



Starts Proceed
Investment Corporation



Starts Proceed Investment Corporation
(securities code: 8979)

Financial Results Briefing
34th Fiscal Period
(six months ended October 31, 2022)

December 16, 2022

Asset Management Company
Starts Asset Management Co., Ltd.

34th Fiscal Period Financial Results Summary

34th Fiscal Period Financial Results Highlights	3
34th Fiscal Period Financial Results	4
Future Management Forecast	5
Change in Distribution	6
Change in LTV (total asset/appraised)	7
Status of Leasing Conditions of AUM	8
AUM Average Occupancy Period by Residential Unit Type (Results of 29th–34th Fiscal Period-End Residents)	9
Building a Portfolio That Responds to Various Fluctuation Risks	10
Stable Occupancy Rates and Background	11
Asset Replacement Results and Future Asset Replacement Policy	12
Acquisition Price and Appraisal Value of AUM	13
Financial Status	14
Status of Interest-Bearing Liabilities / After Refinancing (November 24, 2022)	15
Change in Indices of Investment Unit Price Since the Previous Public Offering (Implemented in November 2016)	16
Status of Unitholders (As of October 31, 2022)	17

Overview of Seventh Public Offering

Seventh Public Offering (Implemented in November 2022)	19
--	----

Initiatives on Sustainability

Initiatives on Sustainability	26
-------------------------------	----

Future Management Policy

Collaborative Structure of Starts Group	32
Case Example I - II	33
Warehousing Properties	35
Case Example of Efforts by Management Company	36

Development Projects of Starts Group

Development Projects of Starts Group	38
Case Example of Development by Starts Group I - VII	39

Reference Materials

Balance Sheet	47
Statements of Income/Cash Distributions	48
Status of Interest-Bearing Liabilities I - IV (As of October 31, 2022)	49
Portfolio Map	53
Portfolio Policy and the Status as of the End of the 34th FP	54
Portfolio List I - III (As of October 31, 2022)	55

Management Company Overview

Starts Asset Management Co., Ltd.	59
Disclaimer	60

34th Fiscal Period Financial Results Summary



Distribution

- **Distribution per unit**
Forecast **5,950 yen** Actual Result **5,971 yen (+21 yen)**
- **NAV per unit**
234,348 yen (NAV multiple at the end of the period: **1.01x**)

External Growth

■ Conducted continuous asset replacements

<Acquired properties> (million yen)

Property No.	Property name	Acquisition price
C-88	Proceed Ishikawadai	810
C-89	Alpha Grande Chizakura Tower	2,800
Total		3,610

<Disposed properties> (million yen)

Property No.	Property name	Disposition price
C-35	Proceed Hasune	267
C-39	Proceed Shinmaruko	605
C-52	Proceed Nishikawaguchi	852
C-56	Proceed Shinozaki 2	1,140
Total		2,864

Gain on sale **195 million yen**

Internal Growth

- **Period average occupancy rate**
96.1% * Maintained an occupancy rate of **95%** or more for the **thirty-second** consecutive period
- **Occupancy rate at end of period (October 2022)**
96.1%
- **The rate of change in rent upon replacements**
+0.8% upon new replacements
+0.3% (renewal rate **92.0%**) upon renewal

Financial Operation

- **Refinancing** (May 24, 2022)
Refinanced Term Loans **2B** and **2K** totaling **5,773.5** million yen that matured with Term Loans **2U** and **2V** (Switched from floating interest rate to fixed interest rate)
- **Ratio of fixed-rate loans** End of 34th FP **+12.4P** from the end of the previous fiscal period
59.7%
- **Total asset LTV** End of 34th FP **(-0.2P)** from the end of the previous fiscal period
50.4%
- **Appraised LTV** End of 34th FP **(-0.6P)** from the end of the previous fiscal period
44.0%
- **Credit Rating** **A (Stable)** (1 notch higher than **A-** (Positive) in the previous fiscal period)

Public Offering

[After settlement of accounts]

- **Conducted public offering for the first time in six years**
Return to the external growth stage utilizing sponsor pipeline
Total acquisition price **Over 100 billion yen**

<Investment units>

Number of investment units issued	28,700 units
Number of investment units after capital increase	282,477 units
Issue price (per unit)	210,941 yen
Issue amount (per unit)	203,909 yen
Total issue amount	5,852 million yen
Payment date	November 1, 2022

<Acquired properties>

(million yen)

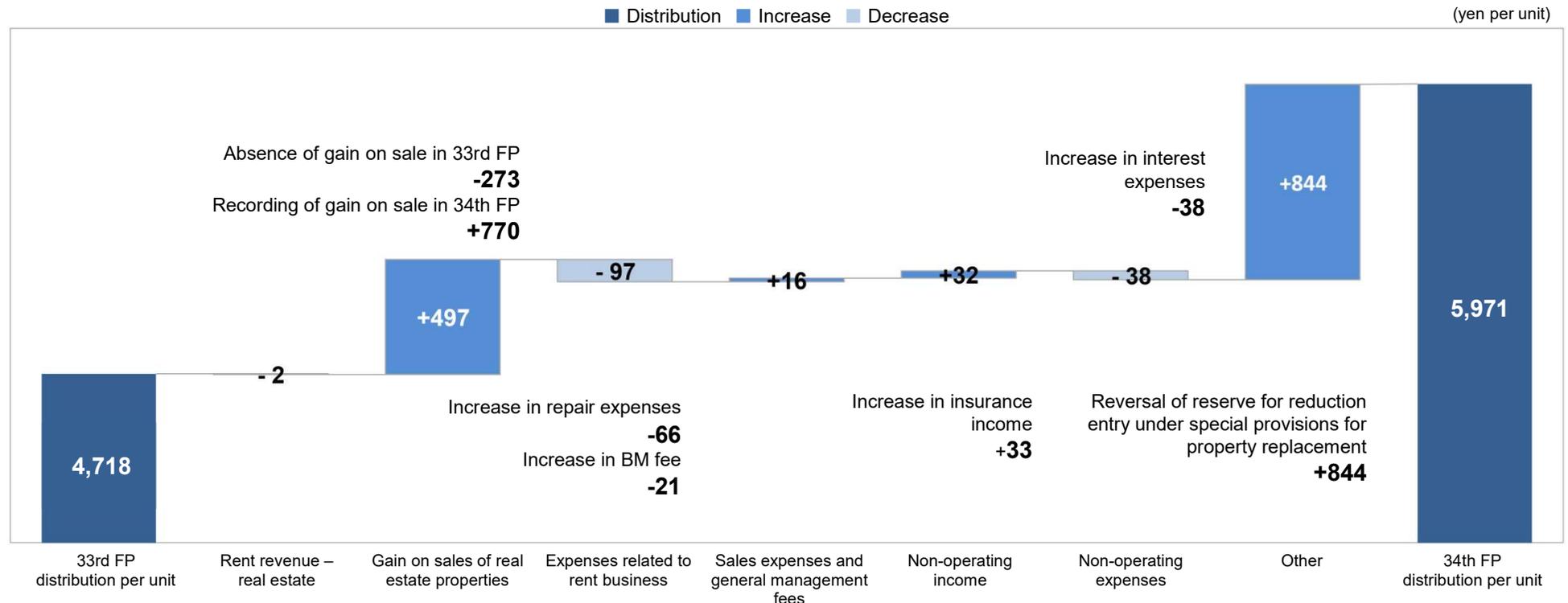
Property No.	Property name	Acquisition price
C-90	Proceed Yamashita Koen The Tower	7,900
C-91	Shinozaki Twin Place	1,500
C-92	Proceed Minamisunamachi	735
G-36	Proceed Tsurigane	795
G-37	Proceed Fukaebashi	1,305
Total		12,235

34th Fiscal Period Financial Results

Comparison of the Results of the 34th Fiscal Period (Ended October 31, 2022) with the Results of the 33rd Fiscal Period (Ended April 30, 2022) and the Forecast of the 34th Fiscal Period

	33rd FP Results	34th FP Results	Against 33rd FP Results	34th FP Forecast	Against Forecast
Operating revenue (million yen)	3,224	3,349	125	3,359	-9
Operating expenses (million yen)	1,810	1,830	20	1,832	-2
Operating income (million yen)	1,413	1,519	105	1,527	-8
Ordinary income (million yen)	1,199	1,303	103	1,299	3
Net income (million yen)	1,197	1,301	103	1,297	3
Distribution per unit (yen)	4,718	5,971	1,253	5,950	21
Number of investment units issued and outstanding (Unit)	253,777	253,777	-	253,777	-
Period average occupancy rate (%)	96.5	96.1	-0.4	96.2	-0.1

Main Factors of Increase/Decrease in Distribution for the 34th Fiscal Period

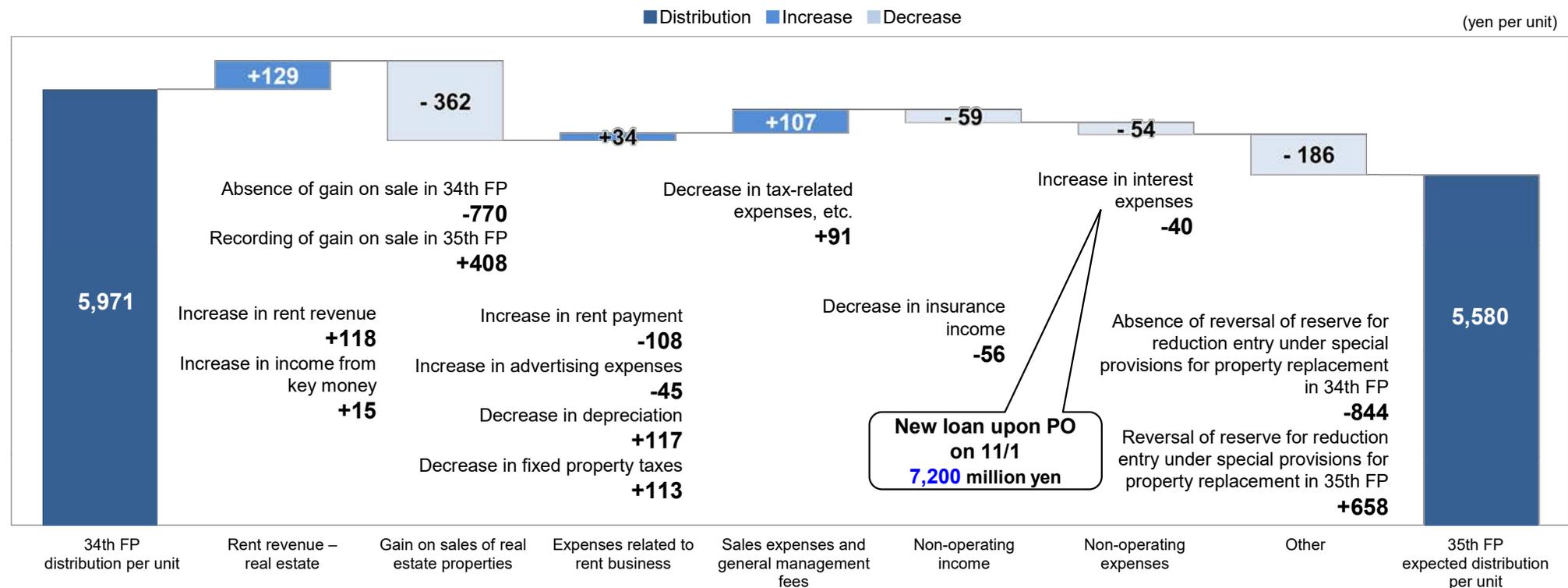


Future Management Forecast

Forecast for the 35th Fiscal Period (Ending April 30, 2023) and 36th Fiscal Period (Ending October 31, 2023)

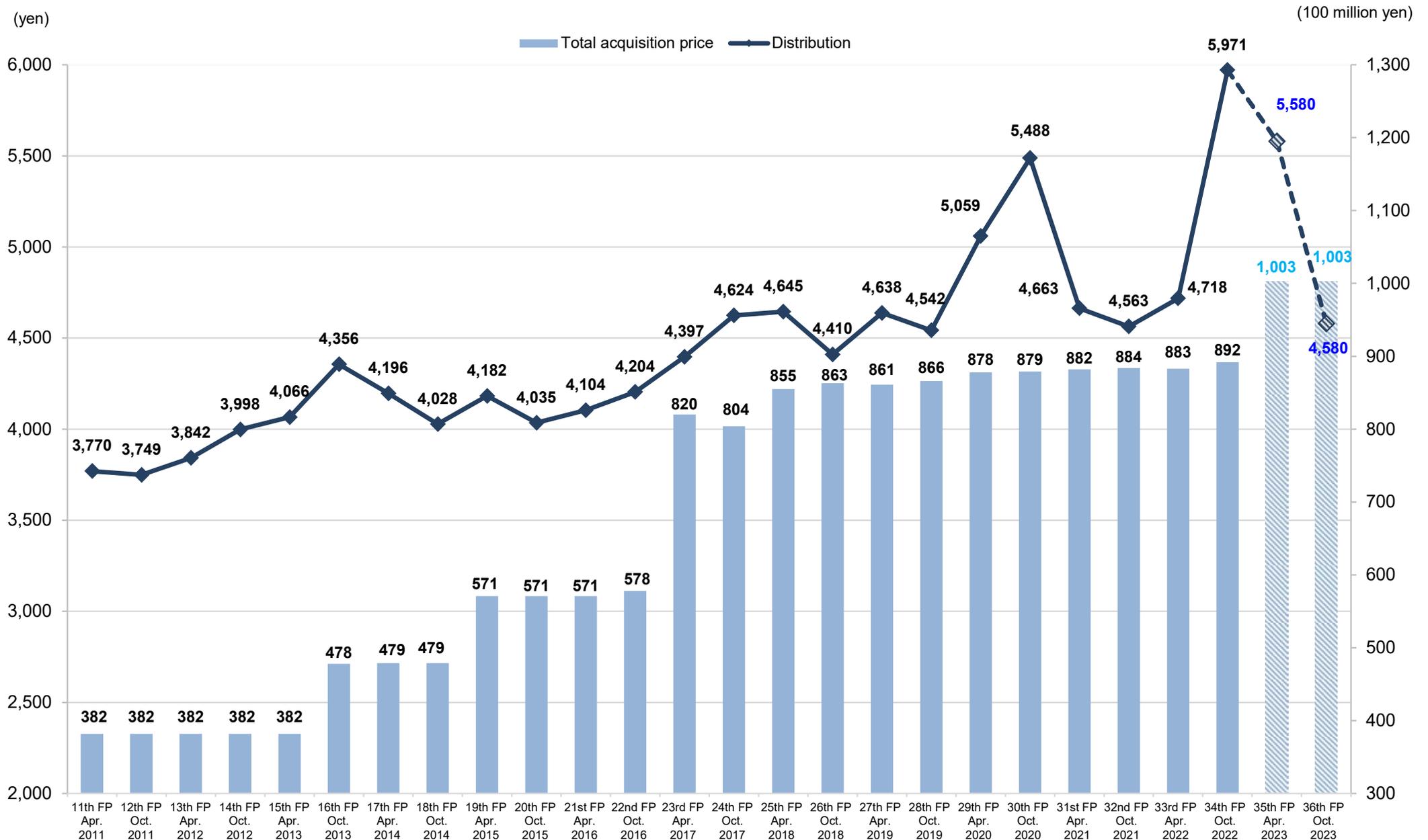
	34th FP Results	35th FP Forecast	Against 34th FP Results	36th FP Forecast	Against 35th FP Forecast
Operating revenue (million yen)	3,349	3,662	313	3,465	-197
Operating expenses (million yen)	1,830	1,997	167	1,991	6
Operating income (million yen)	1,519	1,665	145	1,473	-191
Ordinary income (million yen)	1,303	1,392	89	1,197	-195
Net income (million yen)	1,301	1,390	89	1,195	-195
Distribution per unit (yen)	5,971	5,580	-391	4,580	-1,000
Number of investment units issued and outstanding (Unit)	253,777	282,477	28,700	282,477	-
Period average occupancy rate (%)	96.1	96.5	0.4	96.2	-0.3

Main Factors of Increase/Decrease in Distribution for the 35th Fiscal Period



Change in Distribution

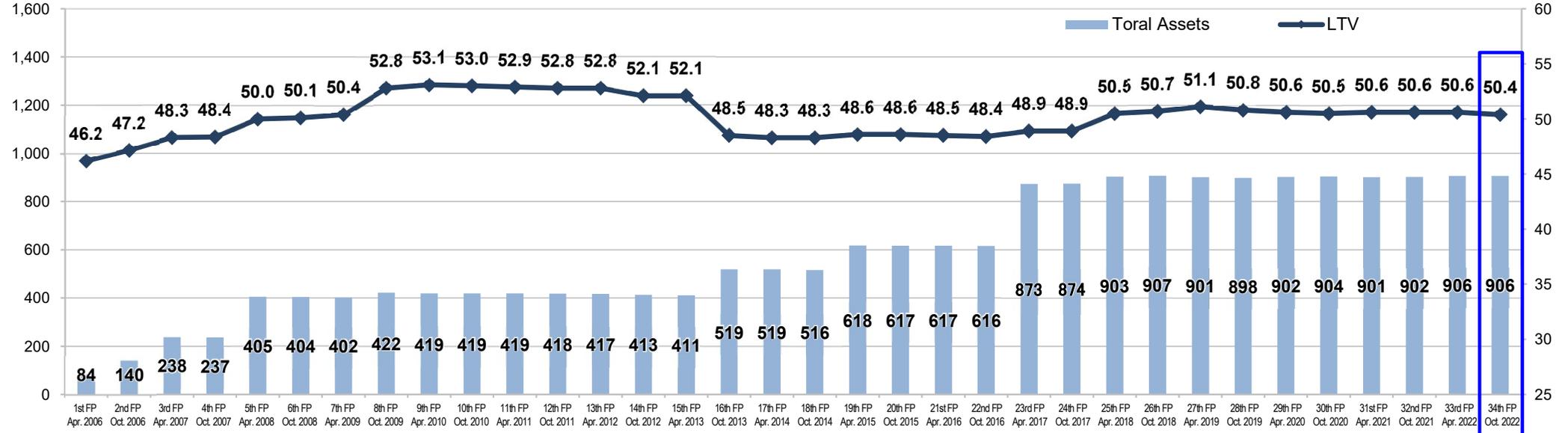
SPI plans to reverse the reserve for reduction entry over the **three** fiscal periods from the **34th** to **36th** fiscal periods, and aims to implement stable distribution in each fiscal period through ongoing surplus distributions from the **37th** fiscal period.



Change in LTV (total asset/appraised)

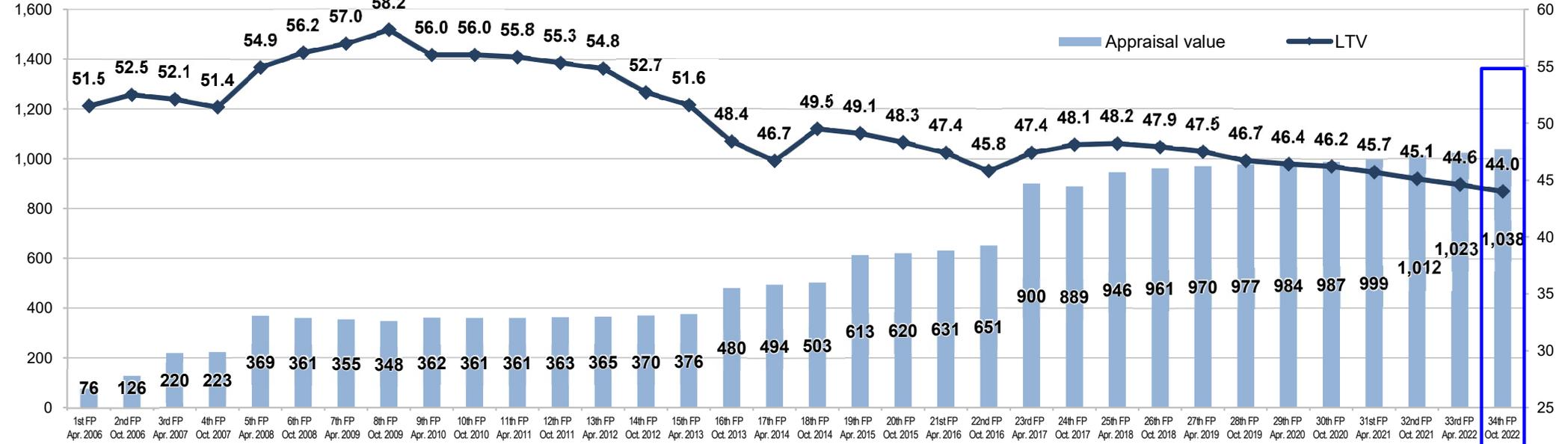
Total Assets and Total Asset LTV

(100 million yen)



Appraisal Value and Appraised LTV

(100 million yen)

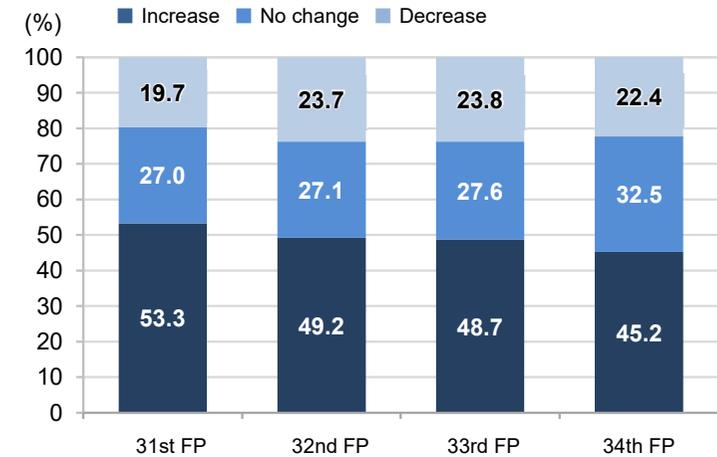


Status of Leasing Conditions of AUM

Rent Setting for Agreement*

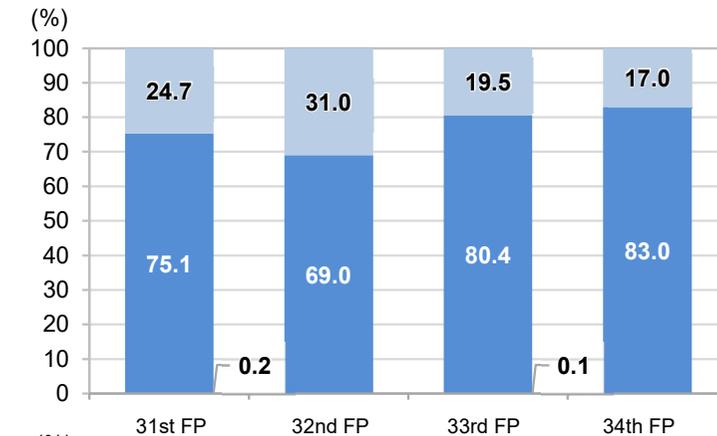
Difference in Rent Between New Agreement and Previous Agreement

	31st FP		32nd FP		33rd FP		34th FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	284	930	212	820	254	847	188	696
No change	144	0	117	0	144	0	135	0
Decrease	105	-387	102	-394	124	-416	93	-375
Total	533	542	431	425	522	430	416	320
Rate of Change*	1.1%		1.0%		0.9%		0.8%	



Renewal Rent Revision

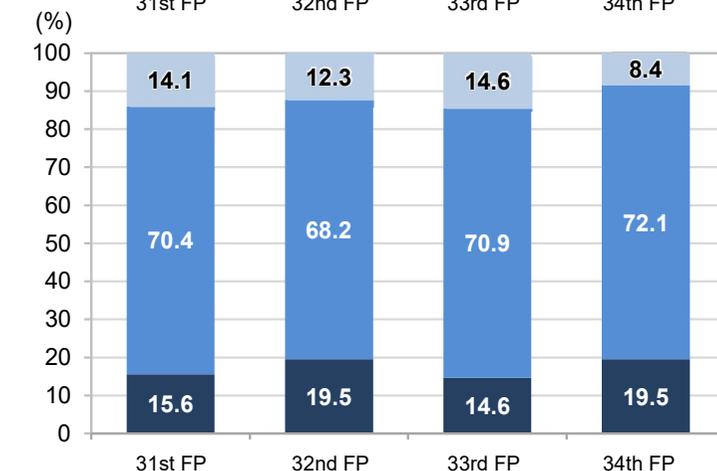
	31st FP		32nd FP		33rd FP		34th FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	164	243	155	238	135	209	79	146
No change	498	0	345	0	558	0	385	0
Decrease	1	-1	0	0	1	-6	0	0
Total	663	242	500	238	694	203	464	146
Rate of Change*	0.4%		0.5%		0.3%		0.3%	
Renewal rate	89.2%		90.1%		85.7%		92.0%	



Difference in Key Money and Rent for Agreements*

Difference in Key Money Between New Agreement and Previous Agreement

	31st FP		32nd FP		33rd FP		34th FP	
	Cases	Change	Cases	Change	Cases	Change	Cases	Change
Increase	75	7,240	53	5,095	53	5,095	35	3,802
No change	375	318	294	216	294	216	300	283
Decrease	83	-7,888	84	-8,898	84	-8,898	81	-6,887
Total	533	-329	431	-3,586	431	-3,586	416	-2,801



Total Amount and Ratio to Rent (at the end of fiscal periods)

	31st FP	32nd FP	33rd FP	34th FP
Total key money	258,807	252,935	252,935	252,914
Total rent	425,764	426,403	426,403	435,791
Ratio to rent	0.61 month	0.59 month	0.59 month	0.58 month

* The figures are for pass-through properties only and those for fixed-rent properties are not included.

* The ratio to rent does not include common area maintenance charges and is calculated from the sum of rents and advertised rents stated in the lease agreement.

* Rate of change refers to the total amount of monthly rent and common area maintenance charges before and after tenant replacement for units where tenant replacement occurs. The figure is calculated by dividing the sum after tenant replacement by that before tenant replacement.

AUM Average Occupancy Period by Residential Unit Type

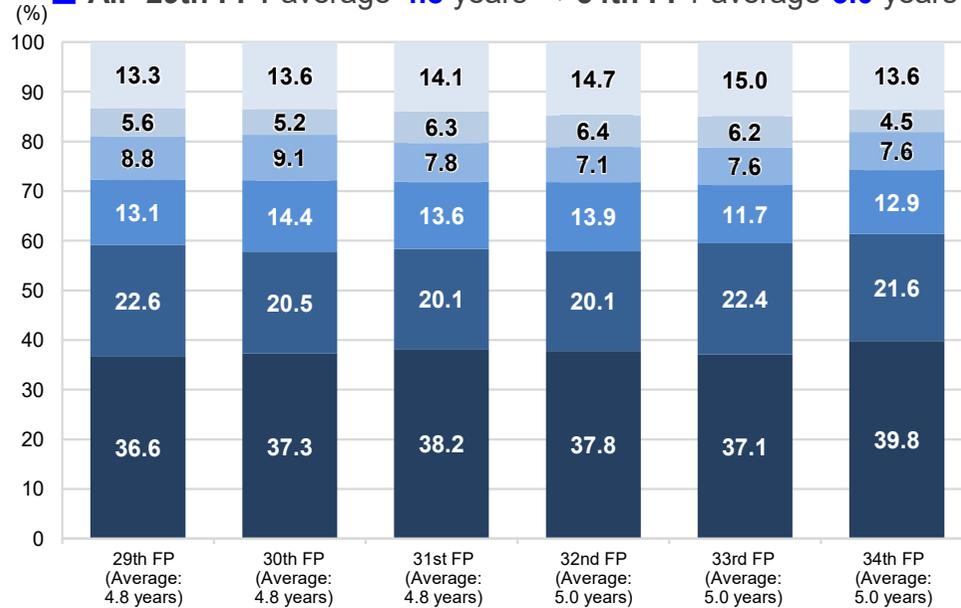
(Results of 29th–34th Fiscal Period-End Residents)



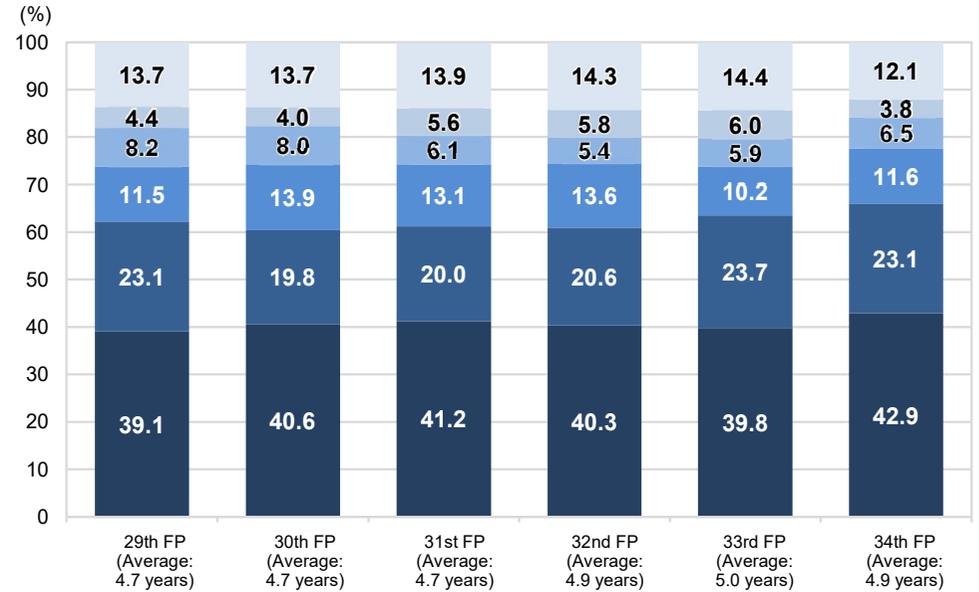
The average occupancy period tends to be shorter especially for single-type units.

Occupancy period ■ 0-2 years ■ 2-4 years ■ 4-6 years ■ 6-8 years ■ 8-10 years ■ 10 years or more

■ **All** 29th FP: average 4.8 years → 34th FP: average 5.0 years



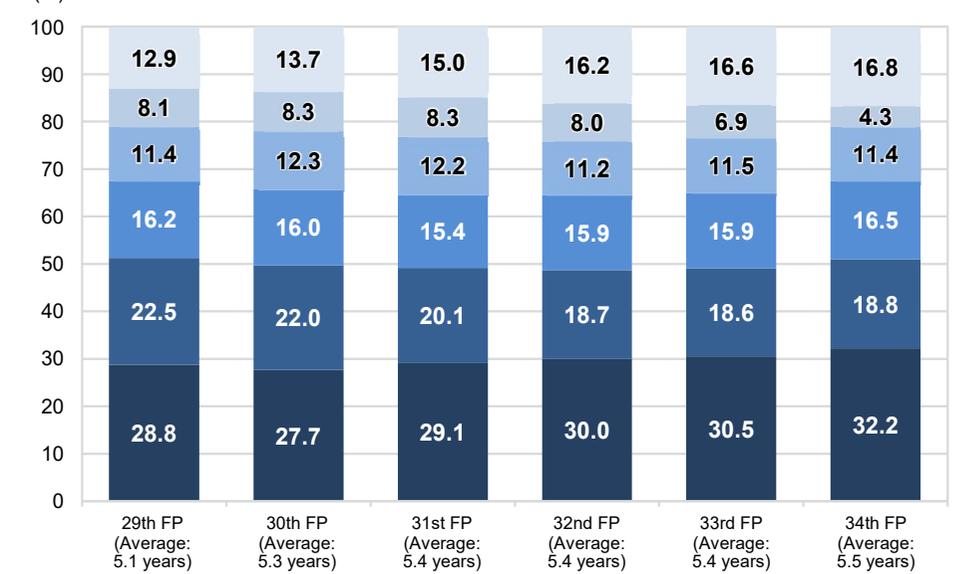
■ **Single** 29th FP: average 4.7 years → 34th FP: average 4.9 years



■ **DINKs** 29th FP: average 4.2 years → 34th FP: average 4.5 years



■ **Family** 29th FP: average 5.1 years → 34th FP: average 5.5 years



* "Occupancy period" aggregates tenant households by period of occupancy at the end of the respective fiscal periods.

* "Group Home Tanoshii le Taisho" and "Life Support Residence Funaboriekimae", which are healthcare properties, are excluded from the targeted properties.

* The average occupancy period is rounded to the first decimal place.

* "All" includes retail and office and excludes vacant units.

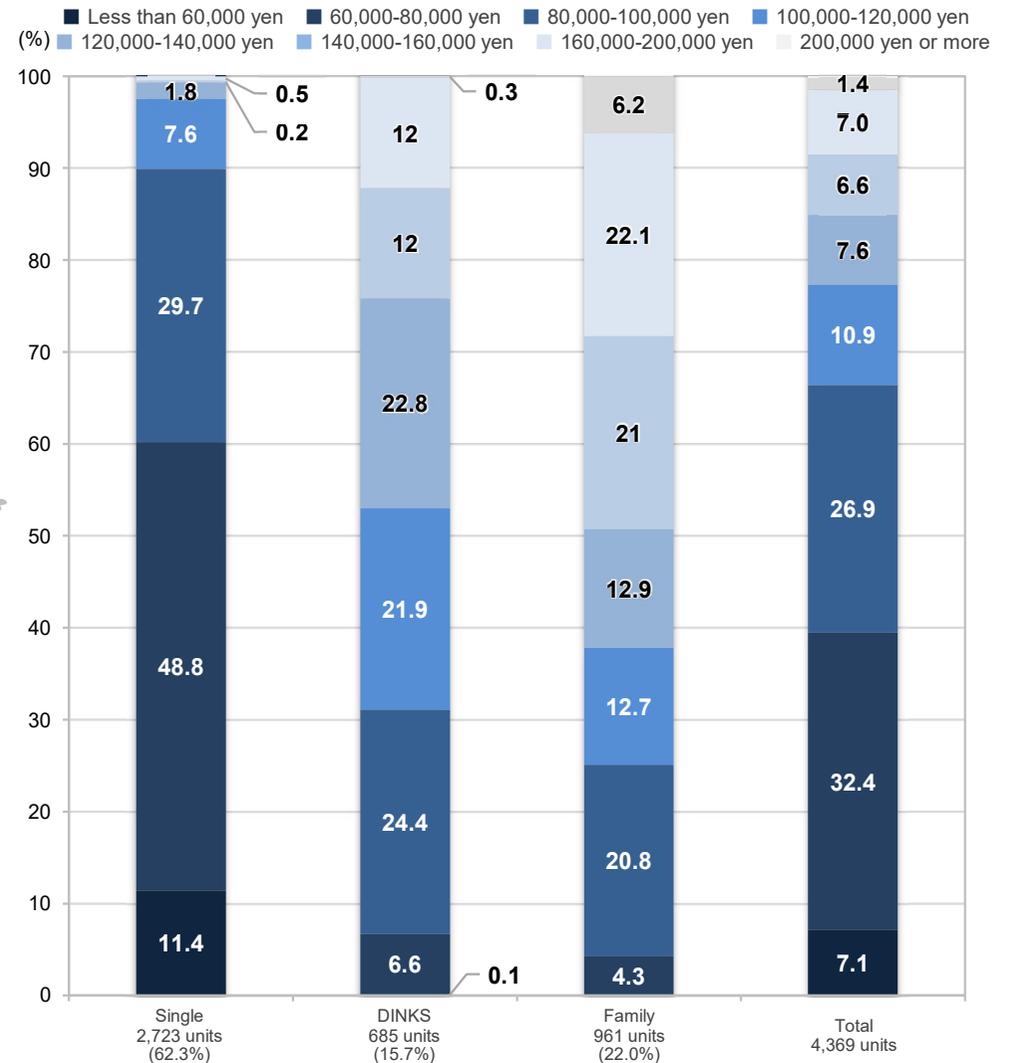
Characteristics of Rental Housing in Which SPI Primarily Invests

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 by Residential Unit Type*

Residential unit type	Average rent (yen)			Unit price per tsubo (yen)		
	End of 33rd FP	End of 34th FP	Change	End of 33rd FP	End of 34th FP	Change
Single	77,046	77,026	-20	9,658	9,955	-3
DINKs	118,967	119,287	320	8,679	8,700	21
Family	137,143	137,430	287	6,827	6,841	14
Overall average	96,556	96,650	94	8,516	8,524	8

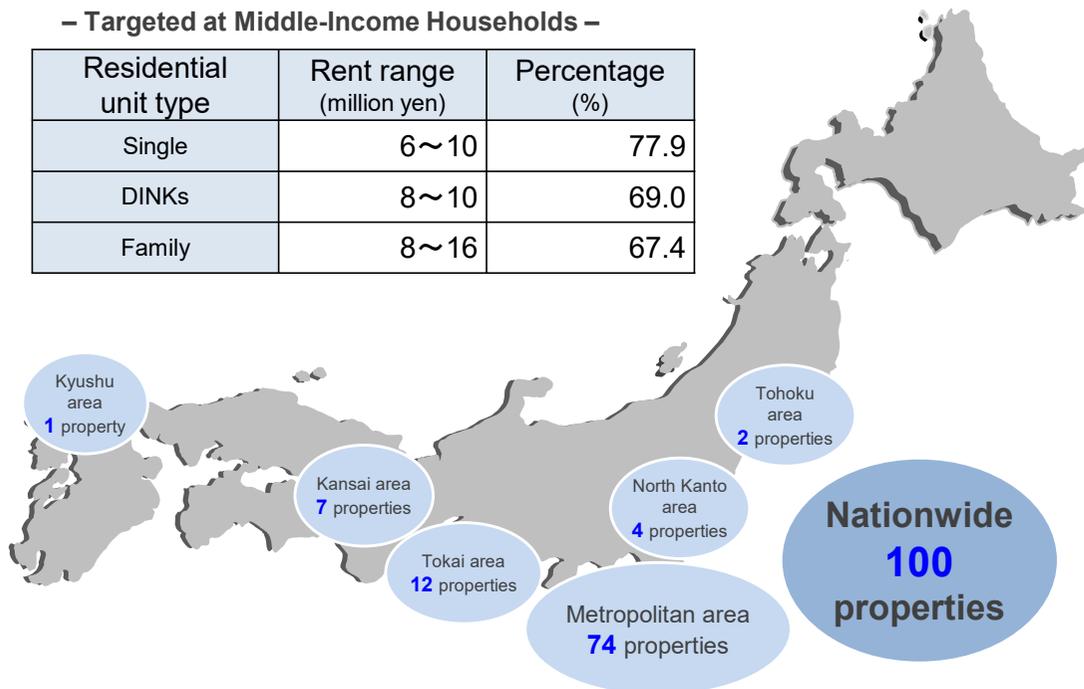
Rent Range by Residential Unit Type*



SPI Portfolio Characteristics

– Targeted at Middle-Income Households –

Residential unit type	Rent range (million yen)	Percentage (%)
Single	6~10	77.9
DINKs	8~10	69.0
Family	8~16	67.4



* Average Rent and Rent Range by Residential Unit Type targets the 4,369 units in pass-through properties, excluding residential facilities for the elderly, tenants, and offices, from the 100 properties continuously operated from the end of the 33rd FP to the end of the 34th FP (excluding Proceed Ishikawadai acquired on May 10, 2022, Alpha Grande Chizakura Tower acquired on October 31, 2022, and Proceed Hasune, Proceed Shinmaruko, Proceed Nishikawaguchi and Proceed Shinozaki 2 disposed on October 31, 2022).

* 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 total number of units for occupied rooms and by dividing the sum of advertised rents and common area maintenance charges by the total 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.

Stable Occupancy Rates and Background

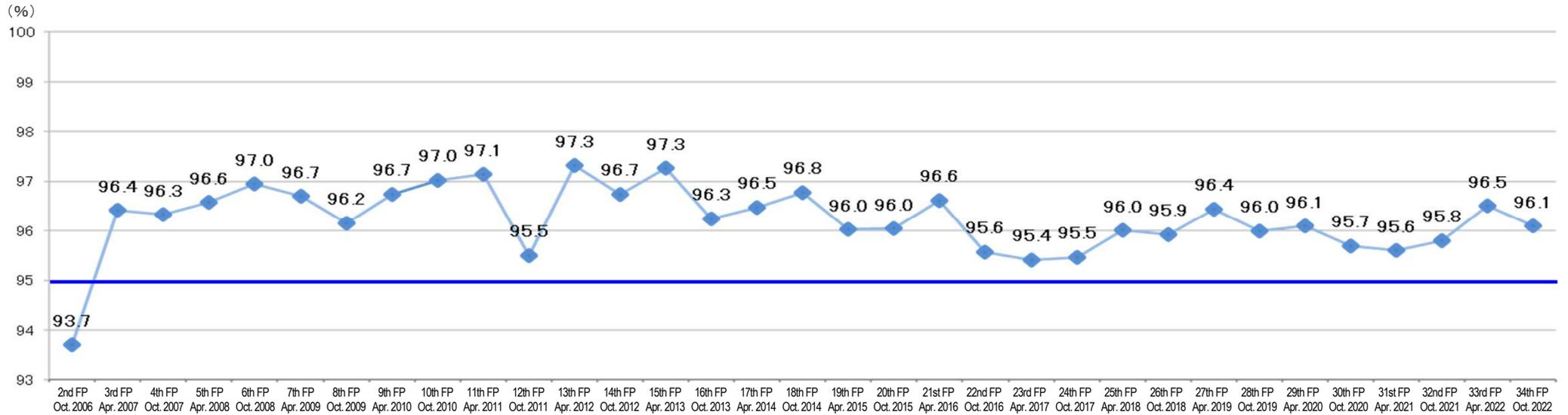
Change in Period Average Occupancy Rate (from 2nd FP to 34th FP)

Properties owned by SPI have maintained a high occupancy rate at **95% or above** since the 3rd FP. Going forward, SPI will continue to conduct stable asset management with the maintenance of such level as an indicator.

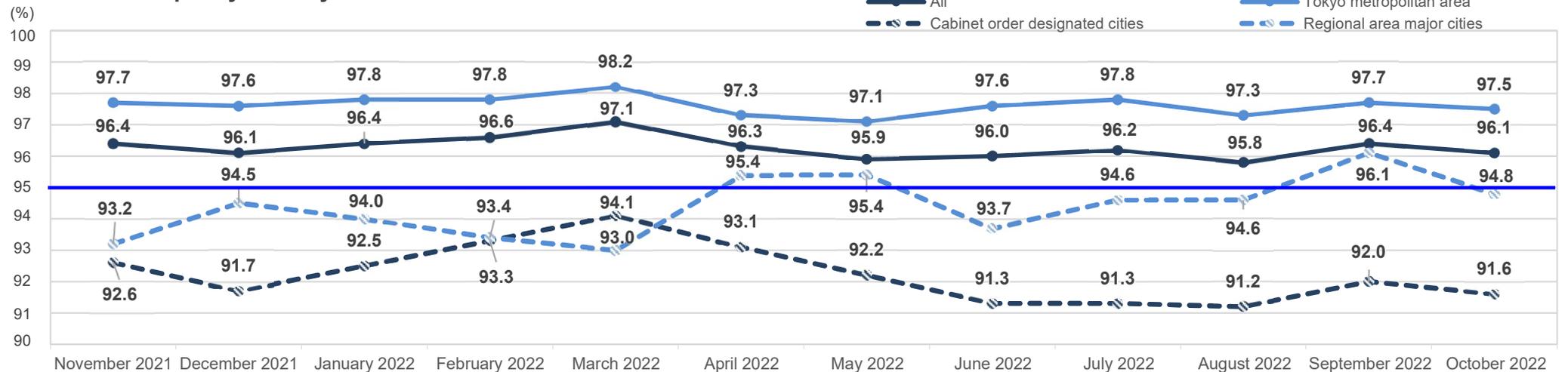
[Measures to maintain a high occupancy rate]

- ① Cooperation system for the entire Starts Group
Leasing activities, activities in dominant areas such as areas along the Tozai Line
- ② Building a portfolio capturing market needs
Development and supply of properties for average income households

Actual Occupancy Rate by Period



Actual Occupancy Rate by Area and Month for the 34th Fiscal Period



Asset Replacement Results and Future Asset Replacement Policy

SPI is improving its portfolio quality through agile property replacements. It increased the asset size by **7,168 million yen** and obtained **1,509 million yen** of gain on sale and exchange of assets from the 23rd FP to the 34th FP through property replacements conducted since the previous public offering. SPI will continuously make efforts to improve the portfolio quality and conduct unitholder return through property replacement.

	23rd FP to 30th FP (From April 1, 2017, to October 31, 2020)	31st FP (six months ended April 30, 2021)	32nd FP (six months ended October 31, 2021)	33rd FP (six months ended April 30, 2022)	34th FP (six months ended October 31, 2022)		
Acquired assets	Tokyo 3 properties Chiba 5 properties Kanagawa 1 property Ibaraki 1 property Miyagi 1 property Aichi 1 property [12 properties in total]	Chiba  Proceed Nagareyama Otakanomori	Tokyo  Proceed Shinkawa	Tokyo  Proceed Kinshicho 2	Tokyo  Proceed Ishikawadai  Alpha Grande Chizakura Tower	Total through 23rd FP to 34th FP	
	Acquisition price (million yen)	13,512	1,069	500	537	3,610	19,228
	Appraisal value (million yen)	14,074	1,100	522	551	3,734	19,881
	Average building age (year)	7.2	1.2	11.9	14.5	4.2	6.6
							
Disposition price (million yen)	9,015	785	336	760	2,864	13,760	
Appraisal value (million yen)	8,746	734	336	700	2,864	13,380	
Average building age (year)	17	24.2	17.4	29.5	22.4	19.3	
Gain on sale/exchange of assets (million yen)	1,136	46	61	69	195	1,509	
Disposed assets	Hokkaido 5 properties Niigata 1 property Saitama 2 properties Osaka 3 properties Ehime 1 property Fukuoka 5 properties [17 properties in total]	Chiba  Proceed Yachiyo Midorigaoka I  Proceed Yachiyo Midorigaoka II	Chiba  Proceed Motoyawata	Tokyo  Proceed Nakanoshimbashi	Tokyo  Proceed Hasune  Proceed Shinozaki 2 Saitama  Proceed Nishikawaguchi Kanagawa  Proceed Shinmaruko	Total through 23rd FP to 34th FP	

* The appraisal value of the acquired assets refers to the appraisal value as of the acquisition date and that of the disposed assets to the appraisal value as of the end of the previous period for the disposition.

* Building age refers to the building age as of the acquisition/disposition date.

Acquisition Price and Appraisal Value of AUM

■ Main Factors of Increase/Decrease

Factors of decrease ... Disposition of Proceed Hasune (acquisition price: **284 million yen**), Proceed Shinmaruko (acquisition price: **635 million yen**), Proceed Nishikawaguchi (acquisition price: **881 million yen**) and Proceed Shinozaki 2 (acquisition price: **913 million yen**)

Factors of increase ... Acquisition of Proceed Ishikawadai (acquisition price: **810 million yen**) and Alpha Grande Chizakura Tower (acquisition price: **2,800 million yen**)

Area	Acquisition price (million yen)	Carrying amount (million yen)			Appraisal value (million yen)			Occupancy rate (period average) (%)		Occupancy rate (period-end) (%)	
	At acquisition	33rd FP	34th FP	Change	33rd FP	34th FP	Change	33rd FP	34th FP	33rd FP	34th FP
Tokyo metropolitan area major cities (79 properties)	67,590	64,543	65,553	1,009	77,227	78,661	1,434	97.7	97.5	97.3	97.5
Cabinet order designated cities (21 properties)	19,265	18,642	18,582	-60	22,315	22,383	68	92.9	91.6	93.1	91.6
Regional area major cities (4 properties)	2,400	2,224	2,195	-28	2,762	2,790	28	93.9	94.9	95.4	94.8
Total (104 properties)	89,256	85,410	86,331	920	102,304	103,834	1,530	96.5	96.1	96.3	96.1

Area	NOI results (million yen)			NOI yield (based on acquisition price) (%)		NOI yield (based on appraisal value) (%)		NOI yield after depreciation (based on acquisition price) (%)	
	33rd FP	34th FP	Change	33rd FP	34th FP	33rd FP	34th FP	33rd FP	34th FP
Tokyo metropolitan area major cities (79 properties)	1,841	1,842	1	5.5	5.5	4.8	4.7	4.1	4.1
Cabinet order designated cities (21 properties)	495	476	-19	5.1	4.9	4.4	4.3	3.6	3.4
Regional area major cities (4 properties)	71	70	0	5.9	5.9	5.1	5.1	3.5	3.4
Total (104 properties)	2,408	2,389	-18	5.5	5.4	4.7	4.6	4.0	3.9

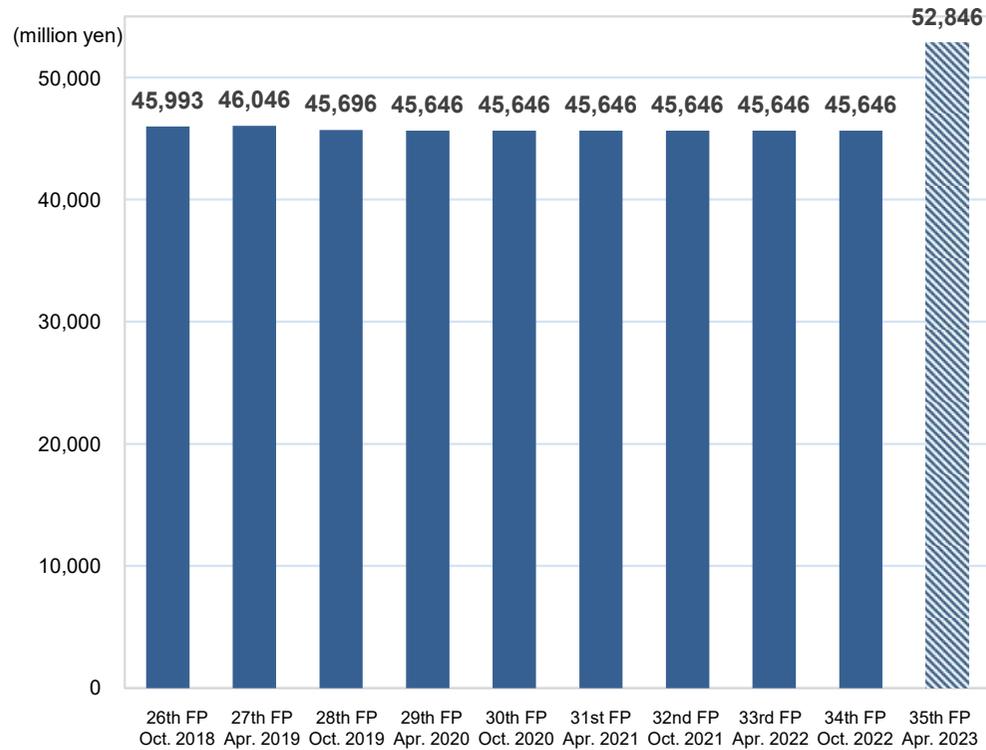
Unrealized gain as of
the end of the 34th FP
(October 31, 2022)

17,503 million yen

= Appraisal value - carrying amount

Financial Status

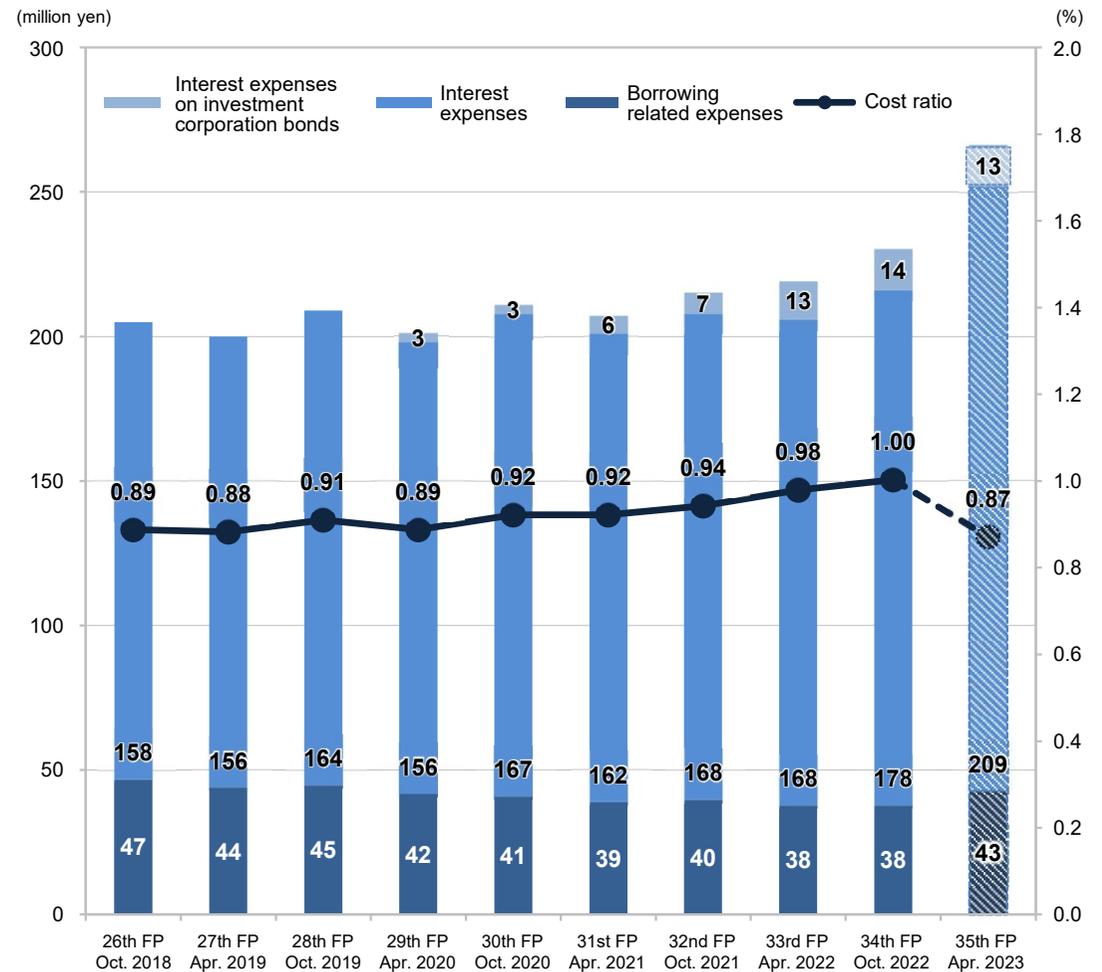
Change in Balance of Interest-Bearing Liabilities at the End of 34th FP



Status of Credit Rating

	July 26, 2021	August 30, 2022
Rating	A-	A
Outlook	Positive	Stable

Change in Interest-Bearing Liability Costs



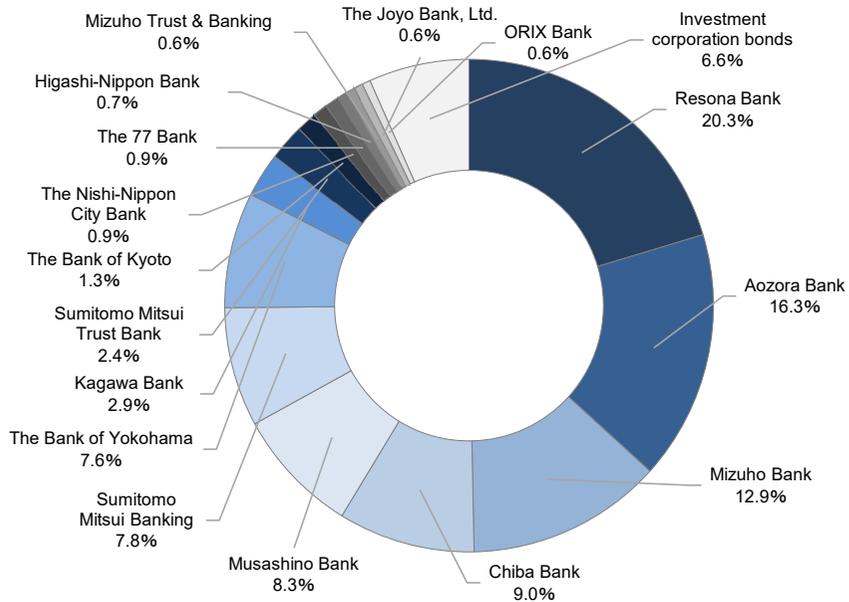
Loan Balance

Item	Amount (million yen)
Current portion of long-term loans payable	9,222.5
Long-term loans payable	32,923.5
Total loans	42,146
Investment corporation bonds	3,500
Total interest-bearing liabilities	45,646
LTV ratio	50.4%

* Credit rating is indicated based on the "Long-term Issuer Rating" of Japan Credit Rating Agency, Ltd.(JCR).

Status of Interest-Bearing Liabilities / After Refinancing (November 24, 2022)

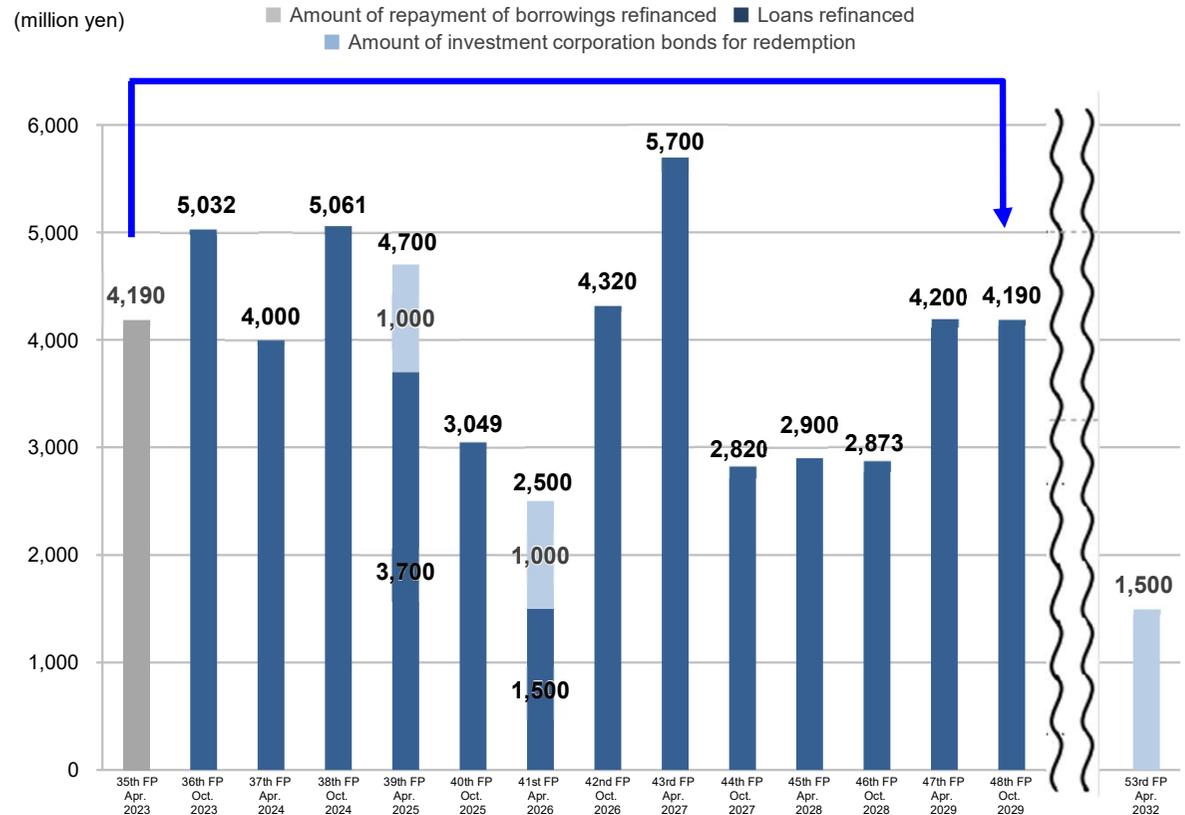
Allocation of Total Loan Amount



Breakdown

Lenders	Loan balance	Ratio
Resona Bank	10,723	20.3%
Aozora Bank	8,640	16.3%
Mizuho Bank	6,813	12.9%
Chiba Bank	4,766	9.0%
Musashino Bank	4,376	8.3%
Sumitomo Mitsui Banking	4,131	7.8%
The Bank of Yokohama	4,000	7.6%
Kagawa Bank	1,533	2.9%
Sumitomo Mitsui Trust Bank	1,268	2.4%
The Bank of Kyoto	700	1.3%
The Nishi-Nippon City Bank	500	0.9%
The 77 Bank	500	0.9%
Higashi-Nippon Bank	350	0.7%
Mizuho Trust & Banking	300	0.6%
The Joyo Bank	300	0.6%
ORIX Bank	297	0.6%
Asahi Shinkin Bank	150	0.3%
Total loans	49,346	93.4%
Investment corporation bonds	3,500	6.6%
Total interest-bearing liabilities	52,846	100.0%

(million yen)



Overview of Refinancing on November 24, 2022

Previous loan	Amount (million yen)	Period (year)	Floating interest rate*	New loan	Amount (million yen)	Period (year)	Floating interest rate*
2l	4,190	5.5	Base interest rate +0.67%	2Y	4,190	6.5	Base interest rate +0.68%

Change in Average Remaining Period, Ratio of Fixed-Rate Loans and Average Interest Rate

	End of 29th FP	End of 30th FP	End of 31st FP	End of 32nd FP	End of 33rd FP	End of 34th FP	After refinancing
Average remaining period (year)	2.6	2.6	2.6	2.3	2.5	3.1	3.5
Ratio of fixed-rate loans (%)	28.4	37.8	37.8	37.8	47.3	59.7	59.7
Average interest rate (%)	0.70	0.74	0.74	0.75	0.79	0.83	0.83

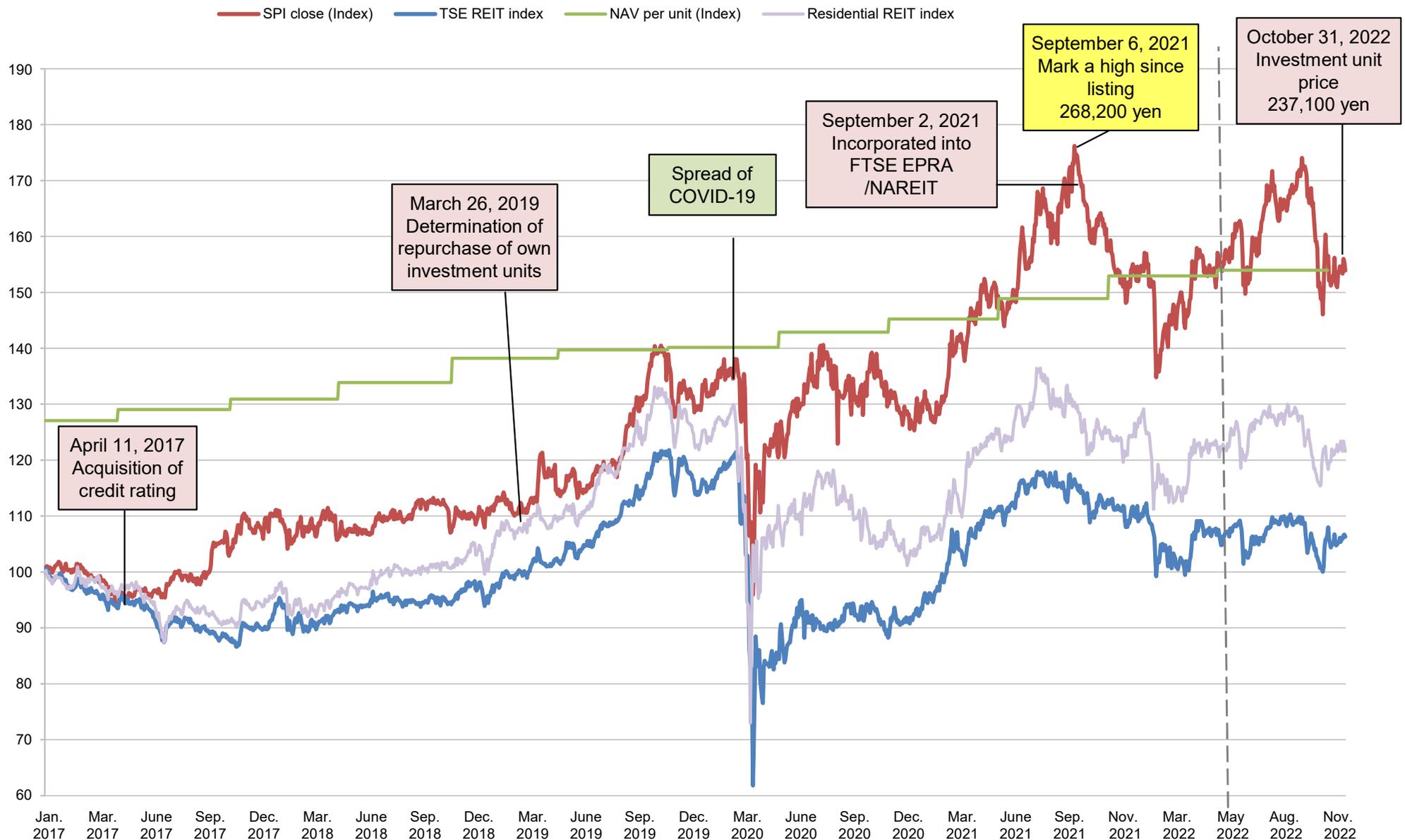
new

* Bank names in the allocation and breakdown are partially abbreviated.

* The base interest rate is calculated based on the JBA 3-month Japanese Yen TIBOR published by the Japanese Bankers Association two business days prior to the interest payment date immediately preceding each interest payment date.

Change in Indices of Investment Unit Price Since the Previous Public Offering (Implemented in November 2016)

As of October 31, 2022, NAV per unit was **234,348 yen** and NAV multiple was **1.01x**.



* Indicated as an index of increase or decrease with January 2017 as 100. Dates in the graph indicate the dates when the information was disclosed.

Status of Unitholders (As of October 31, 2022)

■ Composition of Unitholders and Investment Units

Number of investment units
253,777 units

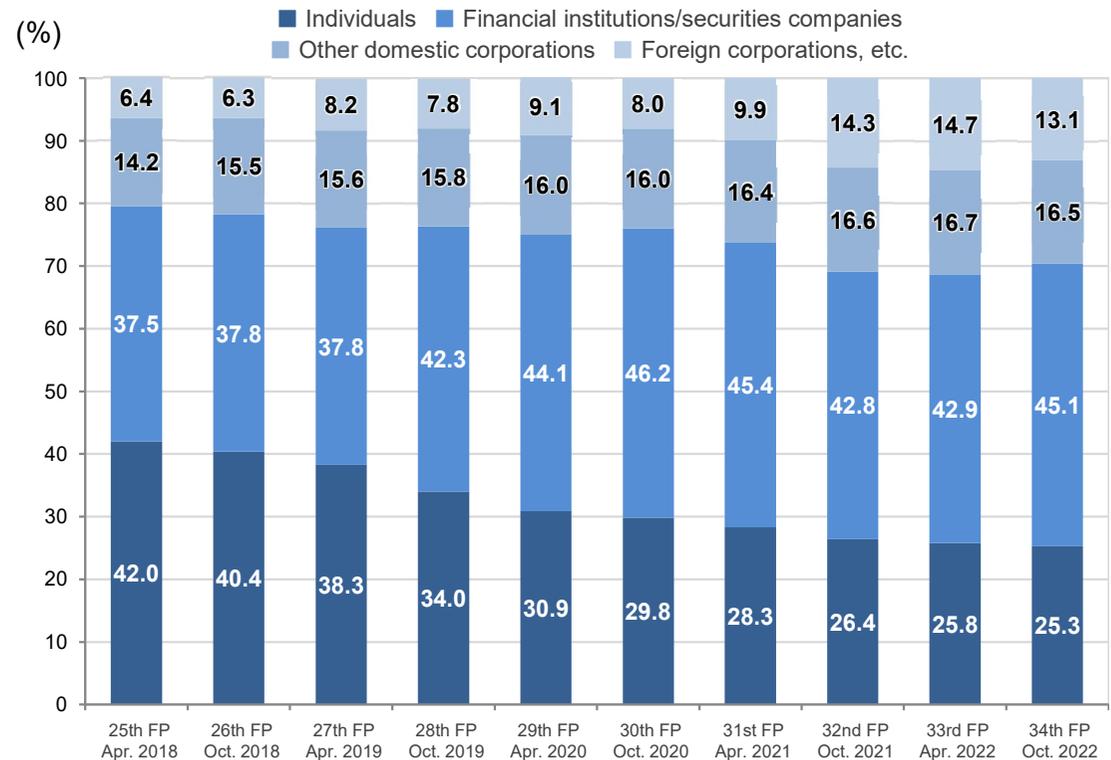
Number of unitholders
11,189 unitholders

Category	Number of unitholders (people)	Ratio of unitholders (%)	Number of investment units held (units)	Ratio of investment units held (%)
Financial institutions/ securities companies	43	0.4	114,529	45.1
Other domestic corporations	153	1.4	41,756	16.5
Foreign corporations, etc.	183	1.6	33,297	13.1
Individuals and others	10,810	96.6	64,195	25.3
Total	11,189	100.0	253,777	100.0

■ Major Unitholders

No.	Name	Number of investment units held (units)	Unitholding ratio (%)*
1	Custody Bank of Japan, Ltd. (Trust Account)	51,510	20.29
2	Starts Corporation Inc.	34,153	13.45
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	29,672	11.69
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	9,441	3.72
5	JP MORGAN CHASE BANK 385771	4,194	1.65
6	Kinki Sangyo Credit Union	3,313	1.30
7	SMBC Nikko Securities Inc.	2,899	1.14
8	Toyosu Inc.	2,476	0.97
9	Morgan Stanley MUFG Securities Co., Ltd.	2,398	0.94
10	Kyoichi Kageyama	2,000	0.78
	Total	142,056	55.97

■ Change in Composition of Unitholders (25th FP to 34th FP)



* Figures for unitholding ratio are rounded down to the second decimal place.

Overview of Seventh Public Offering



Seventh Public Offering (Implemented in November 2022)

Overview of Series of Initiatives Including the Public Offering This Time

Acquisition of a tower condominium in central Tokyo and other properties brings the asset size (acquisition price) to the **100 billion yen level**

Change in Portfolio with the Offering

Acquisition of prime properties featuring a combination of profitability and quality along with disposition of old properties and such leads to realization of expansion of asset size and further improvement of stability of the portfolio

List of Acquisition Assets

Acquisition date	Property no.	Property name	Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield (%)	Occupancy rate at Nov.-end (%)
34th FP	C-88	Proceed Ishikawadai	810	854	4.9	100.0
	C-89	Alpha Grande Chizakura Tower	2,800	2,880	4.3	98.4
35th FP	C-90	Proceed Yamashita Koen The Tower	7,900	7,900	4.0	98.2
	C-91	Shinozaki Twin Place	1,500	1,540	5.3	88.0
	C-92	Proceed Minamisunamachi	735	744	3.9	100.0
	G-36	Proceed Tsurigane	795	818	4.0	100.0
	G-37	Proceed Fukaebashi	1,305	1,340	4.1	89.5



34th FP	Book value (million yen)	Value
Proceed Hasune		2,654
Proceed Shinmaruko		
Proceed Nishikawaguchi	Disposition price (million yen)	2,864
Proceed Shinozaki 2	Difference (million yen)	210
35th FP	Book value* (million yen)	Value
Proceed Koenjiminami		997
Proceed Hakuraku		
Proceed Kashiwa Trois	Disposition price (million yen)	1,124
	Difference (million yen)	126

* The book value assumed as of the planned disposition date (April 2023).

Acquired assets 2022/4-end		Acquisition assets (34th FP and 35th FP)		Disposition assets (34th FP and 35th FP)		Acquired assets in total 2023/4-end	
Total acquisition price	88,359 million yen	+	15,845 million yen	-	3,768 million yen	=	100,435 million yen
Number of properties	106 properties		7 properties		7 properties		106 properties
Average appraisal NOI yield	4.7%		4.1%		5.3%		4.6%
Average building age	17.4 years		11.2 years		25.9 years		17.1 years

Implementation of Distributions in Excess of Earnings on Ongoing Basis to Strengthen Returns to Unitholders

» To implement distributions in excess of earnings on an ongoing basis with the intention of increasing properties on leasehold land in the pipeline and smoothly expanding asset size

■ Significance of Implementing Distributions in Excess of Earnings on Ongoing Basis

<Background to Implementation>

- As the sponsor group is actively promoting development of PPP/PFI properties, the ratio of PPP/PFI related properties in the pipeline for SPI is on an increasing trend
- As it is characteristic to PPP/PFI related properties that almost all have the land to which land leasehold rights are attached owned by the national or local government and have accompanying buildings based on the land leasehold rights, depreciation tends to be higher (NOI after depreciation tends to be lower) than general properties on freehold land

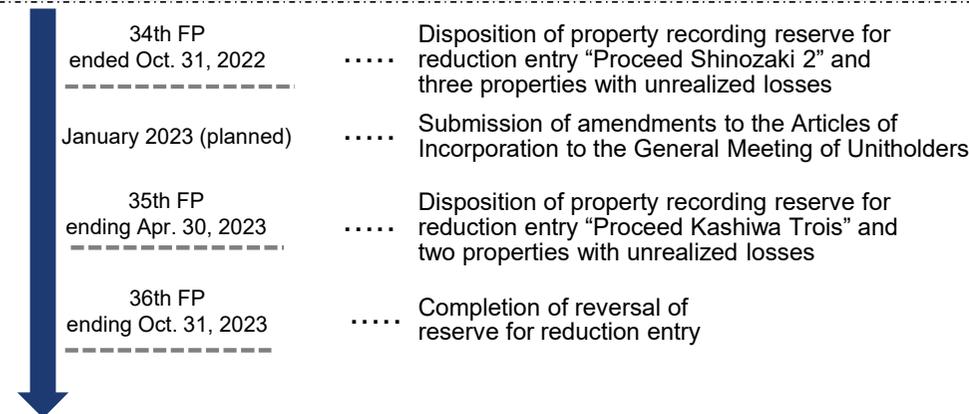
<Countermeasure>

- To implement distributions in excess of earnings on an ongoing basis based on the difference in depreciation between properties on freehold land and PPP/PFI related properties (properties on leasehold land) with the aim of smoothly expanding asset size

■ Preconditions for Implementing Distributions in Excess of Earnings on Ongoing Basis

<Preconditions for Distributions in Excess of Earnings>

- Statement incorporated into the Articles of Incorporation of SPI to the effect that distributions in excess of earnings will be implemented on an ongoing basis
- Reversal of the entire amount of reserve for reduction entry



To implement distributions in excess of earnings on an ongoing basis from the 37th FP

- Buildings on leasehold land: 5 properties (total acquisition price: approximately 12 billion yen)



Proceed Nishiarai



Shinozaki Twin Place



Proceed Shinozaki Tower



Proceed TX Nagareyama Central Park



Alpha Grande Chizakura Tower



Also set as a government goal, the amount of PPP/PFI projects entrusted with the sponsor is on an increasing trend

Securing funds for development with the circulation of assets at the sponsor is a pressing issue

Implement this countermeasure to also actively promote acquisition of PPP/PFI properties as the REIT, enabling increasingly smooth operation

Aim to realize continued external growth

Asset Acquired Through Asset Replacement: Alpha Grande Chizakura Tower

»» **Base-isolated tower condominium from an integrated mixed-use development with Chiyoda Ward and located within a 1.5-km range of Tokyo Station**



■ **Property from the Starts Group’s integrated mixed-use development with Chiyoda Ward**

A PPP project in which fixed-term land leasehold rights were established on the former site of an elementary school in central Tokyo and the adjacent private land and then integrated development of a 25-floor super-high-rise condominium was conducted

■ **Environment equipped with facilities providing living convenience and access to 13 stations serving 13 railway lines providing high transportation convenience**

Located within a 1.5-km range of Tokyo Station with various facilities and parks reachable by foot. Stations serving 13 railway lines covering central Tokyo, such as the Tokyo Metro Hibiya Line and the JR Yamanote Line, are within a 13-minute walk, providing access to major stations of Tokyo without transfer

■ **Base-isolated tower condominium realizing a high sense of openness in central Tokyo**

High-rise condominium featuring a high level of safety from construction with seismic isolation realizing a high sense of openness and securing open space for disaster prevention

Property Overview	
Location	25 Kandahigashimatsushitacho, Chiyoda-ku, Tokyo
Nearest station	1-minute walk from Iwamotocho Station on the Toei Subway Shinjuku Line 4-minute walk from Akihabara Station on the Tokyo Metro Hibiya Line 5-minute walk from Akihabara Station on the JR Keihin-Tohoku Line, Yamanote Line and Sobu Line 5-minute walk from Kanda Station on the Tokyo Metro Ginza Line 5-minute walk from Kanda Station on the JR Keihin-Tohoku Line, Yamanote Line and Chuo Line ..., etc.
Acquisition price	2,800 million yen
Appraisal value	2,880 million yen (October 31, 2022)
Appraisal NOI yield	4.3%
Occupancy rate	98.4% (as of last day of November 2022)
Completion	April 2018

* The portions acquired this time are retail-use portions' 3 units (1st to 2nd floors) and the rental housing portions' 65 units (3rd to 7th floors).

Asset Acquired Through Public Offering ①: Proceed Yamashita Koen The Tower

▶▶▶ Parkside tower residence producing quality living in the Yokohama bay area



■ High-rise rental condominium near a station in the Yokohama bay area

High-rise rental condominium in a prime urban location facing the Port of Yokohama and Yamashita Park with also excellent transportation access being a 2-minute walk from nearby Motomachi-Chukagai Station on the Yokohama Minatomirai Railway Minatomirai Line

■ Superior access to the Tokyo metropolitan area and Yokohama business districts

Property with high demand from people commuting to the central business districts of the Tokyo metropolitan area as transportation access is also favorable in that Yokohama Station and Tokyo Station are approximately 7 minutes and 33 minutes, respectively, from the nearest station

■ High luxury features as a park-side tower residence

A diverse living environment layout and spacious living space produce more enriched living



Property Overview	
Location	27 Yamashitacho, Naka-ku, Yokohama-shi, Kanagawa
Nearest station	2-minute walk from Motomachi-Chukagai Station on the Yokohama Minatomirai Railway Minatomirai Line
Acquisition price	7,900 million yen
Appraisal value	7,900 million yen (October 31, 2022)
Appraisal NOI yield	4.0%
Occupancy rate	98.2% (as of last day of November 2022)
Completion	December 2007

Asset Acquired Through Public Offering ②: Shinozaki Twin Place

▶▶▶ Landmark mixed-use facility from an urban development project leveraging the comprehensive strengths of the Starts Group



■ Shinozaki Twin Place, a facility from a joint development and operation between the Starts Group and Edogawa Ward

A mixed-use facility developed and operated as an urban development project by the sponsor jointly with Edogawa Ward and directly connected to the station and equipped with public facilities (library, lifelong learning facility, etc.) and private facilities (housing, retail facilities, etc.)

■ Greater efficiency through integrated operation with an already acquired asset

Increasingly integrated operation of this mixed-use facility that includes Proceed Shinozaki Tower, an already acquired asset, sought through additional acquisition of some portions yet to be acquired

■ Occupancy rate to reach 100% by the end of February 2023

Already concluded new lease agreements at monthly rent of 1,080,000 yen as a result of strengthened leasing after incorporation into the portfolio



Library and large supermarket within the building

Property Overview

Location	(Block No. 20) 7-20-19 Shinozakimachi, Edogawa-ku, Tokyo (Block No. 21) 7-21-5 Shinozakimachi, Edogawa-ku, Tokyo
Nearest station	1-minute walk from Shinozaki Station on the Toei Subway Shinjuku Line
Acquisition price	1,500 million yen
Appraisal value	1,540 million yen (October 31, 2022)
Appraisal NOI yield	5.3%
Occupancy rate	88.0% (as of last day of November 2022)
Completion	(Block No. 20) March 2008 (Block No. 21) April 2008

Assets Acquired Through Public Offering ③: Proceed Minamisunamachi / Proceed Tsurigane / Proceed Fukaebashi

»» High-rise condominiums near stations in central Osaka and a relatively new condominium offering excellent access to central Tokyo

Proceed Minamisunamachi



Property Overview	
Location	5-1-2 Minamisuna, Koto-ku, Tokyo
Nearest station	14-minute walk from Minami-sunamachi Station on the Tokyo Metro Tozai Line
Acquisition price	735 million yen
Appraisal value	744 million yen (October 31, 2022)
Appraisal NOI yield	3.9%
Occupancy rate	100.0% (as of last day of November 2022)
Completion	September 2021

Proceed Tsurigane



Property Overview	
Location	2-1-5 Tsuriganecho, Chuo-ku, Osaka-shi, Osaka
Nearest station	5-minute walk from Temmabashi Station on the Osaka Metro Tanimachi Line 9-minute walk from Tanimachi 4-chome Station on the Osaka Metro Chuo Line 10-minute walk from Kitahama Station on the Keihan Main Line
Acquisition price	795 million yen
Appraisal value	818 million yen (October 31, 2022)
Appraisal NOI yield	4.0%
Occupancy rate	100.0% (as of last day of November 2022)
Completion	March 2015

Proceed Fukaebashi



Property Overview	
Location	2-1-2 Fukaekita, Higashinari-ku, Osaka-shi, Osaka
Nearest station	1-minute walk from Fukaebashi Station on the Osaka Metro Chuo Line
Acquisition price	1,305 million yen
Appraisal value	1,340 million yen (October 31, 2022)
Appraisal NOI yield	4.1%
Occupancy rate	89.5% (as of last day of November 2022)
Completion	November 2008

Initiatives on Sustainability



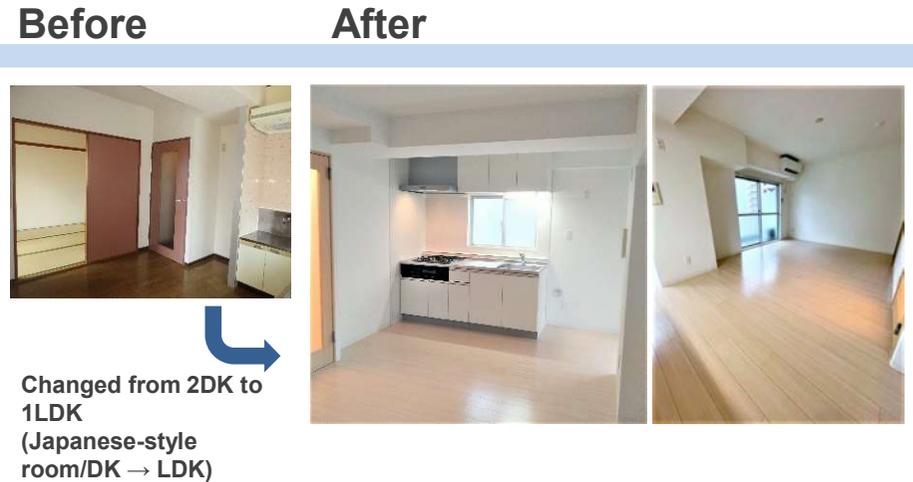
Environment

Under the recognition that efforts on ESG are important issues, SPI and the Asset Management Company will pay consideration to the environment and society as well as promote corporate governance over the medium to long term. In addition, we will proactively seek external certifications for owned assets.

Proceed Hyogoekimaedori <Large-scale repair work>



Proceed Funabashi Miyamoto <Renovation work>



Leasable area: **46.70 m²**

Rent and common area maintenance charges: **113,000 yen/month**

Occupied

Concluded contract at a monthly rent **up 27,000 yen**

Initiatives on Sustainability

Acquisition of environmental certifications (CASBEE Certification for Real Estate and BELS Certification)

Proceed Nishiarai (Artier) new

Acquired the highest evaluation rank "S Rank" under CASBEE Certification for Real Estate



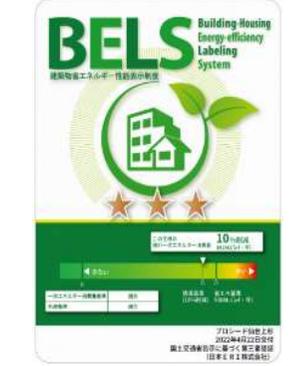
Proceed Monzennakacho



Proceed Maihama

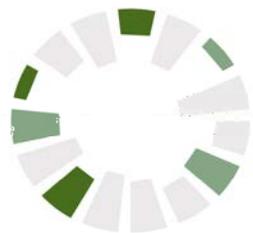


Proceed Sendai Kamisugi



Participation in GRESB Real Estate Assessment

<Started participating from fiscal 2022>



GRESB
REAL ESTATE

Promote the installation of rooftop solar panels

Proceed Ishikawadai

Electricity generated by solar panels 5,456.2 kWh
(May 10, 2022 to October 31, 2022)



Environmental consideration to printed matter, etc.

Adopting environmentally friendly materials such as FSC certified papers for asset management reports, envelopes, etc.





The Asset Management Company is also making efforts to develop PPP and PFI, etc. It revitalizes regions by effectively utilizing public land, etc., and is engaged in area management using the comprehensive strengths of Starts Group even after the development of facilities such as libraries, schools and childcare support facilities. In addition, it is also proactively making efforts for safety and security.

■ Alpha Grande Chizakura Tower <Acquired in 34th FP>

- Mixed-use development utilizing the land owned by Chiyoda Ward and private land in the surrounding area
- Seismic isolation structure
- Anti-disaster rental apartment (installed with well, bench with oven function, manhole toilets, etc.)



■ Proceed Nagareyama Otakanomori

- Mixed-use facility designed and constructed by Starts Group in the PPP project
- Directly connected to the station by a pedestrian deck
- Public hall of Nagareyama City, city hall service counter
- The first floor of the rental building (seismic isolation structure) is occupied by a private authorized nursery school



■ Proceed TX Nagareyama Central Park

- City-owned land effective utilization project in Nagareyama City
- Developed a kindergarten, elementary school and rental housing in cooperation with Gyosei International School



■ Proceed Shinozaki Tower/Shinozaki Twin Place <Acquired in 35th FP>

- Mixed-use facility developed by Starts Group as a development project implemented by Edogawa Ward Office
- Facilities for ward residents (library, lifelong learning facility, gallery, café)
- Private facilities (retail facility, housing)



■ Proceed Nishiirai

- Large-scale rental housing developed by Starts Group
- Seismic isolation structure
- Adopts all-electric system
- Anti-disaster rental apartment
- Nursery school operated by Starts Group



Initiatives on Sustainability

Social



- Seismic isolation structure (as of November 30, 2022)
Number of orders received by Starts CAM: **607**
Number of buildings incorporated into the AUM of SPI: **10**
- Installation of well, bench with oven function, disaster prevention goods for exclusive floor area
➔ Disaster prevention measures
- Implementation of disaster prevention events using earthquake simulation vehicles owned by Starts Group
- Installation of public art
Installed public art at many places including PPP and PFI projects
Contribution to the training of artists
- Investment in healthcare facilities/nursery facilities
➔ Nishiarai Kirakira Hoikuen, etc.
- Recommendation and provision of expenses for the acquisition of qualifications by employees
- Promotion of health checkup of employees, success of female employees, work-life balance, special holiday
- Recommendation of remote work and staggered commuting by employees

Governance



- Prevention of conflicts of interest, risk management, information disclosure, compliance with laws and regulations
- Development of decision-making flow on transactions
- Compliance Committee, investment Committee, implementation of periodic internal audit
- Establishment of ESG Committee (Chief Officer is the Representative Director of the Asset Management Company)
- Same-boat investment (Starts Corporation Inc.)



Well



Bench with oven function



Earthquake simulation vehicles/disaster prevention events



Disaster prevention goods for exclusive floor area (some properties)

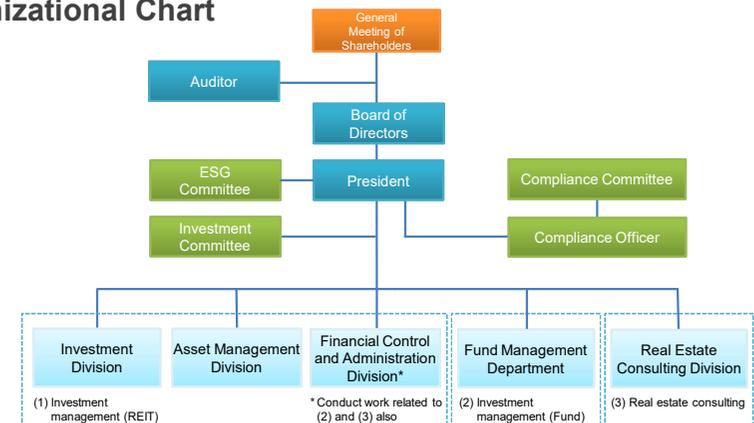


Nishiarai Kirakira Hoikuen



Life Support Residence Funaboriekimae

Organizational Chart



■ Environmental Performance Targets

Item	Reduction target
Energy consumption	Reduce energy consumption intensity by 5% by fiscal 2026 (1% on average per year) based on the amount in fiscal 2021
GHG (CO ₂) emissions	Reduce energy consumption intensity by 5% by fiscal 2026 (1% on average per year) based on the amount in fiscal 2021
Water consumption	Do not increase the amount in terms of water consumption intensity based on the amount in fiscal 2021

■ Environmental Performance Results

Item		Fiscal 2021
Energy consumption	Total amount (MWh)	2,281
	Consumption intensity (MWh/m ²)	0.051
GHG (CO ₂) emissions	Total amount (t-CO ₂)	979
	Consumption intensity (t-CO ₂ /m ²)	0.022
Water consumption	Total amount (m ³)	1,542
	Consumption intensity (m ³ /m ²)	0.043

* The aggregation period is from May to April of the following year.

* For energy consumption, GHG (CO₂) emissions and water consumption, the actual figures only for the common areas of properties operated throughout the year and having management authorities (excluding properties under sectional ownership) are aggregated.

* GHG (CO₂) emissions are calculated by the Asset Management Company based on the adjusted emission factors, etc. by electric utility announced by the Ministry of the Environment.

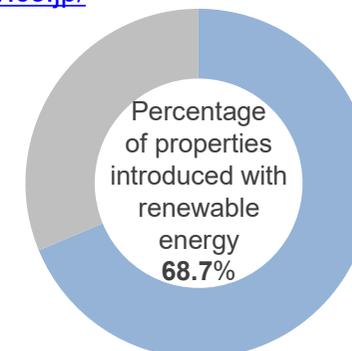
■ Reduction of CO₂ emissions from electricity at common areas to zero

For **72 properties** (**68.7 % of the total floor area**) of the **104** properties we own, we have changed the electric power contracts for common areas to the power plan using 100% renewable energy provided by Mitsuuroko Green Energy Co., Ltd.

Through this initiative, we will realize virtually zero CO₂ emissions from used electricity (common areas) at the introduced properties.

This initiative contributes to the “reduction of greenhouse gas emission and energy consumption” among the materiality identified by SPI.

* Please refer to the following website for the ESG policy and materiality of SPI.
<https://www.sp-inv.co.jp/>



Future Management Policy

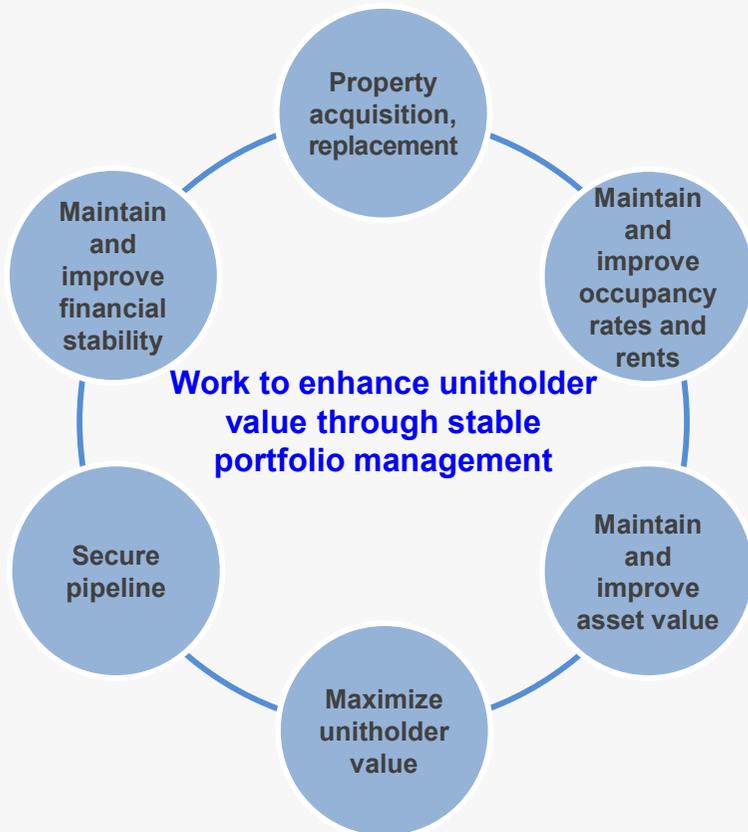


Cooperative Relations Within the Group in the Form of Sponsor Support



Starts Proceed Investment Corporation

Stable asset management



Further accelerate the real estate business through the backflow of funds



Sponsor support as a group with property acquisition, etc.



Starts Group

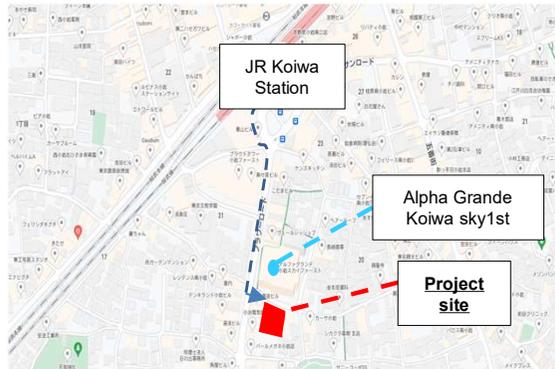
Rollout layered business



(Tentative name) Proceed Koiwa PJ

Scheduled to develop and operate an “energy-saving rental housing” by receiving investments in the amount of **500 million yen** as the **first** rental housing investment project of **Re-Seed Organization**

Property Location



Plan Overview

Size : 10F
 Site area : 926.23 m²
 Total floor area : 3,380.08 m²
 Structure : RC
 Operation period : 60-year fixed-term house lease
 Use : Apartment, retail, parking lot

Press Release by Re-Seed Organization*



2022年11月2日

Re-Seed 機構、スターズの省エネ対応賃貸住宅開発事業に出資 (Re-Seed 機構初の賃貸レジ出資案件)

国土交通省・環境省の ESG 基金をもとに投資を行う一般社団法人 環境不動産普及促進機構(以下、Re-Seed 機構)は、東京都江戸川区内にスターツグループが発する省エネ対応賃貸住宅を取得運営する SPC(SPC 運営はスターツアセットマネジメント株)に対する約 5 億円の出資を決定し、スターツグループは当資金を活用した事業を開始しましたのでお知らせいたします。

Re-Seed 機構は、国が民間投資の呼び水となるリスクマネーを供給することにより耐震・環境性能を有する良質な不動産の形成(改修・建替え・開発事業)を促進し、地域の再生・活性化に資するまちづくり及び地球温暖化対策を推進しています。分譲住宅と異なり事業費等の制約が大きく、また入居者様との関係で事後的な環境改修余地も限られる賃貸住宅では、望ましい省エネ性能の確保が困難なケースも多く見られますが、本件では機構資金の活用を念頭に、事業者様と Re-Seed 機構が開発の初期段階から建物の省エネ仕様についての調整を図らせて頂くことで、「建築物省エネルギー性能表示制度(BELS)」の星表示3つ以上(建築物省エネ法の基準から10%以上の削減)の省エネ性能確保が可能となり、機構としても初の賃貸住宅への出資決定となりました。

スターツグループは、創業 50 年を超え、建設、不動産、管理事業を主軸に、金融、出版、ホテル、高齢者支援・保育事業、世界 24 カ国(地域含む)34 都市に広がるネットワーク等、“総合生活文化企業”として地域に根差した事業拡充を行ってきました。現在、連結売上高 1,965 億円、従業員数約 9,000 人、83 社の企業グループです。今回、スターツグループは、創業の地である江戸川区という重要なエリアにおいて、設計・建築・管理・テナントリーシング及び事業マネジメントをワンストップかつ高いレベルで行うことが可能なグループの総合力をいかすとともに、Re-Seed 機構の資金も活用し、下記の省エネ対応型賃貸住宅の開発・運営事業を行うこととなりました。スターツグループは、地域と共に持続する企業を目指し、各事業分野の特性を活かした環境・社会への取り組みを引き続き実施していきます。

【物件概要】

所在	東京都江戸川区南小岩 7 丁目 18-9
交通	JR 総武本線「小岩」駅徒歩 3 分
敷地	926.23 m ²
開発物件/用途(予定)	鉄筋コンクリート造地上 10 階 / 共同住宅、店舗、駐車場



Initiatives at Rental Housing

Unlike for-sale condominiums, there are many cases at rental housing in which it is difficult to secure the desired energy-saving performance with significant restrictions on project costs and limited room for subsequent environmental renovations due to the circumstances of tenants.

In this case, Stars and Re-Seed Organization intended to adjust the energy-saving specifications of the building from the initial stage, making it possible to secure energy-saving performance of “3 Stars or more in the Building-Housing Energy-Efficiency Labelling System (BELS) Certification (reduction by 10% or more from the standard of the Building Energy Efficiency Act),” and the decision to invest in a rental housing was made for the first time.

What Is Re-Seed Organization?

Re-Seed Organization refers to the Real Estate Sustainability & Energy-Efficiency Diffusion Organization that makes investments based on the ESG funds of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment.

The government promotes the formation of high-quality real estate (renovation, reconstruction and development projects) with earthquake resistance and environmental performance by providing risk money that serves as a catalyst for private investments as well as urban developments that contribute to regional regeneration and revitalization and countermeasures against global warming.



* Referenced from the content posted on November 2, 2022 on the website of the Real Estate Sustainability & Energy-Efficiency Diffusion Organization

Case Example II: [Urayasu-shi, Chiba]

Property name: "Patique Shin-Urayasu" <Under renovation work>



Scheduled to acquire **seven residential buildings** that were used as **company housing**, and operate them as rental housing after implementing **large-scale renovation work** (change in layout, additional establishment of elevator, etc.)

Layout



- N1 (Building No. 12) 4F/24 units/built in March 1988
- N2 (Building No. 1) 4F/19 units/built in March 1988
- N3 (Building No. 2) 4F/16 units/built in March 1988
- N4 (Building No. 3) 4F/16 units/built in March 1988
- N5 (Building No. 4) 4F/32 units/built in March 1988
- NA1 (Building No. W2) 3F/15 units/built in August 2008
- NA2 (Building No. W1) 3F/19 units/built in August 2008

Plan Overview

- Size : 3F or 4F
- Site area : 13,675.84 m² (total of 2 parcels of land)
- Total floor area : 11,686.62 m² (total of 7 buildings)
- Structure : RC
- Use : Apartment, 7 buildings, 131 units in total
- Project overview : Business operator: Starts Corporation Inc.
Business management: Starts Asset Management Co., Ltd.
Design and construction: Starts Construction and Asset Management Co., Ltd.
Maintenance and management: Starts Amenity Corporation
Leasing: Starts Pitat House Co., Ltd.

Property Location



* The attached photos or images may differ from the actual project.

Warehousing Properties

We currently own a pipeline for a total of **7 properties** worth **more than 7 billion yen**.

(Tentative name) Proceed Fuchu



Structure	RC (Seismic isolation)
Size	13F
Completion	Scheduled for completion in August 2025
Number of leasing units (type)	1DK 36 units; Total 36 units
Location	Miyamishicho, Fuchu-shi, Tokyo
Site area	243.79 m ²
Total floor area	1,446.57 m ²

(Tentative name) Proceed Shin-Matsudo



Structure	RC
Size	9F
Completion	Scheduled for completion in September 2023
Number of leasing units (type)	1K 52 units; Total 52 units
Location	Shinmatsudo, Matsudo-shi, Chiba
Site area	431.00 m ²
Total floor area	1,654.90 m ²

(Tentative name) Proceed Gyotokuekimae 2



Structure	RC
Size	4F
Completion	Scheduled for completion in March 2023
Number of leasing units (type)	1K 16 units; 1LDK 15 units; Total 31 units
Location	Gyotokuekimae, Ichikawa-shi, Chiba
Site area	539.29 m ²
Total floor area	1,396.65 m ²

(Tentative name) Proceed Ikeshita



Structure	RC
Size	13F
Completion	Scheduled for completion in August 2024
Number of leasing units (type)	1LDK 22 units; 2LDK 22 units; 3LDK 2 units; Total 46 units
Location	Ikeshita, Chikusa-ku, Nagoya-shi, Aichi
Site area	494.55 m ²
Total floor area	2,968.49 m ²

Proceed Matsudo



Structure	RC
Size	8F
Completion	February 2003
Number of leasing units (type)	1K 28 units; Retail 1 unit; Total 29 units
Location	Honcho, Matsudo-shi, Chiba
Site area	237.85 m ²
Total floor area	983.16 m ²

Other

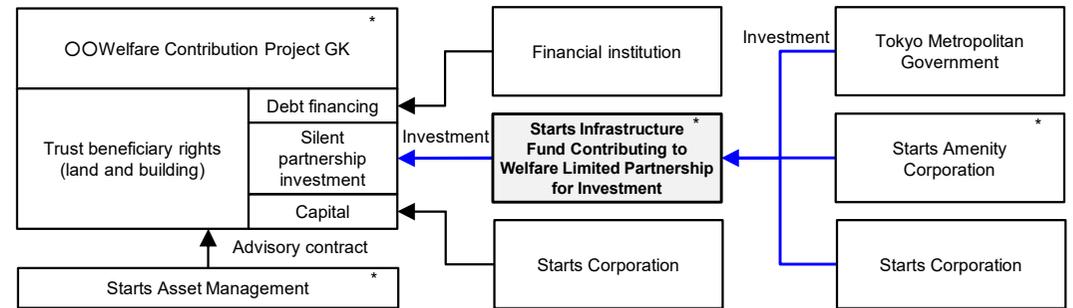
Property name	(Tentative name) Proceed Koiba
Structure	RC (Seismic isolation)
Size	10F
Completion	Scheduled for completion in March 2025
Number of leasing units (type)	1K 30 units; 2LDK 6 units; Retail, etc.: 3 units; Total 39 units
Location	Minamikoiwa, Edogawa-ku, Tokyo
Site area	924.84 m ²
Total floor area	3,487.09 m ²

Property name	(Tentative name) Proceed Shin-Anjo
Structure	RC
Size	9F
Completion	Scheduled for completion in July 2024
Number of leasing units (type)	1K 14 units; 1LDK 27 units; 2LDK 6 units; Total 47 units
Location	Imaike, Anjo-shi, Aichi
Site area	515.75 m ²
Total floor area	2,070.89 m ²

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

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

Business Structure



* Consolidated companies of Starts Corporation

Proceed Ryogoku 2

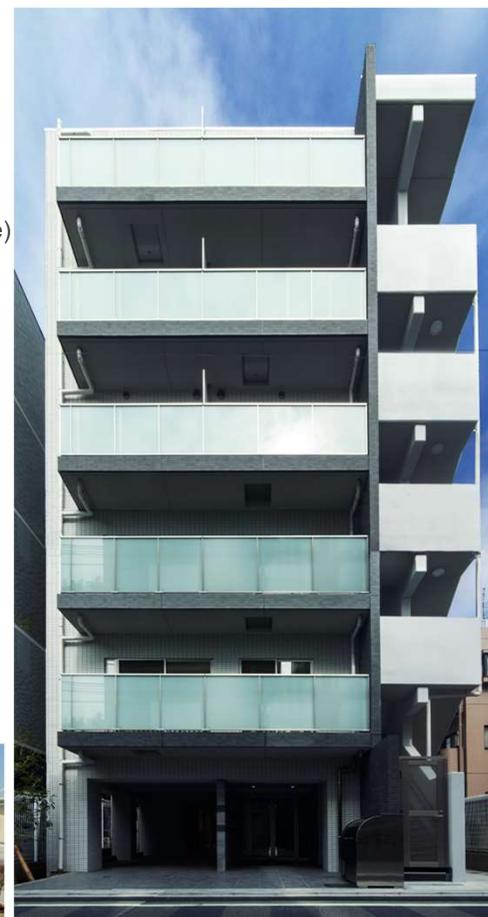
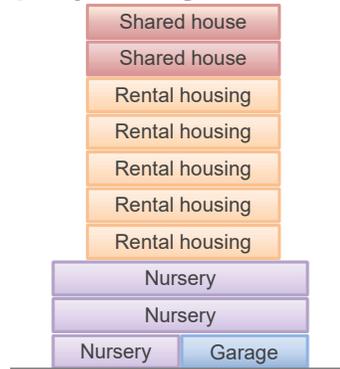
Proceed Chidoricho



Project Overview

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

Property Configuration



Project Overview

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

Property Configuration



Development Projects of Starts Group



Development Projects of Starts Group



City-Owned Land Development Project in Front of Nagareyama-Otakanomori Station
Nagareyama City, Chiba
Public facility, hotel, apartment
Opened in January 2019 (hotel building)
Opened in April 2019 (public facility building)
Completed and handed off in March 2020 (apartment building)



Project Utilizing "Bustle Zone" at No. 1 Market of Kyoto Central Wholesale Market
Kyoto City, Kyoto
Hotel, retail
Opened in July 2020



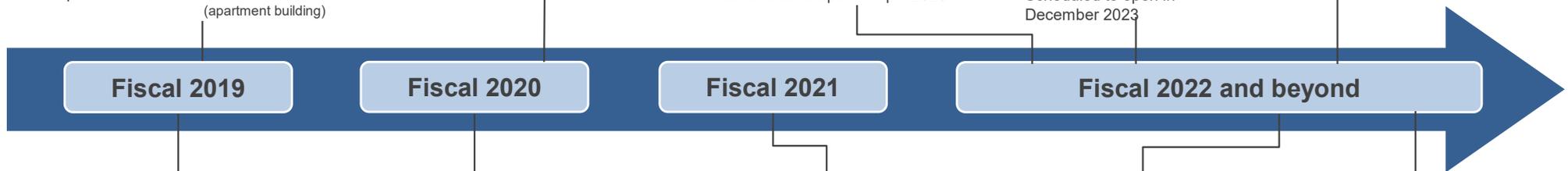
Hotel Station East Complex Public Facility Development Project
Konan City, Aichi
Public facilities (library, health center, etc.)
Private facilities (food supermarket, retail store, etc.)
Scheduled to open in April 2023



Sapporo Kita 8 Nishi 1 District Category I Urban Redevelopment Project
Sapporo City, Hokkaido
Hotel, retail
Scheduled to open in December 2023



Kumagaya City Childcare Support and Insurance Base Facility Development Project
Kumagaya City, Saitama
(Tentative name) Children's Center, etc.
Scheduled to open in April 2026



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



PFI Project for Development of Surrounding Area of Yoshino-cho Ryokuchi in Hirosaki City
Hirosaki City, Aomori
Public facility (art museum)
Facilities by private sectors (museum shop, café, cider mill)
Grand opening in July 2020



Utilization Project of Site of Fuchu Green Plaza
Fuchu City, Tokyo
Hotel, retail, office, co-working space
Opened in July 2021
(hotel, office, co-working space)
Opened in August 2021 (retail)



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



Kannai Ekimae Minatocho District Category I Urban Redevelopment Project
Yokohama City, Kanagawa
Retail facility, office, housing, etc.
Scheduled to be completed in 2029

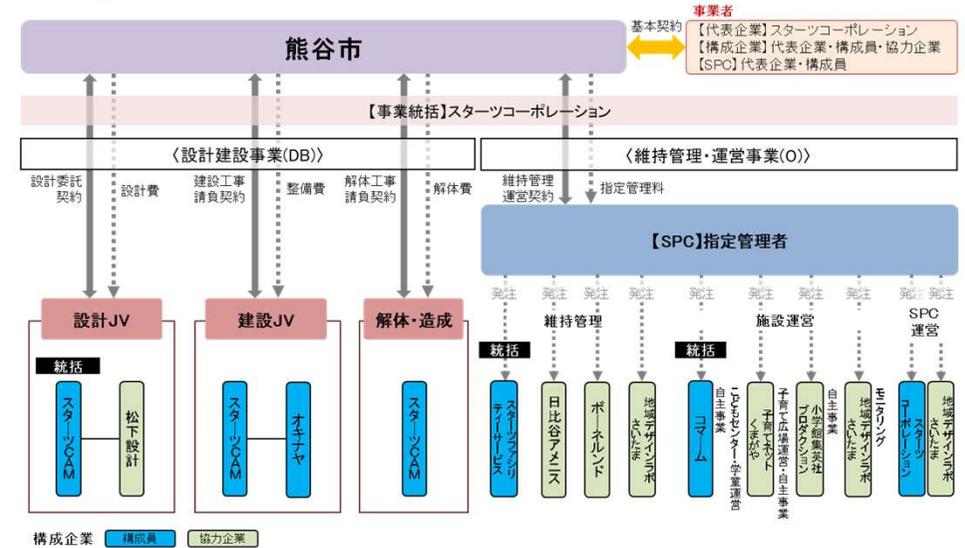
* The attached images may differ from the actual project.

Kumagaya City Childcare Support and Insurance Base Facility Development Project

<Scheduled to open in April 2026>



Project Overview



Planned Project Site



Plan Overview

- Location : 3-27 Ishihara, Kumagaya-shi, Saitama
- Site area : Approx. 27,000 m²
- Development facility : (Tentative name) Children's Center / (Tentative name) Shin-Ishihara Children's Club / (Tentative name) Central Nursery School / (Tentative name) Insurance Center / Holiday and nighttime emergency clinic

Project Schedule

- October 2022 : Acquisition of preferential negotiation rights
- Late December 2022 : Conclusion of basic agreement (schedule)
- March 2024 : Start of construction (schedule)
- April 2026 : Opening (schedule)

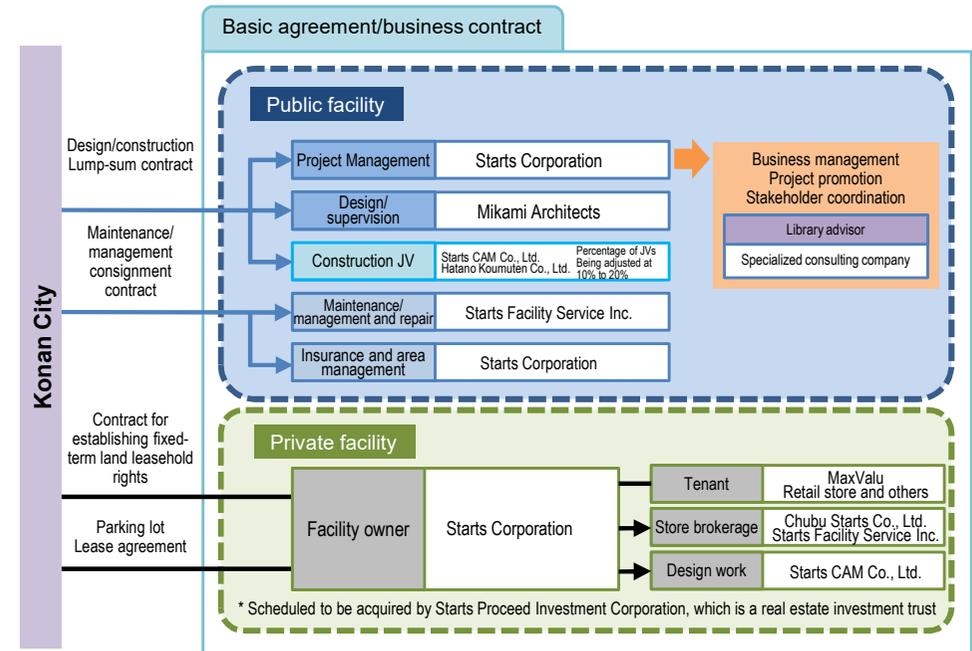
* The attached images may differ from the actual project.

Hoteli Station East Complex Public Facility Development Project

<Scheduled to open in April 2023>

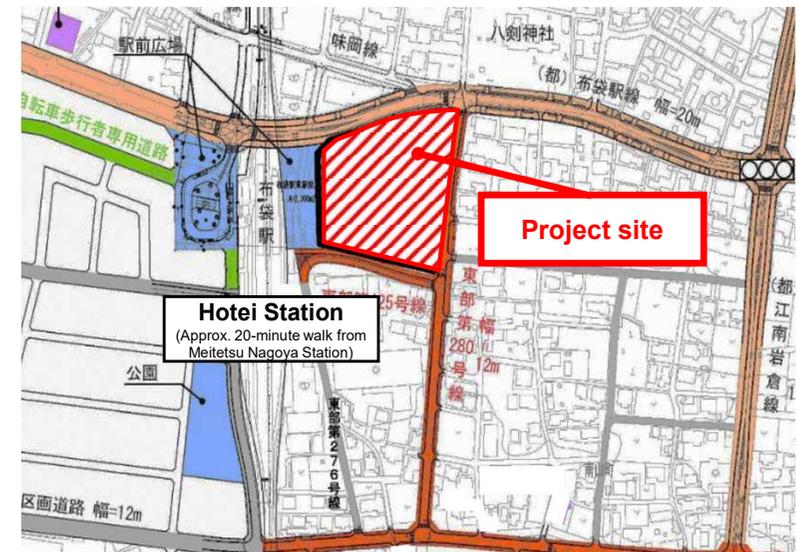


Project Overview

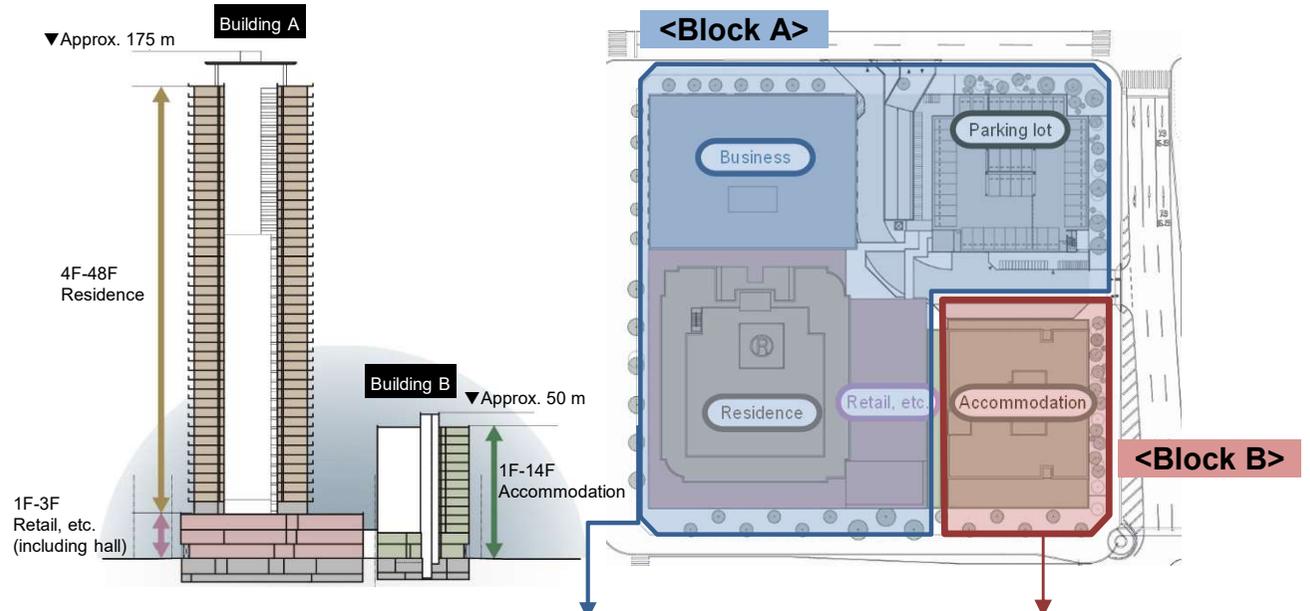


Plan Overview

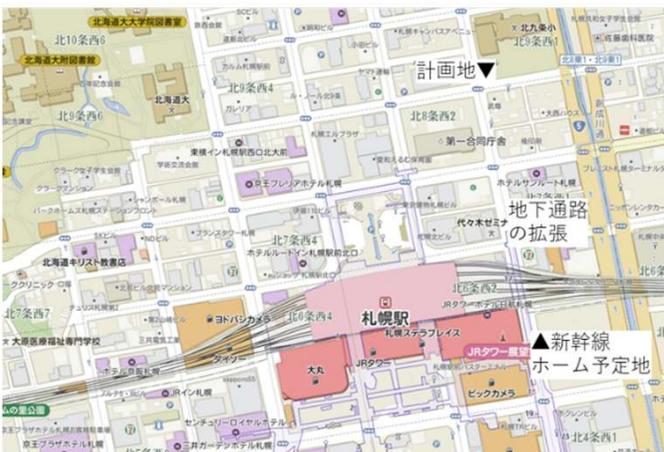
- Size : Public facility/4F
Private facility/4F
- Site area : Approx. 9,081 m²
- Total floor area : Public facility/Approx. 7,497 m²
Private facility/Approx. 8,152 m²
- Structure : Steel-framed
- Operation period : 30 years (Fixed-term land lease)
- Use : Public facilities/library, health center, childcare support center, community space, etc.
Private facilities/food supermarket, retail store, nursery school, local community facility (future center), etc.



Kita 8 Nishi 1 District Category I Urban Redevelopment Project <Scheduled to open in December 2023>



Location: Kita 8-jo Nishi 1-chome, Kita-ku, Sapporo-shi



	Block A	Block B
Use	Housing, retail, etc., office parking, etc.	Hotel, retail, etc.
Site area	Approx. 9,710 m ²	Approx. 1,970 m ²
Total floor area	Approx. 98,600 m ²	Approx. 14,430 m ²
Size	48 floors above ground, 2 floors below ground	14 floors above ground, 1 floor below ground
Height	Approx. 175 m	Approx. 50 m
Constructor	Taisei Corporation, Itogumi Construction Co., Ltd., Starts CAM Co., Ltd., Consortium	
Participating members	Residential building: Daiwa House Industry Co., Ltd. Sumitomo Realty & Development Co., Ltd. Tokyu Land Corporation NIPPO Consortium Business building: Tokyo Tatemono Co., Ltd.	Accommodation building: Starts Corporation Inc. Construction period: Start of construction: May 2021 (Start of construction of entire building: Around July 2020) Completion: October 2023 (schedule) Opening: December 2023 (schedule) Operation: Emion brand Approx. 300 rooms (schedule)

* Reference: Website of Sapporo Station North Exit 8・1 District Urban Redevelopment Association

Kannai Ekimae Minatocho District Category I Urban Redevelopment Project <Scheduled to be completed in 2029>



International industry-academia collaboration

- Headquarters of global companies
- Research and development base of leading companies
- Global share campus
- Base for supporting the growth of venture companies in Kannai

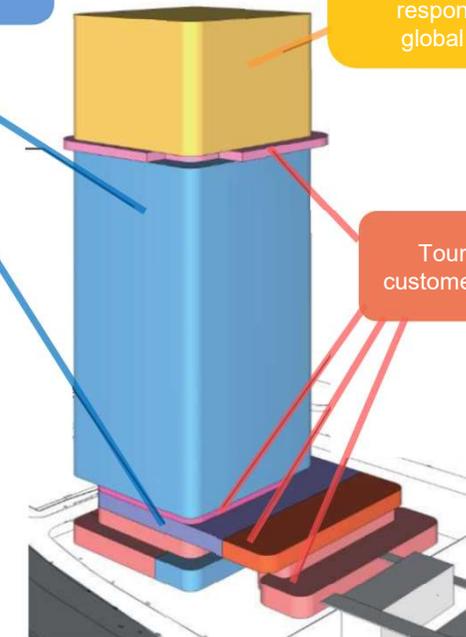
Residential function

Top-grade leasing responding to global needs

Tourism and customer attraction

■ Plan Overview

Size : B1F/31F
 Site area : Approx. 7,700 m²
 Total floor area : Approx. 97,200 m²
 Use : Retail facility, office, housing, etc.



Utilization Project of Site of Fuchu Green Plaza

Project Utilizing “Bustle Zone” at No. 1 Market of Kyoto Central Wholesale Market



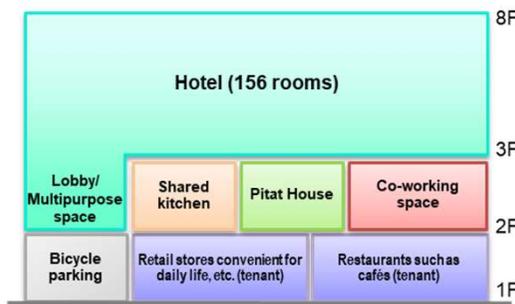
Photo: The Kensetsutsushin Shimbun Corporation



Official website of Hotel Keyaki Gate

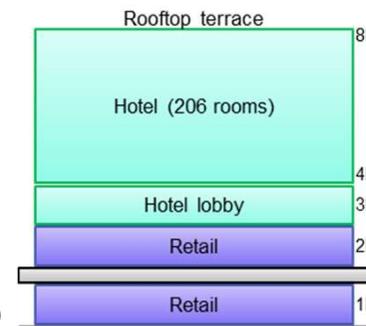


Official website of Hotel Emion Kyoto



Plan Overview

Size : 8 floors above ground
 Site area : 1,092.27 m²
 Total floor area : 5,817.26 m²
 Structure : Steel-framed
 Operation period : 50 years
 (Fixed-term land lease)



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 : 60 years (Fixed-term land lease)

◇ PFI Project for Development of Surrounding Area of Yoshino-cho Ryokuchi in Hirosaki City



Official website of Hirosaki Museum of Contemporary Art



■ Overview of Facilities

Museum building (two-story): Total floor area 3,089.59 m²
 Café and shop building (one-story): Total floor area 497.69 m²

■ Award History

Won the Grand Prix of the French Foreign Architecture Award (GRAND PRIX AFEX 2021)
 Received the “Outstanding Architectural Seismic Retrofit Award” in the 2020 Award for Contributors to Outstanding Architectural Seismic Retrofit
 Received the Good Design Award 2020
 Received the “Outstanding Lighting Technology Award” in the 2020 Good Lighting Award by the Tohoku Branch

◇ Narashino-City Okubo District Public Facility Revitalization Project



North building and facilities by private sectors



North building



South building

Official website of Platz Narashino



■ Overview of Facilities

North building (community center, library, hall): Total floor area 3,942.16 m²
 North building annex (library, office, etc.): Total floor area 924.19 m²
 South building (arena, kids' space, etc.): Total floor area 2,471.65 m²
 Facilities by private sectors (rental housing, café, Mini supermarket): Total floor area 1,586.31 m²
 Park (park golf course, baseball field, parking, open space)

■ Site Overview

Land for PFI projects : 45,583 m²
 Land for ancillary projects by private sectors : 1,337 m²

City-Owned Land Development Project in Front of Nagareyama-Otakanomori Station



	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 (Partial steel-framed 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 	Guest rooms: 167 Banquet rooms, large bath and fitness studio Café and restaurant	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

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



Property Overview

Structure/Size	: RC/25F
Completion	: April 2018
Number of units for sale	185 units
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

Reference Materials



Balance Sheet

Balance Sheet

(thousand yen)

	33rd Fiscal Period As of Apr. 30, 2022	34th Fiscal Period As of Oct. 31, 2022	Change
Assets			
Current assets			
Cash and deposits	2,109,924	1,434,739	-675,184
Cash and deposits in trust	1,918,318	1,980,700	62,382
Operating accounts receivable	32,510	26,459	-6,051
Prepaid expenses	69,981	82,873	12,891
Consumption taxes receivable	-	-	-
Other	9,797	7,274	-2,522
Total current assets	4,140,531	3,532,046	-608,484
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	46,907,339	48,355,761	1,448,422
Accumulated depreciation	-11,131,809	-11,258,805	-126,996
Buildings in trust, net	35,775,530	37,096,956	1,321,425
Structures in trust	1,287,299	1,263,759	-23,539
Accumulated depreciation	-858,191	-870,052	-11,861
Structures in trust, net	429,107	393,707	-35,400
Machinery and equipment in trust	5,376	5,376	-
Accumulated depreciation	-5,107	-5,107	-
Machinery and equipment in trust, net	268	268	-
Tools, furniture and fixtures in trust	642,370	697,073	54,703
Accumulated depreciation	-316,059	-338,894	-22,834
Tools, furniture and fixtures in trust, net	326,310	358,179	31,868
Land in trust	48,879,302	47,610,451	-1,268,850
Total property, plant and equipment	85,410,519	85,459,562	49,043
Intangible noncurrent assets			
Leasehold in trust	-	871,571	871,571
Software	407	364	-42
Total intangible noncurrent assets	407	871,936	871,528
Investments and other assets			
Lease and guarantee deposits	10,000	10,000	-
Lease and guarantee deposits in trust	541,719	608,281	66,562
Long-term prepaid expenses	93,421	100,392	6,971
Deferred tax assets	81	81	0
Other	19,265	20,745	1,479
Total investments and other assets	664,487	739,501	75,013
Total noncurrent assets	86,075,414	87,071,000	995,585
Deferred assets			
Investment corporation bonds issuance expenses	24,961	22,151	-2,809
Total deferred assets	24,961	22,151	-2,809
Total assets	90,240,908	90,625,199	384,291

(thousand yen)

	33rd Fiscal Period As of Apr. 30, 2022	34th Fiscal Period As of Oct. 31, 2022	Change
Liabilities			
Current liabilities			
Current portion of long-term loans payable	9,963,500	9,222,500	-741,000
Operating accounts payable	160,868	202,506	41,637
Accounts payable –other	205,052	246,638	41,585
Accrued expenses	16,557	25,060	8,502
Income taxes payable	1,965	1,976	11
Accrued consumption taxes	14,056	82,270	68,213
Advances received	1,919	1,794	-125
Other	323	4,681	4,357
Total current liabilities	10,364,244	9,787,427	-576,816
Noncurrent liabilities			
Investment corporation bonds	3,500,000	3,500,000	-
Long-term loans payable	32,182,500	32,923,500	741,000
Tenant leasehold and security deposits in trust	675,912	678,572	2,660
Asset retirement obligation	137,375	250,985	113,609
Total noncurrent liabilities	36,495,788	37,353,058	857,270
Total liabilities	46,860,032	47,140,485	280,453
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 reserves			
Reserve for reduction entry	99,000	99,000	-
Reserve for reduction entry under special provisions for property replacement	400,000	400,000	-
Total voluntary reserves	499,000	499,000	-
Unappropriated retained earnings (undisposed loss)	1,197,331	1,301,169	103,837
Total surplus	1,696,331	1,800,169	103,837
Total unitholders' equity	43,380,875	43,484,713	103,837
Total net assets	43,380,875	43,484,713	103,837
Total liabilities and net assets	90,240,908	90,625,199	384,291

Statements of Income/Cash Distributions

Statements of Income

(thousand yen)

	33rd Fiscal Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	34th Fiscal Period (From: May 1, 2022 To: Oct. 31, 2022)	Change
Operating revenue			
Rent revenue – real estate	3,154,624	3,154,026	-598
Gain on sales of real estate properties	69,375	195,510	126,134
Total operating revenue	3,224,000	3,349,536	125,536
Operating expenses			
Expenses related to rent business	1,391,429	1,416,086	24,656
Asset management fee	260,896	269,873	8,977
Asset custody fee	8,476	8,480	4
Administrative service fees	22,654	22,450	-204
Directors' compensations	1,200	1,200	-
Other operating expenses	125,494	112,376	-13,118
Total operating expenses	1,810,151	1,830,467	20,316
Operating income	1,413,848	1,519,069	105,220
Non-operating income			
Interest income	17	16	-0
Insurance income	5,780	14,144	8,363
Reversal of distribution payable	1,157	1,224	66
Other	530	143	-386
Total non-operating income	7,486	15,529	8,042
Non-operating expenses			
Interest expenses	168,655	178,364	9,708
Interest expenses on investment corporation bonds	10,343	11,198	854
Amortization of investment corporation bond issuance costs	3,508	2,809	-698
Borrowing related expenses	38,981	38,513	-468
Other	565	576	11
Total non-operating expenses	222,055	231,463	9,407
Ordinary income	1,199,280	1,303,135	103,855
Income before income taxes	1,199,280	1,303,135	103,855
Income taxes – current	1,967	1,978	11
Income taxes – deferred	-0	-0	0
Total income taxes	1,966	1,978	11
Net income	1,197,313	1,301,157	103,844
Retained earnings brought forward	18	11	-6
Unappropriated retained earnings	1,197,331	1,301,169	103,837

(1) “Real estate rent revenue”

(thousand yen)

	33rd Fiscal Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	34th Fiscal Period (From: May 1, 2022 To: Oct. 31, 2022)	Change
Rent	2,734,326	2,746,573	12,247
Common area maintenance charges	187,164	190,769	3,605
Parking revenue	85,246	85,950	704
Incidental revenue	1,289	1,456	167
Other lease business revenue	146,597	129,275	-17,322
Total	3,154,624	3,154,026	-598

(2) “Expenses related to rent business”

(thousand yen)

	33rd Fiscal Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	34th Fiscal Period (From: May 1, 2022 To: Oct. 31, 2022)	Change
Management expenses	203,304	210,266	6,962
Repair expenses	106,340	123,141	16,801
Real estate taxes	182,455	186,721	4,266
Trust fees	34,220	35,036	816
Utilities expenses	49,867	48,790	-1,077
Nonlife insurance expenses	7,624	7,807	183
Depreciation and amortization	645,502	651,932	6,430
Other lease business expenses	162,112	152,390	-9,722
Total	1,391,429	1,416,086	24,657

Cash Distributions

(thousand yen)

	33rd Fiscal Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	34th Fiscal Period (From: May 1, 2022 To: Oct. 31, 2022)	Change
I. Unappropriated retained earnings	1,197,331,817	1,301,169,665	103,837,848
II. Reversal of voluntary reserves			
Reversal of reserve for reduction entry	-	313,151,007	-313,151,007
III. Amount of distributions	1,197,319,886	1,515,302,467	317,982,581
(Amount of distribution per investment unit)	4,718	5,971	1,253
IV. Voluntary reserves			
Provision for reserve for reduction entry	-	99,000,000	99,000,000
V. Retained earnings carried forward	11,931	18,205	6,274

Status of Interest-Bearing Liabilities I (As of October 31, 2022)

■ Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 34th FP (thousand yen)	Average interest rate (%) *1	Repayment date	Repayment method	Use	Remarks	Name
Resona Bank, Limited	May 24, 2016	763,500	0.92491	May 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2C
Aozora Bank, Ltd.		520,000						
Sumitomo Mitsui Banking Corporation		408,500						
The Chiba Bank, Ltd.		387,500						
The Musashino Bank, Ltd.		387,500						
Mizuho Bank, Ltd.		158,500						
ORIX Bank Corporation		130,000						
Sumitomo Mitsui Trust Bank, Limited		56,500						
Mizuho Trust & Banking Co., Ltd.		50,000						
The Kagawa Bank, Ltd.		11,500						
Subtotal		2,873,500						
Mizuho Bank, Ltd.	May 24, 2017	1,090,000	0.74491	Nov. 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2I
The Chiba Bank, Ltd.		500,000						
The Nishi-Nippon City Bank, Ltd.		500,000						
Sumitomo Mitsui Banking Corporation		500,000						
The Musashino Bank, Ltd.		500,000						
Resona Bank, Limited		385,000						
Higashi-Nippon Bank, Ltd.		250,000						
Aozora Bank, Ltd.		215,000						
ORIX Bank Corporation		150,000						
Mizuho Trust & Banking Co., Ltd.		100,000						
Subtotal		4,190,000						
The Bank of Yokohama, Ltd.	Nov. 24, 2017	1,000,000	0.77491	Nov. 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2J
Resona Bank, Limited		519,000						
Mizuho Bank, Ltd.		479,000						
Sumitomo Mitsui Banking Corporation		479,000						
The Chiba Bank, Ltd.		415,000						
The Musashino Bank, Ltd.		415,000						
Aozora Bank, Ltd.		321,000						
Sumitomo Mitsui Trust Bank, Limited		171,000						
ORIX Bank Corporation		167,000						
The Kagawa Bank, Ltd.		34,000						
Subtotal		4,000,000						
Resona Bank, Limited	May 25, 2018	727,000	0.77491	May 24, 2024	Lump-sum repayment on repayment date	Part of funds for refinancing and acquisition of AUM	Unsecured Unguaranteed	Term Loan 2L
Aozora Bank, Ltd.		450,000						
The Bank of Kyoto, Ltd.		400,000						
Mizuho Bank, Ltd.		299,000						
Sumitomo Mitsui Banking Corporation		299,000						
The Chiba Bank, Ltd.		259,000						
The Musashino Bank, Ltd.		259,000						
Sumitomo Mitsui Trust Bank, Limited		107,000						
The Kagawa Bank, Ltd.		100,000						
Subtotal								

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

*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.

Status of Interest-Bearing Liabilities II (As of October 31, 2022)

■ Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 34th FP (thousand yen)	Average interest rate (%) *1	Repayment date	Repayment method	Use	Remarks	Name
Aozora Bank, Ltd.	Nov. 22, 2018	1,089,000	0.93000 *2	Nov. 22, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2M
Resona Bank, Limited		825,000						
The Chiba Bank, Ltd.		382,000						
The Musashino Bank, Ltd.		382,000						
Mizuho Bank, Ltd.		357,000						
The Kagawa Bank, Ltd.		325,000						
Sumitomo Mitsui Banking Corporation		241,000						
Sumitomo Mitsui Trust Bank, Limited		99,000						
Subtotal		3,700,000						
Aozora Bank, Ltd.	May 24, 2019	831,000	0.86000 *2	May 23, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2N
Resona Bank, Limited		635,000						
The Chiba Bank, Ltd.		356,000						
The Musashino Bank, Ltd.		356,000						
The Kagawa Bank, Ltd.		303,000						
Mizuho Bank, Ltd.		250,000						
Sumitomo Mitsui Banking Corporation		225,000						
Sumitomo Mitsui Trust Bank, Limited		93,000						
Subtotal		3,049,000						
Resona Bank, Limited	Nov. 25, 2019	449,000	0.87000 *2	Nov. 25, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2O
Aozora Bank, Ltd.		278,000						
Mizuho Bank, Ltd.		189,000						
Sumitomo Mitsui Banking Corporation		189,000						
The Chiba Bank, Ltd.		163,000						
The Musashino Bank, Ltd.		163,000						
Sumitomo Mitsui Trust Bank, Limited		69,000						
Subtotal		1,500,000						
Resona Bank, Limited	May 22, 2020	1,095,000	0.92000 *2	May 22, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2P
Aozora Bank, Ltd.		1,060,000						
Mizuho Bank, Ltd.		917,000						
The Musashino Bank, Ltd.		480,000						
The Chiba Bank, Ltd.		470,000						
The Kagawa Bank, Ltd.		152,000						
Sumitomo Mitsui Trust Bank, Limited		146,000						
Subtotal	4,320,000							

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

*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.

Status of Interest-Bearing Liabilities III (As of October 31, 2022)

■ Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 34th FP (thousand yen)	Average interest rate (%) *1	Repayment date	Repayment method	Use	Remarks	Name
Aozora Bank, Ltd.	Nov. 24, 2020	790,000	0.90000 *2	Nov. 24, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2Q
Resona Bank, Limited		590,000						
The Chiba Bank, Ltd.		286,000						
The Musashino Bank, Ltd.		286,000						
Mizuho Bank, Ltd.		248,000						
The Kagawa Bank, Ltd.		244,000						
Sumitomo Mitsui Banking Corporation		181,000						
Sumitomo Mitsui Trust Bank, Limited		75,000						
Subtotal		2,700,000						
Resona Bank, Limited	May 24, 2021	547,500	0.49491	May 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2R
Aozora Bank, Ltd.		530,000						
Mizuho Bank, Ltd.		458,000						
The Musashino Bank, Ltd.		240,000						
The Chiba Bank,		235,000						
The Kagawa Bank, Ltd.		76,000						
Sumitomo Mitsui Trust Bank, Limited		72,500						
Subtotal		2,159,000						
Resona Bank, Limited	May 24, 2021	548,000	0.55491	May 24, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2S
Aozora Bank, Ltd.		530,500						
Mizuho Bank, Ltd.		459,000						
The Musashino Bank, Ltd.		240,000						
The Chiba Bank, Ltd.		235,000						
The Kagawa Bank, Ltd.		76,000						
Sumitomo Mitsui Trust Bank, Limited		72,500						
Subtotal		2,161,000						
Resona Bank, Limited	Nov. 24, 2021	660,000	0.85000 *2	May 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2T
Aozora Bank, Ltd.		640,000						
Mizuho Bank, Ltd.		550,000						
The Chiba Bank, Ltd.		290,000						
The Musashino Bank, Ltd.		280,000						
The 77 Bank		200,000						
The Kagawa Bank, Ltd.		100,000						
Sumitomo Mitsui Trust Bank, Limited		100,000						
Subtotal		2,820,000						

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

*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.

Status of Interest-Bearing Liabilities IV (As of October 31, 2022)

■ Long-Term Loans Payable

Lender	Drawdown date	Balance at end of 34th FP (thousand yen)	Average interest rate (%) *1	Repayment date	Repayment method	Use	Remarks	Name
Resona Bank, Limited	May 24, 2022	828,500	1.06800 *2	May 24, 2028	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2U
Aozora Bank, Ltd.		585,000						
Sumitomo Mitsui Banking Corporation		408,500						
The Chiba Bank, Ltd.		387,500						
The Musashino Bank, Ltd.		387,500						
Mizuho Bank, Ltd.		158,500						
Sumitomo Mitsui Trust Bank, Limited		56,500						
Mizuho Trust & Banking Co., Ltd.		50,000						
The Kagawa Bank, Ltd.		11,500						
Subtotal								
Mizuho Bank, Ltd.	May 24, 2022	600,000	1.01600 *2	Nov. 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed	Term Loan 2V
Sumitomo Mitsui Banking Corporation		600,000						
Resona Bank, Limited		350,000						
Aozora Bank, Ltd.		300,000						
The Bank of Kyoto, Ltd.		200,000						
The 77 Bank		200,000						
The Joyo Bank, Ltd.		200,000						
Sumitomo Mitsui Trust Bank, Limited		150,000						
Mizuho Trust & Banking Co., Ltd.		100,000						
The Kagawa Bank, Ltd.		100,000						
Higashi-Nippon Bank, Ltd.		100,000						
Subtotal								
Total		42,146,000						

Investment corporation bonds	Issue date	Balance at end of 34th FP (thousand yen)	Interest rate (%)	Use	Redemption date	Overview
First Series Unsecured Investment Corporation Bond	November 18, 2019	1,000,000	0.47	Refinancing deposits	November 18, 2024	Unsecured and unguaranteed
Second Series Unsecured Investment Corporation Bond	November 19, 2020	1,000,000	0.54	Refinancing deposits	November 19, 2025	Unsecured and unguaranteed
Third Series Unsecured Investment Corporation Bond (Green Bond)	November 18, 2021	1,500,000	0.80	Refinancing deposits	November 18, 2031	Unsecured and unguaranteed
Total		3,500,000				

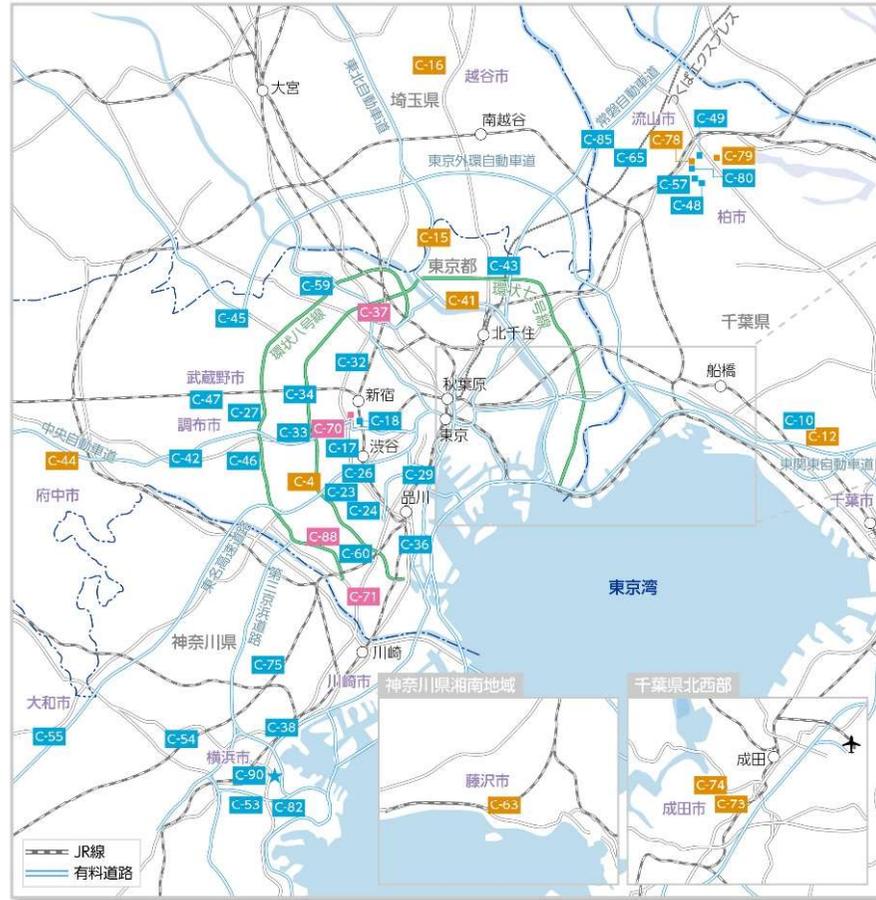
Total interest-bearing liabilities (loans + investment corporation bonds)

45,646,000 thousand yen

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

*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.

Cities Surrounding Tokyo



- | | | | |
|-------------------------------|--------------------------------|---|--|
| C-4 Proceed Sangenjaya | C-33 Proceed Shinkoenji | C-49 Proceed Kashiwa Nord | C-75 Proceed Shin Yokohama |
| C-10 Proceed Makuharihongo | C-34 Proceed Koenjiminami | C-53 Proceed Gumyoji | C-76 Proceed K2 |
| C-12 Proceed Makuharihongo 2 | C-36 Proceed Oimachi | C-54 Proceed Tsurugamine | C-79 Proceed K3 Annex |
| C-15 Proceed Takenozuka | C-37 Proceed Jujo | C-55 Proceed Sagamiotsuka | C-80 Proceed K5 |
| C-16 Proceed Sengendai 2 | C-38 Proceed Hakuraku | C-57 Proceed Kashiwa Trois | C-82 The Parkhabio Yokohamamamate |
| C-17 Proceed Shoto | C-41 Proceed Nishiarai | C-59 Proceed Tobu Nerima | C-85 Proceed Nagareyama Otakanomori |
| C-18 Proceed Sangubashi | C-42 Proceed Chofu | C-60 Proceed Yukigaya | C-88 Proceed Ishikawadai |
| C-23 Proceed Toritsudaigaku | C-43 Proceed TX Rokucho | C-63 Proceed Fujisawa Kugenuma | C-90 Proceed Yamashita Koen The Tower NEW |
| C-24 Proceed Toritsudaigaku 2 | C-44 Proceed Nakagawara | C-65 Proceed TX Nagareyama Central Park | |
| C-26 Proceed Meguro Aobadai | C-45 Proceed Oizumigakuen | C-70 Proceed Nishi Shinjuku | |
| C-27 Proceed Suginami Miyamae | C-46 Proceed Chitosekarasuyama | C-71 Proceed Unoki | |
| C-29 Proceed Mita | C-47 Proceed Mitaka | C-73 Proceed CO-Z East Building | |
| C-32 Proceed Takadanobaba | C-48 Proceed Kashiwa Est | C-74 Proceed CO-Z West Building | |

Enlarged map of Tokyo and the surrounding area



- | | | | |
|--------------------------------|-------------------------------|--|---|
| C-1 Proceed Ichikawa | C-19 Proceed Urayasu | C-62 Proceed Ichikawa Myoden | C-81 Proceed Ichikawa Myoden II |
| C-2 Proceed Toyochō | C-20 Proceed Shinkoiwa | C-64 Proceed Nihonbashi-horidomecho | C-83 Proceed Monzennakacho |
| C-3 Proceed Kasai | C-25 Proceed Honjoazumabashi | C-66 Proceed Gyotoku 2 | C-84 Proceed Maihama |
| C-5 Proceed Mizue | C-28 Proceed Ryogoku | C-67 Proceed Nishikasai | C-86 Proceed Shinkawa |
| C-6 Proceed Funabashi Miyamoto | C-31 Proceed Kameido | C-68 Proceed Kasai 2 | C-87 Proceed Kinshicho 2 |
| C-7 Proceed Minamikasai | C-50 Proceed Gyotokuekimae | C-69 Proceed Nihonbashi Honcho | C-89 Alpha Grande Chizakura Tower |
| C-9 Proceed Gyotoku | C-51 Proceed Funabashi Honcho | C-72 Proceed Minamigyotoku 2 | C-91 Shinozaki Twin Place NEW |
| C-11 Proceed Minamigyotoku | C-58 Proceed Shinozaki Tower | C-76 Life Support Residence Funaboriekimae | C-92 Proceed Minamisunamachi NEW |
| C-14 Proceed Funabari | C-61 Proceed Ichikawa Minami | C-77 Proceed Kinshicho | |

Cabinet Order-Designated Cities / Regional Area Major Cities

- | | |
|------------------------------------|-----------------------------------|
| G-21 Proceed Nishitenma | G-33 Proceed Sendai Kozurushinden |
| G-22 Proceed Kobemotomachi | G-34 Proceed Sendai Kamisugi |
| G-23 Group Home Tanoshii le Taisho | |
| G-26 Proceed Bentencho | |
| G-27 Proceed Nagaikoendori | |
| G-30 Proceed Hyogoekimaedori | |
| C-36 Proceed Tsurigane NEW | R-2 Proceed Mito |
| C-37 Proceed Fukaebashi NEW | R-3 Proceed Mito 2 |
| | R-4 Proceed Tsukuba Gakuentoshi |
| | R-5 Proceed Mito 3 |
| G-19 Proceed Fukuoka Takamiya | |
| G-8 Proceed Taikodori | G-19 Proceed Toyota |
| G-11 Proceed Honamimachi | G-24 Proceed Kanayama 2 |
| G-13 Proceed Shinsakae | G-25 Proceed Aratamabashi |
| G-14 Proceed Chiyoda | G-31 Proceed Mizuho |
| G-17 Proceed Kanayama | G-32 Proceed Osu |
| G-18 Proceed Fukiage | G-35 Proceed Kanayama 3 |

Portfolio Policy and the Status as of the End of the 34th FP

■ Portfolio Policy and the Status as of the End of the 34th FP

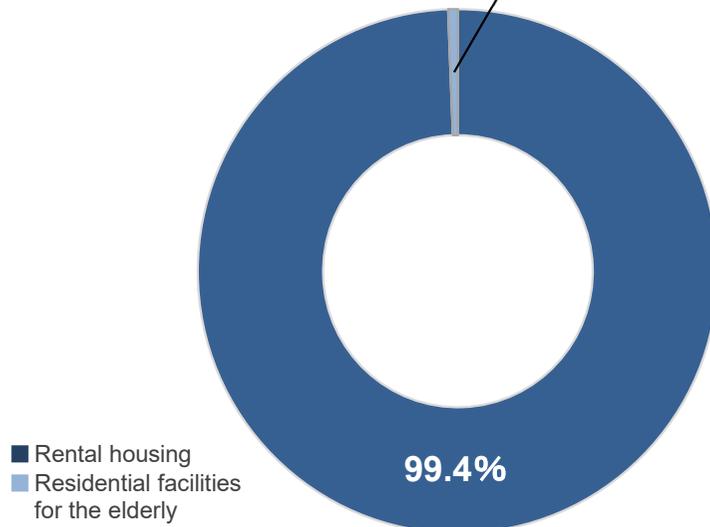
Portfolio policy by use*

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.	10% or less
Residential facilities for the elderly	Rental housing in the form of paid nursing homes, etc., and insurance-covered nursing care facilities such as elderly nursing welfare facilities, etc.	
Others	Property developments, etc., through PFI, PPP, 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

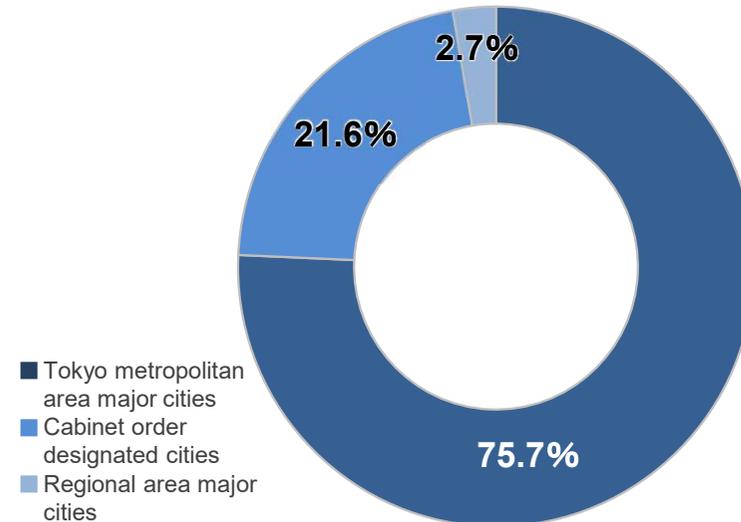
Portfolio policy by area*

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 34th FP: By Use **0.6%**



As of the end of 34th FP: By Area



* 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.

Portfolio List I (As of October 31, 2022)

Property No. *1	Property name	Location	Acquisition price (thousand yen)	Investment share (%) *2	Carrying amount (thousand yen)	Real estate appraisal value or research price (thousand yen)	Gross leasable area (m ²)	Leased area (m ²)	Total number of leasable units (units) *3	Period-end occupancy rate (%) *4	PML (%)	Construction completion *5
C-1	Proceed Ichikawa	Ichikawa-shi, Chiba	1,076,000	1.2	987,130	1,490,000	3,322.17	3,165.30	50	95.3	5.9	April 1, 1997
C-2	Proceed Toyochō	Koto-ku, Tokyo	646,700	0.7	561,399	954,000	1,085.56	1,085.56	45	100.0	8.6	January 31, 2003
C-3	Proceed Kasai	Edogawa-ku, Tokyo	688,700	0.8	585,171	874,000	1,243.80	1,243.80	57	100.0	5.1	March 1, 2003
C-4	Proceed Sangenjaya	Setagaya-ku, Tokyo	555,900	0.6	608,966	659,000	1,019.27	1,019.27	9	100.0	9.3	June 29, 1990
C-5	Proceed Mizue	Edogawa-ku, Tokyo	602,600	0.7	612,437	805,000	2,076.68	2,076.68	28	100.0	7.0	June 20, 1991
C-6	Proceed Funabashi Miyamoto	Funabashi-shi, Chiba	419,900	0.5	438,432	606,000	1,685.73	1,639.03	33	97.2	4.7	June 24, 1991
C-7	Proceed Minamikasai	Edogawa-ku, Tokyo	303,500	0.3	315,830	325,000	1,045.28	1,045.28	16	100.0	10.4	March 12, 1993
C-9	Proceed Gyotoku	Ichikawa-shi, Chiba	315,600	0.4	335,485	356,000	1,218.56	1,157.54	20	95.0	6.7	March 15, 1988
C-10	Proceed Makuharihongo	Chiba-shi, Chiba	279,300	0.3	267,069	333,000	963.00	905.70	34	94.0	8.7	February 22, 1989
C-11	Proceed Minamigyotoku	Ichikawa-shi, Chiba	287,300	0.3	291,133	349,000	838.95	838.95	26	100.0	6.8	February 6, 1990
C-12	Proceed Makuharihongo 2	Chiba-shi, Chiba	223,400	0.3	225,278	247,000	1,104.84	954.18	22	86.4	4.8	September 24, 1989
C-14	Proceed Funabori	Edogawa-ku, Tokyo	226,100	0.3	232,285	247,000	479.52	459.54	24	95.8	7.3	October 11, 1991
C-15	Proceed Takenozuka	Adachi-ku, Tokyo	169,400	0.2	167,733	250,000	860.55	860.55	15	100.0	3.4	March 10, 1994
C-16	Proceed Sengendai 2	Koshigaya-shi, Saitama	86,700	0.1	88,538	117,000	695.81	695.81	12	100.0	3.3	April 3, 1991
C-17	Proceed Shoto	Shibuya-ku, Tokyo	937,400	1.1	870,195	1,040,000	890.22	870.09	40	97.7	5.3	November 18, 2005
C-18	Proceed Sangubashi	Shibuya-ku, Tokyo	497,600	0.6	477,408	527,000	527.88	469.69	26	89.0	7.0	July 22, 2005
C-19	Proceed Urayasu	Urayasu-shi, Chiba	431,400	0.5	447,916	456,000	1,786.58	1,698.28	21	95.1	7.8	June 4, 1992
C-20	Proceed Shinkoiwa	Edogawa-ku, Tokyo	465,200	0.5	492,364	553,000	1,629.07	1,629.07	27	100.0	7.1	March 15, 1991
C-23	Proceed Toritsudaigaku	Meguro-ku, Tokyo	790,400	0.9	757,930	876,000	808.65	766.09	37	94.7	8.3	March 13, 2006
C-24	Proceed Toritsudaigaku 2	Meguro-ku, Tokyo	772,200	0.9	717,176	899,000	831.74	831.74	36	100.0	7.8	September 7, 2006
C-25	Proceed Honjozumabashi	Sumida-ku, Tokyo	339,800	0.4	286,453	491,000	570.53	570.53	19	100.0	6.7	July 7, 2006
C-26	Proceed Meguro Aobadai	Meguro-ku, Tokyo	466,700	0.5	446,300	478,000	485.15	422.49	24	87.1	11.6	March 27, 2003
C-27	Proceed Suginami Miyamae	Suginami-ku, Tokyo	454,900	0.5	418,817	495,000	680.50	680.50	29	100.0	7.1	January 26, 2004
C-28	Proceed Ryogoku	Sumida-ku, Tokyo	443,900	0.5	417,350	629,000	702.54	702.54	27	100.0	6.9	March 15, 2003
C-29	Proceed Mita	Minato-ku, Tokyo	1,537,200	1.7	1,397,490	1,570,000	1,500.57	1,500.57	72	100.0	8.7	February 6, 2006
C-31	Proceed Kameido	Koto-ku, Tokyo	339,000	0.4	365,959	346,000	853.98	853.98	23	100.0	7.6	March 23, 1994
C-32	Proceed Takadanobaba	Shinjuku-ku, Tokyo	223,700	0.3	245,760	290,000	278.36	278.36	17	100.0	13.8	October 24, 1991
C-33	Proceed Shinkoenji	Suginami-ku, Tokyo	742,100	0.8	765,326	894,000	1,040.24	1,040.24	57	100.0	10.0	August 31, 1990
C-34	Proceed Koenjiminami	Suginami-ku, Tokyo	277,400	0.3	306,018	251,000	337.05	337.05	20	100.0	11.7	October 2, 1989
C-36	Proceed Oimachi	Shinagawa-ku, Tokyo	944,000	1.1	964,358	950,000	961.88	961.88	59	100.0	13.0	April 13, 1992
C-37	Proceed Jujo	Kita-ku, Tokyo	533,000	0.6	545,515	558,000	1,206.90	1,206.90	30	100.0	7.2	June 15, 1989
C-38	Proceed Hakuraku	Yokohama-shi, Kanagawa	241,000	0.3	252,961	185,000	445.16	445.16	27	100.0	16.4	July 19, 1991
C-41 (★)	Proceed Nishiarai (*6)	Adachi-ku, Tokyo	5,172,000	5.8	2,813,063	6,900,000	20,137.85	19,810.54	294	98.4	ARTIER: 3.9 OZAREA: 5.0 Hall: 3.5 Nursery: 3.5	July 20, 2007
C-42	Proceed Chofu	Chofu-shi, Tokyo	460,500	0.5	385,083	591,000	764.48	738.15	26	96.6	6.4	February 17, 2007
C-43	Proceed TX Rokucho	Adachi-ku, Tokyo	156,800	0.2	174,205	182,000	518.31	494.20	20	95.3	6.6	June 21, 1991
C-44	Proceed Nakagawara (*7)	Fuchu-shi, Tokyo	1,141,000	1.3	1,196,179	1,360,000	3,061.94	2,962.56	54	96.8	Ichibanakan: 10.7 Nibankan: 11.8	April 1, 1989
C-45	Proceed Oizumigakuen	Nerima-ku, Tokyo	268,300	0.3	284,793	282,000	483.43	450.09	29	93.1	10.6	November 26, 1991
C-46	Proceed Chitosekarasuyama	Setagaya-ku, Tokyo	289,600	0.3	323,528	334,000	449.96	401.75	28	89.3	11.7	December 8, 1988
C-47	Proceed Mitaka	Mitaka-shi, Tokyo	477,200	0.5	515,991	581,000	739.48	739.48	47	100.0	9.3	December 16, 1988
C-48	Proceed Kashiwa Est	Kashiwa-shi, Chiba	732,000	0.8	657,500	723,000	1,279.93	1,252.21	44	97.8	4.5	February 13, 2007
C-49	Proceed Kashiwa Nord	Kashiwa-shi, Chiba	689,000	0.8	604,904	619,000	1,391.55	1,332.78	47	95.8	5.7	February 13, 2007
C-50	Proceed Gyotokuekimae	Ichikawa-shi, Chiba	331,000	0.4	258,526	373,000	659.68	603.06	24	91.4	5.2	September 4, 2007

Portfolio List II (As of October 31, 2022)

Property No. *1	Property name	Location	Acquisition price (thousand yen)	Investment share (%) *2	Carrying amount (thousand yen)	Real estate appraisal value or research price (thousand yen)	Gross leasable area (m ²)	Leased area (m ²)	Total number of leasable units (units) *3	Period-end occupancy rate (%) *4	PML (%)	Construction completion *5
C-51	Proceed Funabashi Honcho	Funabashi-shi, Chiba	531,700	0.6	481,581	591,000	996.44	971.46	40	97.5	5.7	July 19, 2006
C-53	Proceed Gumyoji	Yokohama-shi, Kanagawa	552,000	0.6	547,668	572,000	1,246.48	1,199.45	77	96.2	19.0	May 12, 1988
C-54	Proceed Tsurugamine	Yokohama-shi, Kanagawa	356,000	0.4	356,057	378,000	855.00	855.00	50	100.0	7.2	March 12, 1991
C-55	Proceed Sagamiotsuka	Yamato-shi, Kanagawa	234,000	0.3	224,210	218,000	741.24	741.24	29	100.0	12.9	April 5, 1991
C-57	Proceed Kashiwa Trois	Kashiwa-shi, Chiba	537,100	0.6	446,844	688,000	1,149.95	1,149.95	38	100.0	5.4	May 8, 2009
C-58	Proceed Shinozaki Tower (*8)	Edogawa-ku, Tokyo	1,564,000	1.8	1,263,812	2,260,000	5,117.49	5,117.49	88	100.0	High-rise bldg.: 2.6 Low-rise Bldg.: 4.4	March 17, 2008
C-59	Proceed Tobu Nerima	Itabashi-ku, Tokyo	422,000	0.5	397,156	585,000	779.84	779.84	35	100.0	7.7	August 31, 2007
C-60	Proceed Yukigaya	Ota-ku, Tokyo	323,000	0.4	353,588	401,000	600.62	583.45	35	97.1	14.0	October 7, 1991
C-61	Proceed Ichikawa Minami	Ichikawa-shi, Chiba	687,000	0.8	694,379	1,030,000	1,635.59	1,579.43	66	96.6	2.0	February 10, 1997
C-62	Proceed Ichikawa Myoden	Ichikawa-shi, Chiba	498,000	0.6	512,332	660,000	945.00	945.00	45	100.0	6.8	March 15, 2003
C-63	Proceed Fujisawa Kugenuma	Fujisawa-shi, Kanagawa	729,000	0.8	734,840	924,000	2,005.76	2,005.76	25	100.0	14.7	March 30, 2001
C-64	Proceed Nihonbashi-horidomecho	Chuo-ku, Tokyo	1,485,800	1.7	1,498,388	1,900,000	1,904.45	1,815.35	37	95.3	7.5	April 7, 2006
C-65 (★)	Proceed TX Nagareyama Central Park	Nagareyama-shi, Chiba	979,700	1.1	841,020	1,180,000	2,976.85	2,930.99	73	98.5	2.9	April 11, 2014
C-66	Proceed Gyotoku 2	Ichikawa-shi, Chiba	830,000	0.9	810,529	971,000	1,626.54	1,570.65	59	96.6	6.5	October 7, 2006
C-67	Proceed Nishikasai (*9)	Edogawa-ku, Tokyo	875,600	1.0	948,143	1,080,000	2,993.52	2,844.17	63	95.0	Ichibanban: 11.0 Nibankan: 8.1	October 17, 1993 Nibankan: July 23, 1985
C-68 (★)	Proceed Kasai 2	Edogawa-ku, Tokyo	750,000	0.8	822,308	1,000,000	2,140.59	2,140.59	29	100.0	7.1	September 12, 2003
C-69	Proceed Nihonbashi Honcho	Chuo-ku, Tokyo	2,449,000	2.7	2,590,821	2,700,000	2,553.89	2,399.73	84	94.0	8.3	February 25, 2003
C-70	Proceed Nishi Shinjuku	Shinjuku-ku, Tokyo	2,549,000	2.9	2,696,635	2,820,000	2,461.88	2,437.45	66	99.0	4.5	February 25, 2003
C-71	Proceed Unoki	Ota-ku, Tokyo	917,000	1.0	904,372	1,070,000	1,260.58	1,260.58	29	100.0	13.9	September 5, 2015
C-72 (★)	Proceed Minamigyotoku 2	Ichikawa-shi, Chiba	1,080,000	1.2	1,048,988	1,230,000	2,832.74	2,728.00	36	96.3	6.4	May 15, 2014
C-73	Proceed CO-Z East Building	Narita-shi, Chiba	1,830,000	2.1	1,908,530	2,130,000	6,873.33	6,698.76	112	97.5	6.0	March 10, 1997
C-74	Proceed CO-Z West Building	Narita-shi, Chiba	971,000	1.1	1,024,760	1,140,000	3,716.05	3,549.77	71	95.5	6.0	January 9, 1998
C-75	Proceed Shin Yokohama	Yokohama-shi, Kanagawa	4,330,000	4.9	4,356,563	4,640,000	5,457.56	5,094.10	226	93.3	6.9	April 19, 2007
C-76	Life Support Residence Funaboriekimae	Edogawa-ku, Tokyo	380,000	0.4	245,473	437,000	1,408.71	1,408.71	2	100.0	6.6	January 14, 2013
C-77	Proceed Kinshicho	Sumida-ku, Tokyo	2,140,000	2.4	2,224,415	2,220,000	2,302.92	2,221.93	64	96.5	6.1	July 1, 2005
C-78	Proceed K2	Kashiwa-shi, Chiba	1,170,000	1.3	1,244,239	1,350,000	4,140.69	4,140.69	60	100.0	3.9	February 10, 1995
C-79	Proceed K3 Annex	Kashiwa-shi, Chiba	283,000	0.3	303,828	318,000	1,590.30	1,590.30	24	100.0	5.5	March 2, 1997
C-80	Proceed K5	Kashiwa-shi, Chiba	269,000	0.3	286,070	277,000	788.95	729.08	17	92.4	6.3	February 13, 1998
C-81	Proceed Ichikawa Myoden II	Ichikawa-shi, Chiba	800,000	0.9	833,085	858,000	1,218.00	1,218.00	58	100.0	6.7	March 15, 2003
C-82	The Parkhabio Yokohamayamate	Yokohama-shi, Kanagawa	3,047,000	3.4	3,191,411	3,150,000	2,654.69	2,554.32	76	96.2	15.0	July 2, 2015
C-83	Proceed Monzennakacho	Koto-ku, Tokyo	1,240,000	1.4	1,281,886	1,460,000	1,515.81	1,394.47	48	92.0	9.7	January 18, 2020
C-84	Proceed Maihama	Urayasu-shi, Chiba	1,029,000	1.2	1,078,939	1,320,000	1,735.31	1,735.31	66	100.0	7.4	March 10, 2020
C-85 (★)	Proceed Nagareyama Otakanomori	Nagareyama-shi, Chiba	1,069,000	1.2	1,150,758	1,180,000	1,730.96	1,730.96	50	100.0	0.1	February 4, 2020
C-86	Proceed Shinkawa	Chuo-ku, Tokyo	500,000	0.6	533,311	550,000	579.96	500.88	18	86.4	8.2	August 5, 2009
C-87	Proceed Kinshicho 2	Sumida-ku, Tokyo	537,100	0.6	575,215	551,000	668.54	668.54	19	100.0	7.4	September 10, 2007
C-88	Proceed Ishikawadai	Ota-ku, Tokyo	810,000	0.9	868,229	897,000	1,105.45	1,105.45	25	100.0	13.4	November 24, 2021
C-89	Alpha Grande Chizakura Tower	Chiyoda-ku, Tokyo	2,800,000	3.1	3,166,768	2,880,000	4,437.47	4,309.09	68	97.1	2.3	April 16, 2018
Properties in Tokyo			40,665,300	45.6	38,621,626	48,002,000	79,103.09	77,496.89	1,945	98.0		
Properties in the Tokyo metropolitan area excluding Tokyo			26,925,100	30.2	26,931,518	30,659,000	62,309.39	60,406.22	1,658	96.9		
Tokyo metropolitan area major cities subtotal			67,590,400	75.7	65,553,144	78,661,000	141,412.48	137,903.11	3,603	97.5		

Portfolio List III (As of October 31, 2022)

Property No. *1	Property name	Location	Acquisition price (thousand yen)	Investment share (%) *2	Carrying amount (thousand yen)	Real estate appraisal value or research price (thousand yen)	Gross leasable area (m ²)	Leased area (m ²)	Total number of leasable units (units) *3	Period-end occupancy rate (%) *4	PML (%)	Construction completion *5
G-8	Proceed Taikodori	Nagoya-shi, Aichi	403,400	0.5	319,154	510,000	1,101.56	1,053.41	44	95.6	11.3	March 15, 2006
G-11	Proceed Honamimachi	Nagoya-shi, Aichi	275,000	0.3	217,830	252,000	620.22	467.79	10	75.4	10.5	March 27, 2006
G-13 (★)	Proceed Shinsakae	Nagoya-shi, Aichi	792,500	0.9	599,916	929,000	1,958.44	1,728.60	77	88.3	7.1	February 28, 2007
G-14	Proceed Chiyoda	Nagoya-shi, Aichi	309,300	0.3	232,804	363,000	922.40	892.71	30	96.8	7.3	March 20, 2007
G-15	Proceed Fukuoka Takamiya	Fukuoka-shi, Fukuoka	453,600	0.5	403,389	516,000	1,312.29	1,253.61	46	95.5	3.2	March 12, 2007
G-17 (★)	Proceed Kanayama	Nagoya-shi, Aichi	1,022,000	1.1	895,845	1,500,000	2,733.58	2,542.03	94	93.0	6.0	February 18, 2008
G-18 (★)	Proceed Fukiage	Nagoya-shi, Aichi	499,000	0.6	436,110	656,000	1,204.65	1,049.48	48	87.1	6.2	March 13, 2008
G-19 (★)	Proceed Toyota	Toyota-shi, Aichi	219,000	0.2	191,560	324,000	752.04	702.94	27	93.5	6.7	February 29, 2008
G-21	Proceed Nishitenma	Osaka-shi, Osaka	880,000	1.0	850,241	1,210,000	1,775.89	1,622.44	56	91.4	13.9	November 30, 2007
G-22	Proceed Kobemotomachi	Kobe-shi, Hyogo	780,000	0.9	757,679	1,050,000	1,590.64	1,490.46	61	93.7	8.6	December 21, 2007
G-23	Group Home Tanoshii ie Taisho	Osaka-shi, Osaka	158,000	0.2	155,082	186,000	482.72	482.72	1	100.0	14.8	February 28, 2007
G-24	Proceed Kanayama 2	Nagoya-shi, Aichi	2,040,400	2.3	1,956,079	2,390,000	4,218.01	3,991.98	72	94.6	6.2	August 22, 2007
G-25	Proceed Aratamabashi	Nagoya-shi, Aichi	2,129,600	2.4	2,077,926	2,260,000	5,335.93	4,296.81	73	80.5	6.2	August 19, 2005
G-26	Proceed Bentencho	Osaka-shi, Osaka	2,170,000	2.4	2,221,907	2,360,000	4,134.70	3,973.21	126	96.1	8.1	January 11, 2008
G-27	Proceed Nagaikoeondori	Osaka-shi, Osaka	1,070,000	1.2	1,088,984	1,070,000	2,170.80	2,037.80	81	93.9	14.4	May 28, 2007
G-30	Proceed Hyogoekimaedori	Kobe-shi, Hyogo	1,670,000	1.9	1,762,245	1,800,000	3,086.99	2,660.63	117	86.2	9.2	February 8, 2008
G-31	Proceed Mizuho	Nagoya-shi, Aichi	535,000	0.6	543,659	544,000	1,126.40	1,070.92	40	95.1	6.2	February 28, 2007
G-32	Proceed Osu	Nagoya-shi, Aichi	831,000	0.9	798,948	941,000	1,851.30	1,711.05	66	92.4	7.6	March 7, 2016
G-33	Proceed Sendai Kozurushinden	Sendai-shi, Miyagi	698,000	0.8	749,309	805,000	1,913.28	1,764.96	63	92.2	8.4	March 20, 2006
G-34	Proceed Sendai Kamisugi	Sendai-shi, Miyagi	1,560,000	1.7	1,526,880	1,820,000	3,409.93	3,322.70	108	97.4	4.8	February 21, 2017
G-35	Proceed Kanayama 3	Nagoya-shi, Aichi	770,000	0.9	796,679	897,000	1,799.52	1,745.46	60	97.0	6.4	August 9, 2018
Cabinet order designated cities subtotal			19,265,800	21.6	18,582,239	22,383,000	43,501.29	39,861.71	1,300	91.6		
R-2	Proceed Mito	Mito-shi, Ibaraki	383,700	0.4	284,069	488,000	1,223.83	1,128.02	36	92.2	4.0	January 7, 2007
R-3	Proceed Mito 2	Mito-shi, Ibaraki	416,900	0.5	318,136	522,000	1,381.34	1,259.09	36	91.1	3.6	March 11, 2008
R-4	Proceed Tsukuba Gakuentoshi	Tsukuba-shi, Ibaraki	775,600	0.9	731,733	891,000	2,659.71	2,487.74	34	93.5	3.8	March 3, 2008
R-5	Proceed Mito 3	Mito-shi, Ibaraki	824,000	0.9	861,811	889,000	2,258.88	2,258.88	60	100.0	2.5	September 20, 2018
Regional area major cities subtotal			2,400,200	2.7	2,195,750	2,790,000	7,523.76	7,133.73	166	94.8		
Portfolio total			89,256,400	100.0	86,331,134	103,834,000	192,437.53	184,898.55	5,069	96.1		

Average building age: **17.1 years**

- *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.
- *2) "Investment share" is the proportion of acquisition price of each acquired property to total acquisition price of the portfolio and is rounded to the first decimal place.
- *3) "Total number of leasable units" is the number of units that are leasable for residential, office, retail and other uses.
- *4) "Period-end occupancy rate" is the proportion of leased area to the gross leasable area of respective properties, rounded to the first decimal place. For properties with fixed rent, 100% is indicated.
- *5) "Construction completion" is the date stated in the real estate registry transcript.
- *6) As Proceed Nishiarai comprises 4 independent buildings, PML for each of the 4 buildings is shown.
- *7) As Proceed Nakagawara comprises 2 independent buildings, PML for each of the 2 buildings is shown.
- *8) As Proceed Shinozaki Tower comprises 2 independent buildings, PML for each of the 2 buildings is shown.
- *9) As Proceed Nishikasai comprises 2 independent buildings, PML and construction completion for each of the 2 buildings are shown.
- *10) Of the assets SPI 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 (5) No.80325)
 - Nov. 11, 2004 Obtained discretionary transaction agent and other approval under the Building Lots and Buildings Transaction Business Act (Minister of Land, Infrastructure, Transport and Tourism Approval No. 25)
 - Dec. 20, 2004 Obtained investment corporation asset management business approval (Prime Minister No. 36)
 - Sept. 30, 2007 Registered as financial instruments business operator under Financial Instruments and Exchange Act (Director-General of the Kanto Local Finance Bureau (Kinsho) No. 343)
 - Oct. 1, 2010 Commenced real estate consulting business operations
Changed trade name from Starts Asset Management Investment Trust Co., Ltd. to Starts Asset Management Co., Ltd.
 - Feb. 1, 2016 Notification of change in content and method of business concerning commencement of discretionary investment management business
 - Feb. 7, 2018 Registered Change in Type of Financial Instruments Business
(Addition of investment advisory and agency business)

■ **Outline**

President Kazuya Hiraide

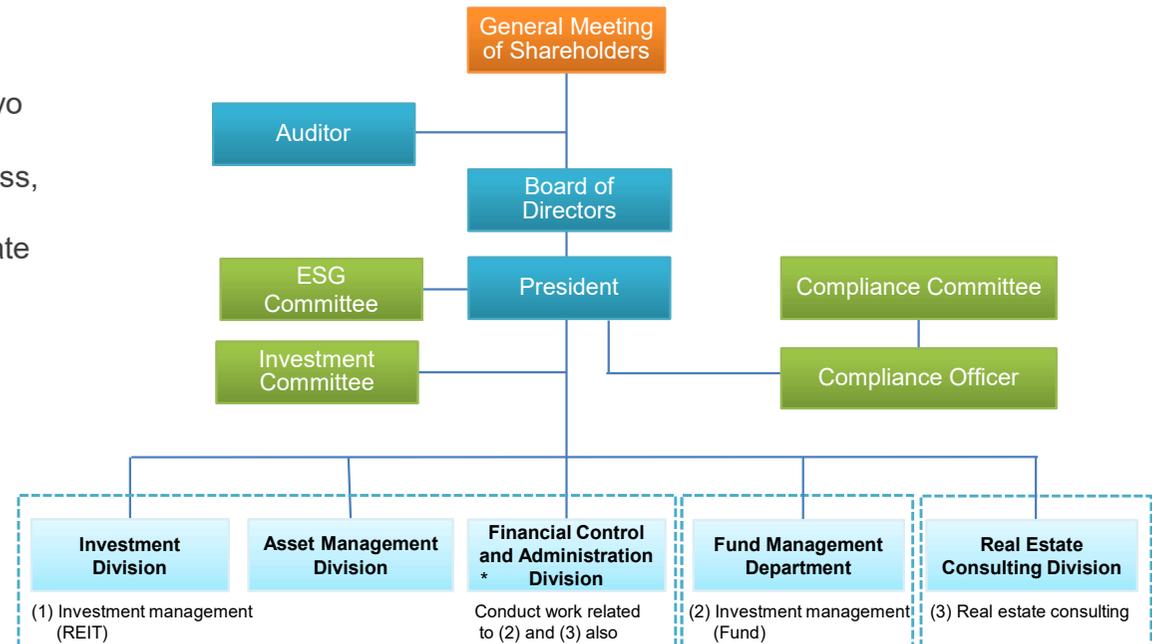
Head office location 3-1-8 Nihonbashi, Chuo-ku, Tokyo

Line of business Investment management business, investment advisory and agency business and real estate consulting business

Capital stock 150,000,000 yen

Shareholder Starts Corporation Inc. (100%)

■ **Organizational Chart**



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

This document includes charts, data and other information prepared by Starts Asset Management Co., Ltd. (the “Asset Management Company”) based on data, indices and other information disclosed by third parties, in addition to statements related to Starts Proceed Investment Corporation (“SPI”).

Statements on analysis, judgments and other opinions concerning those charts, data and other information of the Asset Management Company as of the date of this document are also included.

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

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

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

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

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

Unless otherwise stated, information in this document is as of October 31, 2022.