

Translation Purpose Only

For Immediate Release

REIT Issuer

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Asset Management Company

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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Starts Proceed Investment Corporation (“Starts Proceed”) announces that it resolved at the Board of Directors’ meeting held today the following concerning the issuance of new investment units and secondary offering of investment units.

1. Issuance of New Investment Units through Public Offering (Primary Offering)

- (1) Total number of investment units to be offered: 83,000 units
- (2) Issue price (offer price): To be determined  
The price shall provisionally be calculated by multiplying the closing price of Starts Proceed’s investment units (the “Investment Units”) at the Tokyo Stock Exchange, Inc. (the “TSE”) on a date between November 14, 2016 (Monday) and November 16, 2016 (Wednesday) (the “Pricing Date”) (if the closing price is not available on such date, the closing price on the immediately preceding date) by a factor of 0.90 to 1.00 (amounts less than one yen to be rounded down), then be determined by taking into account the demand and other factors.
- (3) Total issue price (offer price): To be determined
- (4) Paid-in amount (issue amount): To be determined  
The amount shall be determined at the Board of Directors’ meeting to be held on the Pricing Date. The issue amount represents the proceeds per investment unit paid in by the Underwriters (as defined in (6) below) and received by Starts Proceed.
- (5) Total paid-in amount (issue amount): To be determined
- (6) Offering method: The offering of the investment units shall be through a primary offering, and underwritten in full by Mizuho Securities Co., Ltd. (the “Lead Manager”) along with Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., SMBC Friend Securities Co., Ltd., Daiwa Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Mito Securities Co., Ltd. (the above companies and Lead Manager are collectively referred to as the “Underwriters”).
- (7) Underwriting agreement: The Underwriters shall purchase the Investment Units at a subscription price equivalent to the amount of issue amount, which is to be determined on the Pricing Date, and shall conduct offering at a different price from the subscription price (issue price). The Underwriters shall pay the total paid-in

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amount (total issue amount) to the Investment Corporation on the payment date identified in (10) below. The difference between the total issue price (total offer price) and the total paid-in amount (total issue amount) in the primary offering shall be the proceeds of the Underwriters. The Investment Corporation will pay no underwriting fee to the Underwriters.

- (8) Subscription unit: One unit or more in multiples of one unit
- (9) Subscription period: From the next business day of the Pricing Date to the two business days after the Pricing Date.
- (10) Payment date: On a date between November 21, 2016 (Monday) and November 24, 2016 (Thursday) and five business days after the Pricing Date.
- (11) Delivery date: Next business day of the payment date identified in (10) above.
- (12) The issue price (offer price), paid-in amount (issue amount) and other items necessary for the issuance of the new investment units shall be determined at a future Board of Directors' meeting.
- (13) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

2. Secondary Offering of Investment Units (Over-Allotment) (Please refer to <Reference Information> 1. below for further details of the over-allotment.)

- (1) Seller: Mizuho Securities Co., Ltd
- (2) Number of investment units to be offered: 8,300 units  
The number indicates the maximum number of investment units to be offered through the secondary offering (over-allotment) conducted by the Lead Manager aside from the primary offering taking into account the demand and other factors. There may be cases where this number is reduced or the secondary offering (over-allotment) itself is not conducted, depending on demand conditions and other factors. The number of investment units to be offered through the secondary offering shall be determined on the Pricing Date taking into account the demand and other factors.
- (3) Offer price: To be determined  
The price shall be determined at the Board of Directors' meeting to be held on the Pricing Date. The offer price shall be same as the issue price (offer price) for the primary offering.
- (4) Total offer value: To be determined
- (5) Offering method: In consideration of the demand and other factors of the primary offering, Lead Manager shall, aside from the primary offering, offer the investment units (up to 8,300 units) borrowed (the "Borrowed Investment Units") from Starts Corporation, a unitholder of Starts Proceed.
- (6) Subscription period: Same as the subscription period for the primary offering
- (7) Delivery date: Same as the delivery date for the primary offering
- (8) Subscription unit: One unit or more in multiples of one unit
- (9) The offer price and other items necessary for the offering of the investment units in the secondary offering through over-allotment shall be determined at a future Board of Directors' meeting.
- (10) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

<Reference Information>

1. Details of the Secondary Offering (Over-Allotment)

In consideration of the demand and other factors of the primary offering, the Lead Manager may, aside from the primary offering, offer the Investment Units (up to 8,300 units) borrowed from Starts Corporation, a unitholder of Starts Proceed. The number of investment units to be offered in the secondary offering through over-allotment is scheduled to be 8,300 units and the number is the maximum amount. The number may decrease or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other factors.

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Regarding the secondary offering through over-allotment, the Lead Manager is granted the right to additionally purchase the Investment Units from Starts Corporation up to the maximum number set for the secondary offering through over-allotment at the same price as the issue amount of the primary offering to return the Borrowed Investment Units (“Green Shoe Option”), by Starts Corporation over an exercise period beginning on the date immediately following the last day of the subscription period of the primary offering and secondary offering through over-allotment and ending on December 9, 2016 (Friday).

For the purpose of returning the Borrowed Investment Units, the Lead Manager may also purchase the Investment Units up to the number of units for the secondary offering (over-allotment) at the TSE (the “Syndicated Cover Transaction”) during the period from the day following the last day of the subscription period for the primary offering and the secondary offering (over-allotment) to December 9, 2016 (Friday) (the “Syndicated Cover Transaction Period”). All of the Investment Units purchased by the Lead Manager through the Syndicated Cover Transaction shall be used to return the Borrowed Investment Units. There may be cases in which the Lead Manager does not conduct the Syndicated Cover Transaction at all or ends the Syndicated Cover Transaction with the number of investment units that is smaller than the number of the investment units offered through the secondary offering (over-allotment), at its sole discretion during the Syndicated Cover Transaction Period.

Moreover, the Lead Manager may conduct stabilizing transactions in correlation with the primary offering and the secondary offering (over-allotment). The Investment Units purchased through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Investment Units.

In such a case, regarding the number of investment units remaining after subtracting the number purchased through stabilizing operations and Syndicate Cover Transactions and the number used to return the Borrowed Investment Units from the number of investment units to be offered in the secondary offering through over-allotment, the Lead Manager shall exercise the Green Shoe Option to acquire the Investment Units.

Whether or not the secondary offering through over-allotment is to be made and the number of investment units to be offered shall be determined on the Pricing Date. If a secondary offering through over-allotment is not made, the Lead Manager shall not borrow the Investment Units from the unitholders of Starts Proceed and the Lead Manager shall not exercise the Green Shoe Option. Furthermore, no Syndicate Cover Transactions shall be made on the TSE.

## 2. Changes in Number of Investment Units Issued and Outstanding after Issuances of New Investment Units

Total number of investment units issued and outstanding at present:	173,777 units
Number of new investment units to be issued through primary offering:	83,000 units
Total number of investment units issued and outstanding after new issuance through primary offering:	256,777 units

## 3. Reason for and Purpose of New Issuance

Having considered and investigated market trends, the levels of LTV (ratio of interest-bearing liabilities to total assets), the levels of net income per unit, the levels of distribution per unit and other factors, Starts Proceed decided to issue new investment units with an aim of improving earning ability of the portfolio by newly acquiring specified assets (as defined in Paragraph 1 of Article 2 of the Act on Investment Trusts and Investment Corporations; the same applies hereinafter).

## 4. Amount of Funds to be Procured, Use of Proceeds and Scheduled Expenditure Date

### (1) Amount of funds to be procured (approximate proceeds)

12,939,700,000 yen

(Note) The amount is an estimate calculated on the basis of the closing price of the Investment Unit in a regular trading session at the TSE as of October 25, 2016 (Tuesday).

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

The net proceeds Starts Proceed will receive from the primary offering (12,939,700,000 yen) will be used for part of the funds for the acquisition of specified assets scheduled to be acquired by Starts Proceed. For further detail of the properties to be acquired, please refer to the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and their Leases” separately announced today.

5. Designation of Party to Receive Allocation

The Underwriters plan to sell 13,954 units of the Investment Units in connection with the primary offering to, as designated by Starts Proceed, Starts Corporation, the shareholder of Starts Asset Management Co., Ltd., to which Starts Proceed entrusts the management of its assets.

6. Future Outlook

There is no impact on the management status for the fiscal period ending October 2016 (May 1, 2016 to October 31, 2016) announced on June 14, 2016. Concerning the management status for the fiscal period ending April 2017 (November 1, 2016 to April 30, 2017) and the fiscal period ending October 2017 (May 1, 2017 to October 31, 2017), please refer to the press release “Notice Concerning Revisions to Management Status and Distribution Forecast for the Fiscal Period Ending April 2017 and Announcement of Management Status and Distribution Forecast for the Fiscal Period Ending October 2017” separately announced today.

7. Operating Results of Past Three Fiscal Periods and Status of Equity Financing, Etc.

(1) Operating results of past three fiscal periods (Note 1)

	Fiscal period ended April 2015	Fiscal period ended October 2015	Fiscal period ended April 2016
Net income per unit (Note 2)	4,193 yen	4,034 yen	4,104 yen
Distribution per unit	4,182 yen	4,035 yen	4,104 yen
Distribution payout ratio result	100.0%	100.0%	100.0%
Net assets per unit	177,370 yen	177,223 yen	177,292 yen

(Note 1) In the “(1) Operating results of past three fiscal periods”, the fiscal period ended April 2015, the fiscal period ended October 2015 and the fiscal period ended April 2016 are indicated as past three fiscal periods.

(Note 2) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units issued and outstanding.

(2) Recent status of investment unit price

1) Status in the last three fiscal periods

	Fiscal period ended October 2015	Fiscal period ended April 2016	Fiscal period ended October 2016
Opening price	203,200 yen	166,400 yen	167,700 yen
Highest price	203,200 yen	184,800 yen	178,600 yen
Lowest price	155,300 yen	154,100 yen	157,700 yen
Closing price	166,800 yen	168,900 yen	158,100 yen

2) Status in the last six months

	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016
Opening price	175,100 yen	171,600 yen	171,800 yen	168,000 yen	168,500 yen	159,400 yen
Highest price	178,600 yen	175,800 yen	173,700 yen	169,700 yen	168,500 yen	159,400 yen
Lowest price	160,000 yen	167,200 yen	166,500 yen	164,000 yen	157,700 yen	155,600 yen
Closing price	171,600 yen	175,300 yen	168,800 yen	166,900 yen	158,100 yen	156,100 yen

(Note) The investment unit prices for November 2016 indicate the figures as of November 2, 2016.

3) Investment unit price on the business day preceding the resolution day of the issuance

	November 2, 2016
Opening price	157,900 yen
Highest price	158,000 yen
Lowest price	155,600 yen
Closing price	156,100 yen

- (3) Status of equity financing conducted in the past three fiscal periods  
Not applicable.

8. Other

Restrictions on sale and additional issuance of investment units, etc.

- 1) Starts Corporation holds 22,591 units of the Investment Units as of the date of this document. The Underwriters plan to sell 13,954 units of the Investment Units in connection with the primary offering to Starts Corporation. However, regarding the primary offering, Starts Proceed plans to request Starts Corporation to make a promise with the Lead Manager not to effectuate, any sales, attachment of collateral, loans and such (however, excluding where offered investment units are lent for the purpose of secondary offering through over-allotment and such) of part or all of the Investment Units it holds, during the 180-day period after the delivery date of the Investment Units relating to the primary offering, without the prior written consent of the Lead Manager.
- 2) Concerning the primary offering, Start Proceed has agreed with the Lead Manager that it will not additionally issue new investment units, etc. (except for the primary offering, secondary offering through over-allotment and such) for a period of 90 days after the delivery date of the Investment Units.
- 3) In the event of the above (1) or (2), the Lead Manager has the rights to cancel the agreed restrictions in part or in whole, or to shorten the period limitation, at its discretion

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\*Start Proceed website: <http://www.sp-inv.co.jp/en/>