

May 20, 2016

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

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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 the repayment of borrowings totaling 5,747 million yen maturing on May 24, 2016.

2. Details of Borrowing

	Term Loan 2B (Term: 6 years / Floating interest rate)	Term Loan 2C (Term: 7 years / Floating interest rate)
Lender	Resona Bank, Ltd. Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd. The Kagawa Bank, Ltd.	Resona Bank, Ltd. Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd. The Kagawa Bank, Ltd.
Loan Amount	2,873.5 million yen	2,873.5 million yen
Scheduled Drawdown Date	May 24, 2016	May 24, 2016
Principal Repayment Date	May 24, 2022	May 24, 2023
Interest Rate (Note 1)	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.79%	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.85%
Interest Payment Date	The first interest payment date shall be the last day of May 2016, 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 Loan 2B and 2C as of May 20, 2016 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 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 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 Q (Term: 2 years 6 months / Floating interest rate)	Term Loan V (Term: 1 year 6 months / Floating interest rate)
Lender	Resona Bank, Ltd. The Chiba Bank, Ltd. The Musashino Bank, Ltd. Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Higashi-Nippon Bank, Ltd. ORIX Bank Corporation Mizuho Trust & Banking Co., Ltd.	Resona Bank, Ltd. Aozora Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited ORIX Bank Corporation The Kagawa Bank, Ltd.
Repayment Amount	3,100 million yen	2,647 million yen
Drawdown Date	November 25, 2013	November 25, 2014
Principal Repayment Date	May 24, 2016	May 24, 2016
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.85%	Base interest rate (JBA 1-month Japanese Yen TIBOR) 0.50%

4. Status of Interest-Bearing Liabilities after Borrowing (as of May 24, 2016)

(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	9,318	3,571	(5,747)
Long-term loans payable	20,590	26,337	5,747
Total loans	29,908	29,908	-
Investment corporation bonds	-	-	-
Total interest-bearing liabilities	29,908	29,908	-
LTV ratio (%) (Note 2)	49.8	49.8	-

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

(Note 2) 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 unitholders' capital is 30,096 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*) for the latest fiscal period, which was submitted on January 28, 2016.

*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/>