

Translation Purpose Only

For Immediate Release

REIT Issuer

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Asset Management Company

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Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)

Starts Proceed Investment Corporation (“SPI”) announces that it today decided to issue investment corporation bonds (Green Bonds) based on a comprehensive resolution on the issuance of investment corporation bonds determined at the meeting of the Board of Directors of SPI held on October 24, 2024. The details are as follows.

1. Overview of the Investment Corporation Bonds

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| (1) Name | Starts Proceed Fifth Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds) (the “Investment Corporation Bonds”) |
| (2) Total issue amount | 2.0 billion yen |
| (3) Form of bond certificate | The Act on Book-Entry Transfer of Corporate Bonds and Shares applies to the Investment Corporation Bonds. Accordingly, investment corporation bond certificates will not be issued. |
| (4) Amount to be paid in | 100 yen per 100 yen of each investment corporation bond |
| (5) Redemption amount | 100 yen per 100 yen of each investment corporation bond |
| (6) Interest rate | 1.227 % per annum |
| (7) Amount of each investment corporation bond | 100 million yen |
| (8) Method of offering | Public offering |
| (9) Subscription period | November 12, 2024 |
| (10) Payment date | November 18, 2024 |
| (11) Security and guarantee | The Investment Corporation Bonds are unsecured and unguaranteed with no specific assets reserved for the Investment Corporation Bonds. |
| (12) Redemption method and date | The total amount will be redeemed on November 16, 2029.
The Investment Corporation Bonds may be repurchased and cancelled at any time on or after the date subsequent to the payment date, unless otherwise determined by laws and regulations, or the book-entry transfer institution’s operational rules and other rules.
If the redemption date of the Investment Corporation Bonds falls on a bank holiday, then the date of payment will be moved to the immediately preceding bank business day. |
| (13) Interest payment date | May 18 and November 18 of each year
The first interest payment date is May 18, 2025.
If an interest payment date falls on a bank holiday, then the date of payment will be moved to the immediately preceding bank business day |
| (14) Rating obtained | A (Japan Credit Rating Agency, Ltd.) |
| (15) Financial covenants | Negative pledge clause is attached |
| (16) Book-entry transfer institution | Japan Securities Depository Center, Incorporated |

- (17) Fiscal agent, issuing agent, and paying agent Aozora Bank, Ltd.
- (18) Underwriters Mizuho Securities Co., Ltd.
SMBC Nikko Securities Inc.
Daiwa Securities Co. Ltd.

2. Reason for Issuance

SPI aims to strengthen the funding platform by expanding the ESG investor base, along with promoting sustainability initiatives, by procuring funds through the Investment Corporation Bonds.

The Investment Corporation Bonds will be issued for the implementation of green finance based on green finance framework in line with the Green Bond Principles 2021, Green Loan Principles 2023, Green Bond Guidelines 2022 and Green Loan Guidelines 2022. As a third-party evaluation of the green finance framework, SPI has been assigned “Green 1 (F),” the highest evaluation grade in the JCR Green Finance Framework Evaluation by Japan Credit Rating Agency, Ltd.

3. Amount, Use, and Scheduled Date of Expenditure of Funds to Be Procured

(1) Amount of funds to be procured (estimated net proceeds)

1,985 million yen in total

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

Use of entire amount as part of the funds for repayment of The First Series Unsecured Investment Corporation Bond (drawdown date: November 18, 2019, repayment date: November 18, 2024) and Term Loan 2M (drawdown date: November 22, 2018, repayment date: November 22, 2024), the borrowings procured, and later refinanced, to acquire “(C-41) Proceed Nishiarai (Artier),” which is an eligible green asset in the green finance framework, by November 22, 2024.

4. Investors Who Declared Investment in the Investment Corporation Bonds

Listed below in alphabetical order are investors to date who declared their intention of investment in the Investment Corporation Bonds and have agreed to disclose their names.

- The Kita Osaka Shinkin Bank
- The Sugamo Shinkin Bank
- NAGANO SHINKIN BANK
- THE MISHIMA SHINKIN BANK

5. Status of Interest-Bearing Liabilities Before and After Issuance of the Investment Corporation Bonds

(Unit: million yen)

		Before Issuance (as of November 17, 2024)	After Issuance (Note 2) (as of November 22, 2024)	Change
	Short-term loans payable	415	-	(415)
	Current portion of long-term loans payable	6,749	3,049	(3,700)
	Long-term loans payable	41,097	44,197	3,100
	Total loans	48,261	47,246	(1,015)
	Current portion of investment corporation bonds	2,000	1,000	(1,000)
	Investment corporation bonds	3,000	5,000	2,000
	Total investment corporation bonds	5,000	6,000	1,000
	Total interest-bearing liabilities	53,261	53,246	(15)
	LTV ratio (%) (Note 3)	52.9	52.9	0

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

(Note 2) The status after partial repayment of 4,115 million yen of loans due for repayment on November 22, 2024, and refinancing of the remaining amount.

(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 47,443 million yen as of the date of this document.

6. Other Necessary Matters for Investors to Adequately Understand and Make an Informed Decision Based on the Above Information

Concerning the risks pertaining to the issuance of the Investment Corporation Bonds, there will be no change to the content of “Chapter 1 Fund Information – Part 1 Fund Status 3. Investment Risks” of the securities report filed on July 29, 2024.

[Reference]

SPI submitted shelf registration supplements to the Director-General of the Kanto Local Finance Bureau concerning the issuance, redemption, etc. of the Investment Corporation Bonds today.

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