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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 Investment Corporation Bonds (Green Bonds)

Starts Proceed Investment Corporation (“SPI”) 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 SPI held on April 24, 2023. The details are as follows.

1. Overview of the Investment Corporation Bonds

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|--|---|
| (1) Name | Starts Proceed Fourth 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 | May 16, 2023 |
| (10) Payment date | May 22, 2023 |
| (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 May 22, 2028.
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 22 and November 22 of each year
The first interest payment date is November 22, 2023.
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.
 Nomura Securities Co., Ltd.

2. Reason for Issuance

SPI 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 announced in “Notice Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds” released on October 22, 2021. As a third-party evaluation of the green finance framework, SPI 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 abovementioned news release.

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 of entire amount as part of the funds for repayment of Term Loan 2C (drawdown date: May 24, 2016, repayment date: May 24, 2023), the borrowings procured, and later refinanced, to acquire “(C-41) Proceed Nishiarai (Artier),” which is an eligible green asset in the green finance framework, by May 24, 2023.

4. Investors Who Declared Investment in the Investment Corporation Bonds

Listed below in alphabetical order are investors to date who declared their intention of investment in the Investment Corporation Bonds and have agreed to disclose their names.

- The Kita Osaka Shinkin Bank
- Kushiro Shinkin Bank
- The Sugamo Shinkin Bank
- The Choshi Shinkin Bank
- The Tsuru Credit Cooperative
- Nagano Shinkin Bank
- The Fuji Shinkin Bank
- The Mishima Shinkin Bank

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

(Unit: million yen)

	Before Issuance (as of May 22, 2023)	After Issuance (Note 2) (as of May 24, 2023)	Change
Short-term loans payable	-	-	-
Current portion of long-term loans payable	9,032	9,061	29
Long-term loans payable	40,313	38,785	(1,528)
Total loans	49,346	47,846	(1,500)
Investment corporation bonds	3,500	5,000	1,500
Total interest-bearing liabilities	52,846	52,846	-
LTV ratio (%) (Note 3)	52.6	52.6	-

(Note 1) All amounts indicated in the above table and below are rounded down to the nearest million yen.

(Note 2) The status after partial repayment of 5,032 million yen of loans due for repayment on May 24, 2023, and refinancing of the remaining amount.

(Note 3) LTV ratio is calculated as follows, rounded to the first decimal place.

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

Unitholders' capital is 47,536 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 January 27, 2023.

[Reference]

SPI 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.

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