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Translation Purpose Only

For Immediate Release

REIT Issuer

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Asset Management Company

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Notice Concerning Completion of Disposition of Asset and Payment before Maturity

Starts Proceed Investment Corporation (“SPI”) announces that it today completed the disposition of the specified asset below, which was announced in the “Notice Concerning Acquisition and Disposition of Trust Beneficiary Interest in Domestic Real Estate” dated March 27, 2024, and that it will repay before maturity part of the loan that was announced in the “Notice Concerning Borrowing of Funds” dated March 27, 2024 (the “Payment before Maturity”). Details are as follows.

1. Overview of Transfer

Property No.	Property name	Location	Buyer	Disposition price (thousand yen) (Note 1)
C-77	Proceed Kinshicho	Sumida-ku, Tokyo	A domestic limited liability company	2,385,000

(Note 1) Disposition price does not include miscellaneous acquisition-related expenses, fixed property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 2) For the details of the disposition of the asset above, please refer to the “Notice Concerning Acquisition and Disposition of Trust Beneficiary Interest in Domestic Real Estate” dated March 27, 2024.

2. Details of the Payment before Maturity

(1) Details of Borrowings Subject to the Payment before Maturity

	Term Loan 3B (eight months, floating interest rate)
Lender	Resona Bank, Limited
Loan Amount	3,085 million yen (as of May 14, 2024)
Drawdown Date	March 29, 2024
Principal Repayment Date	November 22, 2024
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.33%
Interest Payment Date	The interest payment dates shall be the last day of April 2024 and the last day of every month 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	Borrowings under a loan agreement (Term Loan 3B) concluded on March 27, 2024. The lender is the lender stated above.
Principle Repayment Method	Paid in full upon maturity
Collateral	Unsecured
Guarantee	Unguaranteed

(Note) For more details, please refer to the “Notice Concerning Borrowing of Funds” dated March 27, 2024, and the “Notice Concerning Completion of Disposition of Asset and Payment before Maturity” dated April 26, 2024.

- (2) Amount of the Early Repayment: 2,385 million yen
- (3) Date of Payment before Maturity: May 31, 2024
- (4) Funds for Payment before Maturity: proceeds from the disposition of Proceed Kinshicho on May 14, 2024

3. Status of Interest-Bearing Liabilities After Payment (as of May 31, 2024)

(Unit: million yen)

	Before Payment (Note 1)	After Payment (Note 1)	Change (Note 1)
Short-term loans payable	3,085	700	(2,385)
Current portion of long-term loans payable (Note 2)	8,761	6,749	(2,012)
Long-term loans payable (Note 2)	39,085	41,097	2,012
Total loans	50,931	48,546	(2,385)
Current portion of investment corporation bonds	1,000	1,000	-
Investment corporation bonds	4,000	4,000	-
Total investment corporation bonds	5,000	5,000	-
Total interest-bearing liabilities	55,931	53,546	(2,385)
LTV ratio (%) (Note 3)	54.1	53.0	(1.1)

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

(Note 2) The assumption is that Term Loan 2L and Term Loan 2S, which are due for repayment on May 24, 2024, will be fully refinanced.

(Note 3) LTV ratio = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' capital) × 100. The percentage is rounded to the first decimal place. Unitholders' capital is 47,536 million yen as of the date of this document.

4. Future Outlook

The Payment before Maturity is included in the assumptions for the revision to the management status and distribution forecasts described in the "Notice Concerning Revision of Management Status and Distribution Forecasts for the Fiscal Period Ending April 2024 (37th Fiscal Period) and the Fiscal Period Ending October 2024 (38th Fiscal Period)" dated March 27, 2024, and the management status forecast remains unchanged.

5. Other

Regarding the risks concerning the Payment before Maturity, etc. in relation to debt financing, there are no material changes from the "Investment risks" in the latest semiannual securities report (submitted on January 29, 2024).

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