

Translation Purpose Only

For Immediate Release

REIT Issuer

 Starts Proceed Investment Corporation
 3-1-8 Nihonbashi, Chuo-ku, Tokyo
 Kazuya Hiraide, Executive Director
 (Security Code: 8979)

Asset Management Company

 Starts Asset Management Co., Ltd.
 Kazuya Hiraide, Representative Director
 Inquiries: Shigeru Matsuda, General Manager of
 Financial Control and Administration Division
 TEL. +81-3-6202-0856

Notice Concerning Borrowing of Funds

Starts Proceed Investment Corporation (“Starts Proceed”) announces it decided at its Board of Directors meeting held today to conduct borrowing of funds. The details are as follows.

1. Reason and Purpose of Borrowing

Borrowing will be conducted to allocate funds for part of the acquisition and the related expenses of the specified assets (as defined in Paragraph 1 of Article 2 of the Act on Investment Trusts and Investment Corporations) scheduled to be acquired on November 21, 2016, as described in “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and their Leases” dated November 4, 2016.

2. Details of Borrowing

	Term Loan 2D
Lender	Resona Bank, Ltd
Loan Amount (Note 1)	12,960 million yen
Scheduled Drawdown Date	November 21, 2016
Principal Repayment Date	December 9, 2016
Interest Rate (Note 2)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR)+0.29%)
Interest Payment Date	November 30, 2016 and the principal repayment date.
Borrowing Method	Loan agreements will be individually concluded as of November 17, 2016 based on the basic loan agreement (hereinafter referred to as the “Basic Loan Agreement,” including subsequent revisions and additions of lenders (Note 3)) executed on November 19, 2009
Principle Repayment Method	Lump-sum repayment on repayment date
Collateral	Unsecured
Guarantee	Unguaranteed

(Note 1) Amounts are rounded down to the nearest million. The same applies hereinafter.

(Note 2) • 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 the 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 3) 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.

Disclaimer: This translation is for informational purposes only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail. This document is an English translation of a press release for public announcement regarding borrowing of funds by Starts Proceed Investment Corporation, and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to the Investment Corporation's prospectus and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

3. Status of Interest-Bearing Liabilities after Borrowing (as of November 21, 2016)

(Unit: million yen)

	Before Borrowing	After Borrowing	Change
Short-term loans payable	-	12,960	12,960
Current portion of long-term loans payable	7,683	7,683	-
Long-term loans payable	22,147	22,147	-
Total loans	29,830	42,790	12,960
Investment corporation bonds	-	-	-
Total interest-bearing liabilities	29,830	42,790	12,960
LTV ratio (%) (Note 2)	49.8	50.3	0.6

(Note) LTV ratio is calculated as follows, and rounded to nearest one decimal place.

$$\text{LTV ratio} = \frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities} + \text{Unitholders' capital}} \times 100$$

The calculation is made using the unitholders' capital of 30,096 million yen (the amount as of the date of this document) for "before borrowing," and 42,230 million yen for "after borrowing" after adding 12,134 million yen which is to be procured on November 21, 2016 as described in the press release "Notice Concerning Determination on Prices and Other Items Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" separately announced on November 14, 2016.

4. Future Outlook

The borrowings will have no impact on the management status of Starts Proceed for the fiscal period ended October 2016 (May 1, 2016 to October 31, 2016) announced in the Financial Report on June 14, 2016. Furthermore, since the details of the borrowings have been factored in in "Notice Concerning Revisions to Management Status Forecast for the Fiscal Period Ending April 2017 and Forecast of Management Status for the Fiscal Period Ending October 2017" separately announced on November 4, 2016, there is no change to the revisions to management status forecast for the fiscal period ending April 2017 and forecast of management status for the fiscal period ending October 2017.

5. Other

The risks associated with the repayment of borrowings, etc. do not change significantly from those detailed in "Chapter 2. Reference Information No.2 Supplementary Information to Reference Document 3. Investment Risks" in the security registration statement (yuka shoken todokedesho) submitted on November 4, 2016.

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