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Translation Purpose Only

For Immediate Release

REIT Issuer

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Asset Management Company

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Notice Concerning Borrowing of Funds and Conclusion of Interest Rate Swap Agreement

Starts Proceed Investment Corporation (“Starts Proceed”) announces that it decided at its Board of Directors’ meeting held today to conduct borrowing of funds and to conclude an interest rate swap agreement. The details are as follows.

1. Reason and Purpose of Borrowings

Borrowings will be conducted to allocate funds as part of repayment of borrowings totaling 2,500 million yen maturing on November 25, 2019. The difference between the borrowing amount and the borrowings to be repaid (2,500 million yen), which is 1,000 million yen, will be repaid using the proceeds from the Starts Proceed First Series Unsecured Investment Corporation Bond ^(Note) issued on November 18, 2019.

(Note) For details of the investment corporation bonds, please refer to “Notice Concerning Issuance of Investment Corporation Bonds” dated November 12, 2019.

2. Details of Borrowings

	Term Loan 2O (Term: 6 years / Floating interest rate)
Lender	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
Loan Amount	1,500 million yen
Scheduled Drawdown Date	November 25, 2019
Principal Repayment Date	November 25, 2025
Interest Rate (Note 1)	Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.700%

Interest Payment Date	The first interest payment date shall be the last day of November 2019, 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 2O as of November 21, 2019, 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 Y (Term: 5 years / Floating interest rate)
Lender	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	2,500 million yen
Drawdown Date	November 25, 2014
Principal Repayment Date	November 25, 2019
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR)+ 0.85%

(Note) In accordance with conclusion of the interest rate swap agreement, the actual interest rate on Term Loan Y is, in effect, fixed at 1.190%.

4. Interest Rate Swap Agreement

(1) Reason to conclude the interest rate swap agreement

To hedge against risk of interest rate hike concerning Term Loan 2O, the borrowings to be conducted under the condition of floating interest rate as mentioned above.

(2) Details of the interest rate swap agreement

Interest Rate Swap Agreement concerning Term Loan 2O

Lender Resona Bank, Ltd.

Notional Principle Amount 1,500 million yen

Interest Rate, etc.	Fixed interest rate payable: 0.870% Floating interest rate receivable: Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.700%
Commencement Date	November 25, 2019
Termination Date	November 25, 2025
Payment Date	The first interest payment date shall be the last day of November 2019, 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.

(Note) In accordance with conclusion of the interest rate swap agreement, the actual interest rate on Term Loan 20 is, in effect, fixed at 0.870%.

5. Status of Interest-Bearing Liabilities After Borrowing (as of November 25, 2019)

(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	10,520	8,020	(2,500)
Long-term loans payable	35,126	36,626	1,500
Total loans	45,646	44,646	(1,000)
Investment corporation bonds	1,000	1,000	-
Total interest-bearing liabilities	46,646	45,646	(1,000)
LTV ratio (%) (Note 2)	53.4	52.3	(1.1)

(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.

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

Unitholders' capital is 41,684 million yen as of the date of this document.

6. 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 July 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

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