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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: Hideki Hamaguchi, General Manager

of Financial Control and Administration Division
TEL. +81-3-6202-0856

Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Starts Proceed Investment Corporation (“SPI”) announces that it resolved at the Board of Directors’ meeting held today the following concerning the issuance of new investment units and secondary offering of investment units.

1. Issuance of New Investment Units through Public Offering (Primary Offering)

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|---|---|
| (1) Total number of investment | 28,700 units to be offered: |
| (2) Issue price (offer price): | To be determined
The price shall provisionally be calculated as the closing price of SPI’s investment units (the “Investment Units”) at the Tokyo Stock Exchange, Inc. (the “TSE”) on a date between October 24, 2022 (Monday) and October 26, 2022 (Wednesday) (the “Pricing Date”) (if the closing price is not available on such date, the closing price on the immediately preceding date) less cash distributions per unit of 5,950 yen, multiplied by a factor of 0.90 to 1.00 (amounts less than one yen to be rounded down), then be determined by taking into account the demand and other factors. |
| (3) Total issue price (offer price): | To be determined |
| (4) Paid-in amount (issue amount): | To be determined
The amount shall be determined at the Board of Directors’ meeting to be held on the Pricing Date. The issue amount represents the proceeds per investment unit paid in by the Underwriters (as defined in (6) below) and received by SPI. |
| (5) Total paid-in amount (issue amount) : | To be determined |
| (6) Offering method: | The offering of the investment units shall be through a primary offering, and underwritten in full by Mizuho Securities Co., Ltd. (the “Lead Manager”) along with Nomura Securities Co., Ltd., Daiwa Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Starts Securities Co., Ltd., Mito Securities Co., Ltd. (the above companies and Lead Manager are collectively referred to as the “Underwriters”). |
| (7) Underwriting agreement: | The Underwriters shall purchase the Investment Units at a subscription price equivalent to the amount of issue amount, which is to be determined on the Pricing Date, and shall conduct offering at a different price from the subscription price (issue price). The Underwriters shall pay the total paid-in amount (total |

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- issue amount) to SPI on the payment date identified in (11) below. The difference between the total issue price (total offer price) and the total paid-in amount (total issue amount) in the primary offering shall be the proceeds of the Underwriters. SPI will pay no underwriting fee to the Underwriters.
- (8) Subscription unit: One unit or more in multiples of one unit
 (9) Subscription period: The business day following the Pricing Date
 (10) Payment period for deposit in securities: Between the first and second business days following the Pricing Date.
 (11) Payment date: November 1, 2022 (Tuesday)
 (12) Delivery date: November 2, 2022 (Wednesday).
 (13) The issue price (offer price), paid-in amount (issue amount) and other items necessary for the issuance of the new investment units shall be determined at a future Board of Directors' meeting.
 (14) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

2. Secondary Offering of Investment Units (Over-Allotment) (Please refer to <Reference Information>

1. below for further details of the over-allotment.)

- (1) Seller: Mizuho Securities Co., Ltd
 (2) Number of investment units to be offered: 2,296 units
 The number indicates the maximum number of investment units to be offered through the secondary offering (over-allotment) conducted by the Lead Manager aside from the primary offering taking into account the demand and other factors. There may be cases where this number is reduced or the secondary offering (over-allotment) itself is not conducted, depending on demand conditions and other factors. The number of investment units to be offered through the secondary offering shall be determined on the Pricing Date taking into account the demand and other factors.
 (3) Offer price: To be determined
 The price shall be determined at the Board of Directors' meeting to be held on the Pricing Date. The offer price shall be same as the issue price (offer price) for the primary offering.
 (4) Total offer value: To be determined
 (5) Offering method: In consideration of the demand and other factors of the primary offering, Lead Manager shall, aside from the primary offering, offer the investment units (up to 2,296 units) borrowed (the "Borrowed Investment Units") from Starts Corporation, a unitholder of SPI.
 (6) Subscription period: Same as the subscription period for the primary offering
 (7) Payment period for deposit in securities: The same as the payment period for deposit in securities of the primary offering
 (8) Delivery date: Same as the delivery date for the primary offering
 (9) Subscription unit: One unit or more in multiples of one unit
 (10) The offer price and other items necessary for the offering of the investment units in the secondary offering through over-allotment shall be determined at a future Board of Directors' meeting.
 (11) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

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<Reference Information>

1. Details of the Secondary Offering (Over-Allotment)

In consideration of the demand and other factors of the primary offering, the Lead Manager may, aside from the primary offering, offer the Investment Units (up to 2,296 units) borrowed from Starts Corporation, a unitholder of SPI. The number of investment units to be offered in the secondary offering through over-allotment is scheduled to be 2,296 units and the number is the maximum amount. The number may decrease or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other factors.

Regarding the secondary offering through over-allotment, the Lead Manager is granted the right to additionally purchase the Investment Units from Starts Corporation up to the maximum number set for the secondary offering through over-allotment at the same price as the issue amount of the primary offering to return the Borrowed Investment Units (“Green Shoe Option”), by Starts Corporation over an exercise period beginning on the date immediately following the subscription period of the primary offering and secondary offering through over-allotment and ending on November 24, 2022 (Thursday).

For the purpose of returning the Borrowed Investment Units, the Lead Manager may also purchase the Investment Units up to the number of units for the secondary offering (over-allotment) at the TSE (the “Syndicated Cover Transaction”) during the period from the day following the subscription period for the primary offering and the secondary offering (over-allotment) to November 24, 2022 (Thursday) (the “Syndicated Cover Transaction Period”). All of the Investment Units purchased by the Lead Manager through the Syndicated Cover Transaction shall be used to return the Borrowed Investment Units. There may be cases in which the Lead Manager does not conduct the Syndicated Cover Transaction at all or ends the Syndicated Cover Transaction with the number of investment units that is smaller than the number of the investment units offered through the secondary offering (over-allotment), at its sole discretion during the Syndicated Cover Transaction Period.

Moreover, the Lead Manager may conduct stabilizing transactions in correlation with the primary offering and the secondary offering (over-allotment). The Investment Units purchased through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Investment Units.

Regarding the number of investment units remaining after subtracting the number purchased through stabilizing operations and Syndicate Cover Transactions and the number used to return the Borrowed Investment Units from the number of investment units to be offered in the secondary offering through over-allotment, the Lead Manager shall exercise the Green Shoe Option to acquire the Investment Units.

Whether or not the secondary offering through over-allotment is to be made and the number of investment units to be offered shall be determined on the Pricing Date. If a secondary offering through over-allotment is not made, the Lead Manager shall not borrow the Investment Units from the unitholders of SPI and the Lead Manager shall not exercise the Green Shoe Option. Furthermore, no Syndicate Cover Transactions shall be made on the TSE.

(Note) The exercise period of the Green Shoe Option and the Syndicate Cover Transactions period are as follows:

- ① If the Issue Price Determination Date is Monday, October 24, 2022,
"Wednesday, October 26, 2022 to Thursday, November 24, 2022"
- ② If the Issue Price Determination Date is Tuesday, October 25, 2022,
"Thursday, October 27, 2022 to Friday, November 25, 2022"
- ③ If the Issue Price Determination Date is Wednesday, October 26, 2022,
"Friday, October 28, 2022 to Friday, November 25, 2022"

2. Changes in Number of Investment Units Issued and Outstanding after Issuances of New Investment Units

Total number of investment units issued and outstanding at present:	253,777 units
Number of new investment units to be issued through primary offering:	28,700 units
Total number of investment units issued and outstanding after	

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new issuance through primary offering: 282,477 units

3. Reason for and Purpose of New Issuance

Having considered and investigated market trends, the levels of LTV (ratio of interest-bearing liabilities to total assets), the levels of net income per unit, the levels of distribution per unit and other factors, SPI decided to issue new investment units with an aim of improving earning ability of the portfolio by newly acquiring specified assets (as defined in Paragraph 1 of Article 2 of the Act on Investment Trusts and SPI; the same applies hereinafter).

4. Amount of Funds to be Procured, Use of Proceeds and Scheduled Expenditure Date

(1) Amount of funds to be procured (approximate proceeds)

6,671,774,000 yen

(Note) The amount is an estimate calculated on the basis of the closing price of the Investment Unit in a regular trading session at the TSE as of September 30, 2022 (Friday).

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

The net proceeds SPI will receive from the primary offering (6,671,774,000 yen) will be used for part of the funds for the acquisition of specified assets scheduled to be acquired by SPI. Any remaining funds will be kept on hand and used to partially fund future acquisitions of specified assets or partially fund repayment of borrowings. For further detail of the properties to be acquired, please refer to the press release “Notice Concerning Acquisition and Leasing, and Disposition of Trust Beneficiary Interests in Domestic Real Estate” separately announced today.

5. Designation of Party to Receive Allocation

The Underwriters, as designated by SPI, plan to sell 6,160 units to Starts Corporation, the shareholder of Starts Asset Management Co., Ltd., to which SPI entrusts the management of its assets, and 350 units to Toyosu Co., Ltd, the affiliated company of Starts Corporation. .

6. Future Outlook

Please refer to the press release “Notice Concerning Revisions to Management Status and Distribution Forecast for the Fiscal Periods Ending October 2022 (34th Fiscal Period) and April 2023 (35th Fiscal Period) and Announcement of Management Status and Distribution Forecast for the Fiscal Periods Ending October 2023 (36th Fiscal Period) and April 2024 (37th Fiscal Period)” announced today.

7. Operating Results of Past Three Fiscal Periods and Status of Equity Financing, Etc.

(1) Operating results of past three fiscal periods (Note 1)

	Fiscal period ended April 2021	Fiscal period ended October 2021	Fiscal period ended April 2022
Net income per unit (Note 2)	4,662 yen	4,562 yen	4,717 yen
Distribution per unit	4,663 yen	4,563 yen	4,718 yen
Distribution payout ratio result	100.0%	100.0%	100.0%
Net assets per unit	170,886 yen	170,785 yen	170,940 yen

(Note 1) In the “(1) Operating results of past three fiscal periods”, the fiscal period ended April 2021, the fiscal period ended October 2021 and the fiscal period ended April 2022 are indicated as past three fiscal periods.

(Note 2) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units issued and outstanding.

(2) Recent status of investment unit price

1) Status in the last three fiscal periods

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	Fiscal period ended April 2021	Fiscal period ended October 2021	Fiscal period ended April 2022
Opening price	197,800 yen	227,400 yen	240,800 yen
Highest price	233,800 yen	272,800 yen	244,900 yen
Lowest price	190,400 yen	219,100 yen	201,000 yen
Closing price	227,400 yen	239,600 yen	233,000 yen

2) Status in the last six months

	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022
Opening price	237,500 yen	242,000 yen	241,500 yen	257,900 yen	256,600 yen	252,700 yen
Highest price	244,200 yen	249,000 yen	257,900 yen	261,600 yen	265,000 yen	258,700 yen
Lowest price	232,700 yen	227,900 yen	237,400 yen	245,800 yen	246,000 yen	239,000 yen
Closing price	243,000 yen	241,800 yen	257,900 yen	256,400 yen	252,600 yen	242,100 yen

(Note) The investment unit prices for October 2022 indicate the figures as of October 13, 2022.

3) Investment unit price on the business day preceding the resolution day of the issuance

	October 13, 2022
Opening price	241,700 yen
Highest price	243,400 yen
Lowest price	239,000 yen
Closing price	242,100 yen

(3) Status of equity financing conducted in the past three fiscal periods Not applicable.

8. Other

Restrictions on sale and additional issuance of investment units, etc.

- 1) Starts Corporation holds 34,153 units of the Investment Units as of the date of this document. The Underwriters plan to sell 6,160 units of the Investment Units in connection with the primary offering to Starts Corporation. However, regarding the primary offering, SPI plans to request Starts Corporation to make a promise with the Lead Manager not to effectuate, any sales, attachment of collateral, loans and such (however, excluding where offered investment units are lent for the purpose of secondary offering through over-allotment and such) of part or all of the Investment Units it holds, during the 180-day period after the delivery date of the Investment Units relating to the primary offering, without the prior written consent of the Lead Manager.
- 2) Toyosu Co., Ltd holds 2,476 units of the Investment Units as of the date of this document. The Underwriters plan to sell 350 units of the Investment Units in connection with the primary offering to Toyosu Co., Ltd.,. However, regarding the primary offering, SPI plans to request Toyosu Co., Ltd, to make a promise with the Lead Manager not to effectuate, any sales, attachment of collateral, loans and such (however, excluding where offered investment units are lent for the purpose of secondary offering through over-allotment and such) of part or all of the Investment Units it holds, during the 180-day period after the delivery date of the Investment Units relating to the primary offering, without the prior written consent of the Lead Manager.
- 3) Concerning the primary offering, SPI has agreed with the Lead Manager that it will not additionally issue new investment units, etc. (except for the primary offering, secondary offering

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- through over-allotment and such) for a period of 90-day after the delivery date of the Investment Units.
- 4) In the event of the above (1) or (2), the Lead Manager has the rights to cancel the agreed restrictions in part or in whole, or to shorten the period limitation, at its discretion

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