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For Immediate Release

REIT Issuer

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(Security Code: 8979)

Asset Management Company

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Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)

Starts Proceed Investment Corporation (“Starts Proceed”) announces that it today decided to issue investment corporation bonds (Green Bonds) based on a comprehensive resolution on the issuance of investment corporation bonds determined at the meeting of the Board of Directors of Starts Proceed held on October 22, 2021. The details are as follows.

1. Overview of the Investment Corporation Bonds

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| (1) Name | Starts Proceed Third Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds) (the “Investment Corporation Bonds”) |
| (2) Total issue amount | 1.5 billion yen |
| (3) Form of bond certificate | The Act on Book-Entry Transfer of Corporate Bonds and Shares applies to the Investment Corporation Bonds. Accordingly, investment corporation bond certificates will not be issued. |
| (4) Amount to be paid in | 100 yen per 100 yen of each investment corporation bond |
| (5) Redemption amount | 100 yen per 100 yen of each investment corporation bond |
| (6) Interest rate | 0.800% per annum |
| (7) Amount of each investment corporation bond | 100 million yen |
| (8) Method of offering | Public offering |
| (9) Subscription period | November 12, 2021 |
| (10) Payment date | November 18, 2021 |
| (11) Security and guarantee | The Investment Corporation Bonds are unsecured and unguaranteed with no specific assets reserved for the Investment Corporation Bonds. |
| (12) Redemption method and date | The total amount will be redeemed on November 18, 2031.
The Investment Corporation Bonds may be repurchased and cancelled at any time on or after the date subsequent to the payment date, unless otherwise determined by laws and regulations, or the book-entry transfer institution’s operational rules and other rules.
If the redemption date of the Investment Corporation Bonds falls on a bank holiday, then the date of payment will be moved to the immediately preceding bank business day. |
| (13) Interest payment date | May 18 and November 18 of each year
The first interest payment date is May 18, 2022.
If an interest payment date falls on a bank holiday, then the date of payment will be moved to the immediately preceding bank business day |
| (14) Rating obtained | A- (Japan Credit Rating Agency, Ltd.) |
| (15) Financial covenants | Negative pledge clause is attached |
| (16) Book-entry transfer institution | Japan Securities Depository Center, Incorporated |

- (17) Fiscal agent, issuing agent, and paying agent Resona Bank, Ltd.
- (18) Underwriters Mizuho Securities Co., Ltd.
SMBC Nikko Securities Inc.
Daiwa Securities Co. Ltd.

2. Reason for Issuance

Starts Proceed aims to strengthen the funding platform by expanding the ESG investor base, along with promoting sustainability initiatives, by procuring funds through the Investment Corporation Bonds.

The Investment Corporation Bonds will be issued as green bonds based on the green finance framework which was announced in the “Notice Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds” released on October 22, 2021, for eligibility of the green finance framework, Starts Proceed has been assigned “Green 1 (F),” the highest evaluation grade in the JCR Green Finance Framework Evaluation by Japan Credit Rating Agency, Ltd. For further details of the framework please refer to the news release above mentioned.

3. Amount, Use, and Scheduled Date of Expenditure of Funds to Be Procured

(1) Amount of funds to be procured (estimated net proceeds)

1,487 million yen in total

(2) Specific use and scheduled date of expenditure of funds to be procured

Use as the funds for repayment of borrowings outstanding to acquire “(C-83) Proceed Monzennakacho” and “(C-84) Proceed Maihama” which are eligible green assets in the green finance framework.

4. Investors who declared investment in the Green Bonds

Listed below in alphabetical order are investors to date who declared their intention of investment in the Green Bonds.

- The Yamanashi Chuo Bank, Ltd.
- DaitokyoShinkumi Credit Cooperative
- THE CHOSHI SHINKIN BANK
- THE FUJI SHINKIN BANK
- Kyorithu Credit Cooperative
- Danyo Shinkumi Bank
- Numazu Shinkin Bank
- The Mishima Shinkin Bank

5. Status of Interest-Bearing Liabilities Before and After Issuance of the Investment Corporation Bonds

	Before Issuance (as of November 18, 2021)	After Issuance (Note 2) (as of November 24, 2021)	Change
Short-term loans payable	-	-	-
Current portion of long-term loans payable	10,093	5,773	△4,320
Long-term loans payable	33,552	36,372	2,820
Total loans	43,646	42,146	△1,500
Investment corporation bonds	2,000	3,500	1,500
Total interest-bearing liabilities	45,646	45,646	-
LTV ratio (%) (Note 3)	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) The status after the refinancing of long-term loans of 4,320 million yen due for repayment on November 24, 2021.

(Note 3) 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.

6. Other Necessary Matters for Investors to Adequately Understand and Make an Informed Decision Based on the Above Information
Concerning the risks pertaining to the issuance of the Investment Corporation Bonds, there will be no change to the content of “Chapter 1 Fund Information – Part 1 Fund Status 3. Investment Risks” of the securities report filed on July 27, 2021.

[Reference]

Starts Proceed submitted shelf registration supplements to the Director-General of the Kanto Local Finance Bureau concerning the issuance, redemption, etc. of the Investment Corporation Bonds today.

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