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For Immediate Release

REIT Issuer

 Starts Proceed Investment Corporation
 3-1-8 Nihonbashi, Chuo-ku, Tokyo
 Kazuya Hiraide, Executive Director
 (Security Code: 8979)

Asset Management Company

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

Notice Concerning Borrowing of Funds and Conclusion of Interest Rate Swap Agreement

Starts Proceed Investment Corporation (“SPI”) announces that it decided at the Board of Directors meeting of SPI held today to conduct borrowing of funds and to conclude an interest rate swap agreement. The details are as follows.

1. Reason and Purpose of Borrowings

Borrowings will be conducted to allocate funds as part of repayment of borrowings totaling 5,032.5 million yen maturing on May 24, 2023. The borrowings will be used to repay 3,532.5 million yen, while the remaining 1,500 million yen will be repaid using the proceeds from the Starts Proceed Fourth Series Unsecured Investment Corporation Bond (Green Bonds) (Note) to be issued on May 22, 2023.

(Note) For details of the investment corporation bonds, please refer to “Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)” dated May 16, 2023.

2. Details of Borrowings

	Term Loan 2Z
Lender	Resona Bank, Limited Aozora Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd.
Loan amount	3,532.5 million yen
Scheduled drawdown date	May 24, 2023
Principal repayment date	November 22, 2029
Interest rate (Note 1)	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.680%
Interest payment date	The first interest payment date shall be the last day of May 2023, and for subsequent payments, the last day of every February, May, August and November thereafter (however, in the event that one of these days is not a business day, the business day immediately preceding it) and the principal repayment date.
Borrowing method	Loan agreements will be individually concluded for Term Loan 2Z as of May 22, 2023, based on the basic loan agreement (hereinafter referred to as the “Basic Loan Agreement,” including subsequent revisions and addition of lenders (Note 2)) executed on November 19, 2009.
Principal repayment method	Lump-sum repayment on repayment date
Collateral	Unsecured
Guarantee	Unguaranteed

(Note 1) • The base interest rate applicable to the calculation of interest payable on the interest payment day is the JBA 3-month Japanese Yen TIBOR published two business days prior to the interest payment date immediately preceding each interest payment date (drawdown date for the first interest payment date).

- After this, SPI 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/english/>).
- (Note 2) For the details of the Basic Loan Agreement, please refer to the press release “Notice Concerning Borrowing of Funds and Repayment of Borrowings” dated November 18, 2009.

3. Borrowings to Be Repaid

	Term Loan 2C	Term Loan 2R
Lender	Resona Bank, Limited Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd. The Kagawa Bank, Ltd.	Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited
Repayment amount	2,873.5 million yen	2,159 million yen
Drawdown date	May 24, 2016	May 24, 2021
Principal repayment date	May 24, 2023	May 24, 2023
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.850%	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.420%

4. Interest Rate Swap Agreement

(1) Reason to conclude the interest rate swap agreement

To hedge against risk of interest rate hike concerning Term Loan 2Z, the borrowing to be conducted under the condition of floating interest rate as mentioned above.

(2) Details of the interest rate swap agreement

Interest rate swap agreement concerning Term Loan 2Z

Lender Resona Bank, Limited

Notional principal amount 3,532.5 million yen

Interest rate, etc. Fixed interest rate payable: 1.220%

Floating interest rate receivable:

Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.680%

Commencement date May 24, 2023

Termination date November 22, 2029

Payment date The first interest payment date shall be the last day of May 2023, and for subsequent payments, the last day of every February, May, August and November thereafter (however, in the event that one of these days is not a business day, the business day immediately preceding it) and the principal repayment date.

(Note) As a result of the conclusion of the interest rate swap agreement, the interest rate on Term Loan 2Z will, in effect, be fixed at 1.220%.

5. Status of Interest-Bearing Liabilities

(Unit: million yen)

	Before Borrowing (Note 2) (as of May 22, 2023)	After Borrowing (as of May 24, 2023)	Change
Short-term loans payable	-	-	-
Current portion of long-term loans payable	9,032	9,061	29
Long-term loans payable	40,313	38,785	(1,528)
Total loans	49,346	47,846	(1,500)
Investment corporation bonds	3,500	5,000	1,500
Total interest-bearing liabilities	52,846	52,846	-
LTV ratio (%) (Note 3)	52.6	52.6	-

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

(Note 2) The status before the issuance of investment corporation bonds announced in “Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)” dated May 16, 2023, is shown.

(Note 3) LTV ratio is calculated as follows, rounded to the first decimal place.

$$\text{LTV ratio} = \text{Interest-bearing liabilities} \div (\text{Interest-bearing liabilities} + \text{Unitholders' capital}) \times 100$$
 Unitholders' capital is 47,536 million yen as of the date of this document.

6. 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 January 27, 2023.

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