

REIT Financial Report for 41st Fiscal Period

June 15, 2026

REIT Securities Issuer: Starts Proceed Investment Corporation Listing: Tokyo Stock Exchange
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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 41st Fiscal Period

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

(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	%
41st	3,661	0.5	1,572	(0.3)	1,200	(0.7)	1,199	(0.7)
40th	3,642	(4.8)	1,577	(8.2)	1,208	(12.7)	1,207	(12.7)

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
41st	yen 4,402	% 2.6	% 1.2	% 32.8
40th	4,432	2.6	1.2	33.2

(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		
41st	4,794	4,402	392	1,305	1,199	106	100.0	2.6
40th	4,825	4,433	392	1,314	1,207	106	100.0	2.6

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

Note 2: Of distributions in excess of earnings in the fiscal period ended October 31, 2025 and April 30, 2026, 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 3: 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 0.003 in the fiscal periods ended October 31, 2025 and April 30, 2026, 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
41st	million yen 104,333	million yen 46,586	% 44.7	yen 171,013
40th	101,715	46,701	45.9	171,435

(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
41st	1,946	(3,308)	1,372	3,886
40th	2,155	(1,220)	(1,487)	3,876

2. Forecast for Management Status in 42nd Fiscal Period and 43rd Fiscal Period

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

Starts Proceed Investment Corporation's 43rd fiscal period is the period from November 1, 2026, to April 30, 2027.

[% 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	%
42nd	3,927	7.3	1,834	16.6	1,380	15.0	1,378	14.9
43rd	3,797	(3.3)	1,679	(8.4)	1,175	(14.8)	1,173	(14.8)

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
42nd	5,450	5,058	392
43rd	4,700	4,308	392

[Reference] Forecast net income per unit 42nd fiscal period: 5,058 yen 43rd fiscal period: 4,308 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
- 41st fiscal period: 272,415 units 40th fiscal period: 272,415 units
- (b) Number of treasury investment units at end of period
- 41st fiscal period: - units 40th 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 42nd Fiscal Period and 43rd 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 104,333 million yen, and unitholders’ capital (net) amounts to 45,387 million yen.

(b) Investment Environment

In the 41st fiscal period, the Japanese economy continued to trend gradually toward a recovery against the backdrop of wage increases becoming more common and the improvement in employment conditions, despite rising prices having an ongoing negative impact on personal consumption. Corporate earnings remained solid overall due to progress in measures to pass on the increased costs and better manage costs, even while uncertainties lingered due to exchange rate trends and countries’ trade policies. However, continued vigilance is necessary regarding rising interest rates amid the developments in the Bank of Japan’s normalization of monetary policy and geopolitical and trade risks, especially those stemming from U.S.-China relations.

In these circumstances, trends in the demand and supply environment in the rental housing market in which SPI invests continued to be favorable, mainly in the Tokyo metropolitan area, primarily reflecting the steady inflow of new residents and the increase in the number of single-person households and small families. Demand also 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, investment funds remained abundant, despite signs that the financial environment was changing, and the demand for investments in rental housing, which is expected to generate a stable cash flow, was solid. This has kept the competition in the acquisition of property difficult and transaction prices high.

(c) Management Performance

In the 41st fiscal period, SPI acquired (C-97) Proceed Kasai 3 (acquisition price: 980 million yen) and (C-98) Proceed Fuchumiyaniishi (acquisition price: 935 million yen) on March 31, 2026, and (C-99) Proceed Koenjiminami (acquisition price: 251 million yen) and (C-100) Proceed Kashiwa Trois (acquisition price: 688 million yen) on April 24, 2026, to enhance the competitiveness of its portfolio. As a result, SPI’s portfolio as of the end of the 41st fiscal period consists of 111 properties, with acquisition prices totaling 103,818 million yen and a total leasable floor area of 210,605.23 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 97.5%.

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 CASBEE Certification for Real Estate for (C-73) Proceed CO-Z East Building and (C-74) Proceed CO-Z West Building in April 2026. SPI has acquired DBJ Green Building Certification for four properties, CASBEE Certification for Real Estate for five 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 41st fiscal period, SPI issued the following Sixth Series Unsecured Investment Corporation Bonds valued at 2,000 million yen and took out long-term loans of 500 million yen (term: 6 years and 6 months) to repay the Second Series Unsecured Investment Corporation Bonds valued at 1,000 million yen due for redemption on November 19, 2025, and long-term loans of 1,500 million yen due for repayment on November 25, 2025, and took out long-term loans of 2,700 million yen (term: 3 years and 2 months) to be used as acquisition funds for the above-mentioned (C-97) Proceed Kasai 3 and 3 other properties.

Name: Starts Proceed Sixth Series Unsecured Investment Corporation Bonds
(with pari passu conditions among specified investment corporation bonds) (Green bonds)

Total amount issued: 2,000 million yen

Interest rate: 1.936% per annum

Issue date: November 19, 2025

Redemption date: November 19, 2030

Security and guarantee: Unsecured and unguaranteed

As a result, the period-end balance of interest-bearing liabilities totaled 55,946 million yen, comprising 10,020 million yen in current portion of long-term loans payable, 38,926 million yen in long-term loans payable, and 7,000 million yen in investment corporation bonds as of the end of the 41st fiscal period, with the period-end LTV ratio standing at 53.6%.

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

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

(e) Overview of Business Performance and Distributions

As a result of the management described above, business performance recorded for the 41st fiscal period was operating revenue of 3,661 million yen, operating income of 1,572 million yen, ordinary income of 1,200 million yen and net income of 1,199 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 4,402 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, it is expected that the Japanese economy will continue along its gradual trend toward recovery driven by rebounding personal consumption fueled by the ongoing trend of pay increases and the improvement of the employment and income environment and by robust capital investments supported by strong corporate earnings. However, attention must be paid to the impact of rising interest rates due to the Bank of Japan's normalization of its monetary policy, persistent inflation, constraints on the supply of labor and materials, rising geopolitical risks, and the volatility of the financial and capital markets.

In the secondary real estate market, investors' appetite for acquiring property has remained strong amid the relative stability of the market in Japan and the stability of rental housing revenue, despite a prevailing awareness of the impact of rising interest rates. Accordingly, the acquisition environment is expected to remain competitive, and transaction prices will remain at high levels.

The demand and supply environment in the rental housing market is expected to remain favorable, reflecting the steady inflow of new residents mainly in the Tokyo metropolitan area and changes in household composition. The high occupancy rates and the trend of rents gradually rising will also likely continue.

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)

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

SPI borrowed Term Loan 3I and 3H as follows to repay Term Loan 2P (loan balance: 4,320 million yen) which was due for repayment on May 22, 2026.

	Term Loan 3I	Term Loan 3J
Lender	Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited
Loan amount	2,160 million yen	2,160 million yen
Drawdown date	May 22, 2026	May 22, 2026
Principal repayment date	May 24, 2030	May 23, 2031
Interest rate (Note)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.53%)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.59%)
Interest payment date	The interest payment dates shall be the last day of May 2026, and for subsequent payments, the last day of every month 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 1-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 3I, which is conducted with a floating interest rate.

	Agreement concerning Term Loan 3I
Lender	Resona Bank, Limited
Notional principal amount	2,160 million yen
Interest rate, etc.	Fixed interest rate payable: 2.830% (Note) Floating interest rate receivable: Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.53%
Commencement date	May 22, 2026
Termination date	May 24, 2030
Payment date	The interest payment dates shall be the last day of May 2026, and for subsequent payments, the last day of every month 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 3I are substantially fixed.

(c) Outlook for Management Status

SPI expects the following management status in the 42nd fiscal period (from May 1, 2026, to October 31, 2026) and 43rd fiscal period (from November 1, 2026, to April 30, 2027). For the assumptions underlying this outlook for management status, please refer to "Assumptions Underlying Forecast for Management Status in 42nd Fiscal Period and 43rd Fiscal Period" below.

	42nd Fiscal Period	43rd Fiscal Period
	From: May 1, 2026 To: October 31, 2026	From: November 1, 2026 To: April 30, 2027
Operating revenue	3,927 million yen	3,797 million yen
Operating income	1,834 million yen	1,679 million yen
Ordinary income	1,380 million yen	1,175 million yen
Net income	1,378 million yen	1,173 million yen
Distribution per unit (including distribution in excess of earnings)	5,450 yen	4,700 yen
Distribution per unit (excluding distribution in excess of earnings)	5,058 yen	4,308 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.

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Assumptions Underlying Forecast for Management Status in 42nd Fiscal Period and 43rd Fiscal Period

Item	Assumption
Business period	42nd fiscal period: from May 1, 2026, to October 31, 2026 (184 days) 43rd fiscal period: from November 1, 2026, to April 30, 2027 (181 days)
Assets under management	<ul style="list-style-type: none"> The forecast assumes that assets are the 111 properties in the SPI portfolio as of the date of this document, that SPI disposes of (C-67) Proceed Nishikasai on October 23, 2026, and there will be no changes (acquisition of new properties, disposition of existing properties, etc.) through to the end of the 43rd 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 252 million yen for the 42nd fiscal period and 252 million yen for the 43rd fiscal period. Repair expenses, which are recognized as expenses in the amount presumed to be necessary in the business period, are expected to be 123 million yen for the 42nd fiscal period and 137 million yen for the 43rd 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 212 million yen for the 42nd fiscal period and 211 million yen for the 43rd 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 733 million yen for the 42nd fiscal period and 738 million yen for the 43rd 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 472 million yen for the 42nd fiscal period and 459 million yen for the 43rd fiscal period.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses (including interest expenses on investment corporation bonds) are expected to be 403 million yen for the 42nd fiscal period and 452 million yen for the 43rd fiscal period. Borrowing-related expenses are expected to be 46 million yen for the 42nd fiscal period and 46 million yen for the 43rd 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 42nd fiscal period and 4 million yen for the 43rd fiscal period.
Interest-bearing liabilities	<ul style="list-style-type: none"> Of the loan's balance as of the date of this document of 48,946 million yen, the forecast assumes that the entire amount of the loan due for repayment during the 43rd fiscal period (5,700 million yen) will be refinanced and the loan balance will remain unchanged at 48,946 million yen through to the end of the 43rd 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 43rd fiscal period.

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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 43rd 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 42nd fiscal period and 392 yen for the 43rd 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 January 28, 2026).

Starts Proceed Investment Corporation (8979) Financial Report for 41st Fiscal Period

2. Financial Statements
(1) Balance Sheets

	[Unit: thousand yen]	
	40th Fiscal Period	41st Fiscal Period
	As of Oct. 31, 2025	As of Apr. 30, 2026
Assets		
Current assets		
Cash and deposits	1,473,132	1,546,722
Cash and deposits in trust	2,403,173	2,339,819
Operating accounts receivable	30,175	40,294
Prepaid expenses	109,801	111,106
Consumption taxes refund receivable	41,095	1,894
Income taxes refund receivable	255	366
Others	17,288	37,066
Total current assets	4,074,921	4,077,270
Non-current assets		
Property, plant and equipment		
Buildings in trust	55,318,975	56,898,776
Accumulated depreciation	(14,263,750)	△14,889,660
Buildings in trust, net	41,055,224	42,009,116
Structures in trust	1,396,928	1,465,842
Accumulated depreciation	(982,825)	(1,006,216)
Structures in trust, net	414,103	459,626
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	1,039,867	1,095,803
Accumulated depreciation	(598,323)	(656,191)
Tools, furniture and fixtures in trust, net	441,543	439,611
Land in trust	53,697,053	55,318,257
Total property, plant and equipment	95,608,194	98,226,880
Intangible assets		
Leasehold in trust	1,000,297	991,903
Software	333	260
Total intangible assets	1,000,631	992,164
Investments and other assets		
Leasehold and guarantee deposits	10,000	10,000
Leasehold and guarantee deposits in trust	734,596	734,596
Long-term prepaid expenses	186,660	172,748
Deferred tax assets	15	19
Others	75,377	85,587
Total investments and other assets	1,006,649	1,002,951
Total non-current assets	97,615,476	100,221,996
Deferred assets		
Investment corporation bond issuance costs	24,977	34,279
Total deferred assets	24,977	34,279
Total assets	101,715,374	104,333,546

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	[Unit: thousand yen]	
	40th Fiscal Period	41st Fiscal Period
	As of Oct. 31, 2025	As of Apr. 30, 2026
Liabilities		
Current liabilities		
Current portion of investment corporation bonds	1,000,000	-
Current portion of long-term loans payable	5,820,000	10,020,000
Operating accounts payable	209,397	193,881
Accounts payable - other	245,971	256,676
Accrued expenses	113,624	152,820
Income taxes payable	697	723
Accrued consumption taxes	14,766	5,456
Advances received	1,294	2,674
Others	1,470	2,676
Total current liabilities	7,407,222	10,634,907
Non-current liabilities		
Investment corporation bonds	5,000,000	7,000,000
Long-term loans payable	41,426,000	38,926,000
Tenant leasehold and security deposits in trust	867,832	870,961
Asset retirement obligations	312,596	315,091
Total non-current liabilities	47,606,428	47,112,053
Total liabilities	55,013,650	57,746,961
Net assets		
Unitholders' equity		
Unitholders' capital	48,082,645	48,082,645
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	(24,929)	(38,278)
Other deduction from unitholders' capital	(2,563,695)	(2,657,133)
Total deductions from unitholders' capital	(2,588,625)	(2,695,411)
Unitholders' capital (net)	45,494,020	45,387,233
Surplus		
Unappropriated retained earnings (undisposed loss)	1,207,704	1,199,351
Total surplus	1,207,704	1,199,351
Total unitholders' equity	46,701,724	46,586,585
Total net assets	46,701,724	46,586,585
Total liabilities and net assets	101,715,374	104,333,546

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(2) Statements of Income

	[Unit: thousand yen]	
	40th Fiscal Period	41st Fiscal Period
	From: May. 1, 2025 To: Oct. 31, 2025	From: Nov. 1, 2025 To: Apr. 30, 2026
Operating revenue		
Rent revenue – real estate	3,606,960	3,661,957
Gain on sales of real estate properties	35,147	-
Total operating revenue	<u>3,642,108</u>	<u>3,661,957</u>
Operating expenses		
Expenses related to rent business	1,586,142	1,616,979
Asset management fee	317,003	311,549
Asset custody fee	8,757	8,771
Administrative service fees	20,532	20,430
Directors' compensations	1,200	1,200
Other operating expenses	130,766	130,082
Total operating expenses	<u>2,064,402</u>	<u>2,089,013</u>
Operating income	<u>1,577,705</u>	<u>1,572,943</u>
Non-operating income		
Interest income	51,466	73,804
Insurance income	1,436	16,493
Reversal of distribution payable	933	1,210
Others	459	2,716
Total non-operating income	<u>54,295</u>	<u>94,224</u>
Non-operating expenses		
Interest expenses	344,815	375,436
Interest expenses on investment corporation bonds	27,413	41,406
Amortization of investment corporation bond issuance costs	4,330	4,674
Amortization of investment unit issuance costs	2,071	-
Borrowing related expenses	43,947	44,566
Others	951	825
Total non-operating expenses	<u>423,530</u>	<u>466,908</u>
Ordinary income	<u>1,208,469</u>	<u>1,200,259</u>
Income before income taxes	<u>1,208,469</u>	<u>1,200,259</u>
Income taxes – current	917	1,001
Income taxes – deferred	(0)	(4)
Total income taxes	<u>917</u>	<u>996</u>
Net income	<u>1,207,552</u>	<u>1,199,262</u>
Retained earnings brought forward	<u>151</u>	<u>88</u>
Unappropriated retained earnings (undisposed loss)	<u>1,207,704</u>	<u>1,199,351</u>

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(3) Statements of Changes in Unitholders' Equity

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

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41st Fiscal Period: from November 1, 2025, to April 30, 2026

[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	(24,929)	(2,563,695)	(2,588,625)	45,494,020
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	(38,278)	(2,657,133)	(2,695,411)	45,387,233

[Unit: thousand yen]

	Unitholders' equity			
	Surplus		Total unitholders' equity	Total net assets
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of the period	1,207,704	1,207,704	46,701,724	46,701,724
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	(1,207,615)	(1,207,615)	(1,207,615)	(1,207,615)
Net income	1,199,262	1,199,262	1,199,262	1,199,262
Total changes of items during the period	(8,352)	(8,352)	(115,139)	(115,139)
Balance at end of period	1,199,351	1,199,351	46,586,585	46,586,585

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(4) Statements of Cash Distributions

Item	Fiscal period	40th Fiscal Period	41st Fiscal Period
		From: May. 1, 2025 To: Oct. 31, 2025	From: Nov. 1, 2025 To: Apr. 30, 2026
I. Unappropriated retained earnings		1,207,704,111 yen	1,199,351,333 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		1,314,402,375 yen	1,305,957,510 yen
[Amount of distribution per investment unit]		[4,825 yen]	[4,794 yen]
Distribution of earnings		1,207,615,695 yen	1,199,170,830 yen
[Distribution of earnings per unit]		[4,433 yen]	[4,402 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		88,416 yen	180,503 yen

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Fiscal period Item	40th Fiscal Period	41st Fiscal Period
	From: May. 1, 2025 To: Oct. 31, 2025	From: Nov. 1, 2025 To: Apr. 30, 2026
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 1,207,615,695 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>	<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 1,199,170,830 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 13.2% of depreciation (excluding the amortization of leaseholds in trust, etc.) totaling 707,169,830 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]	
	40th Fiscal Period	41st Fiscal Period
	From: May. 1, 2025 To: Oct. 31, 2025	From: Nov. 1, 2025 To: Apr. 30, 2026
Net cash provided by (used in) operating activities		
Income before income taxes	1,208,469	1,200,259
Depreciation and amortization	707,471	715,636
Amortization of investment corporation bond issuance costs	4,330	4,674
Amortization of investment unit issuance costs	2,071	-
Interest income	(51,466)	(73,804)
Interest expenses	372,228	416,842
Decrease (increase) in operating accounts receivable	9,058	(10,119)
Decrease (increase) in prepaid expenses	153	(1,305)
Decrease (increase) in consumption taxes refund receivable	(41,095)	39,201
Increase (decrease) in accrued consumption taxes	(31,374)	(9,310)
Increase (decrease) in operating accounts payable	52,185	(30,633)
Increase (decrease) in accounts payable - other	(16,627)	2,138
Decrease (increase) in long-term prepaid expenses	23,674	13,912
Decrease from sales of property, plant and equipment in trust	216,187	-
Others, net	8,617	(16,017)
Subtotal	2,463,885	2,251,475
Interest income received	51,466	73,804
Interest expenses paid	(358,992)	(377,646)
Income taxes paid	(915)	(976)
Net cash provided by (used in) operating activities	2,155,444	1,946,657
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(1,212,329)	(3,301,718)
Proceeds from tenant leasehold and security deposits in trust	54,566	60,522
Repayments of tenant leasehold and security deposits in trust	(53,224)	(57,392)
Decrease (increase) in investments and other assets	(9,171)	(10,209)
Net cash provided by (used in) investing activities	(1,220,158)	(3,308,797)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	3,049,000	3,200,000
Repayments of long-term loans payable	(3,049,000)	(1,500,000)
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	-	(13,977)
Dividends paid	(1,381,166)	(1,206,859)
Distributions in excess of earnings	(106,786)	(106,786)
Net cash provided by (used in) financing activities	(1,487,953)	1,372,377
Net increase (decrease) in cash and cash equivalents	(552,667)	10,236
Cash and cash equivalents at beginning of period	4,428,973	3,876,305
Cash and cash equivalents at end of period	3,876,305	3,886,541