

REIT Financial Report for 40th Fiscal Period

December 15, 2025

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 (for analysts and institutional investors)

[Amounts are rounded down to the nearest million yen]

1. Status of Management and Assets in 40th Fiscal Period

Starts Proceed Investment Corporation's 40th fiscal period is the period from May 1, 2025, to October 31, 2025.

(1) Management Status

[% figures represent the increase (decrease) compared with the previous period]

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
40th	3,642	(4.8)	1,577	(8.2)	1,208	(12.7)	1,207	(12.7)
39th	3,827	1.5	1,719	0.7	1,384	0.3	1,383	0.4

Fiscal period	Net income per unit	Ratio of net income to equity [Return on equity]	Ratio of ordinary income to total assets [Return on assets]	Ratio of ordinary income to operating revenue
	yen	%	%	%
40th	4,432	2.6	1.2	33.2
39th	4,897	2.9	1.3	36.2

(2) Distributions Status

Fiscal period	Distribution per unit [including distribution in excess of earnings]	Distribution per unit [excluding distribution in excess of earnings]	Distribution in excess of earnings per unit	Total distributions [including distribution in excess of earnings]	Total distributions [excluding distribution in excess of earnings]	Total distributions in excess of earnings	Distribution payout ratio	Ratio of distributions to net assets
	yen	yen	yen	million yen	million yen	million yen	%	%
40th	4,825	4,433	392	1,314	1,207	106	100.0	2.6
39th	5,470	5,078	392	1,490	1,383	106	100.0	2.9

Note 1: Distribution payout ratio is rounded down to one decimal place.

Note 2: The number of investment units during the fiscal period changed as repurchase and cancellation of own investment units was conducted during the fiscal period. Therefore, distribution payout ratio for the 39th fiscal period is calculated using the following formula:

Distribution payout ratio = Total distributions (excluding distributions in excess of earnings) / Net income x 100

Note 3: Of distributions in excess of earnings in the fiscal period ended April 30, 2025 and October 31, 2025, the allowance for temporary difference adjustments, etc. was 13 million yen. The refund of investment, a return of capital under tax law, was 93 million yen.

Note 4: The ratio of a reduction in unitholders' paid-in capital attributable to distributions in excess of earnings (a refund of investment, which is a return of capital under tax law) was 0.002 and 0.003 in the fiscal periods ended April 30, 2025 and October 31, 2025, respectively. The ratio of the reduction in unitholders' paid-in capital is calculated in accordance with Article 23, Paragraph 1, Item 5 of the Order for Enforcement of the Corporation Tax Act.

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
40th	101,715	46,701	45.9	171,435
39th	101,988	46,984	46.1	172,473

(4) Status of Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
40th	2,155	(1,220)	(1,487)	3,876
39th	4,334	(328)	(3,247)	4,428

2. Forecast for Management Status in 41st Fiscal Period and 42nd Fiscal Period

Starts Proceed Investment Corporation's 41st fiscal period is the period from November 1, 2025, to April 30, 2026.

Starts Proceed Investment Corporation's 42nd fiscal period is the period from May 1, 2026, to October 31, 2026.

[% figures represent the increase (decrease) compared with the previous period]

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
41st	3,618	(0.7)	1,548	(1.9)	1,162	(3.8)	1,160	(3.9)
42nd	3,613	(0.1)	1,571	1.5	1,148	(1.2)	1,146	(1.2)

Fiscal period	Distribution per unit [including distribution in excess of earnings]		Distribution per unit [excluding distribution in excess of earnings]		Distribution in excess of earnings per unit	
	yen		yen		yen	
41st	4,650		4,258		392	
42nd	4,600		4,208		392	

[Reference] Forecast net income per unit 41st fiscal period: 4,258 yen 42nd fiscal period: 4,208 yen

3. Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

- (a) Changes in accounting policies accompanying amendments to accounting standards, etc.: None
- (b) Changes in accounting policies other than in (a): None
- (c) Changes in accounting estimates: None
- (d) Retrospective restatement: None

(2) Total Number of Investment Units Issued and Outstanding

- (a) Total number of investment units (including treasury investment units) issued and outstanding at end of period

40th fiscal period: 272,415 units 39th fiscal period: 272,415 units

- (b) Number of treasury investment units at end of period

40th fiscal period: - units 39th fiscal period: - units

* Financial reports are not subject to audit by a certified public accountant or an audit company.

* Special notations

The outlook for management status and other forward-looking statements contained in this report are based on information currently available to and certain assumptions deemed reasonable by Starts Proceed Investment Corporation. Accordingly, actual management status and other results may differ materially due to a variety of factors. In addition, the forecast is not a guarantee of the amount of distributions.

For the assumptions underlying the forecast for management status, please refer to "Assumptions Underlying Forecast for Management Status in 41st Fiscal Period and 42nd Fiscal Period" presented on page 10.

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1. Management Status

A. Management Status

(1) Overview of Fiscal Period under Review

(a) Brief Background of the Investment Corporation

Starts Proceed Investment Corporation ("SPI") was established on May 2, 2005, with 150 million yen in capital (750 units) based on the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including amendments thereto) (the "Investment Trusts Act"), completed registration with the Kanto Local Finance Bureau based on Article 187 of the Investment Trusts Act on June 15, 2005 (Registration No. 37 issued by the Director-General of the Kanto Local Finance Bureau), implemented additional issuance of investment units through public offering (21,600 units) on November 29, 2005, and listed on JASDAQ Securities Exchange, Inc. (currently Tokyo Stock Exchange, Inc. JASDAQ Market) (Securities Code: 8979) the next day. After three capital increases through public offering and other developments since listing on the JASDAQ Market, SPI listed on the Tokyo Stock Exchange, Inc. Real Estate Investment Trust Securities Market (Securities Code: 8979) on July 27, 2010, and this was accompanied by an application for delisting being filed with the JASDAQ Market on August 10, 2010, and the delisting from the JASDAQ Market taking effect on October 1, 2010.

SPI entrusts asset management to Starts Asset Management Co., Ltd. (the "Asset Management Company") and sets the focus of management on investment in real estate of which the principal use is use as rental housing ("rental housing") as well as specified assets (the meaning provided in Article 2, Paragraph 1 of the Investment Trusts Act; the same hereinafter) backed mainly by rental housing. SPI also invests in monthly rental apartments, serviced apartments, hotels, residential facilities for the elderly (collectively referred to as "rental housing, etc." together with "rental housing"), which are assets related to rental housing, and real estate from which income can be expected due to other leasing revenue or specified assets backed by such real estate. As it invests in rental housing, etc., SPI adopts the basic policy of setting rental housing for average-income households in particular, the demand for which SPI believes to be the most stable, as the primary investment target. In addition, SPI takes measures, such as leveraging the capabilities of the Starts Group, to enhance asset management efficiency, with an aim to secure steady growth of assets under management and stable earnings over the medium to long term.

As of the end of the 40th fiscal period, the total number of investment units issued and outstanding is 272,415 units, total assets amount to 101,715 million yen, and unitholders' capital (net) amounts to 45,494 million yen.

(b) Investment Environment

Looking at the Japanese economy in the 40th fiscal period, personal consumption continued to increase moderately, supported by the improvement of the employment and income environment, despite the ongoing negative impact of rising prices. Corporate earnings remained robust overall due to measures to pass on the increased costs and increase cost efficiency, which increased profitability despite uncertainties arising due to the trade policies of other countries. At the same time, it continues to be essential to keep trade risks in mind, especially those stemming from U.S.-China relations, and to also keep the impact of rising interest rates in mind, as they are rising due to the Bank of Japan's normalization of its monetary policy.

Under such circumstances, as for the demand trends in the rental housing market in which SPI invests, the demand and supply environment was favorable mainly in the Tokyo metropolitan area. Demand continued to be stable in other major metropolitan areas, and rental apartments owned by listed REITs specializing in housing have maintained high occupancy rates.

In the secondary real estate market, the demand of investors for rental housing showing stable operation and revenue was robust amid the ongoing favorable fund procurement environment. This has kept competition in property acquisition overheated, leaving transaction prices at a high level.

(c) Management Performance

In the 40th fiscal period, SPI acquired (C-96) Proceed Sakurazaka (acquisition price: 850 million yen) on May 13, 2025, and disposed of (C-12) Proceed Makuharihongo 2 (disposition price: 264 million yen) on August 1, 2025, to enhance the competitiveness of its portfolio. As a result, SPI's portfolio as of the end of the 40th fiscal period consists of 107 properties, with acquisition prices totaling 100,964 million yen and a total leasable floor area of 207,046.76 m².

In close collaboration with the property management company Starts Amenity Corporation, the Asset Management Company made efforts to reduce building maintenance and management costs while striving to increase rent, the receipt of key money and other revenue. The Asset Management Company also promoted leasing activities in coordination with leasing agents by setting finely tuned leasing

conditions based on deeper understanding of regional characteristics and advantages of individual properties as well as thorough comparative analyses of nearby competing properties. Furthermore, the Asset Management Company continued to reduce utility costs by converting the common lighting for common areas to LED lighting. These measures worked to maintain the occupancy rate of the entire portfolio stably, resulting in a period-end occupancy rate of 96.9% and an average occupancy rate of 97.2%.

As for ESG initiatives, SPI continues to participate in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment based on its ESG policy. SPI has acquired the GRESB 1-Star rating, which is determined based on an entity's comprehensive score and relative global quintile position. Moreover, SPI was also recognized with the second-best Level B ranking for its disclosure of ESG information. Furthermore, recognizing the importance of disclosing climate-related financial information, SPI conducted an analysis of climate-related risks and opportunities based on the four thematic areas recommended by the TCFD (governance, strategy, risk management, and metrics and targets) and discloses information about its climate-related initiatives. In addition, as an initiative to acquire external certifications regarding the energy-saving and environmental performance of its portfolio properties, SPI acquired DBJ Green Building Certification for (C-72) Proceed Minamigyotoku 2 and CASBEE Certification for Real Estate for (C-65) Proceed TX Nagareyama Central Park in October 2025. SPI has acquired DBJ Green Building Certification for four properties, CASBEE Certification for Real Estate for three properties, and Building-Housing Energy-Efficiency Labeling System (BELS) Certification for five properties as of the date of this document.

(d) Status of Fund Procurement

In the 40th fiscal period, SPI took out long-term loans of 3,049 million yen (term: 6 years and 6 months) to repay long-term loans of 3,049 million yen due for repayment on May 23, 2025.

As a result, the period-end balance of interest-bearing liabilities totaled 53,246 million yen, comprising 5,820 million yen in current portion of long-term loans payable, 41,426 million yen in long-term loans payable, 1,000 million yen in current portion of investment corporation bonds, and 5,000 million yen in investment corporation bonds as of the end of the 40th fiscal period, with the period-end LTV ratio standing at 52.3%.

As of the date of this document, SPI has acquired the following credit ratings.

Credit rating agency	Credit rating	
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating A (Stable)	Bond rating A

(e) Overview of Business Performance and Distributions

As a result of the management described above, business performance recorded for the 40th fiscal period was operating revenue of 3,642 million yen, operating income of 1,577 million yen, ordinary income of 1,208 million yen and net income of 1,207 million yen.

SPI decided to distribute the entire amount, excluding fractions of distribution per investment unit of less than 1 yen, to ensure that the maximum amount of distributions of earnings is included in deductible expenses based on application of Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto) (the "Special Taxation Measures Act"). Accordingly, SPI declared a distribution per investment unit of 4,433 yen.

In addition, SPI's policy is to conduct cash distributions in excess of earnings each fiscal period on a continuous basis, in principle, in accordance with the distribution policy in its Articles of Incorporation. Under this policy, SPI has decided to pay out distributions of 93,438,345 yen, which is the difference between the depreciation for the properties, buildings with fixed-term land leasehold rights, owned as of the end of the 40th fiscal period and the depreciation calculated on the assumption of land ownership, as a refund of investment. SPI will also pay out distributions of 13,348,335 yen, which is equivalent to the amortization of fixed-term leaseholds, asset retirement obligations, and asset retirement obligation interest, etc. for the 40th fiscal period, as an allowance for temporary difference adjustments, etc. Consequently, the distribution in excess of earnings per investment unit is 392 yen.

(2) Outlook for Next Fiscal Period

(a) Management Policy and Challenges to Address

a. Investment Environment

Looking ahead, the Japanese economy is expected to recover moderately, driven by a rebound in personal consumption fueled by an improvement in the employment and income environment and increasing capital investment supported by strong corporate earnings. However, attention must be paid to rising interest rates due to the Bank of Japan's normalization of its monetary policy, persistent inflation, human and material supply constraints, and the volatility of financial and capital markets.

In the secondary real estate market, the increase of interest rates due to monetary tightening policies around the world have slowed, and investors' appetite to acquire property remains strong reflecting the relative stability of the Japanese market. As a result, transaction prices are expected to remain at high levels. In the rental housing market, meanwhile, it is expected that occupancy rates will be high and the upward trend in rent per unit will continue to a certain degree, mainly in the Tokyo metropolitan area.

b. External Growth Strategy

SPI strives to increase opportunities to newly acquire prime investment real estate, based on the extensive collaborative relationship with the Starts Group. Such relationship has been formed by the pipeline support agreement concluded between the Asset Management Company and Starts Corporation Inc., Starts Development Corporation, Starts Amenity Corporation and the group companies in major cities in Japan (Note), respectively, and the property information provision agreement concluded between the Asset Management Company and STARTS Construction and Asset Management Co., Ltd., among other arrangements. Moreover, as SPI aims to expand its asset size and enhance portfolio quality, it will not only acquire properties developed by the Starts Group but also consider acquisition of new and relatively new, high-quality properties that have the potential to generate stable earnings over the medium to long term, while carefully assessing trends in the financial market as well as the primary and secondary real estate markets. Furthermore, along with the progress in external growth, SPI will continue to simultaneously investigate disposition of some assets that are small in size or were built long ago.

Note: Group companies in major cities in Japan refer to Starts Hokkaido Co., Ltd., Starts Tohoku Co., Ltd., Starts Tokai Co., Ltd., Starts Kansai Co., Ltd., Starts Kyushu Co., Ltd., and Starts Okinawa Co., Ltd., which operate in major cities in Japan with Starts Corporation Inc. as the parent company.

c. Internal Growth Strategy

Following on from the 40th fiscal period, SPI will endeavor to enhance convenience and comfort for residents through the provision of high-quality management services, under close collaboration with Starts Amenity Corporation, the property management company, and Starts Pitat House Co., Ltd., to which leasing business operations are re-entrusted. SPI will also work to enhance earnings from and occupancy rates of assets under management and cut costs by conducting finely tuned management suited to the respective area's real estate leasing market trends and individual property characteristics, without stopping at uniform management. SPI will also continue to improve asset value through large-scale repair work and facility renewal. Furthermore, SPI believes that initiatives on issues such as environmental and social consideration and the strengthening of governance contribute to the development of a sustainable society, and aims for medium- to long-term growth by conducting management based on such idea.

d. Financial Strategy

With its sight set on smooth fund procurement upon asset acquisition and reduction of refinancing risk, SPI will promote its ongoing favorable relationship with financing banks. At the same time, SPI aims to further strengthen the financial base and diversify its fund procurement means, including issuance of investment corporation bonds, while expanding the lineup of financing banks, reducing financing costs, extending loan periods, diversifying repayment dates and shifting to fixed-interest loans, on an as-needed basis.

(b) Significant Subsequent

Not applicable.

(Reference Information)

A. Issuance of Investment Corporation Bonds (Green Bonds)

SPI issued investment corporation bonds under the conditions below based on a comprehensive

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resolution on the issuance of investment corporation bonds passed at a meeting of the Board of Directors held on October 30, 2025.

Name	Starts Proceed Sixth Series Unsecured Investment Corporation Bonds (ranking pari passu among specified investment corporation bonds) (Green bonds)
Total amount issued	2,000 million yen
Payment date	November 19, 2025
Paid-in amount	100 yen per 100 yen of each investment corporation bond
Interest rate	1.936% per annum
Security and guarantee	Unsecured and unguaranteed
Redemption date	SPI will conduct the redemption of the total amount on November 19, 2030. The Investment Corporation Bonds may be repurchased and canceled 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 maturity date of the Investment Corporation Bonds falls on a bank holiday, the payment will be moved forward to the preceding bank business day.
Interest payment date	May 19 and November 19 every year First interest payment date will be May 19, 2026. If the interest payment date falls on a bank holiday, payment will be moved forward to the preceding bank business day.
Use of funds	SPI procured the funds to acquire (C-65) Proceed TX Nagareyama Central Park, (C-82) The Parkhabio Yokohamayamate, and (G-34) Proceed Sendai Kamisugi, specified assets that meet the eligibility criteria in the Green Finance Framework. The entire amount was used to redeem the refinanced Second Series Unsecured Investment Corporation Bonds and partially repay Term Loan 2O.

B. Borrowing of Funds (Refinancing) and Conclusion of Interest Rate Swap Agreement

SPI borrowed Term Loan 3G as follows to repay Term Loan 2O (loan balance: 1,500 million yen) which was due for repayment on November 25, 2025.

	Term Loan 3G
Lender	Resona Bank, Limited 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	500 million yen
Drawdown date	November 25, 2025
Principal repayment date	May 25, 2032
Interest rate (Note)	Floating rate (Base interest rate (JBA 3-month Japanese Yen TIBOR) +0.680%)
Interest payment date	The interest payment dates shall be the last day of November 2025, and for subsequent payments, the last day of every 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.
Principal repayment method	Lump-sum repayment on repayment date
Security and guarantee	Unsecured and unguaranteed

Note: The base interest rate applicable to the calculation period for the interest payable on an interest payment date shall be the JBA 3-month Japanese Yen TIBOR two business days prior to the

interest payment date immediately preceding the respective interest payment dates (except for the first interest payment, in which case it shall be the drawdown date).

In addition, SPI concluded an interest rate swap agreement as follows to hedge against the risk of interest rate hike concerning the above Term Loan 3G, which is conducted with a floating interest rate.

	Agreement concerning Term Loan 3G
Lender	Aozora Bank, Ltd.
Notional principal amount	500 million yen
Interest rate, etc.	Fixed interest rate payable: 2.448% (Note) Floating interest rate receivable: Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.680%
Commencement date	November 25, 2025
Termination date	May 25, 2032
Payment date	The interest payment dates shall be the last day of November 2025, and for subsequent payments, the last day of every 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: Due to the conclusion of the interest rate swap agreement, interest rates on Term Loan 3G are substantially fixed.

(c) Outlook for Management Status

SPI expects the following management status in the 41st fiscal period (from November 1, 2025, to April 30, 2026) and 42nd fiscal period (from May 1, 2026, to October 31, 2026). For the assumptions underlying this outlook for management status, please refer to “Assumptions Underlying Forecast for Management Status in 41st Fiscal Period and 42nd Fiscal Period” below.

	41st Fiscal Period From: November 1, 2025 To: April 30, 2026	42nd Fiscal Period From: May 1, 2026 To: October 31, 2026
Operating revenue	3,618 million yen	3,613 million yen
Operating income	1,548 million yen	1,571 million yen
Ordinary income	1,162 million yen	1,148 million yen
Net income	1,160 million yen	1,146 million yen
Distribution per unit (including distribution in excess of earnings)	4,650 yen	4,600 yen
Distribution per unit (excluding distribution in excess of earnings)	4,258 yen	4,208 yen
Distribution in excess of earnings per unit	392 yen	392 yen

Note: The forecast figures above are the current forecast calculated based on certain assumptions. Accordingly, actual operating revenue, operating income, ordinary income, net income, distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit may vary due to future additional acquisition or sale of real estate, etc., changes in the real estate market, etc., changes in the management environment or other circumstances surrounding SPI and other factors. In addition, the forecast is not a guarantee of actual business performance or the amount of distributions.

Assumptions Underlying Forecast for Management Status in 41st Fiscal Period and 42nd Fiscal Period

Item	Assumption
Business period	41st fiscal period: from November 1, 2025, to April 30, 2026 (181 days) 42nd fiscal period: from May 1, 2026, to October 31, 2026 (184 days)
Assets under management	<ul style="list-style-type: none"> The forecast assumes that assets are the 107 properties in the SPI portfolio as of the date of this document and there will be no changes (acquisition of new properties, disposition of existing properties, etc.) through to the end of the 42nd fiscal period. The actual assets under management may vary due to changes in assets under management.
Operating revenue	<ul style="list-style-type: none"> Real estate rent revenue includes rent, common area maintenance charges, parking revenue, incidental revenue, etc. and is calculated based on historical data and future forecast.
Operating expenses	<ul style="list-style-type: none"> Expenses related to rent business other than depreciation and amortization are calculated for the already acquired assets based on historical data and future forecast and by reflecting factors that may cause fluctuation in expenses. Management expenses are expected to be 246 million yen for the 41st fiscal period and 244 million yen for the 42nd fiscal period. Repair expenses, which are recognized as expenses in the amount presumed to be necessary in the business period, are expected to be 137 million yen for the 41st fiscal period and 121 million yen for the 42nd fiscal period. However, repair expenses may differ materially from the forecast amount due to a variety of factors, including repair expenses possibly arising from unforeseen events, the variation in the amount depending on the fiscal year being large and repair expenses not being an amount that arises periodically. Concerning fixed asset tax, city planning tax and depreciable asset tax, etc. on portfolio properties, in principle, of the tax amount assessed and determined, the amount of tax payable during the business period (in the case of fixed asset tax, city planning tax and depreciable asset tax, etc. on properties that have a different number of installment tax payments every period, the amount of the number of annual tax payments corresponding to the business period) is calculated as expenses related to rent business. The amount is expected to be 208 million yen for the 41st fiscal period and 209 million yen for the 42nd fiscal period. Depreciation and amortization, which is calculated using the straight-line method inclusive of incidental expenses at the time of acquisition and future additional capital expenditures, is expected to be 713 million yen for the 41st fiscal period and 717 million yen for the 42nd fiscal period. Operating expenses other than expenses related to rent business (asset management fee, asset custody fee, administrative service fees, etc.) are expected to be 456 million yen for the 41st fiscal period and 452 million yen for the 42nd fiscal period.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses (including interest expenses on investment corporation bonds) are expected to be 342 million yen for the 41st fiscal period and 380 million yen for the 42nd fiscal period. Borrowing-related expenses are expected to be 44 million yen for the 41st fiscal period and 44 million yen for the 42nd fiscal period. Expenses for the issuance of investment corporation bonds are recorded as deferred assets and assumed to be amortized until redemption using the straight-line method. The amount is expected to be 4 million yen for the 41st fiscal period and 4 million yen for the 42nd fiscal period.
Interest-bearing liabilities	<ul style="list-style-type: none"> Of the loan's balance as of the date of this document of 46,246 million yen, the forecast assumes that the entire amount of the loan due for repayment during the 42nd fiscal period (4,320 million yen) will be refinanced and the loan balance will remain unchanged at 46,246 million yen through to the end of the 42nd fiscal period. The forecast assumes that the balance of investment corporation bonds of 7,000 million yen as of the date of this document will remain unchanged through to the end of the 42nd fiscal period.

Item	Assumption
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> The forecast assumes the total number of investment units issued and outstanding as of the date of this document of 272,415 units and assumes there will be no subsequent issuance of investment units through to the end of the 42nd fiscal period.
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> Distributions (distribution per unit) are calculated by assuming the policy on cash distributions provided in the Articles of Incorporation of SPI. Distribution per unit may vary due to various factors, including fluctuation in leasing revenue accompanying change in assets under management, change in tenants, etc. and repair expenses possibly arising from unforeseen events.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> Distribution in excess of earnings per unit is calculated in accordance with the policy on cash distributions provided in the Articles of Incorporation of SPI. Assuming that SPI owns five properties with fixed-term land leasehold rights as of the date of publication of this document, SPI estimates that the distribution in excess of earnings per investment unit will be 392 yen for the 41st fiscal period and 392 yen for the 42nd fiscal period. The distribution in excess of earnings is the sum of the difference between the depreciation for the five properties with fixed-term land leasehold rights and the depreciation calculated on the assumption of land ownership (other distributions in excess of earnings, or a refund of investment) and the amount equivalent to the amortization of fixed-term leaseholds, the amortization of asset retirement obligations, and asset retirement obligation interest, etc. (distributions of an allowance for temporary difference adjustments).
Others	<ul style="list-style-type: none"> For other items, the forecast assumes that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. The forecast assumes that there will be no unforeseen material change in general economic trends and real estate market conditions, etc.

B. Investment Risks

Please refer to the “Investment Risks” in the most recent securities report (submitted on July 28, 2025).

2. Financial Statements

(1) Balance Sheets

	[Unit: thousand yen]	
	39th Fiscal Period	40th Fiscal Period
	As of Apr. 30, 2025	As of Oct. 31, 2025
Assets		
Current assets		
Cash and deposits	2,167,715	1,473,132
Cash and deposits in trust	2,261,257	2,403,173
Operating accounts receivable	39,234	30,175
Prepaid expenses	109,954	109,801
Consumption taxes refund receivable	-	41,095
Income taxes refund receivable	-	255
Others	21,300	17,288
Total current assets	4,599,462	4,074,921
Non-current assets		
Property, plant and equipment		
Buildings in trust	54,861,795	55,318,975
Accumulated depreciation	(13,720,793)	(14,263,750)
Buildings in trust, net	41,141,001	41,055,224
Structures in trust	1,339,800	1,396,928
Accumulated depreciation	(961,313)	(982,825)
Structures in trust, net	378,486	414,103
Machinery and equipment in trust	5,376	5,376
Accumulated depreciation	(5,107)	(5,107)
Machinery and equipment in trust, net	268	268
Tools, furniture and fixtures in trust	998,105	1,039,867
Accumulated depreciation	(548,070)	(598,323)
Tools, furniture and fixtures in trust, net	450,035	441,543
Land in trust	53,357,208	53,697,053
Total property, plant and equipment	95,327,000	95,608,194
Intangible assets		
Leasehold in trust	1,008,691	1,000,297
Software	406	333
Total intangible assets	1,009,098	1,000,631
Investments and other assets		
Leasehold and guarantee deposits	10,000	10,000
Leasehold and guarantee deposits in trust	734,611	734,596
Long-term prepaid expenses	210,334	186,660
Deferred tax assets	14	15
Others	66,190	75,377
Total investments and other assets	1,021,151	1,006,649
Total non-current assets	97,357,250	97,615,476
Deferred assets		
Investment corporation bond issuance costs	29,307	24,977
Investment unit issuance costs	2,071	-
Total deferred assets	31,379	24,977
Total assets	101,988,093	101,715,374

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	[Unit: thousand yen]	
	39th Fiscal Period As of Apr. 30, 2025	40th Fiscal Period As of Oct. 31, 2025
Liabilities		
Current liabilities		
Current portion of investment corporation bonds	1,000,000	1,000,000
Current portion of long-term loans payable	4,549,000	5,820,000
Operating accounts payable	172,193	209,397
Accounts payable - other	259,554	245,971
Accrued expenses	100,388	113,624
Income taxes payable	695	697
Accrued consumption taxes	46,140	14,766
Advances received	2,130	1,294
Others	99	1,470
Total current liabilities	6,130,201	7,407,222
Non-current liabilities		
Investment corporation bonds	5,000,000	5,000,000
Long-term loans payable	42,697,000	41,426,000
Tenant leasehold and security deposits in trust	866,489	867,832
Asset retirement obligations	310,120	312,596
Total non-current liabilities	48,873,609	47,606,428
Total liabilities	55,003,811	55,013,650
Net assets		
Unitholders' equity		
Unitholders' capital	48,082,645	48,082,645
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	(11,581)	(24,929)
Other deduction from unitholders' capital	(2,470,257)	(2,563,695)
Total deductions from unitholders' capital	(2,481,838)	(2,588,625)
Unitholders' capital (net)	45,600,807	45,494,020
Surplus		
Unappropriated retained earnings (undisposed loss)	1,383,474	1,207,704
Total surplus	1,383,474	1,207,704
Total unitholders' equity	46,984,281	46,701,724
Total net assets	46,984,281	46,701,724
Total liabilities and net assets	101,988,093	101,715,374

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(2) Statements of Income

	[Unit: thousand yen]	
	39th Fiscal Period	40th Fiscal Period
	From: Nov. 1, 2024	From: May. 1, 2025
	To: Apr. 30, 2025	To: Oct. 31, 2025
Operating revenue		
Rent revenue – real estate	3,621,840	3,606,960
Gain on sales of real estate properties	205,458	35,147
Total operating revenue	3,827,299	3,642,108
Operating expenses		
Expenses related to rent business	1,607,483	1,586,142
Asset management fee	333,015	317,003
Asset custody fee	8,784	8,757
Administrative service fees	21,709	20,532
Directors' compensations	1,200	1,200
Other operating expenses	135,624	130,766
Total operating expenses	2,107,818	2,064,402
Operating income	1,719,480	1,577,705
Non-operating income		
Interest income	36,691	51,466
Insurance income	107	1,436
Reversal of distribution payable	789	933
Others	11,312	459
Total non-operating income	48,901	54,295
Non-operating expenses		
Interest expenses	302,531	344,815
Interest expenses on investment corporation bonds	25,684	27,413
Amortization of investment corporation bond issuance costs	4,330	4,330
Amortization of investment unit issuance costs	2,071	2,071
Borrowing related expenses	44,255	43,947
Others	5,312	951
Total non-operating expenses	384,185	423,530
Ordinary income	1,384,196	1,208,469
Income before income taxes	1,384,196	1,208,469
Income taxes – current	901	917
Income taxes – deferred	15	(0)
Total income taxes	917	917
Net income	1,383,279	1,207,552
Retained earnings brought forward	194	151
Unappropriated retained earnings (undisposed loss)	1,383,474	1,207,704

(3) Statements of Changes in Unitholders' Equity

39th Fiscal Period: from November 1, 2024, to April 30, 2025

[Unit: thousand yen]

	Unitholders' equity				
	Unitholders' capital				
	Unitholders' capital	Deduction from unitholders' capital			Unitholders' capital (net)
		Allowance for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital	
Balance at beginning of period	48,082,645	-	(639,413)	(639,413)	47,443,232
Changes of items during the period					
Distribution in an allowance for temporary difference adjustments, etc. in excess of earnings		(11,581)		(11,581)	(11,581)
Distribution in other distributions in excess of earnings			(93,499)	(93,499)	(93,499)
Dividends from surplus					
Net income					
Purchase of treasury investment units					
Cancellation of treasury investment units			(1,737,343)	(1,737,343)	(1,737,343)
Total changes of items during the period	-	(11,581)	(1,830,843)	(1,842,425)	(1,842,425)
Balance at end of period	48,082,645	(11,581)	(2,470,257)	(2,481,838)	45,600,807

[Unit: thousand yen]

	Unitholders' equity				Total net assets
	Surplus		Treasury investment units	Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus			
Balance at beginning of the period	1,378,117	1,378,117	-	48,821,350	48,821,350
Changes of items during the period					
Distribution in an allowance for temporary difference adjustments, etc. in excess of earnings				(11,581)	(11,581)
Distribution in other distributions in excess of earnings				(93,499)	(93,499)
Dividends from surplus	(1,377,922)	(1,377,922)		(1,377,922)	(1,377,922)
Net income	1,383,279	1,383,279		1,383,279	1,383,279
Purchase of treasury investment units			(1,737,343)	(1,737,343)	(1,737,343)
Cancellation of treasury investment units			1,737,343	-	-
Total changes of items during the period	5,356	5,356	-	(1,837,068)	(1,837,068)
Balance at end of period	1,383,474	1,383,474	-	46,984,281	46,984,281

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40th Fiscal Period: from May 1, 2025, to October 31, 2025

[Unit: thousand yen]

	Unitholders' equity				
	Unitholders' capital				
	Unitholders' capital	Deduction from unitholders' capital			Unitholders' capital (net)
		Allowance for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital	
Balance at beginning of period	48,082,645	(11,581)	(2,470,257)	(2,481,838)	45,600,807
Changes of items during the period					
Distribution in an allowance for temporary difference adjustments, etc. in excess of earnings		(13,348)		(13,348)	(13,348)
Distribution in other distributions in excess of earnings			(93,438)	(93,438)	(93,438)
Dividends from surplus					
Net income					
Total changes of items during the period	-	(13,348)	(93,438)	(106,786)	(106,786)
Balance at end of period	48,082,645	(24,929)	(2,563,695)	(2,588,625)	45,494,020

[Unit: thousand yen]

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of the period	1,383,474	1,383,474	46,984,281	46,984,281
Changes of items during the period				
Distribution in an allowance for temporary difference adjustments, etc. in excess of earnings			(13,348)	(13,348)
Distribution in other distributions in excess of earnings			(93,438)	(93,438)
Dividends from surplus	(1,383,323)	(1,383,323)	(1,383,323)	(1,383,323)
Net income	1,207,552	1,207,552	1,207,552	1,207,552
Total changes of items during the period	(175,770)	(175,770)	(282,557)	(282,557)
Balance at end of period	1,207,704	1,207,704	46,701,724	46,701,724

(4) Statements of Cash Distributions

Item	Fiscal period	39th Fiscal Period	40th Fiscal Period
		From: Nov. 1, 2024 To: Apr. 30, 2025	From: May. 1, 2025 To: Oct. 31, 2025
I. Unappropriated retained earnings		1,383,474,609 yen	1,207,704,111 yen
II. Additional amount of distribution in excess of earnings		106,786,680 yen	106,786,680 yen
Allowance for temporary difference adjustments		13,348,335 yen	13,348,335 yen
Other deduction from unitholders' capital		93,438,345 yen	93,438,345 yen
III. Amount of distributions		1,490,110,050 yen	1,314,402,375 yen
[Amount of distribution per investment unit]		[5,470 yen]	[4,825 yen]
Distribution of earnings		1,383,323,370 yen	1,207,615,695 yen
[Distribution of earnings per unit]		[5,078 yen]	[4,433 yen]
Distribution in an allowance for temporary difference adjustments		13,348,335 yen	13,348,335 yen
[Distribution in excess of earnings per unit (those pertaining to an allowance for temporary difference adjustments)]		[49 yen]	[49 yen]
Distribution in other distributions in excess of earnings		93,438,345 yen	93,438,345 yen
[Distribution in excess of earnings per unit (those pertaining to other distributions in excess of earnings)]		[343 yen]	[343 yen]
IV. Retained earnings brought forward		151,239 yen	88,416 yen

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Item	Fiscal period	39th Fiscal Period From: Nov. 1, 2024 To: Apr. 30, 2025	40th Fiscal Period From: May. 1, 2025 To: Oct. 31, 2025
Method of calculation of amount of distributions		<p>Pursuant to the policy on cash distributions provided in Article 35, Paragraph 1 of the Articles of Incorporation of SPI, the amount of distributions shall be in excess of an amount equivalent to 90% of the "amount of earnings available for distribution" provided in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on this policy, in the 37th fiscal period, SPI decided to pay out distributions of earnings of 1,383,323,370 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (272,415 units) that does not exceed the amount of unappropriated retained earnings at the end of the 37th fiscal period.</p> <p>In addition, based on SPI's policy to conduct cash distributions in excess of earnings set out Article 35, (iv) of its Articles of Incorporation, SPI is committed to making cash distributions in excess of earnings each fiscal period on a continuous basis, in principle.</p> <p>SPI also pays out distributions of an allowance for temporary difference adjustments, considering the impact on the distributions of tax income in excess of accounting income due to expenses related to asset retirement obligations and the amortization of fixed-term leaseholds in trust for the fiscal period under review.</p> <p>Under this policy, SPI has decided to pay out distributions totaling 106,786,680 yen as distributions in excess of earnings. These distributions are the sum of 93,438,345 yen (a refund of investment, which is a return of capital under tax law), which is equivalent to 13.4% of depreciation (excluding the amortization of leaseholds in trust, etc.) totaling 696,068,946 yen for the fiscal period under review, and 13,348,335 yen (an allowance for temporary difference adjustments, etc.), which is roughly equivalent to tax income in excess of accounting income.</p>	<p>Pursuant to the policy on cash distributions provided in Article 35, Paragraph 1 of the Articles of Incorporation of SPI, the amount of distributions shall be in excess of an amount equivalent to 90% of the "amount of earnings available for distribution" provided in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on this policy, in the 37th fiscal period, SPI decided to pay out distributions of earnings of 1,207,615,695 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (272,415 units) that does not exceed the amount of unappropriated retained earnings at the end of the 37th fiscal period.</p> <p>In addition, based on SPI's policy to conduct cash distributions in excess of earnings set out Article 35, (iv) of its Articles of Incorporation, SPI is committed to making cash distributions in excess of earnings each fiscal period on a continuous basis, in principle.</p> <p>SPI also pays out distributions of an allowance for temporary difference adjustments, considering the impact on the distributions of tax income in excess of accounting income due to expenses related to asset retirement obligations and the amortization of fixed-term leaseholds in trust for the fiscal period under review.</p> <p>Under this policy, SPI has decided to pay out distributions totaling 106,786,680 yen as distributions in excess of earnings. These distributions are the sum of 93,438,345 yen (a refund of investment, which is a return of capital under tax law), which is equivalent to 13.4% of depreciation (excluding the amortization of leaseholds in trust, etc.) totaling 699,004,979 yen for the fiscal period under review, and 13,348,335 yen (an allowance for temporary difference adjustments, etc.), which is roughly equivalent to tax income in excess of accounting income.</p>

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(5) Statements of Cash Flows

	[Unit: thousand yen]	
	39th Fiscal Period	40th Fiscal Period
	From: Nov. 1, 2024	From: May. 1, 2025
	To: Apr. 30, 2025	To: Oct. 31, 2025
Net cash provided by (used in) operating activities		
Income before income taxes	1,384,196	1,208,469
Depreciation and amortization	704,053	707,471
Amortization of investment corporation bond issuance costs	4,330	4,330
Amortization of investment unit issuance costs	2,071	2,071
Interest income	(36,691)	(51,466)
Interest expenses	328,215	372,228
Decrease (increase) in operating accounts receivable	(8,639)	9,058
Decrease (increase) in prepaid expenses	(46)	153
Decrease (increase) in consumption taxes refund receivable	-	(41,095)
Increase (decrease) in accrued consumption taxes	(3,629)	(31,374)
Increase (decrease) in operating accounts payable	(37,781)	52,185
Increase (decrease) in accounts payable - other	(831)	(16,627)
Decrease (increase) in long-term prepaid expenses	25,891	23,674
Decrease from sales of property, plant and equipment in trust	2,248,261	216,187
Others, net	(10,699)	8,617
Subtotal	4,598,702	2,463,885
Interest income received	36,691	51,466
Interest expenses paid	(299,986)	(358,992)
Income taxes paid	(1,391)	(915)
Net cash provided by (used in) operating activities	4,334,016	2,155,444
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(313,194)	(1,212,329)
Proceeds from tenant leasehold and security deposits in trust	47,181	54,566
Repayments of tenant leasehold and security deposits in trust	(54,169)	(53,224)
Decrease (increase) in investments and other assets	(8,687)	(9,171)
Net cash provided by (used in) investing activities	(328,870)	(1,220,158)
Net cash provided by (used in) financing activities		
Repayments of short-term loans payable	(415,500)	-
Proceeds from long-term loans payable	3,100,000	3,049,000
Repayments of long-term loans payable	(3,700,000)	(3,049,000)
Proceeds from issuance of investment corporation bonds	2,000,000	-
Redemption of investment corporation bonds	(1,000,000)	-
Payments of investment corporation bond issuance costs	(13,966)	-
Purchase of treasury investment units	(1,737,343)	-
Dividends paid	(1,375,755)	(1,381,166)
Distributions in excess of earnings	(105,081)	(106,786)
Net cash provided by (used in) financing activities	(3,247,647)	(1,487,953)
Net increase (decrease) in cash and cash equivalents	757,499	(552,667)
Cash and cash equivalents at beginning of period	3,671,474	4,428,973
Cash and cash equivalents at end of period	4,428,973	3,876,305