

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 partial repayment of borrowings totaling 4,190 million yen (Term Loan I and Term Loan R) ^(Note) maturing on May 24, 2017. Moreover, the borrowing will be conducted with the participation of Nishi-Nippon City Bank, Ltd. in addition to the existing lenders in Term Loan I and Term Loan R for further diversification of procurement sources.

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

2. Details of Borrowing

	Term Loan 2I
Lender	Mizuho Bank, Ltd. The Chiba Bank, Ltd. The Nishi-Nippon City Bank, Ltd. Sumitomo Mitsui Banking Corporation The Musashino Bank, Ltd. Resona Bank, Ltd. Higashi-Nippon Bank, Ltd. Aozora Bank, Ltd. ORIX Bank Corporation Mizuho Trust & Banking, Co., Ltd.
Loan Amount	4,190 million yen
Scheduled Drawdown Date	May 24, 2017
Principal Repayment Date	November 24, 2022
Interest Rate (Note 1)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.67%)
Interest Payment Date	The first interest payment date shall be the last day of May 2017, 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 as of May 22, 2017 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 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 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 I	Term Loan R
Lender	Mizuho Bank, Ltd.	Resona Bank, Ltd. The Chiba Bank, Ltd. The Musashino Bank, Ltd. Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Higasi-Nippon Bank, Ltd. ORIX Bank Corporation Mizuho Trust & Banking, Co., Ltd.
Repayment Amount	1,090 million yen	3,100 million yen
Drawdown Date	May 24, 2012	November 25, 2013
Principal Repayment Date	May 24, 2017	May 24, 2017
Interest Rate	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) +1.35%)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) +1.00%)

4. Status of Interest-Bearing Liabilities after Borrowing (as of May 24, 2017)

(Unit: million yen)

	Before Borrowing	After Borrowing	Change
Short-term loans payable	-	-	-
Current portion of long-term loans payable	8,190	4,000	(4,190)
Long-term loans payable	34,556	38,746	4,190
Total loans	42,746	42,746	(0)
Investment corporation bonds	-	-	-
Total interest-bearing liabilities	42,746	42,746	(0)
LTV ratio (%) (Note)	50.3	50.3	(0.0)

(Note) 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 42,230 million yen as of the date of this document.

4. 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) submitted on January 27, 2017.

*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/>