

November 19, 2024

Translation Purpose Only

For Immediate Release

REIT Issuer

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(Security Code: 8979)

Asset Management Company

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Notice Concerning Borrowing of Funds

Starts Proceed Investment Corporation (“SPI”) announces that it decided at the Board of Directors meeting of SPI held today to conduct borrowing of funds. 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 4,115 million yen maturing on November 22, 2024. The difference between the loans subject for repayment of 4,115 million yen will be repaid using the proceeds from the Starts Proceed Fifth Series Unsecured Investment Corporation Bond (Green Bonds) (Note) issued on November 18, 2024.

(Note) For details of the investment corporation bonds, please refer to “Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)” dated November 12, 2024.

2. Details of Borrowings

	Term Loan 3E (Term:6.5years/Floating interest rate)
Lender	Aozora Bank, Ltd. Resona Bank, Limited The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited
Loan amount	3,100 million yen
Scheduled drawdown date	November 22, 2024
Principal repayment date	May 23, 2031
Interest rate (Note 1)	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.68%
Interest payment date	The first interest payment date shall be the last day of November 2024, 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 3E as of November 22, 2024, 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/ Guarantee	Unsecured/ 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 2M (Term:6years/Floating interest rate)	Term Loan 3B (Term:8months/Floating interest rate)
Lender	Aozora Bank, Ltd. Resona Bank, Limited The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited	Resona Bank, Limited
Repayment amount	3,700 million yen	415 million yen
Drawdown date	November 22, 2018	March 29, 2024
Principal repayment date	November 22, 2024	November 22, 2024
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.70%	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.33%

4. Status of Interest-Bearing Liabilities (as of November 22, 2024) (Unit: million yen)

	Before Payment (Note 1)	After Payment (Note 1)	Change (Note 1)
Short-term loans payable	415	-	(415)
Current portion of long-term loans payable (Note 2)	6,749	3,049	(3,700)
Long-term loans payable (Note 2)	41,097	44,197	3,100
Total loans	48,261	47,246	(1,015)
Current portion of investment corporation bonds	1,000	1,000	-
Investment corporation bonds	5,000	5,000	-
Total investment corporation bonds	6,000	6,000	-
Total interest-bearing liabilities	54,261	53,246	(1,015)
LTV ratio (%) (Note 3)	53.4	52.9	(0.5)

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

(Note 2) 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.

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 July 29, 2024.

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