

|                          |
|--------------------------|
| 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 partly allocate funds for repayment of borrowings totaling 2,500 million yen (Term Loan X) maturing on May 25, 2018 and acquisition of Assets to be Acquired described in “Notice Concerning Disposition and Acquisition of Trust Beneficiary Interests in Domestic Real Estate” separately announced today. Moreover, the borrowing will be conducted with the participation of Bank of Kyoto, Ltd. as a new lender for further diversification of procurement sources.

## 2. Details of Borrowing

|                            | Term Loan 2L   |
|----------------------------|--|
| Lender                     | Resona Bank, Ltd.<br>Aozora Bank, Ltd.<br>Bank of Kyoto, Ltd.<br>Mizuho Bank, Ltd.<br>Sumitomo Mitsui Banking Corporation<br>The Chiba Bank, Ltd.<br>The Musashino Bank, Ltd.<br>Sumitomo Mitsui Trust Bank, Limited.<br>The Kagawa Bank, Ltd.   |
| Loan Amount                | 2,900 million yen  |
| Scheduled Drawdown Date    | May 25, 2018   |
| Principal Repayment Date   | May 24, 2024   |
| Interest Rate (Note 1)     | Floating rate<br>(Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.70%)  |
| Interest Payment Date      | The first interest payment date shall be the last day of May 2018, 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 23, 2018 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 X   |
|--------------------------|---|
| Lender                   | Resona Bank, Ltd.<br>Aozora Bank, Ltd.<br>Mizuho Bank, Ltd.<br>Sumitomo Mitsui Banking Corporation<br>The Chiba Bank, Ltd.<br>The Musashino Bank, Ltd.<br>Sumitomo Mitsui Trust Bank, Limited<br>ORIX Bank Corporation<br>The Kagawa Bank, Ltd. |
| Repayment Amount         | 2,500 million yen   |
| Drawdown Date            | November 25, 2014   |
| Principal Repayment Date | May 25, 2018  |
| Interest Rate            | Fixed rate (1.022%) (Note)  |

(Note) Borrowing will be conducted with floating interest rates. However, an interest rate swap agreement has been concluded for the purpose of hedging the risk of interest rate fluctuations and the fixed interest rate is shown.

### 4. Status of Interest-Bearing Liabilities after Borrowing (as of May 25, 2018)

(Unit: million yen)

|  | Before Borrowing | After Borrowing | Change  |
|--|------------------|-----------------|---------|
| Short-term loans payable                   | -                | -               | -       |
| Current portion of long-term loans payable | 9,649            | 7,149           | (2,500) |
| Long-term loans payable                    | 35,997           | 38,897          | 2,900   |
| Total loans                                | 45,646           | 46,046          | 400     |
| Investment corporation bonds               | -                | -               | -       |
| Total interest-bearing liabilities         | 45,646           | 46,046          | 400     |
| LTV ratio (%) (Note)                       | 51.9             | 52.2            | 0.2     |

(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.

### 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 January 29, 2019.

\*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/>