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For Immediate Release

REIT Issuer

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Asset Management Company

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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 assets to be acquired as described in “Notice Concerning Disposition and Acquisition of Trust Beneficiary Interests in Domestic Real Estate” separately announced today.

2. Details of Borrowing

	Term Loan 2K
Lender	Resona Bank, Ltd. Aozora Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited. The Kagawa Bank, Ltd. Higashi-Nippon Bank, Ltd. Mizuho Trust & Banking, Co., Ltd.
Loan Amount	2,900 million yen
Scheduled Drawdown Date	December 15, 2017
Principal Repayment Date	May 24, 2022
Interest Rate (Note 1)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.60%)
Interest Payment Date	The first interest payment date shall be December 28, 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 December 13, 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. Status of Interest-Bearing Liabilities after Borrowing (as of December 15, 2017)

(Unit: million yen)

	Before Borrowing	After Borrowing	Change
Short-term loans payable	-	-	-
Current portion of long-term loans payable	6,200	6,200	-
Long-term loans payable	36,546	39,446	2,900
Total loans	42,746	45,646	2,900
Investment corporation bonds	-	-	-
Total interest-bearing liabilities	42,746	45,646	2,900
LTV ratio (%) (Note)	50.3	51.9	1.6

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

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

The unitholders' capital is 42,230 million yen as of the date of this document.

4. Future Outlook

For the outlook of management status for the fiscal period ending April 2018 (November 1, 2017 to April 30, 2018) and the fiscal period ending October 2018 (May 1, 2018 to October 31, 2018) based on the execution of the borrowing of funds, please refer to “Notice Concerning Revisions to Management Status and Distribution Forecast for the Fiscal Period Ending April 2018 and Announcement of Management Status Forecast for the Fiscal Period Ending October 2018” separately announced today.

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) submitted on July 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/>