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REIT Issuer

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Notice Concerning Revision of Management Status and Distribution Forecasts for the Fiscal Period Ending April 2025
(39th Fiscal Period)

Starts Proceed Investment Corporation (“SPI”) announces the following revisions to its management status and distribution forecasts for the fiscal period ending April 2025 (39th fiscal period: from November 1, 2024 to April 30, 2025) announced in the REIT Financial Report for 37th Fiscal Period dated June 14, 2024.

1. Revisions to Management Status and Distribution Forecast for the Fiscal Period Ending April 2025
(39th Fiscal Period)

	Operating revenue	Operating income	Ordinary income	Net income	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Distribution per unit (including distribution in excess of earnings)
Previous forecast (A)	3,620 million yen	1,541 million yen	1,233 million yen	1,225 million yen	4,339 yen	331 yen	4,670 yen
Revised forecast (B)	3,781 million yen	1,648 million yen	1,302 million yen	1,300 million yen	4,602 yen	378 yen	4,980 yen
Change (B-A) =(C)	161 million yen	107 million yen	68 million yen	74 million yen	263 yen	47 yen	310 yen
Rate of variation (C/A)	4.4%	6.9%	5.5%	6.1%	6.1%	14.2%	6.6%

(Note 1) Forecast of number of investment units issued and outstanding at the end of the fiscal period ending April 2025: 282,477 units

(Note 2) The above forecast is as of the present calculated using the assumptions stated in the attached Assumptions Underlying the Revisions of the Management Status and Distribution Forecasts for the 39th Fiscal Periods. Accordingly, actual operating revenue, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit may vary due to future additional acquisition or transfers 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 above forecast is not a guarantee of actual business performance or the amount of distributions.

(Note 3) When a certain level of divergence from the above forecast is expected, the forecast may be revised.

(Note 4) Figures have been rounded down to the nearest specified unit. Rate of variation is rounded off to one decimal place.

2. Reason for Revision

SPI decided to revise the management status and distribution forecast because it expects the assumptions underlying the management status forecasts for the fiscal period ending April 2025 (39th Fiscal Period) to change as a result of factors such as capital gains from the transfer of specified assets as described in the Notice Concerning Transfers of Trust Beneficiary Interests in Domestic Real Estate announced dated November 29, 2024, and to conduct cash distributions in excess of earnings to distribute an allowance for temporary difference adjustments.

This forecast figure is not considered Impact of the acquisition and cancellation of own investment units on the number of issued investment units as described in the Notice Concerning Determination of Matters Related to Repurchase of Own Investment Units announced dated today.

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

[Attachment]

Assumptions Underlying the Revisions of the Management Status and Distribution Forecasts for the 39th Fiscal Periods

Item	Assumption
Business period	39th fiscal period: from November 1, 2024 to April 30, 2025 (181 days)
Assets under management	<ul style="list-style-type: none"> The forecasts assumes that assets are the 109 properties in the SPI portfolio as of October 31, 2024, that SPI disposed of (G-30) Proceed Hyogoekimaedori on January 24, 2025, and SPI disposes of (C-20) Proceed Shinkoiwa on February 28, 2025, and there will be no changes (acquisition of new properties, disposition of existing properties, etc.) through to the end of the 39th 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 for the acquired assets are calculated based on the historical data and forecasts, as well as variables. Expenses for administrative work are estimated at 242 million yen. Repair expenses, which are recorded as expenses in the amount presumed to be necessary in the business period, are expected to be 136 million yen. 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., 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 219 million yen. 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 708 million yen. Operating expenses other than expenses related to rent business (asset management fee, asset custody fee, administrative service fees, etc.) are expected to be 503 million yen.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses (including interest expenses on investment corporation bonds) are expected to be 292 million yen. Borrowing related expenses are expected to be 49 million yen. Expenses for the issuance of investment corporation bonds are recorded as deferred assets and assumed to be amortized until the redemption using the straight-line method. The amount is expected to be 4 million yen. Expenses related to public offerings of investment equity are posted as deferred assets, and they are amortized using the straight-line method over three years. An amortization of 2 million yen will be posted.
Interest-bearing debt	<ul style="list-style-type: none"> The forecasts assume that the balance of the loan of 47,246 million yen as of today will remain unchanged through to the end of April 2025. The forecasts assume that the balance of investment corporation bonds of 6,000 million yen as of today will remain unchanged through to the end of April 2025.
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> The forecasts assume the total number of investment units issued and outstanding as of today of 282,477 units will remain unchanged through to the end of April 2025. The acquisition and cancellation of own investment units as stated in the "Notice Concerning Decision on Matters Relating to Acquisition of Own Investment Unit " announced today is not taken into consideration.
Distribution per unit	<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 Starts Proceed. 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"> Starts Proceed calculates its distribution in excess of earnings per unit in accordance with its cash distributions policy as set forth in its Articles of Incorporation. Distribution in excess of earnings per unit that 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 (distributions of an allowance for temporary difference adjustments) is estimated to be 378 yen.
Other	<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.