

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 Borrowing of Funds

Starts Proceed Investment Corporation (“Starts Proceed”) announces that it decided at its Board of Directors meeting held today to conduct borrowing of funds. The details are as follows.

1. Reason and Purpose of Borrowings

Borrowing will be conducted to allocate funds for the redemption of 2,000 million yen outstanding of Starts Proceed’s First Series Unsecured Investment Corporation Bonds (with subordination agreement/prohibition of partition) (the “Subordinated Investment Corporation Bonds”) maturing on October 30, 2014.

2. Details of Borrowings

	Term Loan T (Floating interest rate)
Lender	Resona Bank, Ltd. Aozora Bank, Ltd.
Loan Amount	2,000 million yen
Scheduled Drawdown Date	October 27, 2014 (Note 1)
Principal Repayment Date	November 25, 2014
Interest Rate (Note 2)	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.3%
Interest Payment Date	Principal repayment date
Borrowing Method	Loan agreements will be individually concluded as of October 23, 2014 based on the basic loan agreement (hereinafter referred to as the “Basic Loan Agreement,” including subsequent revisions and additions of lenders (Note 3)) executed on November 19, 2009.
Principle Repayment Method	Lump-sum repayment on repayment date
Collateral	Collateralized
Guarantee	Unguaranteed

(Note 1) Based on the administration entrustment agreement associated with the Subordinated Investment Corporation Bonds, which was concluded between Starts Corporation and Resona Bank, Ltd. on October 20, 2009, funds for the payment shall be delivered to Resona Bank, Ltd., the paying agent of the Subordinated Investment Corporation Bonds, by three business days prior to the maturity date of October 30, 2014.

(Note 2) •The base interest applicable to the calculating of interest payable on the interest payment day is JBA 1-month Japanese Yen TIBOR two business days prior to the drawdown date.
 •After this, Starts Proceed will not announce the determination of interest rates for the concerned borrowings. For fluctuations in the Japanese Yen TIBOR of JBA, the base interest rate, please check the website of JBA TIBOR Administration (<http://www.jbatibor.or.jp/>).

(Note 3) For the details of the Basic Loan Agreement, please refer to the “Notice Concerning Borrowing of Funds and Repayment of Borrowings” dated November 18, 2009.

3. Status of Interest-Bearing Liabilities After Borrowing

(Unit: million yen)

	Before Borrowing (Note 1) (Note 2)	After Borrowing (Note 1) (Note 3)	Change (Note 1)
Short-term loans payable	3,700	5,700	2,000
Current portion of long-term loans payable	4,613	4,613	-
Long-term loans payable	14,664	14,664	-
Total loans	22,978	24,978	2,000
Investment corporation bonds	2,000	-	(2,000)
Total interest-bearing liabilities	24,978	24,978	-
LTV ratio (%) (Note 4)	49.7	49.7	-

(Note 1) All amounts indicated in the above table are rounded down to the nearest million.

(Note 2) The figures are of before the borrowing to be conducted on October 27, 2014.

(Note 3) The figures are of after the redemption to be conducted on October 30, 2014.

(Note 4) LTV ratio is calculated as follows, and rounded to nearest one decimal place.

$$\text{LTV ratio} = \text{Interest-bearing liabilities} \div (\text{Interest-bearing liabilities} + \text{Unitholders' capital}) \times 100$$

The unitholders' capital is 25,318 million yen as of the date of this document.

4. Future Outlook

The borrowings will have no impact on the management status of Starts Proceed for the fiscal period ending October 2014 (May 1, 2014 to October 31, 2014) announced in the Financial Report on June 13, 2014. Furthermore, no modification is made to the forecast of its financial results for the fiscal period ending April 2015 (November 1, 2014 to April 30, 2015) announced in the press release "Notice Concerning Revisions to Management Status Forecast and Distribution Forecast for the Fiscal Period Ending April 2015," dated October 10, 2014.

5. Other

The risks associated with the repayment of borrowings, etc. do not change significantly from those detailed in "Investment Risks" in the periodic securities report (*yuka shoken hokokusho*) for the latest fiscal period, which was submitted on October 10, 2014.

*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/>