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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 part of the repayment of borrowings totaling 3,451 million yen (Term Loan M and Term Loan P) ^(Note) maturing on November 24, 2016.

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

2. Details of Borrowing

	Term Loan 2E
Lender	Aozora Bank, Ltd. Resona Bank, Ltd. The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited
Loan Amount (Note 1)	3,449 million yen
Scheduled Drawdown Date	November 24, 2016
Principal Repayment Date	May 24, 2019
Interest Rate (Note 1)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.42%)
Interest Payment Date	The first interest payment date shall be the last day of November 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 as of November 17, 2016 based on the basic loan agreement (hereinafter referred to as the “Basic Loan Agreement,” including subsequent revisions and additions of lenders (Note 3)) executed on November 21, 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.

Disclaimer: This translation is for informational purposes only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail. This document is an English translation of a press release for public announcement regarding borrowing of funds by Starts Proceed Investment Corporation, and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to the Investment Corporation's prospectus and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

3. Borrowings to be Repaid

	Term Loan M	Term Loan P
Lender	Aozora Bank, Ltd. Resona Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation ORIX Bank Corporation Sumitomo Mitsui Trust Bank, Limited The Chiba Bank, Ltd. The Musashino Bank, Ltd.	Aozora Bank, Ltd. Resona Bank, Ltd. The Chiba Bank, Ltd. The Musashino Bank, Ltd. The Kagawa Bank, Ltd. Mizuho Bank, Ltd.
Repayment Amount	1,225 million yen	2,225 million yen
Drawdown Date	May 1, 2013	May 24, 2013
Principal Repayment Date	November 24, 2016	November 24, 2016
Interest Rate	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) + 1.05%)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) + 1.05%)

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

(Unit: million yen)

	Before Borrowing	After Borrowing	Change
Short-term loans payable	12,960	12,960	-
Current portion of long-term loans payable	11,683	8,231	Δ3,451
Long-term loans payable	18,147	21,596	3,449
Total loans	42,790	42,787	Δ2
Investment corporation bonds	-	-	-
Total interest-bearing liabilities	42,790	42,787	Δ2
LTV ratio (%) (Note 2)	50.3	50.3	Δ0.0

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

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

Although the unitholders' capital is 30,096 million yen as of the date of this document, 42,230 million yen after adding 12,134 million yen which is to be procured on November 21, 2016 as described in the press release "Notice Concerning Determination on Prices and Other Items Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" separately announced on November 14, 2016 is assumed in the calculation.

5. Future Outlook

The borrowings will have no impact on the management status of Starts Proceed for the fiscal period ended October 2016 (May 1, 2016 to October 31, 2016) announced in the Financial Report on June 14, 2016. Furthermore, since the details of the borrowings have been factored in in "Notice Concerning Revisions to Management Status Forecast for the Fiscal Period Ending April 2017 and Forecast of Management Status for the Fiscal Period Ending October 2017" separately announced on November 4, 2016, there is no change to the revisions to management status forecast for the fiscal period ending April 2017 and forecast of management status for the fiscal period ending October 2017.

6. Other

The risks associated with the repayment of borrowings, etc. do not change significantly from those detailed in "Chapter 2. Reference Information No.2 Supplementary Information to Reference Document 3. Investment Risks" in the security registration statement (yuka shoken todokedomo) submitted on November 4, 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/>

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