

Translation Purpose Only

For Immediate Release

REIT Issuer

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

Asset Management Company

 Starts Asset Management Co., Ltd.
 Kazuya Hiraide, Representative Director
 Inquiries: Hideki Hamaguchi, 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 that 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 Borrowings

Borrowings will be conducted to allocate funds as repayment of borrowings totaling 4,320 million yen maturing on May 24, 2021.

2. Details of Borrowings

	Term Loan 2R	Term Loan 2S
Lender	Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited
Loan Amount	2,159 million yen	2,161 million yen
Scheduled Drawdown Date	May 24, 2021	May 24, 2021
Principal Repayment Date	May 24, 2023	May 24, 2024
Interest Rate (Note 1)	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.420%	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.480%
Interest Payment Date	The first interest payment date shall be the last day of June 2021, 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 for Term Loans 2R and 2S as of May 20, 2021, based on the basic loan agreement (hereinafter referred to as the “Basic Loan Agreement,” including subsequent revisions and addition 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 of interest payable on the interest payment day is the JBA 1-month Japanese Yen TIBOR published two business days prior to the interest payment date immediately preceding each 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 borrowings. 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/english/>).

(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 2G
Lender	Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited
Repayment Amount	4,320 million yen
Drawdown Date	December 9, 2016
Principal Repayment Date	May 24, 2021
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.290%

4. Status of Interest-Bearing Liabilities After Borrowing (as of May 24, 2021)

(Unit: million yen)

	Before Borrowing (Note 1)	After Borrowing (Note 1)	Change (Note 1)
Short-term loans payable	-	-	-
Current portion of long-term loans payable	8,640	4,320	(4,320)
Long-term loans payable	35,006	39,326	4,320
Total loans	44,646	43,646	-
Investment corporation bonds	2,000	2,000	-
Total interest-bearing liabilities	45,646	45,646	-
LTV ratio (%) (Note 2)	52.3	52.3	-

(Note 1) All amounts indicated in the above table and below are rounded down to the nearest million yen.

(Note 2) LTV ratio is calculated as follows, rounded to the first decimal place.

LTV ratio = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' capital) × 100
 Unitholders' capital is 41,684 million yen as of the date of this document.

5. Other

The risks associated with the repayment of borrowings, etc. have not changed significantly from those detailed in “Investment Risks” in the periodic securities report (*yuka shoken hokokusho*) for the latest fiscal period submitted on January 27, 2021.

*Starts Proceed website: <https://www.sp-inv.co.jp/en/>