Kyushu Co., Ltd.	Name	Other than one with a relationship of special interest	/
		Relationship with related parties	Please refer to “5. Overview of Counterparty of the Transaction” above	Relationship with related parties	-	
		Acquisition background and reason, etc.	Development property of the current owner	Acquisition background and reason, etc.	-	
		Acquisition price	Omitted as the current owner’s ownership exceeds one year	Acquisition price	-	
		Acquisition period	(Land) February 8, 2022 (Building) -	Acquisition period	-	

9. Impact of a Failure to Implement the Forward Commitment, etc. on Starts Proceed’s Finances

The transaction agreement for (C-77) Proceed Kinshicho (the “Transaction Agreement”) of the assets to be disposed of includes cancellation clauses (1) and (2) below.

- (1) If either of the parties to the Transaction Agreement is not able to achieve the objective of the Transaction Agreement due to any material breaches of the obligations set forth in the Transaction Agreement by the other party, the party may request the other party to fulfill their obligations and cancel the Transaction Agreement.
- (2) If the Transaction Agreement is canceled under clause (1), the party that has canceled the agreement may request that the other party pay an amount equivalent to 10% of the trading value as a penalty.

Starts Proceed considers the possibility of its finances being significantly impacted by the forward commitment, etc., related to the disposal of the Asset to Be Disposed is low in light of its financial position.

10. Future Outlook

Please refer to the Notice Concerning Management Status and Distribution Forecast for the Fiscal Period Ending April 2024 (from November 1, 2023 to April 30, 2024) and Fiscal Period Ending October 2024 (from May 1, 2024 to October 31, 2024) announced on March 27, 2024.

<Attachment>

[Attachment 1] Portfolio List After the Transaction

[Attachment 2] Photos and Map of the Asset to Be Acquired

* Starts Proceed website: <https://www.sp-inv.co.jp/en/>

[Attachment 1] Portfolio List After the Transaction

Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
C-1	Proceed Ichikawa	1,076,000	1.0
C-2	Proceed Toyocho	646,700	0.6
C-3	Proceed Kasai	688,700	0.7
C-4	Proceed Sangenjaya	555,900	0.5
C-5	Proceed Mizue	602,600	0.6
C-6	Proceed Funabashi Miyamoto	419,900	0.4
C-7	Proceed Minamikasai	303,500	0.3
C-9	Proceed Gyotoku	315,600	0.3
C-10	Proceed Makuharihongo	279,300	0.3
C-11	Proceed Minamigyotoku	287,300	0.3
C-12	Proceed Makuharihongo 2	223,400	0.2
C-14	Proceed Funabori	226,100	0.2
C-15	Proceed Takenozuka	169,400	0.2
C-16	Proceed Sengendai 2	86,700	0.1
C-17	Proceed Shoto	937,400	0.9
C-18	Proceed Sangubashi	497,600	0.5
C-19	Proceed Urayasu	431,400	0.4
C-20	Proceed Shinkoiwa	465,200	0.5
C-24	Proceed Toritsudaigaku 2	772,200	0.8
C-25	Proceed Honjoazumabashi	339,800	0.3
C-26	Proceed Meguro Aobadai	466,700	0.5
C-27	Proceed Suginami Miyamae	454,900	0.4
C-28	Proceed Ryogoku	443,900	0.4
C-29	Proceed Mita	1,537,200	1.5
C-31	Proceed Kameido	339,000	0.3
C-32	Proceed Takadanobaba	223,700	0.2
C-33	Proceed Shinkoenji	742,100	0.7
C-36	Proceed Oimachi	944,000	0.9
C-37	Proceed Jujo	533,000	0.5
C-41	Proceed Nishiarai	5,172,000	5.0
C-42	Proceed Chofu	460,500	0.4
C-43	Proceed TX Rokucho	156,800	0.2
C-44	Proceed Nakagawara	1,141,000	1.1
C-45	Proceed Oizumigakuen	268,300	0.3
C-46	Proceed Chitosekarasuyama	289,600	0.3
C-47	Proceed Mitaka	477,200	0.5
C-48	Proceed Kashiwa Est	732,000	0.7
C-49	Proceed Kashiwa Nord	689,000	0.7
C-50	Proceed Gyotokuekimae	331,000	0.3
C-51	Proceed Funabashi Honcho	531,700	0.5
C-53	Proceed Gumyoji	552,000	0.5
C-54	Proceed Tsurugamine	356,000	0.3
C-55	Proceed Sagamiotsuka	234,000	0.2
C-58	Proceed Shinozaki Tower	1,564,000	1.5
C-59	Proceed Tobu Nerima	422,000	0.4
C-60	Proceed Yukigaya	323,000	0.3
C-61	Proceed Ichikawa Minami	687,000	0.7
C-62	Proceed Ichikawa Myoden	498,000	0.5
C-63	Proceed Fujisawa Kugenuma	729,000	0.7



Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
C-64	Proceed Nihonbashi-horidomecho	1,485,800	1.4
C-65	Proceed TX Nagareyama Central Park	979,700	1.0
C-66	Proceed Gyotoku 2	830,000	0.8
C-67	Proceed Nishikasai	875,600	0.9
C-68	Proceed Kasai 2	750,000	0.7
C-69	Proceed Nihonbashi Honcho	2,449,000	2.4
C-70	Proceed Nishi Shinjuku	2,549,000	2.5
C-71	Proceed Unoki	917,000	0.9
C-72	Proceed Minamigyotoku 2	1,080,000	1.1
C-73	Proceed CO-Z East Building	1,830,000	1.8
C-74	Proceed CO-Z West Building	971,000	0.9
C-75	Proceed Shin Yokohama	4,330,000	4.2
C-76	Life Support Residence Funaboriekimae	380,000	0.4
C-78	Proceed K2	1,170,000	1.1
C-79	Proceed K3 Annex	283,000	0.3
C-80	Proceed K5	269,000	0.3
C-81	Proceed Ichikawa Myoden II	800,000	0.8
C-82	The Parkhabio Yokohamayamate	3,047,000	3.0
C-83	Proceed Monzennakacho	1,240,000	1.2
C-84	Proceed Maihama	1,029,000	1.0
C-85	Proceed Nagareyama Otakanomori	1,069,000	1.0
C-86	Proceed Shinkawa	500,000	0.5
C-87	Proceed Kinshicho 2	537,100	0.5
C-88	Proceed Ishikawadai	810,000	0.8
C-89	Alpha Grande Chizakura Tower	2,800,000	2.7
C-90	Proceed Yamashita Koen The Tower	7,900,000	7.7
C-91	Shinozaki Twin Place	1,500,000	1.5
C-92	Proceed Minamisunamachi	735,000	0.7
C-93	Proceed Matsudo	498,000	0.5
C-94	Proceed Shinozaki 2	1,130,000	1.1
C-95	Proceed Shin-Matsudo	952,000	0.9
Tokyo metropolitan area major cites subtotal		76,319,500	74.3
G-8	Proceed Taikodori	403,400	0.4
G-11	Proceed Honamimachi	275,000	0.3
G-13	Proceed Shinsakae	792,500	0.8
G-14	Proceed Chiyoda	309,300	0.3
G-15	Proceed Fukuoka Takamiya	453,600	0.4
G-17	Proceed Kanayama	1,022,000	1.0
G-18	Proceed Fukiage	499,000	0.5
G-19	Proceed Toyota	219,000	0.2
G-21	Proceed Nishitenma	880,000	0.9
G-22	Proceed Kobemotomachi	780,000	0.8
G-23	Group Home Tanoshii Ie Taisho	158,000	0.2
G-24	Proceed Kanayama 2	2,040,400	2.0
G-25	Proceed Aratamabashi	2,129,600	2.1
G-26	Proceed Bentencho	2,170,000	2.1
G-27	Proceed Nagaikoendori	1,070,000	1.0
G-30	Proceed Hyogoekimaedori	1,670,000	1.6
G-31	Proceed Mizuho	535,000	0.5
G-32	Proceed Osu	831,000	0.8

Property No.	Property name	Acquisition price	
		Acquisition price (thousand yen) (Note 1)	Investment share (%) (Note 2)
G-33	Proceed Sendai Kozurushinden	698,000	0.7
G-34	Proceed Sendai Kamisugi	1,560,000	1.5
G-35	Proceed Kanayama 3	770,000	0.7
G-36	Proceed Tsurigane	795,000	0.8
G-37	Proceed Fukaebashi	1,305,000	1.3
G-38	Proceed Nishioji	745,454	0.7
G-39	Proceed Shin-Anjo	780,000	0.8
G-40	Proceed Nisseki-dori	1,130,000	1.1
Cabinet order designated cities subtotal		24,021,254	23.4
R-2	Proceed Mito	383,700	0.4
R-3	Proceed Mito 2	416,900	0.4
R-4	Proceed Tsukuba Gakuentoshi	775,600	0.8
R-5	Proceed Mito 3	824,000	0.8
Regional area major cities subtotal		2,400,200	2.3
Portfolio total		102,740,954	100.0

(Note 1) "Acquisition price" under "Acquisition price" is the transaction price stated in the trust beneficiary interest transaction agreement, etc. (excluding the various expenses, such as real estate transaction brokerage fee, required for the acquisition of the assets acquired).

(Note 2) "Investment share" under "Acquisition price" is the ratio of acquisition price of the assets acquired or the Asset to Be Acquired to the total acquisition price, and is rounded off to the first decimal place.

[Attachment 2] Photos and Map of the Asset to Be Acquired

C-94 Proceed Shinozaki 2

Location (Address): 7-21-13, Shinozaki-machi, Edogawa-ku, Tokyo



(C-95) Proceed Shin-Matsudo

Location (Address): 4-29-2 Matsudo, Chiba-shi, Chiba



(G-39) Proceed Shin-Anjo

Location (Address): 1-22-14, Imaike-cho, Anjo-shi, Aichi



(G-40) Proceed Nisseki-dori

Location (Address): 1-26-1, Ogusu, Minami-ku, Fukuoka-shi, Fukuoka

