

Translation Purpose Only

For Immediate Release

REIT Issuer

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Notice Concerning Borrowing of Funds and Interest Rate Swap Agreement

Starts Proceed Investment Corporation (“SPI”) announces that it decided at its Board of Directors’ meeting held today to conduct borrowing of funds (the “Borrowings”). The details are as follows.

## 1. Reason and Purpose of Borrowings

The borrowings will be conducted to allocate funds for part of the acquisition of specified assets (as defined in Paragraph 1 of Article 2 of the Act on Investment Trusts and Investment Corporations) scheduled to be acquired on November 1, 2022, and related expenses as described in “Notice Concerning Acquisition and Leasing, and Disposition of Trust Beneficiary Interests in Domestic Real Estate” dated October 14, 2022.

## 2. Details of Borrowings

	Term Loan 2W (Term: 6years / Floating interest rate)	Term Loan 2X (Term: 4 years /Floating interest rate)
Lender	The Bank of Yokohama,Ltd. Resona Bank, Limited	Resona Bank, Limited Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. The Chiba Bank, Ltd. The 77 Bank, Ltd. Joyo Bank, Ltd.
Loan Amount	4,200 million yen	3,000 million yen
Scheduled Drawdown Date	November 1, 2022	November 1, 2022
Principal Repayment Date	November 24, 2028	November 24, 2028
Interest Rate (Note 1)	Floating rate (Base interest rate (JBA 3-month Japanese Yen TIBOR) +0. 65%	Floating rate (Base interest rate (JBA 3-month Japanese Yen TIBOR) +0. 65%
Interest Payment Date	The first interest payment date shall be the last day of November 2022, and for subsequent payments, the last day of February, May, August and November 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 Loans 2W and 2X as of October 28, 2022, 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/Guarantee	Unsecured / Unguaranteed	

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 and interest rate swap agreement by SPI, and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to the SPI’s prospectus and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

(Note 1) The base interest rate applicable to the calculation of interest payable on the interest payment day is the JBA 3-month Japanese Yen TIBOR published two business days prior to the interest payment date immediately preceding the interest payment date (drawdown date for the first interest payment date). After this, SPI 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 (<https://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. Interest Rate Swap Agreement

(1) Reason to conclude the interest rate swap agreement

To hedge against risk of interest rate hike by fixing the interest rate payable concerning Term Loan 2W to be conducted under the condition of a floating interest rate as mentioned above.

(2) Details of the interest rate swap agreement

	Agreement concerning Term Loan 2W
Lender	Resona Bank, Limited
Notional Principal Amount	4,200 million yen
Interest Rate, Etc.	Fixed interest rate payable: to be determined (Note) Floating interest rate receivable: Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.65%
Commencement Date	November 1, 2022
Termination Date	November 24, 2028
Payment Date	The first interest payment date shall be the last day of November 2022, and for subsequent payments, the last day of February, May, August, and November 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) Fixed interest rate payable will be announced as soon as they are determined.

### 4. Status of Interest-Bearing Liabilities After Borrowing (as of November 1, 2022)

(Unit: million yen)

	Before Borrowing	After Borrowing	Change
Short-term loans payable	-	-	-
Current portion of long-term loans payable	9,222	9,222	-
Long-term loans payable	32,924	40,124	7,200
Total loans	42,146	49,346	7,200
Investment corporation bonds	3,500	3,500	-
Total interest-bearing liabilities	45,646	52,846	7,200
LTV ratio (%) (Note)	52.3	52.6	0.3

(Note) LTV ratio is calculated as follows, rounded to the first decimal place:

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

The unitholders' capital is calculated based on 41,684 million yen as of the date of this document for before borrowing, and based on 47,536 million yen for after borrowing, which includes the 5,852 million yen to be newly procured on November 1, 2022 as described in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced on October 14, 2022.

### 5. Future Outlook

Please refer to “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)” separately announced today for further detail.

6. Other

The risks associated with the repayment, etc. of the Borrowings, do not change significantly from those detailed in “Part 2. Reference Information, (2) Supplementary Information to Reference Documents, 3. Investment Risks” in the periodic securities report (*yuka shoken hokokusho*) for the latest fiscal period, which was submitted on October 14, 2022.

\*SPI website: <https://www.sp-inv.co.jp/en/>