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Notice of the Resolution of the Board of Directors on the Policy of Making Ongoing Surplus Distributions

Starts Proceed Investment Corporation (“SPI”) announces that SPI’s Board of Directors resolved at its meeting held today on the policy of continuous distributions in excess of profits. Details are as follows.

1. Background of the aim of ongoing Surplus Distributions

SPI has consistently made progress in terms of expanding and diversifying its portfolio through property acquisitions by leveraging the pipeline with its sponsor, the Starts group. Given that the Starts group is actively developing PFI/PPP properties, the ratio of such PFI/PPP assets in the sponsor pipeline is expected to increase. Also, these PFI/PPP properties are unique given that they are categorized as "Buildings on Leasehold Land (shakuchiken-tsuki-tatemono)" where the entire land lot or a portion is under the ownership of the local government. The acquisition price of the land portion of Buildings on Leasehold Land is relatively lower than that for Buildings on Freehold Land upon purchase. Hence, the price ratio to total assets of the building is expected to be generally higher and the ratio of depreciation expense to total assets is also expected to be generally higher (and NOI yield after depreciation is relatively lower). Upon factoring in such characteristics, SPI intends to distribute the difference between the depreciation expenses for Buildings on Freehold Land and PFI/PPP properties (i.e. Buildings on Leasehold Land) as cash distributions on an ongoing basis ("Ongoing Surplus Distributions" or keizokuteki-riekichouka-bunpai) every fiscal period contingent that SPI has completed the partial amendments to the distribution policy and appropriated funds from the voluntary reserve. Through such Ongoing Surplus Distributions, SPI aims to efficiently expand the portfolio while actively enhancing unitholder return.

In order to actualize Ongoing Surplus Distributions, SPI is required to clearly state in the distribution policy of the articles of incorporation that Ongoing Surplus Distributions will be conducted as well as the logic behind it. Therefore, SPI aims to partially amend the articles of incorporation during the 10<sup>th</sup> General Meeting of Unitholders scheduled in January 2023.

2. General Meeting of Unitholders

As of today, the meeting agenda of the 10<sup>th</sup> General Meeting of Unitholders as well as the actual dates of the convocation notice and event date of the general meeting of unitholders is yet to be decided. Such details will be forthcoming.

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

Disclaimer: This translation is for informational purposes only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail. This document is an English translation of a press release for public announcement regarding the resolution of the board of directors on the policy of making ongoing surplus distributions and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to the SPI's prospectus and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.