

Translation Purpose Only

For Immediate Release

REIT Issuer

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Asset Management Company

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

Starts Proceed Investment Corporation (“Starts Proceed”) announces that it decided at its Board of Directors meeting 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 Borrowing

Borrowing will be conducted to allocate funds for the repayment of borrowings totaling 3,711 million yen maturing on November 24, 2015.

## 2. Details of Borrowing

	Term Loan 2A (Term: 5 years / Floating interest rate)
Lender	Aozora Bank, Ltd. Resona Bank, Ltd. The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Banking Corporation ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited
Loan Amount	3,700 million yen
Scheduled Drawdown Date	November 24, 2015
Principal Repayment Date	November 24, 2020
Interest Rate (Note 1)	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.79%
Interest Payment Date	The first interest payment date shall be the last day of November 2015, and for subsequent payments, 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	Loan agreements will be individually concluded for Term Loan 2A as of November 19, 2015 based on the basic loan agreement (hereinafter referred to as the “Basic Loan Agreement,” including subsequent revisions and additions of lenders (Note 2)) executed on November 19, 2009.
Principle Repayment Method	Lump-sum repayment on repayment date
Collateral	Unsecured
Guarantee	Unguaranteed

- (Note 1) •The base interest rate applicable to the calculation period for the interest payable on an interest payment date is 1-month Japanese Yen TIBOR published by JBA two business days preceding the interest payment date immediately preceding each interest payment date (drawdown date for the first interest payment date).  
 •After this, Starts Proceed will not announce the determination of interest rates for the concerned borrowing. 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 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 L (Term: 2 years and 7 months / Floating interest rate)	Term Loan O (Term: 2 years and 6 months / Floating interest rate)
Lender	Aozora Bank, Ltd. Resona Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited The Chiba Bank, Ltd. The Musashino Bank, Ltd.	Aozora Bank, Ltd. Resona Bank, Ltd. The Chiba Bank, Ltd. The Musashino Bank, Ltd. The Kagawa Bank, Ltd. Mizuho Bank, Ltd.
Repayment Amount	1,318 million yen	2,393 million yen
Drawdown Date	May 1, 2013	May 24, 2013
Principal Repayment Date	November 24, 2015	November 24, 2015
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR)+0.92%	Base interest rate (JBA 1-month Japanese Yen TIBOR)+0.92%

### 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 2A, 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 (Term Loan 2A)

Lender Resona Bank, Ltd.

Notional Principle Amount 3,700 million yen

Interest Rate, etc. Fixed interest rate payable: 0.990%

Floating interest rate receivable: Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.79% (Note)

Commencement Date November 24, 2015

Termination Date November 24, 2020

Payment Date

The first interest payment date shall be the last day of November 2015, and for subsequent payments, 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.

(Note) In accordance with conclusion of the interest rate swap agreement, the actual interest rate on Term Loan 2A is, in effect, fixed at 0.990%.

## 5. Status of Interest-Bearing Liabilities After Borrowing (as of November 24, 2015)

(Unit: million yen)

	Before Borrowing (Note 1)	After Borrowing (Note 1)	Change (Note 1)
Short-term loans payable	-	-	-
Current portion of long-term loans payable	9,615	5,904	(3,711)
Long-term loans payable	20,383	24,083	3,700
Total loans	29,998	29,987	(11)
Investment corporation bonds	-	-	-
Total interest-bearing liabilities	29,998	29,987	(11)
LTV ratio (%) (Note 2)	49.9	49.9	(0.0)

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

(Note 2) 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 30,096 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 July 30, 2015.

\*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/>