

April 24, 2025

Translation Purpose Only

For Immediate Release

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) and the Fiscal Period Ending October 2025 (40th 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) and the fiscal period ending October 2025 (40th fiscal period: from May 1, 2025 to October 31, 2025) announced in the REIT Financial Report for 38th Fiscal Period dated December 16, 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)	3,781 million yen	1,648 million yen	1,302 million yen	1,300 million yen	4,602 Yen	378 yen	4,980 Yen
Revised forecast (B)	3,781 million yen	1,648 million yen	1,302 million yen	1,300 million yen	4,772 yen	392 yen	5,164 yen
Change (B-A)=(C)	0 million yen	0 million yen	0 million yen	0 million yen	170 yen	14 Yen	184 Yen
Rate of variation (C/A)	0.0%	0.0%	0.0%	0.0%	3.7%	3.7%	3.7%

(Note 1) Forecast of number of investment units issued and outstanding at the end of the fiscal period ending April 2025: 272,415 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 and 40th 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. Revisions to Management Status and Distribution Forecast for the Fiscal Period Ending October 2025 (40th 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)	3,538 million yen	1,479 million yen	1,138 million yen	1,136 million yen	4,022 Yen	378 Yen	4,400 Yen
Revised forecast (B)	3,558 million yen	1,494 million yen	1,138 million yen	1,136 million yen	4,172 Yen	392 Yen	4,564 Yen
Change (B-A)=(C)	20 million yen	15 million yen	0 million yen	0 million yen	150 Yen	14 yen	164 yen
Rate of variation (C/A)	0.6%	1.0%	0.0%	0.0%	3.7%	3.7%	3.7%

(Note 1) Forecast of number of investment units issued and outstanding at the end of the fiscal period ending October 2025: 272,415 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 and 40th 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.

## 3. 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) and the fiscal period ending October 2025 (40th Fiscal Period) to change as a result of factors such as an increase in revenue, due to the decrease in the number of issued investment units due to the cancellation of Treasury Investment Units and the increase in revenues etc. from the acquisition of specified assets and as described in the Notice Concerning Determination of Matters Related to Cancellation of Own Investment Units and the Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate announced separately 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 and 40th Fiscal Periods

Item	Assumption
Business period	<ul style="list-style-type: none"> <li>39th fiscal period: from November 1, 2024 to April 30, 2025 (181 days)</li> <li>40th fiscal period: from May 1, 2025 to October 31, 2025 (184 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>For the April 2025 period, we assume 107 assets following the transfer of (C-20) Proceed Shinkoiwa on February 28, 2025 and (G-30) Proceed Hyogo Ekimae-dori on March 21, 2025, and for the October 2025 period, we assume 108 assets, reflecting the acquisition of domestic real estate trust beneficiary interests announced in the "Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interests" dated April 24, 2025. We also assume that there will be no other changes (acquisition of new properties, transfer of existing properties, etc.) by the end of October 2025. Please note that this may change due to changes in assets under management.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>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.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>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.</li> <li>Management expenses are expected to be 242 million yen for the 39th fiscal period and 240 million yen for the 40th fiscal period.</li> <li>Repair expenses, which are recognized as expenses in the amount presumed to be necessary in the business period, are expected to be 136 million yen for the 39th fiscal period and 125 million yen for the 40th 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.</li> <li>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 219 million yen for the 39th fiscal period and 220 million yen for the 40th fiscal period.</li> <li>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 for the 39th fiscal period and 707 million yen for the 40th fiscal period.</li> <li>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 for the 39th fiscal period and 459 million yen for the 40th fiscal period.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses (including interest expenses on investment corporation bonds) are expected to be 292 million yen for the 39th fiscal period and 307 million yen for the 40th fiscal period.</li> <li>Borrowing-related expenses are expected to be 49 million yen for the 39th fiscal period and 44 million yen for the 40th fiscal period.</li> <li>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 39th fiscal period and 4 million yen for the 40th fiscal period.</li> <li>Expenses related to capital increase through public offering of investment units are recorded as deferred assets and assumed to be amortized over three years using the straight-line method. The amount is expected to be 2 million yen for the 39th fiscal period and 2 million yen for the 40th fiscal period.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>Of the loan's balance as of today of 47,246 million yen, the forecast assumes that the entire amount of the loan due for repayment during the 40th fiscal period (3,049 million yen) will be refinanced and the loan balance will remain unchanged at 47,246 million yen through to the end of the 40th fiscal period.</li> <li>The forecast assumes that the remaining balance of investment corporation bonds of 6,000 million yen will remain unchanged through to the end of the 40th fiscal period.</li> </ul>
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> <li>As stated in the "Notice Concerning Decision on Matters Related to the Cancellation of Treasury Investment Units" dated April 24, 2025, it is assumed that the total number of investment units issued after the cancellation of the treasury investment units on April 30, 2025 will be 272,415 units, and assumes there will be no subsequent issuance of investment units through to the end of the 40th fiscal period.</li> </ul>
Distribution per unit	<ul style="list-style-type: none"> <li>Distributions (distribution per unit) are calculated by assuming the policy on cash distributions provided in the Articles of Incorporation of SPI.</li> <li>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.</li> </ul>

Item	Assumption
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>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.</li> <li>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 fiscal period ending April 30, 2025, and 392 yen for the fiscal period ending October 31, 2025. 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).</li> </ul>
Other	<ul style="list-style-type: none"> <li>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.</li> <li>The forecast assumes that there will be no unforeseen material change in general economic trends and real estate market conditions, etc.</li> </ul>