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Translation Purpose Only

For Immediate Release

REIT Issuer

Starts Proceed Investment Corporation
2-1-14 Nihonbashi, Chuo-ku, Tokyo
Kazuya Hiraide, Executive Director
(Security Code: 8979)

Asset Management Company

Starts Asset Management Co., Ltd.
Kazuya Hiraide, Representative Director
Inquiries: Shigeru Matsuda, General Manager of
Financial Control and Administration Division
TEL. +81-3-6202-0856

Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Starts Proceed Investment Corporation (“Starts Proceed”) announces that it resolved at the Board of Directors’ meeting held today the following concerning the issuance of new investment units and secondary offering of investment units.

1. Issuance of New Investment Units through Public Offering (Primary Offering)

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| (1) Total number of investment units to be offered: | 28,800 units |
| (2) Issue price (offer price): | To be determined
The price shall provisionally be calculated by subtracting 4,010 yen, the expected cash distribution per unit for the fiscal period ending October 2014, from the closing price of Starts Proceed’s investment units at the Tokyo Stock Exchange, Inc. (the “TSE”) on a date between October 21, 2014 (Tuesday) and October 23, 2014 (Thursday) (the “Pricing Date”) (if the closing price is not available on such date, the closing price on the immediately preceding date), and multiplying the figure by a factor of 0.90 to 1.00 (amounts less than one yen to be rounded down), then be determined by taking into account the demand and other factors. |
| (3) Total issue price (offer price): | To be determined |
| (4) Paid-in amount (issue amount): | To be determined
The amount shall be determined at the Board of Directors’ meeting to be held on the Pricing Date. The issue amount represents the proceeds per investment unit paid in by the Underwriters (as defined in (6) below) and received by Starts Proceed. |
| (5) Total paid-in amount (issue amount): | To be determined |
| (6) Offering method: | The offering of the investment units shall be through a primary offering, and underwritten in full by Mizuho Securities Co., Ltd. (the “Lead Manager”) along with Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., SMBC Friend Securities Co., Ltd. and Daiwa Securities Co., Ltd. (the above companies and Lead Manager are collectively referred to as the “Underwriters”). |
| (7) Underwriting agreement: | The Underwriters shall purchase the investment units at a subscription price equivalent to the amount of issue amount, which is to be determined on the Pricing Date, and shall conduct offering at a |

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different price from the subscription price (issue price). The Underwriters shall pay the total paid-in amount (total issue amount) to the Investment Corporation on the payment date identified in (10) below. The difference between the total issue price (total offer price) and the total paid-in amount (total issue amount) in the primary offering shall be the proceeds of the Underwriters. The Investment Corporation will pay no underwriting fee to the Underwriters.

- (8) Subscription unit: One unit or more in multiples of one unit
- (9) Subscription period: From October 24, 2014 (Friday) to October 27, (Monday)
The above subscription period may be moved forward in consideration of the demand and other factors, and the actual Pricing Date is scheduled to be on a date between October 21, 2014 (Tuesday) and October 23, 2014 (Thursday).
- (10) Payment date: November 4, 2014 (Tuesday)
- (11) The issue price (offer price), paid-in amount (issue amount) and other items necessary for the issuance of the new investment units shall be determined at a future Board of Directors' meeting
- (12) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

2. Secondary Offering of Investment Units (Over-Allotment)

- (1) Seller: Mizuho Securities Co., Ltd
- (2) Number of investment units to be offered: 2,880 units
The number indicates the maximum number of investment units to be offered through the secondary offering (over-allotment) conducted by the Lead Manager aside from the primary offering taking into account the demand and other factors. There may be cases where this number is reduced or the secondary offering (over-allotment) itself is not conducted, depending on demand conditions and other factors. The number of investment units to be offered through the secondary offering shall be determined on the Pricing Date taking into account the demand and other factors.
- (3) Offer price: To be determined
(The offer price shall be same as the issue price (offer price) for the primary offering.)
- (4) Total offer value: To be determined
- (5) Offering method: In consideration of the demand and other factors of the primary offering, Lead Manager shall, aside from the primary offering, offer the investment units (up to 2,880 units) borrowed from Starts Corporation, a unitholder of Starts Proceed.
- (6) Subscription period: Same as the subscription period for the primary offering
- (7) Delivery date: November 5, 2014 (Wednesday)
- (8) Subscription unit: One unit or more in multiples of one unit
- (9) The issue price and other items necessary for the issuance of the new investment units in the secondary offering through over-allotment shall be determined at a future Board of Directors' meeting
- (10) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

<Reference Information>

1. Details of the Secondary Offering (Over-Allotment)

In consideration of the demand and other factors of the primary offering, the Lead Manager may, aside from the primary offering, offer the investment units (up to 2,880 units) borrowed from Starts Corporation, a unitholder of Starts Proceed. The number of investment units to be offered in the secondary offering through over-allotment is scheduled to be 2,880

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units and the number is the maximum amount. The number may decrease or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other factors.

Regarding the secondary offering through over-allotment, the Lead Manager is granted the right to purchase additional investment units from Starts Corporation up to the maximum number set for the secondary offering through over-allotment at the same price as the issue amount and offer value of the primary offering to return the borrowed investment units (“Green Shoe Option”), by Starts Corporation over an exercise period beginning on the date immediately following the last day of the subscription period of the primary offering and secondary offering through over-allotment and ending on November 25, 2014 (Tuesday).

For the purpose of returning the borrowed investment units, the Lead Manager may also purchase the investment units up to the number of units for the secondary offering (over-allotment) at the TSE (the “Syndicated Cover Transaction”) during the period from the day following the close of the subscription period for the primary offering and the secondary offering (over-allotment) to November 21, 2014 (Friday) (the “Syndicated Cover Transaction Period”). All of the investment units purchased by the Lead Manager through the Syndicated Cover Transaction shall be used to return the borrowed investment units. There may be cases in which the Lead Manager does not conduct the Syndicated Cover Transaction at all or ends the Syndicated Cover Transaction with the number of investment units that is smaller than the number of the investment units offered through the secondary offering (over-allotment), at its sole discretion during the Syndicated Cover Transaction Period.

Moreover, the Lead Manager may conduct stabilizing transactions in correlation with the primary offering and the secondary offering (over-allotment). The investment units purchased through such stabilizing transactions may be used, in whole or in part, to return the borrowed investment units.

In such a case, regarding the number of investment units remaining after subtracting the number purchased through stabilizing operations and Syndicate Cover Transactions and the number used to return the borrowed investment units from the number of investment units to be offered in the secondary offering through over-allotment, the Lead Manager shall exercise the Green Shoe Option to acquire the investment units.

Whether or not the secondary offering through over-allotment is to be made and the number of investment units to be offered shall be determined on the Pricing Date. If a secondary offering through over-allotment is not made, the Lead Manager shall not borrow investment units from the unitholders of Starts Proceed and the Lead Manager shall not exercise the Green Shoe Option. Furthermore, no Syndicate Cover Transactions shall be made on the TSE.

2. Changes in Number of Investment Units Issued and Outstanding after Issuances of New Investment Units

Total number of investment units issued and outstanding at present:	144,977 units
Number of new investment units to be issued through primary offering:	28,800 units
Total number of investment units issued and outstanding after new issuance through primary offering:	173,777 units

3. Reason for and Purpose of New Issuance

Having considered and investigated market trends, the levels of LTV (ratio of interest-bearing liabilities to total assets), the levels of net income per unit, the levels of distribution per unit and other factors, Starts Proceed decided to issue new investment units with an aim of improving earning ability of the portfolio by newly acquiring specified assets (as defined in Paragraph 1 of Article 2 of the Act on Investment Trusts and Investment Corporations (the “Investment Trusts Act”); the same applies hereinafter).

4. Amount of Funds to be Procured, Use of Proceeds and Scheduled Expenditure Date

(1) Amount of funds to be procured (approximate proceeds)

4,877,856,000 yen

(Note) The amount is an estimate calculated on the basis of the closing price of the investment unit in a regular trading session at the TSE as of October 1, 2014 (Wednesday).

(2) Specific use of the funds to be procured and scheduled expenditure date

The net proceeds Starts Proceed will receive from the primary offering (4,877,856,000 yen) will be used

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for part of the funds for the acquisition of specified assets scheduled to be acquired by Starts Proceed (9,116,700,000 yen). For further detail of the properties to be acquired, please refer to the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and their Leases” separately announced today.

5. Designation of Party to Receive Allocation

The Underwriters plan to sell 4,160 units of the investment units in connection with the primary offering to, as designated by Starts Proceed, Starts Corporation, the shareholder of Starts Asset Management Co., Ltd. (the “Asset Management Company”), to which Starts Proceed entrusts the management of its assets.

6. Future Outlook

There is no impact on the management status for the fiscal period ending October 2014 (May 1, 2014 to October 31, 2014). Concerning the management status for the fiscal period ending April 2015 (November 1, 2014 to April 30, 2015), please refer to the press release “Notice Concerning Revisions to Management Status and Distribution Forecast for the Fiscal Period Ending April 2015” separately announced today.

7. Operating Results of Past Three Fiscal Periods and Status of Equity Financing, Etc.

(1) Operating results of past three fiscal periods

	Fiscal period ended April 2013	Fiscal period ended October 2013	Fiscal period ended April 2014
Net income per unit	4,066 yen	4,356 yen	4,195 yen
Distribution per unit	4,066 yen	4,356 yen	4,196 yen
Distribution payout ratio result	100.0%	100.0%	100.0%
Net assets per unit	177,353 yen	178,994 yen	178,834 yen

(2) Recent status of investment unit price

1) Status in the last three fiscal periods

	Fiscal period ended April 2013	Fiscal period ended October 2013	Fiscal period ended April 2014
Opening price	119,200 yen	184,100 yen	173,600 yen
Highest price	198,000 yen	188,600 yen	177,500 yen
Lowest price	115,000 yen	158,100 yen	163,200 yen
Closing price	185,500 yen	172,600 yen	168,800 yen

2) Status in the last six months

	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014
Opening price	173,500 yen	168,700 yen	169,700 yen	175,200 yen	178,700 yen	180,700 yen
Highest price	177,500 yen	169,800 yen	175,200 yen	180,000 yen	181,300 yen	185,100 yen
Lowest price	168,100 yen	167,200 yen	168,900 yen	174,500 yen	175,400 yen	179,000 yen
Closing price	168,800 yen	169,800 yen	175,000 yen	178,400 yen	180,000 yen	184,000 yen

3) Investment unit price on the business day preceding the resolution day of the issuance

	October 9, 2014
Opening price	185,000 yen
Highest price	186,000 yen
Lowest price	185,000 yen
Closing price	185,000 yen

(3) Status of equity financing conducted in the past three fiscal periods

Public offering

Issue date	May 1, 2013
Total procured amount	6,607,534,000 yen
Issue amount	178,582 yen
Number of investment units issued and outstanding before the public offering	107,977 units
Number of investment units issued through the public offering	37,000 units
Number of investment units issued and outstanding after the public offering	144,977 units
Initial use of funds at the time of issuance	The entire amount allocated to funding acquisition of specified assets scheduled to be acquired
Schedule of expenditure at the time of issuance	May 1, 2013
Status of expenditure to date	The entire amount was allocated on the scheduled date of expenditure

8. Other

Restrictions on sale and additional issuance of investment units, etc.

- 1) Starts Corporation holds 21,311 units of the investment units as of the date of this document. The Underwriters plan to sell 4,160 units of the investment units in connection with the primary offering to Starts Corporation. However, regarding the primary offering, Starts Proceed plans to request Starts Corporation not to effectuate, with the Lead Manager, any sales, attachment of collateral, loans and such (however, excluding where offered investment units are lent for the purpose of secondary offering through over-allotment and such) of part or all of the investment units it holds, during the 180-day period after the delivery date of the investment units relating to the primary offering, without the prior written consent of the Lead Manager.
- 2) Concerning the primary offering, Start Proceed has agreed with the Lead Manager that it will not additionally issue new investment units, etc. (except for the primary offering, secondary offering through over-allotment and such) for a period of 90 days after the delivery date of the investment units.
- 3) In the event of the above (1) and (2), the Lead Manager has the rights to cancel the agreed restrictions in part or in whole, or to shorten the period limitation, at its discretion

*Distribution: Kabuto Club, Ministry of Land, Infrastructure, Transport and Tourism Press Club, and Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications

*Start Proceed website: <http://www.sp-inv.co.jp/en/>

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