

38th Fiscal Period Semi-Annual Report

Starts Proceed Investment Corporation

3-1-8 Nihonbashi, Chuo-ku, Tokyo

From: May 1, 2024
To: October 31, 2024

I. To Our Unitholders

We express our sincere appreciation to all unitholders for your continued loyal patronage to Starts Proceed Investment Corporation (“SPI”).

Having settled the 38th fiscal period ended October 2024 (from May 1, 2024, to October 31, 2024), we would like to report on the management status and performance results for the period.

In the 38th fiscal period, SPI disposed of (C-77) Proceed Kinshicho (disposition price: 2,385 million yen) on May 14, 2024, and (C-45) Proceed Oizumigakuen (disposition price: 284 million yen) on June 28, 2024, based on its strategy of replacing them with four properties acquired in the previous fiscal period to enhance the competitiveness of its portfolio. Consequently, SPI’s portfolio as of the end of the 38th fiscal period consists of 109 properties, with acquisition prices totaling 102,472 million yen. SPI also kept up efforts to reduce building maintenance and management costs while striving to increase rent, the receipt of key money and other revenue at portfolio properties. As a result of these endeavors, SPI posted operating revenue of 3,768 million yen, ordinary income of 1,379 million yen and net income of 1,377 million yen for the 38th fiscal period. Distribution of earnings per unit came to 4,878 yen, surpassing the forecast announced earlier. Furthermore, on top of the distributions in excess of earnings on a continuous basis (refund of investment) that commenced starting from the 37th fiscal period, SPI has decided to pay out distributions in excess of earnings from posting an amount equivalent to the amortization of fixed-term leaseholds and such as an allowance for temporary difference adjustments. With the addition of these two distributions in excess of earnings of 372 yen in total, SPI has declared 5,250 yen as the distribution per unit (including distribution in excess of earnings).

As for ESG initiatives, SPI continues to participate in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment based on its ESG policy. Furthermore, recognizing the importance of disclosing climate-related financial information, SPI conducted an analysis of climate-related business 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. Additionally, promoting initiatives to acquire external energy-saving and environmental certifications for portfolio properties, SPI has acquired DBJ Green Building Certification for three properties, CASBEE Certification for Real Estate for two properties, and Building-Housing Energy-efficiency Labeling System (BELS) Certification for five properties as of the date of this document. Looking ahead, we will continue to promote initiatives on environmental and social considerations and corporate governance, based on the recognition that ESG-related initiatives are important issues.

Going forward, we are resolved to achieve steady growth of our assets under management and secure stable earnings from a medium- to long-term perspective by making the most of the expertise of the Starts Group, the sponsor, in an effort to further enhance unitholder value.

We ask you, our unitholders, to extend to us your continued consideration and support of our operations.



Kazuya Hiraide
Executive Director
Starts Proceed Investment Corporation
President
Starts Asset Management Co., Ltd.

II. Asset Management Report

1. Overview of Asset Management

(1) Management and other performance highlights of the investment corporation

Fiscal period	Unit	34th period	35th period	36th period	37th period	38th period
		From May 1, 2022, to Oct. 31, 2022	From Nov. 1, 2022, to Apr. 30, 2023	From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024	From May 1, 2024, to Oct. 31, 2024
Operating revenue	million yen	3,349	3,676	3,532	3,756	3,768
[Of which, real estate rent revenue]	million yen	[3,154]	[3,554]	[3,532]	[3,612]	[3,620]
Operating expenses	million yen	1,830	1,994	2,031	2,048	2,061
[Of which, expenses related to real estate rent business]	million yen	[1,416]	[1,554]	[1,546]	[1,554]	[1,559]
Operating income	million yen	1,519	1,682	1,500	1,707	1,707
Ordinary income	million yen	1,303	1,423	1,226	1,417	1,379
Net income (a)	million yen	1,301	1,415	1,218	1,409	1,377
Total assets (b)	million yen	90,625	103,703	103,441	106,659	103,834
Net assets (c)	million yen	43,484	49,236	48,854	48,946	48,821
Unitholders' capital (net) (Note 2)	million yen	41,684	47,536	47,536	47,536	47,443
Total number of investment units issued and outstanding (d)	units	253,777	282,477	282,477	282,477	282,477
Net assets per unit (c)÷(d)	yen	171,350	174,303	172,949	173,275	172,833
Net income per unit (Note 3)	yen	5,127	5,009	4,313	4,990	4,878
Total distributions (e)	million yen	1,515	1,600	1,317	1,503	1,483
Distribution per unit (e)÷(d)	yen	5,971	5,667	4,664	5,321	5,250
[Of which, distribution of earnings per unit]	yen	[5,971]	[5,667]	[4,664]	[4,990]	[4,878]
[Of which, allowance for temporary difference adjustments per unit]	yen	[-]	[-]	[-]	[-]	[41]
[Of which, other distribution in excess of earnings per unit]	yen	[-]	[-]	[-]	[331]	[331]
Return on assets (Note 4)	%	1.4 [2.9]	1.5 [3.0]	1.2 [2.3]	1.3 [2.7]	1.3 [2.6]
Return on equity (Note 4)	%	3.0 [5.9]	3.1 [6.2]	2.5 [4.9]	2.9 [5.8]	2.8 [5.6]
Equity ratio (c)÷(b)	%	48.0	47.5	47.2	45.9	47.0
Distribution payout ratio (Note 4)	%	116.4	113.1	108.1	100.0	100.0
[Other Reference Information]						
Number of investments properties (Note 5)	properties	104	107	108	111	109
Total number of leasable units (Note 5)	units	5,069	5,287	5,323	5,481	5,387
Total leasable floor area	m ²	192,437.53	207,039.40	208,500.36	214,907.86	212,121.51
Period-end occupancy rate (Note 5)	%	96.1	96.3	97.1	96.3	96.8
Depreciation and amortization	million yen	651	689	662	677	703
Capital expenditures	million yen	186	213	214	309	192
Property leasing NOI (Net Operating Income) (Note 4)	million yen	2,389	2,689	2,648	2,736	2,763
FFO (Funds from Operations) per unit (Note 4)	yen	6,936	7,034	6,677	6,903	6,862
FFO multiple (Note 4)	times	17.2	16.3	15.7	15.0	12.8
Debt service coverage ratio (Note 4)	times	11.3	10.6	9.1	9.5	8.4
Earnings before interest, depreciation and amortization	million yen	2,142	2,323	2,111	2,332	2,363
Interest expenses	million yen	189	218	231	245	282
Total interest-bearing liabilities	million yen	45,646	52,846	52,846	55,931	53,261
LTV (Loan-To-Value) ratio (Note 4)	%	50.4	51.0	51.1	52.4	51.3
Number of days of management	days	184	181	184	182	184

- (Note 1) All amounts less than the specified unit are rounded down, and percentage figures and multiples are rounded off to the first decimal place except for distribution payout ratio, which is rounded down to the first decimal place.
- (Note 2) Unitholders' capital (net) is the amount obtained by subtracting deduction from unitholders' capital from unitholders' capital.
- (Note 3) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units issued and outstanding.
- (Note 4) The indicators presented are calculated as follows.
For return on assets and return on equity, figures that are annualized by the number of days of management are also shown in brackets.

Return on assets	$\text{Ordinary income} \div \text{Average total assets} \times 100$ $\text{Average total assets} = (\text{Total assets at beginning of period} + \text{Total assets at end of period}) \div 2$
Return on equity	$\text{Net income} \div \text{Average net assets} \times 100$ $\text{Average net assets} = (\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2$
Distribution payout ratio	$\text{Distribution per unit (excluding distribution in excess of earnings)} \div \text{Net income per unit} \times 100$ <p>Distribution payout ratio for the 35th fiscal period is calculated using the following formula due to change in the number of investment units during the period from having conducted a capital increase through public offering during the period.</p> $\text{Total distributions} \div \text{Net income} \times 100$
Property leasing NOI	$\text{Profit from real estate rent business (Real estate rent revenue} - \text{Expenses related to real estate rent business)} + \text{Depreciation and amortization}$
FFO per unit	$(\text{Net income} + \text{Depreciation and amortization} + \text{Other depreciation and amortization} - \text{Gain on sales of real estate properties} + \text{loss on sales of real estate properties} + \text{other sales expenses}) \div \text{Total number of investment units issued and outstanding}$
FFO multiple	$\text{Investment unit price at end of period} \div \text{Annualized FFO per unit}$
Debt service coverage ratio	$\text{Earnings before interest, depreciation and amortization} \div \text{Interest expenses (including interest expenses on investment corporation bonds)}$
LTV ratio	$\text{Total interest-bearing liabilities} \div \text{Total assets} \times 100$

- (Note 5) The number of investment properties are indicated in units that are generally accepted to be one. In addition, the total number of leasable units is the number of units that are leasable for residential, office, retail and other uses, and the period-end occupancy rate is the leased area expressed as a percentage of total leasable floor area as of the closing of accounts.
- (Note 6) Fiscal period is a six-month period that ends on April 30 and October 31 of each year.

(2) Development in management of assets in the fiscal period under review

i) 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 fiscal period under review (38th fiscal period: from May 1, 2024, to October 31, 2024), the total number of investment units issued and outstanding is 282,477 units, total assets amount to 103,834 million yen, and unitholders’ capital (net) amounts to 47,443 million yen.

ii) Investment environment and management performance

In the 38th fiscal period, the Japanese economy continued to see steady personal consumption, with the impact of inflation offset by a special fixed-amount deduction from income tax and other government support and an improvement in the employment and income environment, and corporate earnings also remained strong, bolstered by a weak yen and improvement in profitability as a result of cost pass-through. However, attention must still be paid to the impact of interest rate hikes by the Bank of Japan and downside risks posed by overseas economies.

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.

In the 38th fiscal period, SPI disposed of (C-77) Proceed Kinshicho (disposition price: 2,385 million yen) on May 14, 2024, and (C-45) Proceed Oizumigakuen (disposition price: 284.5 million yen) on June 28, 2024, based on its strategy of replacing them with four properties acquired in the previous fiscal period to enhance the competitiveness of its portfolio. As a result, SPI’s portfolio as of the end of the 38th fiscal period consists of 109 properties, with acquisition prices totaling 102,472 million yen and a total leasable floor area of 212,121.51 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 96.8% and an average occupancy rate of 97.0%.

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 business 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. Additionally, in initiatives to acquire external energy-saving and environmental performance certifications for portfolio properties, SPI acquired Building-Housing Energy-efficiency Labeling System (BELS) Certification for (G-39) Proceed Shin-Anjo and DBJ Green Building Certification for (C-75) Proceed Shin Yokohama in May 2024. Even after the closing date, SPI likewise acquired DBJ Green Building Certification for (C-82) The Parkhabio Yokohama Yamate and (C-89) Alpha Grande Chizakura Tower in November 2024. SPI has acquired DBJ Green Building Certification for three properties, CASBEE Certification for Real Estate for two properties, and Building-Housing Energy-efficiency Labeling System (BELS) Certification for five properties as of the date of this document.

iii) Status of fund procurement

In the 38th fiscal period, SPI took out long-term loans of 2,900 million yen (term: 6 years and 6 months) and 2,161 million yen (term: 3 years) to repay a long-term loan of 5,061 million yen due for repayment on May 24, 2024. SPI used the proceeds from the aforementioned disposition of (C-77) Proceed Kinshicho and (C-45) Proceed Oizumigakuen for early repayment of 2,669.5 million yen of a short-term loan for acquiring four properties in the previous fiscal period.

As a result, the period-end balance of interest-bearing liabilities totaled 53,261 million yen, comprising 415 million yen in short-term loans payable, 6,749 million yen in current portion of long-term loans payable, 41,097 million yen in long-term loans payable, 1,000 million yen in current portion of investment corporation bonds, and 4,000 million yen in investment corporation bonds as of the end of the 38th fiscal period, with the period-end LTV ratio standing at 51.3%.

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

iv) Overview of business performance and distributions

As a result of the management described above, business performance recorded for the 38th fiscal period was operating revenue of 3,768 million yen, operating income of 1,707 million yen, ordinary income of 1,379 million yen and net income of 1,377 million yen.

Concerning distributions, 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"), SPI distributes the entire amount of unappropriated retained earnings, excluding fractions of distribution per investment unit of less than 1 yen. Accordingly, SPI declared a distribution per investment unit of 4,878 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 93,499,887 yen, which is the difference between the depreciation for the properties that are buildings with fixed-term land leasehold rights owned as of the end of the 38th fiscal period and the depreciation calculated on the assumption of land ownership, as a refund of investment. SPI will also pay out distributions of 11,581,557 yen, which is equivalent to the amortization of fixed-term leaseholds, asset retirement obligations, asset retirement obligation interest, etc. for the 38th fiscal period, as an allowance for temporary difference adjustments. Consequently, the distribution in excess of earnings per investment unit is 372 yen.

(3) Status of capital increase, etc.

Date	Description	Total number of investment units issued and outstanding (units)		Unitholders' capital (net) (Note 1) (Million yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
May 2, 2005	Establishment through private placement	750	750	150	150	(Note 2)
November 29, 2005	Capital increase through public offering	21,600	22,350	4,104	4,254	(Note 3)
December 27, 2005	Capital increase through third-party allotment	27	22,377	5	4,259	(Note 4)
May 1, 2006	Capital increase through public offering	13,500	35,877	2,487	6,746	(Note 5)
May 31, 2006	Capital increase through third-party allotment	1,000	36,877	184	6,930	(Note 6)
November 21, 2006	Capital increase through public offering	25,700	62,577	4,469	11,400	(Note 7)
December 19, 2006	Capital increase through third-party allotment	1,000	63,577	173	11,574	(Note 8)
November 22, 2007	Capital increase through public offering	44,400	107,977	7,136	18,710	(Note 9)
May 1, 2013	Capital increase through public offering	37,000	144,977	6,607	25,318	(Note 10)
November 4, 2014	Capital increase through public offering	28,800	173,777	4,777	30,096	(Note 11)
November 21, 2016	Capital increase through public offering	83,000	256,777	12,134	42,230	(Note 12)
April 26, 2019	Cancellation	(3,000)	253,777	(545)	41,684	(Note 13)
November 1, 2022	Capital increase through public offering	28,700	282,477	5,852	47,536	(Note 14)
July 16, 2024	Cash distributions in excess of earnings (refund of investment)	-	282,477	(93)	47,443	(Note 15)

(Note 1) Unitholders' capital (net) is the amount obtained by subtracting deduction from unitholders' capital from unitholders' capital.

(Note 2) SPI was established on May 2, 2005.

(Note 3) SPI issued additional investment units through public offering at an issue price of 200,000 yen (purchase price (underwriting price) of 190,000 yen) per unit to procure funds for the acquisition of new properties.

(Note 4) Following the capital increase through public offering described in (Note 3), SPI issued additional investment units through third-party allotment to Shinko Securities Co., Ltd. (stated in its former name, though it merged with Mizuho Securities Co., Ltd. as of May 7, 2009; the same hereinafter) at a purchase price of 190,000 yen per unit for the secondary offering (over-allotment) conducted by Shinko Securities.

(Note 5) SPI issued additional investment units through public offering at an issue price of 192,103 yen (purchase price (underwriting price) of 184,262 yen) per unit to fund the acquisition of new properties and partially repay borrowings, etc.

(Note 6) Following the capital increase through public offering described in (Note 5), SPI issued additional investment units through third-party allotment to Shinko Securities Co., Ltd. at a purchase price of 184,262 yen per unit for the secondary offering (over-allotment) conducted by Shinko Securities.

(Note 7) SPI issued additional investment units through public offering at an issue price of 181,300 yen (purchase price (underwriting price) of 173,900 yen) per unit to fund the acquisition of new properties and partially repay borrowings, etc.

(Note 8) Following the capital increase through public offering described in (Note 7), SPI issued additional investment units through third-party allotment to Shinko Securities Co., Ltd. at a purchase price of 173,900 yen per unit for the secondary offering (over-allotment) conducted by Shinko Securities.

(Note 9) SPI issued additional investment units through public offering at an issue price of 167,580 yen (purchase price (underwriting price) of 160,740 yen) per unit to fund the acquisition of new properties.

(Note 10) SPI issued additional investment units through public offering at an issue price of 185,035 yen (purchase price (underwriting price) of 178,582 yen) per unit to fund the acquisition of new properties.

(Note 11) SPI issued additional investment units through public offering at an issue price of 171,882 yen (purchase price (underwriting price) of 165,888 yen) per unit to fund the acquisition of new properties.

(Note 12) SPI issued additional investment units through public offering at an issue price of 151,320 yen (purchase price (underwriting price) of 146,198 yen) per unit to fund the acquisition of new properties.

- (Note 13) SPI repurchased its own investment units from the market at the Tokyo Stock Exchange based on the discretionary transaction contract with securities companies regarding purchase of treasury investment units, for the period from March 27, 2019, to April 4, 2019. All of the acquired treasury investment units (3,000 units) were cancelled on April 26, 2019, based on the resolution at SPI's Board of Directors meeting held on April 22, 2019.
- (Note 14) SPI issued additional investment units through public offering at an issue price of 210,941 yen (purchase price (underwriting price) of 203,909 yen) per unit to fund the acquisition of new properties.
- (Note 15) SPI resolved at its Board of Directors meeting held on June 14, 2024, to pay out cash distributions in excess of earnings (a refund of investment, which is a return of capital under tax law) of 331 yen per unit as cash distributions for the 37th fiscal period ended April 2024 and commenced the payout on July 16, 2024.

[Changes in market price of investment certificates]

The highest and lowest prices (closing price) in the Tokyo Stock Exchange, where SPI's investment securities are listed, by fiscal period are as follows.

Fiscal period	34th period	35th period	36th period	37th period	38th period
Closing month/year	October 2022	April 2023	October 2023	April 2024	October 2024
Highest (yen)	264,900	239,100	238,400	213,400	213,400
Lowest (yen)	222,300	220,200	206,500	189,800	174,500

(4) Distributions

Concerning distributions for the fiscal period under review, to ensure that the maximum amount of distributions of earnings is included in deductible expenses by applying the Special Provisions on Taxation (Article 67-15 of the Special Taxation Measures Act), SPI decided to distribute 1,377,922 thousand yen, which is the entire amount of unappropriated retained earnings after excluding fractions of distribution per investment unit of less than 1 yen, as distributions of earnings. Accordingly, SPI declared a distribution of earnings per investment unit of 4,878 yen.

In addition, based on SPI's policy to conduct cash distributions in excess of earnings set out in 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. Under this policy, SPI has decided to distribute 11,581 thousand yen from an allowance for temporary difference adjustments and 93,499 thousand yen through a refund of investment, which is a return of capital under tax law, as distributions in excess of earnings.

As a result, SPI declared a distribution per investment unit of 5,250 yen.

Fiscal period	34th period	35th period	36th period	37th period	38th period
Calculation period	From May 1, 2022, to Oct. 31, 2022	From Nov. 1, 2022, to Apr. 30, 2023	From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024	From May 1, 2024, to Oct. 31, 2024
Total unappropriated retained earnings	1,301,169 thousand yen	1,415,073 thousand yen	1,218,575 thousand yen	1,409,730 thousand yen	1,378,117 thousand yen
Retained earnings	99,018 thousand yen	125 thousand yen	102 thousand yen	170 thousand yen	194 thousand yen
Total distributions	1,515,302 thousand yen	1,600,797 thousand yen	1,317,472 thousand yen	1,503,060 thousand yen	1,483,004 thousand yen
[Distribution per unit]	[5,971 yen]	[5,667 yen]	[4,664 yen]	[5,321 yen]	[5,250 yen]
Of which, total distributions of earnings	1,515,302 thousand yen	1,600,797 thousand yen	1,317,472 thousand yen	1,409,560 thousand yen	1,377,922 thousand yen
[Distribution of earnings per unit]	[5,971 yen]	[5,667 yen]	[4,664 yen]	[4,990 yen]	[4,878 yen]
Of which, total refund of investment	-	-	-	93,499 thousand yen	105,081 thousand yen
[Refund of investment per unit]	[-]	[-]	[-]	[331 yen]	[372 yen]
Of the total refund of investment, total distributions from the allowance for temporary difference adjustments	-	-	-	-	11,581 thousand yen
[Of the refund of investment per unit, distribution per unit from the allowance for temporary difference adjustments]	[-]	[-]	[-]	[-]	[41 yen]
Of the total refund of investment, total distributions through the return of capital under tax law	-	-	-	93,499 thousand yen	93,499 thousand yen
[Of the refund of investment per unit, distribution per unit through the return of capital under tax law]	[-]	[-]	[-]	[331 yen]	[331 yen]

(5) Future management policy and challenges to address

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 made possible by strong corporate earnings. However, attention must still be paid to future monetary policies and interest rate trends, and the impact of inflation, supply constraints, and financial and capital market volatility must be closely monitored.

In the secondary real estate market, as interest rate hikes resulting from global monetary tightening have slowed, property acquisition appetite among investors remains strong, reflecting the relative stability of the Japanese market compared with overseas markets. 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 remain high and an upward trend in rent per unit will continue to a certain degree, mainly in the Tokyo metropolitan area.

i) 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.

ii) Internal growth strategy

Following on from the 38th 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.

iii) 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.

(6) Significant subsequent events**A. Decision on Matters Relating to Acquisition of Own Investment Units**

On December 16, 2024, SPI determined the matters relating to the acquisition of its own investment units in accordance with Article 80-2 of the Act on Investment Trusts and Investment Corporations applied under Article 80-5, Paragraph 2 of the same act. Moreover, all of the own investment units are scheduled to be cancelled during the fiscal period ending April 30, 2025.

Total number of investment units that can be acquired:	A maximum of 12,000
Total acquisition value of investment units:	A maximum of 2,000 million yen
Acquisition method:	Market purchase based on discretionary transactions with securities company
Acquisition period:	From December 17, 2024, to April 22, 2025

(Reference information)**A. Issuance of Investment Corporation Bonds (Green Bonds)**

SPI issued investment corporation bonds under the conditions below based on a comprehensive resolution on the issuance of investment corporation bonds passed at a meeting of the Board of Directors held on October 24, 2024.

Name	Starts Proceed Fifth Series Unsecured Investment Corporation Bonds (with pari passu conditions among specified investment corporation bonds) (Green bonds)
Total amount issued	2,000 million yen
Payment date	November 18, 2024
Paid-in amount	100 yen per 100 yen of each investment corporation bond
Interest rate	1.227% per annum
Security and guarantee	Unsecured and unguaranteed
Redemption date	SPI will conduct the redemption of the total amount on November 16, 2029. 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 18 and November 18 every year First interest payment date will be May 18, 2025. If the interest payment date falls on a bank holiday, the payment will be made on the preceding bank business day.
Use of funds	SPI procured the funds to acquire (C-41) Proceed Nishiarai (Artier), which is an eligible green asset in the green finance framework. The entire amount was used to repay The First Series Unsecured Investment Corporation Bonds and a loan.

B. Borrowing of Funds (Refinancing)

SPI borrowed Term Loan 3E as follows to repay Term Loan 2M (loan balance: 3,700 million yen) and Term Loan 3B (loan balance: 415 million yen) which were due for repayment on November 22, 2024.

	Term Loan 3E
Lender	Aozora Bank, Ltd. Resona Bank, Limited The Chiba Bank, Ltd. The Musashino Bank, Ltd. Mizuho Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited
Loan amount	3,100 million yen
Drawdown date	November 22, 2024
Principal repayment date	May 23, 2031
Interest rate (Note)	Floating rate (Base interest rate (JBA 3-month Japanese Yen TIBOR) +0.680%)
Interest payment date	The first interest payment date shall be the last day of November 2024, 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 date (except for the first interest payment, in which case it shall be the drawdown date).

C. Disposition of Assets

SPI concluded a trust beneficiary interest transfer agreement subject to conditions precedent for Proceed Shinkoiwa on November 29, 2024, and for Proceed Hyogoekimaedori on December 13, 2024. SPI plans to dispose of these assets on February 28, 2025, and January 24, 2025, respectively.

Property no.	Property name	Buyer	Planned disposition price (thousand yen) (Note 1)	Assumed book value (thousand yen)	Amount of difference between planned disposition price and assumed book value (thousand yen)
C-20	Proceed Shinkoiwa	Tokyo Tatemono Real Estate Sales Co., Ltd.	618,000	512,379	105,620
G-30	Proceed Hyogoekimaedori	Domestic operating company (Note 2)	1,900,000	1,737,760	162,239

Note 1: "Planned disposition price" does not include miscellaneous disposition-related expenses, fixed asset taxes, city planning taxes, consumption taxes and local consumption taxes.

Note 2: The buyer is a domestic operating company but its name is not disclosed as consent for disclosure has not been obtained.

2. Overview of the Investment Corporation

(1) Status of investment in capital

Fiscal period	34th period	35th period	36th period	37th period	38th period
Closing month/year	As of October 31, 2022	As of April 30, 2023	As of October 31, 2023	As of April 30, 2024	As of October 31, 2024
Total number of authorized investment units	2,000,000 units	2,000,000 units	2,000,000 units	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	253,777 units	282,477 units	282,477 units	282,477 units	282,477 units
Unitholders' capital (net) (Note)	41,684 million yen	47,536 million yen	47,536 million yen	47,536 million yen	47,443 million yen
Number of unitholders	11,189 individuals	11,886 individuals	11,702 individuals	11,786 individuals	12,340 individuals

(Note) Unitholders' capital (net) is the amount obtained by subtracting deduction from unitholders' capital from unitholders' capital.

(2) Major unitholders

The following table shows the ten largest unitholders according to the percentage of their owned investment units to the total number of investment units outstanding as of October 31, 2024.

Name	Number of investment units owned (units)	Number of investment units owned expressed as a percentage of total number of investment units issued and outstanding (%) (Note)
Custody Bank of Japan, Ltd. (trust account)	60,942	21.57
Starts Corporation, Inc.	38,017	13.45
The Master Trust Bank of Japan, Ltd. (trust account)	35,099	12.42
The Nomura Trust and Banking Co., Ltd. (investment trust account)	11,869	4.20
The Nomura Trust and Banking Co., Ltd. as the Trustee of Repurchase Agreement Mother Fund	5,500	1.94
Kinkisangyo Shinkumi Bank	4,604	1.62
Japan Securities Finance Co., Ltd.	2,893	1.02
K. K. Toyosu	2,826	1.00
JP MORGAN CHASE BANK 380755	2,494	0.88
Hisaji Muraishi	2,000	0.70
Kyoichi Kageyama	2,000	0.70
Total	168,244	59.56

(Note) Number of investment units owned expressed as a percentage of total number of investment units issued and outstanding are rounded down to the second decimal place.

(3) Matters concerning directors, etc.

The Executive Director, Supervising Directors and Independent Auditor as of October 31, 2024, are as follows.

Position	Name	Major concurrent assignments	Total remuneration for each position during the period under review (thousand yen)
Executive Director (Note 1)	Kazuya Hiraide	President, Starts Asset Management Co., Ltd. President, Starts Research Institute, Ltd.	-
Supervising Director (Note 1)	Shigeki Nomura	Partner, Okuno & Partners Director, Japan Deaf-Blind Association Councilor, National Committee of Welfare for The Blind in Japan President, Fujiwara Natural History Public Interest Incorporated Foundation	600
Supervising Director (Note 1)	Motohisa Matsushita	Certified Public Accountant, Matsushita Certified Public Accountant Office Controller, Kyoritsu Credit Corporation External Director (Audit and Supervisory Committee Member), Nissan Securities Co., Ltd.	600
Independent Auditor (Note 2) (Note 3)	Nihombashi Corporation	-	7,810

(Note 1) None of the Executive Director or Supervising Directors own investment units in SPI, either in their own name or in someone else's name. Moreover, although the Supervising Directors may be officers of corporations other than those mentioned above, they have no conflict of interest with SPI at those and the above positions.

(Note 2) The dismissal of the Independent Auditor shall be considered in accordance with the provisions of the Investment Trusts Act. The decision to not reappoint the Independent Auditor shall be studied at SPI's Board of Directors by comprehensively considering the audit quality, audit fee and other various conditions.

(Note 3) The total remuneration amount paid to Nihombashi Corporation includes the fees for auditing of SPI's English financial statements (900 thousand yen) and the fees for services for agreed-upon procedures (160 thousand yen), other than the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948, as amended).

(4) Matters concerning directors and officers liability insurance agreement

Scope of the insured	Overview of agreement
Executive Director and Supervising Directors	<p>[Overview of insured event covered by the insurance] The directors and officers liability insurance agreement covers such losses as compensation payment and dispute costs to be borne by the insured when they receive a claim for compensation for the actions they have taken related to their duties as directors of SPI.</p> <p>[Burden ratio of insurance premium] SPI bears the entire amount.</p> <p>[Measures to ensure the appropriateness of the execution of duties] When the insured suffer damages by actions which they executed while recognizing that it may constitute criminal act or violate the laws and regulations, the loss is not subject of the protection.</p>

(5) Asset management company, asset custodian and general administrative agents

The following are the asset management company, asset custodian and general administrative agents as of October 31, 2024.

Entrustment category	Name
Asset management company	Starts Asset Management Co., Ltd.
Asset custodian	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (administration of unitholder registry)	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (accounting services)	Starts Asset Management Co., Ltd.
General administrative agent (administration of institutional operations)	Starts Asset Management Co., Ltd.
General administrative agent (administration of investment corporation bonds)	Resona Bank, Limited Mizuho Bank, Ltd.

3. Status of Assets under Management of the Investment Corporation

(1) Composition of assets of the investment corporation

Type of asset	Use	Area	37th period (as of April 30, 2024)		38th period (as of October 31, 2024)	
			Total value of owned assets (thousand yen) (Note 1)	Percentage of total assets (%) (Note 2)	Total value of owned assets (thousand yen) (Note 1)	Percentage of total assets (%) (Note 2)
Trust beneficiary interest in real estate	Rental housing and residential facilities for the elderly	Tokyo metropolitan area major cities	74,587,905	69.9	71,721,742	69.1
		Cabinet order designated cities	23,548,325	22.1	23,394,238	22.5
		Regional area major cities	2,134,785	2.0	2,181,499	2.1
	Others	Tokyo metropolitan area major cities	1,672,473	1.6	1,654,049	1.6
Subtotal			101,943,490	95.6	98,951,530	95.3
Deposits and other assets			4,715,955	4.4	4,883,250	4.7
Total assets			106,659,446	100.0	103,834,781	100.0

(Note 1) “Total value of owned assets” indicates the amount posted on the balance sheets as of the closing of accounts (the book value after depreciation for real estate in trust), rounded down to the nearest thousand yen.

(Note 2) “Percentage of total assets” indicates the ratio of trust beneficiary interest in real estate and deposits and other assets to total assets, rounded to the first decimal place.

(2) Major assets held

The following is an overview of the major assets (top ten properties on a book value basis) owned by SPI as of October 31, 2024.

Property number	Property name	Book value (thousand yen) (Note 1)	Leasable floor area (m ²) (Note 2)	Leased floor area (m ²) (Note 3)	Occupancy rate (%)	Ratio to total rent revenue (%) (Note 4)	Main use
C-90	Proceed Yamashita Koen The Tower	8,133,033	8,154.58	7,867.57	96.5	5.8	Apartment
C-75	Proceed Shin Yokohama	4,289,549	5,457.56	5,334.64	97.7	3.4	Apartment
C-82	The Parkhabio Yokohama Yamate	3,131,468	2,654.69	2,585.56	97.4	1.9	Apartment
C-89	Alpha Grande Chizakura Tower	3,016,510	4,437.47	4,437.47	100.0	2.7	Apartment
C-70	Proceed Nishi Shinjuku	2,676,303	2,461.88	2,416.52	98.2	1.8	Apartment
C-41	Proceed Nishiarai	2,630,894	20,137.85	19,902.73	98.8	8.4	Apartment
C-69	Proceed Nihonbashi Honcho	2,568,898	2,553.89	2,402.69	94.1	1.7	Apartment
G-26	Proceed Bentencho	2,202,648	4,134.70	4,100.34	99.2	1.9	Apartment
G-25	Proceed Aratamabashi	2,018,014	5,335.93	4,727.07	88.6	1.7	Apartment
G-24	Proceed Kanayama 2	1,983,083	4,218.01	3,657.36	86.7	1.7	Apartment
Total		32,650,404	59,546.56	57,431.95	96.4	31.0	-

(Note 1) For “Book value,” the figures less than the specified unit are rounded down.

(Note 2) “Leasable floor area” means the total leasable floor area of each building, not including the leasable area of land (flat parking lot), and indicates the figure stated in the lease agreement and the drawings of the relevant property.

(Note 3) “Leased floor area” means the total leased floor area of each building, not including the leased area of land, and indicates the figure stated in the lease agreement.

(Note 4) “Ratio to total rent revenue” refers to the ratio of rent revenue of each property to rent revenue of the entire portfolio, and is rounded to the first decimal place. Accordingly, the sum of the figure of each item may not equal the total.

(3) Details of real estate properties in the portfolio

The following table provides details of the assets (real estate or trust beneficiary interest in real estate as major trust property) owned by SPI as of October 31, 2024.

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-1	Proceed Ichikawa	2-33-17 Shinden, Ichikawa, Chiba	Trust beneficiary interest	3,322.17	1,590,000	967,922
C-2	Proceed Toyochō	2-1-7 Minamisuna, Koto-ku, Tokyo	Trust beneficiary interest	1,085.56	1,000,000	552,376
C-3	Proceed Kasai	5-41-6 Nakakasai, Edogawa-ku, Tokyo	Trust beneficiary interest	1,243.80	917,000	573,059
C-4	Proceed Sangenjaya	2-41-1 Sangenjaya, Setagaya-ku, Tokyo	Trust beneficiary interest	1,019.27	688,000	595,308
C-5	Proceed Mizue	3-24-10 Minamishinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	2,076.68	830,000	601,255
C-6	Proceed Funabashi Miyamoto	1-22-13 Miyamoto, Funabashi, Chiba	Trust beneficiary interest	1,685.73	623,000	428,221
C-7	Proceed Minamikasai	6-2-26 Minamikasai, Edogawa-ku, Tokyo	Trust beneficiary interest	1,045.28	341,000	309,818
C-9	Proceed Gyotoku	8-2 Irifune, Ichikawa, Chiba	Trust beneficiary interest	1,218.56	367,000	335,286
C-10	Proceed Makuharihongo	6-2-15 Makuharihongo, Hanamigawa-ku, Chiba, Chiba	Trust beneficiary interest	963.00	347,000	273,672
C-11	Proceed Minamigyotoku	3-12-10 Fukuei, Ichikawa, Chiba	Trust beneficiary interest	838.95	363,000	285,055
C-12	Proceed Makuharihongo 2	5-19-13 Makuharihongo, Hanamigawa-ku, Chiba, Chiba	Trust beneficiary interest	1,104.84	252,000	219,715
C-14	Proceed Funabori	5-5-16 Funabori, Edogawa-ku, Tokyo	Trust beneficiary interest	479.52	258,000	228,613
C-15	Proceed Takenozuka	2-16-6 Iriya, Adachi-ku, Tokyo	Trust beneficiary interest	860.55	259,000	163,935
C-16	Proceed Sengendai 2	5-7-6 Sengendainishi, Koshigaya, Saitama	Trust beneficiary interest	695.81	122,000	85,034
C-17	Proceed Shoto	2-3-11 Shoto, Shibuya-ku, Tokyo	Trust beneficiary interest	890.22	1,120,000	871,058
C-18	Proceed Sangubashi	3-57-10 Yoyogi, Shibuya-ku, Tokyo	Trust beneficiary interest	527.88	554,000	477,940
C-19	Proceed Urayasu	1-2-1 Fujimi, Urayasu, Chiba	Trust beneficiary interest	1,786.58	477,000	437,416
C-20	Proceed Shinkoiwa	2-31-14 Matsushima, Edogawa-ku, Tokyo	Trust beneficiary interest	1,629.07	570,000	514,724
C-24	Proceed Toritsudaigaku 2	1-2-3 Tairamachi, Meguro-ku, Tokyo	Trust beneficiary interest	831.74	912,000	717,304
C-25	Proceed Honjoazumabashi	4-15-13 Higashikomagata, Sumida-ku, Tokyo	Trust beneficiary interest	570.53	519,000	284,338
C-26	Proceed Meguro Aobadai	3-5-2 Aobadai, Meguro-ku, Tokyo	Trust beneficiary interest	485.15	500,000	443,448
C-27	Proceed Suginami Miyamae	1-15-12 Miyamae, Suginami-ku, Tokyo	Trust beneficiary interest	680.50	514,000	414,173
C-28	Proceed Ryogoku	1-20-4 Midori, Sumida-ku, Tokyo	Trust beneficiary interest	702.54	644,000	413,404
C-29	Proceed Mita	2-30-9 Shiba, Minato-ku, Tokyo	Trust beneficiary interest	1,500.57	1,580,000	1,387,269
C-31	Proceed Kameido	9-5-13 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	853.98	358,000	358,169
C-32	Proceed Takadanobaba	3-43-18 Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest	278.36	290,000	241,378
C-33	Proceed Shinkoenji	3-10-21 Horinouchi, Suginami-ku, Tokyo	Trust beneficiary interest	1,040.24	912,000	752,411
C-36	Proceed Oimachi	5-8-9 Higashioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	961.88	968,000	954,477
C-37	Proceed Jujo	4-9-17 Kamijujo, Kita-ku, Tokyo	Trust beneficiary interest	1,206.90	568,000	536,634

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-41	Proceed Nishiarai	1-18-11, 12, 13 and 14, Nishiaraisakaecho, Adachi-ku, Tokyo	Trust beneficiary interest	20,137.85	6,920,000	2,630,894
C-42	Proceed Chofu	1-28-4 Fuda, Chofu, Tokyo	Trust beneficiary interest	764.48	619,000	378,805
C-43	Proceed TX Rokucho	1-16-17 Higashihokima, Adachi-ku, Tokyo	Trust beneficiary interest	518.31	186,000	171,610
C-44	Proceed Nakagawara	5-10-1 Bubaicho, Fuchu, Tokyo	Trust beneficiary interest	3,061.94	1,410,000	1,184,788
C-46	Proceed Chitosekarasuyama	2-38-30 Kamisoshigaya, Setagaya-ku, Tokyo	Trust beneficiary interest	449.96	337,000	319,652
C-47	Proceed Mitaka	3-16-3 Shimorenjaku, Mitaka, Tokyo	Trust beneficiary interest	739.48	594,000	506,655
C-48	Proceed Kashiwa Est	3-8-19 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,279.93	754,000	646,976
C-49	Proceed Kashiwa Nord	5-8-17 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,391.55	638,000	595,447
C-50	Proceed Gyotokuekimae	2-1-18 Gyotokuekimae, Ichikawa, Chiba	Trust beneficiary interest	659.68	388,000	251,609
C-51	Proceed Funabashi Honcho	6-19-18 Honcho, Funabashi, Chiba	Trust beneficiary interest	996.44	615,000	473,582
C-53	Proceed Gumyoji	1-4-12 Nakazato, Minami-ku, Yokohama, Kanagawa	Trust beneficiary interest	1,246.48	572,000	534,782
C-54	Proceed Tsurugamine	2-9-6 Tsurugamine, Asahi-ku, Yokohama, Kanagawa	Trust beneficiary interest	855.00	384,000	348,892
C-55	Proceed Sagamiotsuka	2-13-5 Sakuramori, Yamato, Kanagawa	Trust beneficiary interest	741.24	219,000	218,954
C-58	Proceed Shinozaki Tower	7-20-19 Shinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	5,117.49	2,270,000	1,166,180
C-59	Proceed Tobu Nerima	1-3-11 Tokumaru, Itabashi-ku, Tokyo	Trust beneficiary interest	779.84	608,000	392,369
C-60	Proceed Yukigaya	1-15-20 Minamiyukigaya, Ota-ku, Tokyo	Trust beneficiary interest	600.62	408,000	346,008
C-61	Proceed Ichikawa Minami	1-9-27 Ichikawaminami, Ichikawa, Chiba	Trust beneficiary interest	1,635.59	1,060,000	682,942
C-62	Proceed Ichikawa Myoden	2-14-15 Shioyaki, Ichikawa, Chiba	Trust beneficiary interest	945.00	679,000	507,020
C-63	Proceed Fujisawa Kugenuma	2-6-6 Kugenumaishigami, Fujisawa, Kanagawa	Trust beneficiary interest	2,005.76	932,000	716,691
C-64	Proceed Nihonbashi-horidomecho	2-4-8 Nihonbashihoridomecho, Chuo-ku, Tokyo	Trust beneficiary interest	1,904.45	2,000,000	1,482,822
C-65	Proceed TX Nagareyama Central Park	UN B139 District 3-2, 9-3 177-1 Maehirai, Nagareyama, Chiba	Trust beneficiary interest	2,976.85	1,160,000	771,055
C-66	Proceed Gyotoku 2	1-6-6 Fukuei, Ichikawa, Chiba	Trust beneficiary interest	1,626.54	1,010,000	799,134
C-67	Proceed Nishikasai	2-7-6 and 2-7-1, Seishin-cho, Edogawa-ku, Tokyo	Trust beneficiary interest	2,993.52	1,120,000	938,256
C-68	Proceed Kasai 2	7-15-7 Higashikasai, Edogawa-ku, Tokyo	Trust beneficiary interest	2,140.59	1,060,000	800,870
C-69	Proceed Nihonbashi Honcho	4-10-5 Nihonbashihoncho, Chuo-ku, Tokyo	Trust beneficiary interest	2,553.89	2,840,000	2,568,898
C-70	Proceed Nishi Shinjuku	3-7-23 Nishishinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,461.88	2,820,000	2,676,303
C-71	Proceed Unoki	2-43-7 Unoki, Ota-ku, Tokyo	Trust beneficiary interest	1,260.58	1,130,000	881,254
C-72	Proceed Minamigyotoku 2	3-3-20 Fukuei, Ichikawa, Chiba	Trust beneficiary interest	2,832.74	1,290,000	1,010,324
C-73	Proceed CO-Z East Building	4-12 Kozunomori, Narita, Chiba	Trust beneficiary interest	6,873.33	2,260,000	1,871,824
C-74	Proceed CO-Z West Building	4-1-1 Kozunomori, Narita, Chiba	Trust beneficiary interest	3,716.05	1,180,000	1,008,690
C-75	Proceed Shin Yokohama	3-21-2 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa	Trust beneficiary interest	5,457.56	4,870,000	4,289,549

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-76	Life Support Residence Funaboriekimae	4-8-10 Funabori, Edogawa-ku, Tokyo	Trust beneficiary interest	1,408.71	446,000	235,722
C-78	Proceed K2	6-8-37 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	4,140.69	1,400,000	1,291,954
C-79	Proceed K3 Annex	1023-1 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,590.30	326,000	297,791
C-80	Proceed K5	6-8-38 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	788.95	283,000	282,934
C-81	Proceed Ichikawa Myoden II	2-14-20 Shioyaki, Ichikawa, Chiba	Trust beneficiary interest	1,218.00	871,000	830,517
C-82	The Parkhabio Yokohama Yamate	2-78-11 Ishikawa-cho, Naka-ku, Yokohama, Kanagawa	Trust beneficiary interest	2,654.69	3,230,000	3,131,468
C-83	Proceed Monzennakacho	1-7-8 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interest	1,515.81	1,490,000	1,252,984
C-84	Proceed Maihama	4-14-13 Fujimi, Urayasu, Chiba	Trust beneficiary interest	1,735.31	1,360,000	1,042,568
C-85	Proceed Nagareyama Otakanomori	1-2-3 Otakanomorikita, Nagareyama, Chiba	Trust beneficiary interest	1,730.96	1,220,000	1,109,728
C-86	Proceed Shinkawa	1-25-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	579.96	563,000	530,020
C-87	Proceed Kinshicho 2	5-14-11 Kotobashi, Sumida-ku, Tokyo	Trust beneficiary interest	668.54	554,000	571,684
C-88	Proceed Ishikawadai	2-24-7 Higashiyukigaya, Ota-ku, Tokyo	Trust beneficiary interest	1,105.45	921,000	846,565
C-89	Alpha Grande Chizakura Tower	25 Kandahigashimatsushitacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	4,437.47	2,980,000	3,016,510
C-90	Proceed Yamashita Koen The Tower	27 Yamashitacho, Naka-ku, Yokohama, Kanagawa	Trust beneficiary interest	8,154.58	8,060,000	8,133,033
C-91	Shinozaki Twin Place	7-20-19 and 7-21-5 Shinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	3,997.56	1,790,000	1,654,049
C-92	Proceed Minamisunamachi	5-12-5 Minamisuna, Koto-ku, Tokyo	Trust beneficiary interest	872.95	799,000	797,424
C-93	Proceed Matsudo	19-3 Honcho, Matsudo, Chiba	Trust beneficiary interest	827.56	515,000	526,460
C-94	Proceed Shinozaki 2	7-21-13 Shinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	2,134.07	1,240,000	1,183,033
C-95	Proceed Shin-Matsudo	4-29-2 Shinmatsudo, Matsudo, Chiba	Trust beneficiary interest	1,514.93	969,000	1,045,058
G-8	Proceed Taikodori	4-31 Taikotori, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,101.56	519,000	310,142
G-11	Proceed Honamicho	3-55 Honamicho, Chikusa-ku, Nagoya, Aichi	Trust beneficiary interest	620.22	264,000	217,432
G-13	Proceed Shinsakae	1-28-21 Shinsakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,958.44	927,000	585,928
G-14	Proceed Chiyoda	2-10-16 Chiyoda, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	922.40	363,000	227,157
G-15	Proceed Fukuoka Takamiya	1-7-15 Noma, Minami-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,312.29	536,000	390,963
G-17	Proceed Kanayama	3-11-9 Kanayama, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,733.58	1,570,000	859,783
G-18	Proceed Fukiage	2-22-1 Kurumadacho, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	1,204.65	662,000	416,340
G-19	Proceed Toyota	3-51 Shinmeicho, Toyota, Aichi	Trust beneficiary interest	752.04	337,000	182,697
G-21	Proceed Nishitenma	3-7-3 Nishitenma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	1,775.89	1,230,000	831,886
G-22	Proceed Kobemotomachi	3-5-2 Sakaemachidori, Chuo-ku, Kobe, Hyogo	Trust beneficiary interest	1,590.64	1,100,000	799,088
G-23	Group Home Tanoshii Ie Taisho	3-14-8 Hirao, Taisho-ku, Osaka, Osaka	Trust beneficiary interest	482.72	178,000	148,313
G-24	Proceed Kanayama 2	2-1-22 Kanayama, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	4,218.01	2,500,000	1,983,083

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
G-25	Proceed Aratamabashi	8-17-2 Mizuhodori, Mizuho-ku, Nagoya, Aichi	Trust beneficiary interest	5,335.93	2,270,000	2,018,014
G-26	Proceed Bentencho	2-5-12 Ichioka Motomachi, Minato-ku, Osaka, Osaka	Trust beneficiary interest	4,134.70	2,470,000	2,202,648
G-27	Proceed Nagaikoendori	2-9-19 Minamiumiyoshi, Sumiyoshi-ku, Osaka, Osaka	Trust beneficiary interest	2,170.80	1,090,000	1,078,917
G-30	Proceed Hyogoekimaedori	1-3-22 Ekimaedori, Hyogo-ku, Kobe, Hyogo	Trust beneficiary interest	3,086.99	1,850,000	1,741,424
G-31	Proceed Mizuho	2-43 Mizuhodori, Mizuho-ku, Nagoya, Aichi	Trust beneficiary interest	1,126.40	541,000	529,945
G-32	Proceed Osu	1-29-32 Osu, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,851.30	955,000	762,465
G-33	Proceed Sendai Kozurushinden	3-13-3 Shinden Higashi, Miyagino-ku, Sendai, Miyagi	Trust beneficiary interest	1,913.28	807,000	729,436
G-34	Proceed Sendai Kamisugi	2-4-30 Kamisugi, Aoba-ku, Sendai, Miyagi	Trust beneficiary interest	3,409.93	1,880,000	1,460,834
G-35	Proceed Kanayama 3	2-4-26 Masaki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,799.52	946,000	758,000
G-36	Proceed Tsurigane	2-1-5 Tsuriganecho, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	1,072.24	866,000	859,795
G-37	Proceed Fukaebashi	2-1-2 Fukaekita, Higashinari-ku, Osaka, Osaka	Trust beneficiary interest	1,609.14	1,360,000	1,387,683
G-38	Proceed Nishioji	54 Shichijo Goshonouchi Nakamachi, Shimogyo-ku, Kyoto, Kyoto	Trust beneficiary interest	1,460.96	842,000	811,614
G-39	Proceed Shin-Anjo	1-22-14 Imaikecho, Anjo, Aichi	Trust beneficiary interest	1,824.95	781,000	856,441
G-40	Proceed Nissekidori	1-26-1 Ogusu, Minami-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,742.20	1,200,000	1,244,200
R-2	Proceed Mito	3-4-14 Omachi, Mito, Ibaraki	Trust beneficiary interest	1,223.83	496,000	274,741
R-3	Proceed Mito 2	3-2-31 Omachi, Mito, Ibaraki	Trust beneficiary interest	1,381.34	525,000	309,828
R-4	Proceed Tsukuba Gakuentoshi	3-9-4 Ninomiya, Tsukuba, Ibaraki	Trust beneficiary interest	2,659.71	921,000	777,072
R-5	Proceed Mito 3	3-1-41 Minamimachi, Mito, Ibaraki	Trust beneficiary interest	2,258.88	911,000	819,856
Total				212,121.51	120,690,000	98,951,530

(Note) “Period-end appraisal value” refers to the appraisal value or survey value by real estate appraisers (by appraisal or survey benchmarked to the price by the income approach with October 31, 2024, as the appraisal or survey date), based on the Articles of Incorporation of SPI and the Cabinet Office Order on “Regulations on calculations of investment corporations.”

The following table provides changes in rent business results for each of the investment properties of SPI.

Property number	Property name	37th period (as of April 30, 2024)				38th period (as of October 31, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-1	Proceed Ichikawa	48	96.0	46,499	1.3	49	97.8	44,790	1.2
C-2	Proceed Toyochō	45	100.0	23,382	0.6	45	100.0	24,575	0.7
C-3	Proceed Kasai	57	100.0	28,818	0.8	55	96.5	25,770	0.7
C-4	Proceed Sangenjaya	9	100.0	20,585	0.6	9	100.0	20,246	0.6
C-5	Proceed Mizue	26	92.9	27,242	0.8	28	100.0	27,371	0.8
C-6	Proceed Funabashi Miyamoto	33	100.0	23,172	0.6	33	100.0	23,426	0.6

Property number	Property name	37th period (as of April 30, 2024)				38th period (as of October 31, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-7	Proceed Minamikasai	13	80.7	13,292	0.4	16	100.0	13,070	0.4
C-9	Proceed Gyotoku	20	100.0	14,139	0.4	20	100.0	13,423	0.4
C-10	Proceed Makuharihongo	33	97.0	12,513	0.3	34	100.0	12,622	0.3
C-11	Proceed Minamigyotoku	26	100.0	12,512	0.3	26	100.0	12,473	0.3
C-12	Proceed Makuharihongo 2	21	95.5	11,100	0.3	22	100.0	11,411	0.3
C-14	Proceed Funabori	23	95.8	9,308	0.3	23	95.8	9,010	0.2
C-15	Proceed Takenozuka	15	100.0	8,578	0.2	15	100.0	8,592	0.2
C-16	Proceed Sengendai 2	12	100.0	5,137	0.1	11	92.1	4,867	0.1
C-17	Proceed Shoto	40	100.0	29,581	0.8	38	93.2	29,137	0.8
C-18	Proceed Sangubashi	25	96.4	15,214	0.4	26	100.0	15,611	0.4
C-19	Proceed Urayasu	20	95.1	18,823	0.5	21	100.0	19,488	0.5
C-20	Proceed Shinkoiwa	26	95.6	21,083	0.6	27	100.0	20,386	0.6
C-23	Proceed Toritsudaigaku (Note 3)	-	-	21,087	0.6	-	-	-	-
C-24	Proceed Toritsudaigaku 2	36	100.0	21,519	0.6	36	100.0	21,519	0.6
C-25	Proceed Honjoazumabashi	19	100.0	11,803	0.3	18	94.8	12,137	0.3
C-26	Proceed Meguro Aobadai	24	100.0	14,499	0.4	23	96.0	14,128	0.4
C-27	Proceed Suginami Miyamae	29	100.0	13,804	0.4	29	100.0	13,788	0.4
C-28	Proceed Ryogoku	27	100.0	14,790	0.4	27	100.0	14,807	0.4
C-29	Proceed Mita	72	100.0	40,937	1.1	72	100.0	40,937	1.1
C-31	Proceed Kameido	23	100.0	10,978	0.3	23	100.0	10,962	0.3
C-32	Proceed Takadanobaba	17	100.0	7,620	0.2	17	100.0	7,620	0.2
C-33	Proceed Shinkoenji	57	100.0	24,101	0.7	57	100.0	24,187	0.7
C-36	Proceed Oimachi	59	100.0	25,173	0.7	59	100.0	25,176	0.7
C-37	Proceed Jujo	30	100.0	16,427	0.5	30	100.0	16,427	0.5
C-41	Proceed Nishiarai	290	98.6	306,585	8.5	290	98.8	305,140	8.4
C-42	Proceed Chofu	26	100.0	17,249	0.5	26	100.0	17,263	0.5
C-43	Proceed TX Rokucho	20	100.0	7,017	0.2	20	100.0	7,113	0.2
C-44	Proceed Nakagawara	51	89.0	40,911	1.1	51	97.2	42,829	1.2
C-45	Proceed Oizumigakuen (Note 3)	29	100.0	9,827	0.3	-	-	3,308	0.1
C-46	Proceed Chitosekarasuyama	28	100.0	10,024	0.3	24	85.7	10,657	0.3
C-47	Proceed Mitaka	47	100.0	16,146	0.4	47	100.0	16,165	0.4
C-48	Proceed Kashiwa Est	41	92.7	23,740	0.7	44	100.0	23,796	0.7
C-49	Proceed Kashiwa Nord	47	100.0	20,959	0.6	47	100.0	21,655	0.6

Property number	Property name	37th period (as of April 30, 2024)				38th period (as of October 31, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-50	Proceed Gyotokuekimae	24	100.0	11,851	0.3	24	100.0	12,064	0.3
C-51	Proceed Funabashi Honcho	40	100.0	19,698	0.5	37	92.5	19,982	0.6
C-53	Proceed Gumyoji	75	97.5	21,981	0.6	73	95.0	22,725	0.6
C-54	Proceed Tsurugamine	43	86.0	13,670	0.4	45	90.0	13,547	0.4
C-55	Proceed Sagamiotsuka	27	93.3	8,998	0.2	26	90.5	8,567	0.2
C-58	Proceed Shinozaki Tower	87	98.8	91,318	2.5	87	99.0	92,908	2.6
C-59	Proceed Tobu Nerima	34	97.3	18,585	0.5	33	94.7	18,137	0.5
C-60	Proceed Yukigaya	34	97.1	14,232	0.4	33	94.3	13,298	0.4
C-61	Proceed Ichikawa Minami	62	94.5	32,563	0.9	65	98.5	31,478	0.9
C-62	Proceed Ichikawa Myoden	45	100.0	19,706	0.5	44	97.8	19,367	0.5
C-63	Proceed Fujisawa Kugenuma	25	100.0	33,897	0.9	25	100.0	34,336	0.9
C-64	Proceed Nihonbashi-horidomecho	34	92.4	44,784	1.2	35	95.2	44,160	1.2
C-65	Proceed TX Nagareyama Central Park	72	99.0	44,509	1.2	73	100.0	46,006	1.3
C-66	Proceed Gyotoku 2	56	94.3	29,447	0.8	58	97.8	30,478	0.8
C-67	Proceed Nishikasai	60	95.3	40,484	1.1	60	95.3	39,742	1.1
C-68	Proceed Kasai 2	28	97.4	32,228	0.9	28	92.3	30,011	0.8
C-69	Proceed Nihonbashi Honcho	81	97.3	62,347	1.7	79	94.1	60,412	1.7
C-70	Proceed Nishi Shinjuku	65	98.5	65,179	1.8	65	98.2	66,153	1.8
C-71	Proceed Unoki	28	96.7	29,281	0.8	28	96.8	28,138	0.8
C-72	Proceed Minamigyotoku 2	34	94.8	38,478	1.1	35	96.2	39,048	1.1
C-73	Proceed CO-Z East Building	109	97.6	79,731	2.2	110	98.4	80,889	2.2
C-74	Proceed CO-Z West Building	69	97.0	42,998	1.2	71	100.0	42,202	1.2
C-75	Proceed Shin Yokohama	219	97.0	123,692	3.4	221	97.7	124,464	3.4
C-76	Life Support Residence Funaboriekimae	2	100.0	11,774	0.3	2	100.0	11,774	0.3
C-77	Proceed Kinshicho (Note 3)	62	96.5	51,215	1.4	-	-	3,713	0.1
C-78	Proceed K2	60	100.0	48,619	1.3	57	96.0	48,010	1.3
C-79	Proceed K3 Annex	24	100.0	13,007	0.4	24	100.0	13,016	0.4
C-80	Proceed K5	17	100.0	9,071	0.3	17	100.0	10,324	0.3
C-81	Proceed Ichikawa Myoden II	58	100.0	26,796	0.7	58	100.0	26,843	0.7
C-82	The Parkhabio Yokohama Yamate	73	96.5	69,792	1.9	74	97.4	68,114	1.9
C-83	Proceed Monzennakacho	48	100.0	38,330	1.1	48	100.0	36,692	1.0

Property number	Property name	37th period (as of April 30, 2024)				38th period (as of October 31, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-84	Proceed Maihama	66	100.0	36,642	1.0	65	98.5	35,480	1.0
C-85	Proceed Nagareyama Otakanomori	50	100.0	35,911	1.0	50	100.0	35,064	1.0
C-86	Proceed Shinkawa	18	100.0	12,495	0.3	18	100.0	14,416	0.4
C-87	Proceed Kinshicho 2	19	100.0	13,737	0.4	19	100.0	13,922	0.4
C-88	Proceed Ishikawadai	24	96.2	26,336	0.7	25	100.0	24,931	0.7
C-89	Alpha Grande Chizakura Tower	68	100.0	95,668	2.6	68	100.0	96,802	2.7
C-90	Proceed Yamashita Koen The Tower	141	97.1	206,002	5.7	138	96.5	210,055	5.8
C-91	Shinozaki Twin Place	4	100.0	88,028	2.4	4	100.0	85,005	2.3
C-92	Proceed Minamisunamachi	31	91.2	21,960	0.6	33	97.1	20,861	0.6
C-93	Proceed Matsudo	27	93.8	16,022	0.4	27	93.7	15,467	0.4
C-94	Proceed Shinozaki 2	34	96.7	6,085	0.2	33	94.5	34,073	0.9
C-95	Proceed Shin-Matsudo	52	100.0	5,171	0.1	52	100.0	27,670	0.8
G-8	Proceed Taikodori	40	91.3	15,831	0.4	41	93.5	15,899	0.4
G-11	Proceed Honamicho	8	81.9	7,432	0.2	7	70.0	5,818	0.2
G-13	Proceed Shinsakae	70	90.7	29,961	0.8	71	92.0	31,419	0.9
G-14	Proceed Chiyoda	27	90.0	12,827	0.4	27	89.9	12,308	0.3
G-15	Proceed Fukuoka Takamiya	46	100.0	18,648	0.5	45	98.1	18,838	0.5
G-17	Proceed Kanayama	92	98.3	44,001	1.2	89	94.7	45,163	1.2
G-18	Proceed Fukiage	43	89.2	19,985	0.6	35	73.1	18,250	0.5
G-19	Proceed Toyota	26	96.7	12,989	0.4	27	100.0	13,156	0.4
G-21	Proceed Nishitenma	52	93.1	33,032	0.9	56	100.0	33,668	0.9
G-22	Proceed Kobemotomachi	58	95.3	29,866	0.8	60	98.4	30,822	0.9
G-23	Group Home Tanoshii Ie Taisho	1	100.0	6,000	0.2	1	100.0	6,000	0.2
G-24	Proceed Kanayama 2	65	90.9	65,157	1.8	62	86.7	62,499	1.7
G-25	Proceed Aratamabashi	66	88.7	62,117	1.7	66	88.6	61,022	1.7
G-26	Proceed Bentencho	122	96.8	68,169	1.9	125	99.2	67,808	1.9
G-27	Proceed Nagaikoendori	77	95.1	33,741	0.9	74	91.4	32,531	0.9
G-30	Proceed Hyogoekimaedori	116	99.2	54,879	1.5	111	95.1	55,720	1.5
G-31	Proceed Mizuho	36	91.0	16,477	0.5	38	94.6	16,649	0.5
G-32	Proceed Osu	56	84.8	26,467	0.7	61	92.4	26,919	0.7
G-33	Proceed Sendai Kozurushinden	60	95.9	25,044	0.7	56	90.5	24,709	0.7
G-34	Proceed Sendai Kamisugi	101	93.1	58,991	1.6	106	98.3	59,535	1.6
G-35	Proceed Kanayama 3	57	94.7	27,062	0.7	57	94.7	28,540	0.8

Property number	Property name	37th period (as of April 30, 2024)				38th period (as of October 31, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
G-36	Proceed Tsurigane	25	96.2	20,318	0.6	26	100.0	19,078	0.5
G-37	Proceed Fukaebashi	62	98.5	32,362	0.9	59	94.0	31,605	0.9
G-38	Proceed Nishioji	36	100.0	20,689	0.6	36	100.0	20,240	0.6
G-39	Proceed Shin-Anjo	30	56.7	5,717	0.2	47	100.0	24,906	0.7
G-40	Proceed Nissekidori	60	98.4	5,496	0.2	58	95.3	30,852	0.9
R-2	Proceed Mito	32	90.0	15,086	0.4	33	92.5	14,854	0.4
R-3	Proceed Mito 2	34	95.3	17,606	0.5	33	92.1	17,181	0.5
R-4	Proceed Tsukuba Gakuentoshi	30	87.5	27,123	0.8	29	85.2	26,863	0.7
R-5	Proceed Mito 3	60	100.0	31,288	0.9	58	96.6	30,963	0.9
Total		5,281	96.3	3,612,908	100.0	5,199	96.8	3,620,089	100.0

(Note 1) “Number of leased units” indicates the number of end tenants (tenants under ongoing sublease agreement with master lease companies) of each property. For properties under fixed-rent-type master lease agreement, all units are deemed to be occupied.

(Note 2) “Ratio to total rent revenue” refers to the ratio of rent revenue of each property to rent revenue of the entire portfolio, and is rounded to the first decimal place.

(Note 3) SPI disposed of (C-23) Proceed Toritsudaigaku on April 26, 2024, (C-77) Proceed Kinshicho on May 14, 2024, and (C-45) Proceed Oizumigakuen on June 28, 2024.

(4) Contract amount and fair value of specified transactions

The following table provides the contract amount of SPI’s specified transactions and the status of its fair value as of October 31, 2024.

[Unit: thousand yen]

Category	Type	Contract amount etc. (Note 1)		Fair value
			Of which, exceeding 1 year	
Off-market transaction	Interest rate swap transactions Receivable floating; Payable fixed	40,656,000	33,907,000	(Note 2)

(Note 1) The contract amount, etc. of the interest rate swap transactions is based on the notional principal amount.

(Note 2) The fair value is omitted for the transactions that meet the requirements for special accounting pursuant to the Accounting Standard for Financial Instruments.

(5) Status of other assets

Trust beneficiary interests in real estate as major trust property are listed on the aforementioned “(3) Details of real estate properties in the portfolio.” As of October 31, 2024, there is no incorporation of major specified assets as principal investment targets by SPI, other than assets in the aforementioned section.

4. Capital Expenditures of Real Estate Held

(1) Schedule of capital expenditures

The following table provides amounts of major capital expenditures that accompany renovation work currently planned for assets that have been acquired as of the date of this document. The planned construction costs include portions that are separately accounted under expenses.

Property name (Location)	Purpose	Schedule period	Planned construction cost (thousand yen) (Note)		
			Total amount	Payment in the 38th fiscal period	Total amount already paid
Proceed Chofu (Chofu, Tokyo)	Refreshment of exterior finishes	From Dec. 2024 to Apr. 2025	77,000	-	-
Proceed Shinozaki Tower (Edogawa-ku, Tokyo)	Replacement of disaster prevention monitoring panel	From Feb. 2025 to Mar. 2025	60,000	-	-
Proceed Minamikasai (Edogawa-ku, Tokyo)	Refreshment of exterior finishes	From May 2024 to Nov. 2024	33,660	-	-
Proceed Shin Yokohama (Kohoku-ku, Yokohama, Kanagawa)	Upgrading of multi-level parking lot	From Jan. 2025 to Feb. 2025	33,000	-	-
Proceed Mitaka (Mitaka, Tokyo)	Upgrading of elevator equipment	From Jan. 2025 to Feb. 2025	10,000	-	-

(Note) Figures are rounded down to the nearest thousand yen.

(2) Capital expenditures during period

The following table provides the overview of major capital expenditures SPI conducted at its already-acquired assets in the 38th fiscal period. Capital expenditures during the fiscal period totaled 192,746 thousand yen. Combined with repair expenses of 98,276 thousand yen that were classified as expenses for the fiscal period, SPI implemented 291,023 thousand yen worth of construction works in the fiscal period.

Property name (Location)	Purpose	Period	Total expenditures (thousand yen) (Note)
Proceed Tsukuba Gakuentoshi (Tsukuba, Ibaraki)	Refreshment of exterior finishes	From May 2024 to Sep. 2024	66,701
Proceed Makuaharihongo (Hanamigawa-ku, Chiba, Chiba)	Rooftop waterproofing	From May 2024 to Aug. 2024	12,021
Other constructions			114,023
Total			192,746

(Note) Figures are rounded down to the nearest thousand yen.

(3) Cash reserves for long-term repair and maintenance plans

Based on the long-term repair and maintenance plans prepared for each property, SPI sets aside repair reserves from the cash flows during the fiscal period, as shown below, in order to fund large-scale repairs, etc.

[Unit: thousand yen]					
Fiscal period	34th period	35th period	36th period	37th period	38th period
Operation period	From May 1, 2022, to Oct. 31, 2022	From Nov. 1, 2022, to Apr. 30, 2023	From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024	From May 1, 2024, to Oct. 31, 2024
Balance of reserves at beginning of period	800,000	850,000	900,000	950,000	1,000,000
Reserves during the period	50,000	50,000	50,000	50,000	50,000
Reversal of reserves during the period	-	-	-	-	-
Amount carried forward to the next period	850,000	900,000	950,000	1,000,000	1,050,000

(Note) Figures are rounded down to the nearest thousand yen.

5. Status of Expenses and Liabilities

(1) Details of expenses related to asset management

[Unit: thousand yen]

Item	37th period	38th period
	From Nov. 1, 2023, to Apr. 30, 2024	From May 1, 2024, to Oct. 31, 2024
(a) Asset management fees	394,511	352,370
(b) Asset custody fees	8,824	8,811
(c) Administrative service fees	19,864	20,204
(d) Directors' compensations	1,200	1,200
(e) Other operating expenses	125,452	136,042
Total	549,853	518,628

(Note) The asset management fee for the 37th fiscal period includes 39,920 thousand yen for asset management related to property acquisition, capitalized in the acquisition costs of respective properties, and 15,945 thousand yen for asset management related to property disposition. The asset management fee for the 38th fiscal period includes 16,511 thousand yen for asset management related to property disposition.

(2) Debt financing status

The status of loans from respective financial institutions as of October 31, 2024, is as follows.

	Classification	Drawdown date	Balance at beginning of 38th FP (thousand yen)	Balance at end of 38th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lender								
Short-Term Loans	Resona Bank, Limited	Mar. 29, 2024	3,085,000	415,500 (Note 2)	0.54804	Nov. 22, 2024	Lump-sum repayment on repayment date	Funds for acquisition of AUM	Unsecured Unguaranteed
	Subtotal		3,085,000	415,500					
Long-Term Loans (Note 4)	Resona Bank, Limited	May. 25, 2018	727,000	-	0.89273	May 24, 2024	Lump-sum repayment on repayment date	Part of funds for refinancing and acquisition of AUM	Unsecured Unguaranteed
	Aozora Bank, Ltd.		450,000	-					
	The Bank of Kyoto, Ltd.		400,000	-					
	Mizuho Bank, Ltd.		299,000	-					
	Sumitomo Mitsui Banking Corporation		299,000	-					
	The Chiba Bank, Ltd.		259,000	-					
	The Musashino Bank, Ltd.		259,000	-					
	Sumitomo Mitsui Trust Bank, Limited		107,000	-					
	The Kagawa Bank, Ltd.		100,000	-					
	Aozora Bank, Ltd.	Nov. 22, 2018	1,089,000	1,089,000	0.93000 (Note 3)	Nov. 22, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Resona Bank, Limited		825,000	825,000					
	The Chiba Bank, Ltd.		382,000	382,000					
	The Musashino Bank, Ltd.		382,000	382,000					
	Mizuho Bank, Ltd.		357,000	357,000					
	The Kagawa Bank, Ltd.		325,000	325,000					
	Sumitomo Mitsui Banking Corporation		241,000	241,000					
	Sumitomo Mitsui Trust Bank, Limited		99,000	99,000					
	Aozora Bank, Ltd.	May 24, 2019	831,000	831,000	0.86000 (Note 3)	May 23, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Resona Bank, Limited		635,000	635,000					
	The Chiba Bank, Ltd.		356,000	356,000					
	The Musashino Bank, Ltd.		356,000	356,000					
	The Kagawa Bank, Ltd.		303,000	303,000					
	Mizuho Bank, Ltd.		250,000	250,000					
	Sumitomo Mitsui Banking Corporation		225,000	225,000					
	Sumitomo Mitsui Trust Bank, Limited		93,000	93,000					
	Resona Bank, Limited	Nov. 25, 2019	449,000	449,000	0.87000 (Note 3)	Nov. 25, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Aozora Bank, Ltd.		278,000	278,000					
	Mizuho Bank, Ltd.		189,000	189,000					
	Sumitomo Mitsui Banking Corporation		189,000	189,000					
	The Chiba Bank, Ltd.		163,000	163,000					
	The Musashino Bank, Ltd.		163,000	163,000					
	Sumitomo Mitsui Trust Bank, Limited		69,000	69,000					
	Resona Bank, Limited	May 22, 2020	1,095,000	1,095,000	0.92000 (Note 3)	May 22, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Aozora Bank, Ltd.		1,060,000	1,060,000					
	Mizuho Bank, Ltd.		917,000	917,000					
	The Musashino Bank, Ltd.		480,000	480,000					
	The Chiba Bank, Ltd.		470,000	470,000					
	The Kagawa Bank, Ltd.		152,000	152,000					
	Sumitomo Mitsui Trust Bank, Limited		146,000	146,000					
	Aozora Bank, Ltd.	Nov. 24, 2020	790,000	790,000	0.90000 (Note 3)	Nov. 24, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Resona Bank, Limited		590,000	590,000					
	The Chiba Bank, Ltd.		286,000	286,000					
	The Musashino Bank, Ltd.		286,000	286,000					
	Mizuho Bank, Ltd.		248,000	248,000					
	The Kagawa Bank, Ltd.		244,000	244,000					
	Sumitomo Mitsui Banking Corporation		181,000	181,000					
	Sumitomo Mitsui Trust Bank, Limited		75,000	75,000					
	Resona Bank, Limited	May 24, 2021	548,000	-	0.67273	May 24, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Aozora Bank, Ltd.		530,500	-					
	Mizuho Bank, Ltd.		459,000	-					
	The Musashino Bank, Ltd.		240,000	-					
	The Chiba Bank, Ltd.		235,000	-					
	The Kagawa Bank, Ltd.		76,000	-					
	Sumitomo Mitsui Trust Bank, Limited		72,500	-					
	Resona Bank, Limited	Nov. 24, 2021	660,000	660,000	0.85000 (Note 3)	May 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Aozora Bank, Ltd.		640,000	640,000					
	Mizuho Bank, Ltd.		550,000	550,000					
	The Chiba Bank, Ltd.		290,000	290,000					
	The Musashino Bank, Ltd.		280,000	280,000					
	The 77 Bank, Ltd.		200,000	200,000					
	The Kagawa Bank, Ltd.		100,000	100,000					
	Sumitomo Mitsui Trust Bank, Limited		100,000	100,000					
	Resona Bank, Limited	May 24, 2022	828,500	828,500	1.06800 (Note 3)	May 24, 2028	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Aozora Bank, Ltd.		585,000	585,000					
	Sumitomo Mitsui Banking Corporation		408,500	408,500					
	The Chiba Bank, Ltd.		387,500	387,500					
	The Musashino Bank, Ltd.		387,500	387,500					
	Mizuho Bank, Ltd.		158,500	158,500					
	Sumitomo Mitsui Trust Bank, Limited		56,500	56,500					
	Mizuho Trust & Banking Co., Ltd.		50,000	50,000					
	The Kagawa Bank, Ltd.		11,500	11,500					

	Classification	Drawdown date	Balance at beginning of 38th FP (thousand yen)	Balance at end of 38th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Description
	Lender								
Long-Term Loans (Note 4)	Mizuho Bank, Ltd.	May 24, 2022	600,000	600,000	1.01600 (Note 3)	Nov. 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		600,000	600,000					
	Resona Bank, Limited		350,000	350,000					
	Aozora Bank, Ltd.		300,000	300,000					
	The Bank of Kyoto, Ltd.		200,000	200,000					
	The 77 Bank, Ltd.		200,000	200,000					
	The Joyo Bank, Ltd.		200,000	200,000					
	Sumitomo Mitsui Trust Bank, Limited		150,000	150,000					
	Mizuho Trust & Banking Co., Ltd.		100,000	100,000					
	The Kagawa Bank, Ltd.		100,000	100,000					
	Higashi-Nippon Bank, Ltd.		100,000	100,000					
	The Bank of Yokohama, Ltd.	Nov. 1, 2022	3,000,000	3,000,000	1.16000 (Note 3)	Nov. 24, 2028	Lump-sum repayment on repayment date	Funds for acquisition of AUM	Unsecured Unguaranteed
	Resona Bank, Limited		1,200,000	1,200,000					
	Resona Bank, Limited	Nov. 1, 2022	700,000	700,000	0.83672	Nov. 24, 2026	Lump-sum repayment on repayment date	Funds for acquisition of AUM	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		600,000	600,000					
	Sumitomo Mitsui Banking Corporation		600,000	600,000					
	Aozora Bank, Ltd.		500,000	500,000					
	The Chiba Bank, Ltd.		400,000	400,000					
	The 77 Bank, Ltd.		100,000	100,000					
	The Joyo Bank, Ltd.		100,000	100,000					
	Mizuho Bank, Ltd.	Nov. 24, 2022	1,090,000	1,090,000	0.98672	May 24, 2029	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	The Musashino Bank, Ltd.		500,000	500,000					
	The Chiba Bank, Ltd.		500,000	500,000					
	Sumitomo Mitsui Banking Corporation		500,000	500,000					
	The Nishi-Nippon City Bank, Ltd.		500,000	500,000					
	Resona Bank, Limited		285,000	285,000					
	Higashi-Nippon Bank, Ltd.		250,000	250,000					
	Aozora Bank, Ltd.		215,000	215,000					
	Asahi Shinkin Bank		150,000	150,000					
	The Bank of Kyoto, Ltd.		100,000	100,000					
	Mizuho Trust & Banking Co., Ltd.		100,000	100,000					
	Resona Bank, Limited	May 24, 2023	978,500	978,500	1.22000 (Note 3)	Nov. 22, 2029	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Aozora Bank, Ltd.		820,000	820,000					
	The Musashino Bank, Ltd.		430,000	430,000					
	The Chiba Bank, Ltd.		425,000	425,000					
	Mizuho Bank, Ltd.		420,000	420,000					
	Sumitomo Mitsui Banking Corporation		280,000	280,000					
	Sumitomo Mitsui Trust Bank, Limited		129,000	129,000					
	Mizuho Trust & Banking Co., Ltd.		50,000	50,000					
	The Bank of Yokohama, Ltd.		1,000,000	1,000,000					
	Resona Bank, Limited	Nov. 24, 2023	519,000	519,000	1.49000 (Note 3)	May 24, 2030	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		479,000	479,000					
	Sumitomo Mitsui Banking Corporation		479,000	479,000					
	The Musashino Bank, Ltd.		415,000	415,000					
	The Chiba Bank, Ltd.		415,000	415,000					
	Aozora Bank, Ltd.		321,000	321,000					
	The Hachijuni Bank, Ltd.		201,000	201,000					
	Sumitomo Mitsui Trust Bank, Limited		171,000	171,000					
	Resona Bank, Limited		-	477,000					
	Aozora Bank, Ltd.		-	450,000					
	The Bank of Kyoto, Ltd.	May. 24, 2024	-	400,000	1.57700 (Note 3)	Nov. 22, 2030	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	299,000					
	Sumitomo Mitsui Banking Corporation		-	299,000					
	The Chiba Bank, Ltd.		-	259,000					
	The Musashino Bank, Ltd.		-	259,000					
	Asahi Shinkin Bank		-	250,000					
	Sumitomo Mitsui Trust Bank, Limited		-	107,000					
	The Kagawa Bank, Ltd.		-	100,000					
	Resona Bank, Limited		-	548,000					
	Aozora Bank, Ltd.	May 24, 2024	-	530,500	1.12900 (Note 3)	May 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	459,000					
	The Musashino Bank, Ltd.		-	240,000					
	The Chiba Bank, Ltd.		-	235,000					
	The Kagawa Bank, Ltd.		-	76,000					
	Sumitomo Mitsui Trust Bank, Limited		-	72,500					
	Subtotal		47,846,000	47,846,000					
	Total		50,931,000	48,261,500					

(Note 1) The average interest rate is a weighted-average figure during the fiscal period and is rounded to the fifth decimal place.

(Note 2) SPI made partial early repayment using 2,385,000 thousand yen in proceeds from the disposition of (C-77) Proceed Kinshicho on May 14, 2024, and 284,500 thousand yen in proceeds from the disposition of (C-45) Proceed Oizumigakuen on June 28, 2024.

(Note 3) SPI concluded interest rate swap agreements for these loans in order to hedge against interest rate fluctuation risks, and the stated interest rate is the post-fixation figure.

(Note 4) The current portion of long-term loans payable (6,749,000 thousand yen) on the balance sheets are included in long-term loans payable.

(3) Status of investment corporation bonds

The status of investment corporation bonds as of October 31, 2024, is as follows.

Issue	Issue date	Balance at beginning of 38th FP (thousand yen)	Balance at end of 38th FP (thousand yen)	Interest rate	Redemption date	Redemption method	Use of funds	Remarks
First Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds)	Nov. 18, 2019	1,000,000	1,000,000	0.470% per annum	Nov. 18, 2024	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Second Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds)	Nov. 19, 2020	1,000,000	1,000,000	0.540% per annum	Nov. 19, 2025	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Third Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds)	Nov. 18, 2021	1,500,000	1,500,000	0.800% per annum	Nov. 18, 2031	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Fourth Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds)	May 22, 2023	1,500,000	1,500,000	0.800% per annum	May 22, 2028	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Total		5,000,000	5,000,000					

(4) Status of short-term investment corporation bonds

Not applicable.

(5) Status of investment unit acquisition rights

Not applicable.

6. Status of Sale and Purchase during Period

(1) Status, etc. of sale and purchase of real estate, etc. and asset-backed securities, etc. and infrastructure assets, etc. and infrastructure-related assets

Property number	Property name	Acquisition		Disposition			
		Acquisition date	Acquisition price (thousand yen)	Disposition date	Disposition price (thousand yen) (Note 1)	Book value (thousand yen)	Gain on sale (thousand yen) (Note 2)
C-77	Proceed Kinshicho	-	-	May 14, 2024	2,385,000	2,216,036	148,319
C-45	Proceed Oizumigakuen	-	-	Jun. 28, 2024	284,500	282,853	539
Total		-	-	-	2,669,500	2,498,889	148,859

(Note 1) “Disposition price” indicates the amount (transaction price stated in the sales agreement, etc.) excluding various expenses (transaction brokerage fees, taxes and public dues, etc.) required for disposition of the relevant real estate.

(Note 2) “Gain on sale” indicates the amount obtained by deducting the book value and adding/subtracting various disposition-related expenses and such from the disposition price.

(2) Status, etc. of sales and purchase of other assets

Other assets excluding the above are mostly bank deposits or bank deposits within trust property.

(3) Investigation into value, etc. of specified assets

i) Real estate, etc.

For transactions which require appraisals of real estate, etc., concerning specified assets based on Paragraph 1, Article 201 of the Investment Trusts Act, such are implemented by Chuo Real Estate Appraisal Co., Ltd. and Asset Research Inc. based on the Real Estate Appraisal Standards, and SPI has received notices on the results of the concerned appraisals from the relevant parties.

Acquisition or disposition	Property number	Property name	Transaction date	Type of asset	Acquisition price or disposition price (thousand yen)	Appraisal value (thousand yen)	Appraisal date	Appraiser
Disposition	C-77	Proceed Kinshicho	May 14, 2024	Real estate in trust	2,385,000	2,230,000	Oct. 31, 2023	Chuo Real Estate Appraisal Co., Ltd.
Disposition	C-45	Proceed Oizumigakuen	Jun. 28, 2024	Real estate in trust	284,500	282,000	Oct. 31, 2023	Asset Research Inc.

ii) Others

Of the transactions carried out by SPI that were deemed to require a research on prices, etc. pursuant to the provisions of Article 201 of the Investment Trusts Act, except for those shown in the aforementioned i) Real estate, etc., the research was entrusted to Nihombashi Corporation.

There were two interest rate swap transactions that were subject to the research during the research period from May 1, 2024, to October 31, 2024. SPI has received a research report regarding the transaction from Nihombashi Corporation. With regard to the said interest rate swap transaction, SPI entrusted research on the name of the transaction counterpart, currency type, agreed-upon interest rate, transaction period and other details of the relevant transaction.

(4) Status of interested party transactions, etc.

i) Status of sale and purchase transaction with interested parties, etc.

Not applicable.

ii) Amount of commission fee, etc.

Category	Total paid fee (A) (thousand yen)	Breakdown of transactions with interested parties, etc.		B/A (%)
		Paid party	Paid amount (B) (thousand yen)	
Property management fee	99,355	Starts Amenity Corporation	97,395	98.0
Repair expenses	291,023	Starts Amenity Corporation	289,359	99.4
Maintenance and inspection fee	143,676	Starts Amenity Corporation	141,312	98.4
Advertising expenses	62,418	Starts Amenity Corporation	59,674	95.6
Renewal fee	24,654	Starts Amenity Corporation	23,674	96.0

(Note) “Interested parties, etc.” refer to the interested parties, etc., as defined in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, of the asset management company that has entered into an asset management agreement with SPI, and other interested parties, etc. as defined in Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by The Investment Trusts Association, Japan.

(5) Status, etc. of transaction with the asset management company pertaining to operations of concurrent business engaged in by the asset management company

The asset management company (Starts Asset Management Co., Ltd.) does not concurrently conduct any of the type I financial instruments business, type II financial instruments business, land and building transaction business, or real estate syndication business, and has no such transactions with SPI.

7. Initiatives on Sustainability

Environment



Based on the recognition that efforts on ESG are important issues, SPI and the Asset Management Company will pay consideration to the environment and society as well as promote corporate governance over the medium to long term.
In addition, we will proactively seek external certifications for owned assets.

Acquisition of Environmental Certification (in the 37th and 39th Fiscal Periods)

37th FP		38th FP		39th FP	
Proceed Yamashita Koen The Tower	Proceed Shin-Matsudo	Proceed Shin-Anjo	Proceed Shin Yokohama	Alpha Grande Chizakura Tower	The Parkhabio Yokohamayamate
A rank ★★★★★	★★★★★	★★★★★	2023 ○○○ ★★	2024 ○○○○○ ★★★★★	2024 ○○○ ★★

Properties that have acquired environmental certification (as of November 30, 2024)

Ten properties have acquired environmental certification: two achieved CASBEE Certification for Real Estate, five BELS Certification, and three DBJ Green Building Certification.

Percentage of properties that have acquired environmental certification	
Number of certified properties	10 properties
Total floor area	55,766.45 m ²
Percentage of certified properties	22.80%
FY2030 target	
Percentage of certified properties	40.00%

Social



The Asset Management Company is also making efforts to develop PPP and PFI, etc. It revitalizes regions by effectively utilizing public land, etc., and is engaged in area management using the comprehensive strengths of Starts Group even after the development of facilities such as libraries, schools and childcare support facilities.
In addition, it is also proactively making efforts for safety and security.

Alpha Grande Chizakura Tower <Acquired in 34th FP>

- Mixed-use development utilizing the land owned by Chiyoda Ward and private land in the surrounding area
- Seismic isolation structure
- Anti-disaster rental apartment (installed with well, bench with oven function, manhole toilets, etc.)



Proceed Nagareyama Otakanomori <Acquired in 31st FP>

- Mixed-use facility designed and constructed by Starts Group in the PPP project
- Directly connected to the station by a pedestrian deck
- Public hall of Nagareyama City, city hall service counter
- The first floor of the rental building (seismic isolation structure) is occupied by a private authorized nursery school



Proceed TX Nagareyama Central Park <Acquired in 19th FP>

- City-owned land effective utilization project in Nagareyama City
- Developed a kindergarten, elementary school and rental housing in cooperation with Gyosei International School



Proceed Shinozaki Tower/Shinozaki Twin Place <Acquired in 16th FP> <Acquired in 35th FP>

- Mixed-use facility developed by Starts Group as a development project implemented by Edogawa Ward Office
- Facilities for ward residents (library, lifelong learning facility, gallery, café)
- Private facilities (retail facility, housing)



Proceed Nishiarai <Acquired in 5th FP>

- Large-scale rental housing developed by Starts Group
- Seismic isolation structure
- Adopts all-electric system
- Anti-disaster rental apartment
- Nursery school operated by Starts Group



Social

- Seismic isolation structure (as of October 31, 2024)
Number of orders received by Starts CAM: 620
Number of buildings incorporated into the AUM of SPI: 11
- Installation of well, bench with oven function, disaster prevention goods for exclusive floor area → Disaster prevention measures
- Implementation of disaster prevention events using earthquake simulation vehicles owned by Starts Group
- Conducting surveys of tenants
A total of 1,760 households in 46 buildings have been surveyed.
Number of respondents: 379 (response rate: 21.5%)

SPI will analyze the responses and utilize the results of the analysis to enhance its operations.
SPI will survey a larger percentage of tenants.



Well



Bench with oven function



Earthquake simulation vehicles/disaster prevention events

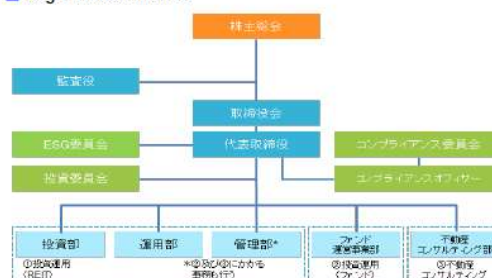


Disaster prevention goods for exclusive floor area (some properties)

Governance

- Prevention of conflicts of interest, risk management, information disclosure, compliance with laws and regulations
- Development of decision-making flow on transactions
- Compliance Committee, Investment Committee, implementation of periodic internal audit
- Establishment of ESG Committee (Chief Officer is the Representative Director of the Asset Management Company)
- Same-boat investment (Starts Corporation Inc.)

Organizational Chart



Environmental Performance Targets

Item	Reduction target
Energy consumption	Reduce energy consumption intensity by fiscal 2030 1% on average per year based on the amount in fiscal 2023.
GHG (CO ₂) emissions (Scope 1 and 2)	Reduce 42% (on a gross amount basis) by fiscal 2030 based on the amount in fiscal 2023. Achieve net zero emissions by fiscal 2050.
Water consumption	Will not increase the amount in terms of water consumption intensity until fiscal 2030 based on the amount in fiscal 2023.

Environmental Performance Results

Item		Fiscal 2021	Fiscal 2022	Fiscal 2023	Rate of Change (compared with Fiscal 2021)
Energy consumption	Total amount (MWh)	2,281	2,148	2,631	15.3%
	Consumption intensity (MWh/m ²)	0.051	0.047	0.048	-5.9%
GHG (CO ₂) emissions	Total amount (t-CO ₂)	979	222	187	-80.9%
	Consumption intensity (t-CO ₂ /m ²)	0.022	0.005	0.003	-86.3%
Water consumption	Total amount (m ³)	961	824	881	-8.3%
	Consumption intensity (m ³ /m ²)	0.027	0.022	0.019	-29.6%

* The aggregation period is from May to April of the following year.

* For energy consumption, GHG (CO₂) emissions and water consumption, the actual figures only for the common areas of properties operated throughout the year and having management authorities (excluding properties under sectional ownership) are aggregated.

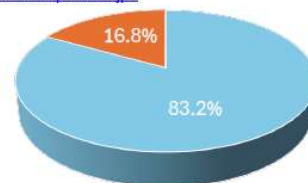
* GHG (CO₂) emissions are calculated by the Asset Management Company based on the adjusted emission factors, etc. by electric utility announced by the Ministry of the Environment.

Reduction of CO₂ emissions from electricity at common areas to zero

For 88 properties (83.2% of the total floor area) of the 109 properties we own, we have changed the electric power contracts for common areas to the power plan using 100% renewable energy provided by Mitsuuroko Green Energy Co., Ltd.

Through this initiative, we will realize virtually zero CO₂ emissions from used electricity (common areas) at the introduced properties. This initiative contributes to the "reduction of greenhouse gas emission and energy consumption" among the materiality identified by SPI.

* Please refer to the following website for the ESG policy and materiality of SPI.
<https://www.sp-inv.co.jp/>



■ Already introduced ■ Not yet introduced

8. Accounting

(1) Status, etc. of assets, liabilities, principal and income and loss

For the status of assets, liabilities, principal and profit/loss, please refer to “Balance Sheets,” “Statements of Income,” “Statements of Changes in Unitholders’ Equity,” “Statements of Cash Flows,” “Notes to Financial Statements” and “Statements of Cash Distributions” on later pages of this report. Information regarding the previous (37th) fiscal period on the “Balance Sheets,” “Statements of Income,” “Statements of Changes in Unitholders’ Equity,” “Statements of Cash Flows,” “Notes to Financial Statements” and “Statements of Cash Distributions” is for reference purposes only, and is not subject to audit procedures by the Independent Auditor in the current (38th) fiscal period pursuant to the provisions of Article 130 of the Act on Investment Trusts and Investment Corporations.

(2) Change in method of calculation of depreciation and amortization

Not applicable.

(3) Change in method of valuation of real estate, etc. and infrastructure assets, etc.

Not applicable.

9. Others

(1) Notice

The overview of the major conclusion and change of contracts that were approved by the Board of Directors of SPI during the 38th fiscal period is as follows.

Approval date	Item	Overview
October 24, 2024	Conclusion of investment corporation bond underwriting agreement, etc.	<p>Based on the comprehensive resolution on the issuance of unsecured domestic investment corporation bonds (Green Bonds) made by SPI’s Board of Directors on the approved date on the left, the following agreements, etc. were concluded as of November 12, 2024.</p> <p>(1) Underwriting agreement for Starts Proceed Fifth Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds) concluded among SPI, Starts Asset Management Co., Ltd. (the Asset Management Company), Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc. and Daiwa Securities Co. Ltd. for entrusting underwriting and offering the investment corporation bonds</p> <p>(2) Fiscal agency agreement for Starts Proceed Fifth Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds), concluded between SPI and Aozora Bank, Ltd. for entrusting administration of the investment corporation bonds and agency services for the issuance and payment of the investment corporation bonds</p>

(2) Status of Self-Managed Investment Trust Beneficiary Certificates

Not applicable.

(3) Disclosure pertaining to corporation holding overseas real estate

Not applicable.

(4) Disclosure pertaining to real estate of corporation holding overseas real estate

Not applicable.

(5) Others

Figures in this document are rounded down (values) and rounded to the nearest decimal place (percentages) unless otherwise indicated.

Starts Proceed Investment Corporation

Balance Sheets

	[Unit: thousand yen]	
	37th Fiscal Period (Reference) (as of April 30, 2024)	38th Fiscal Period (as of October 31, 2024)
Assets		
Current assets		
Cash and deposits	1,191,304	1,264,128
Cash and deposits in trust	2,306,559	2,407,345
Operating accounts receivable	40,555	30,594
Prepaid expenses	110,396	109,908
Others	14,555	8,607
Total current assets	3,663,370	3,820,584
Non-current assets		
Property, plant and equipment		
Buildings in trust	55,972,271	55,433,846
Accumulated depreciation	(12,772,113)	(13,280,856)
Buildings in trust, net	43,200,157	42,152,990
Structures in trust	1,302,942	1,307,095
Accumulated depreciation	(927,327)	(945,847)
Structures in trust, net	375,615	361,248
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	933,886	969,859
Accumulated depreciation	(464,573)	(510,717)
Tools, furniture and fixtures in trust, net	469,313	459,142
Land in trust	56,872,655	54,960,795
Total property, plant and equipment	100,918,011	97,934,445
Intangible assets		
Leasehold in trust	1,025,479	1,017,085
Software	238	479
Total intangible assets	1,025,718	1,017,564
Investments and other assets		
Leasehold and guarantee deposits	10,000	10,000
Leasehold and guarantee deposits in trust	710,902	734,611
Long-term prepaid expenses	252,554	236,225
Deferred tax assets	623	29
Others	48,316	57,503
Total investments and other assets	1,022,396	1,038,370
Total non-current assets	102,966,126	99,990,380
Deferred assets		
Investment corporation bond issuance costs	23,733	19,672
Investment unit issuance costs	6,215	4,143
Total deferred assets	29,948	23,815
Total assets	106,659,446	103,834,781

Starts Proceed Investment Corporation

Balance Sheets

	[Unit: thousand yen]	
	37th Fiscal Period (Reference) (as of April 30, 2024)	38th Fiscal Period (as of October 31, 2024)
Liabilities		
Current liabilities		
Short-term loans payable	3,085,000	415,500
Current portion of investment corporation bonds	1,000,000	1,000,000
Current portion of long-term loans payable	8,761,000	6,749,000
Operating accounts payable	210,536	186,765
Accounts payable – other	289,436	259,008
Accrued expenses	64,526	72,158
Income taxes payable	7,922	1,185
Accrued consumption taxes	12,825	49,769
Advances received	1,519	1,648
Others	961	253
Total current liabilities	13,433,727	8,735,289
Non-current liabilities		
Investment corporation bonds	4,000,000	4,000,000
Long-term loans payable	39,085,000	41,097,000
Tenant leasehold and security deposits in trust	889,028	873,477
Asset retirement obligations	305,227	307,663
Total non-current liabilities	44,279,255	46,278,141
Total liabilities	57,712,983	55,013,431
Net assets		
Unitholders' equity		
Unitholders' capital	48,082,645	48,082,645
Deduction from unitholders' capital	(Note 1) (545,913)	(639,413)
Unitholders' capital (net)	47,536,732	47,443,232
Surplus		
Unappropriated retained earnings (undisposed loss)	1,409,730	1,378,117
Total surplus	1,409,730	1,378,117
Total unitholders' equity	48,946,462	48,821,350
Total net assets	(Note 2) 48,946,462	48,821,350
Total liabilities and net assets	106,659,446	103,834,781

Starts Proceed Investment Corporation

Statements of Income

[Unit: thousand yen]

		37th Fiscal Period (Reference) From: Nov. 1, 2023 To: Apr. 30, 2024	38th Fiscal Period From: May 1, 2024 To: Oct. 31, 2024
Operating revenue			
Rent revenue – real estate	(Note 1)	3,612,908	3,620,089
Gain on sales of real estate properties	(Note 2)	143,512	148,859
Total operating revenue		3,756,420	3,768,949
Operating expenses			
Expenses related to rent business	(Note 1)	1,554,620	1,559,676
Asset management fee		338,645	335,858
Asset custody fee		8,824	8,811
Administrative service fees		19,864	20,204
Directors' compensations		1,200	1,200
Other operating expenses		125,452	136,042
Total operating expenses		2,048,607	2,061,793
Operating income		1,707,813	1,707,156
Non-operating income			
Interest income		128	7,492
Insurance income		6,800	1,389
Reversal of distribution payable		1,137	1,041
Others		-	346
Total non-operating income		8,066	10,269
Non-operating expenses			
Interest expenses		228,631	264,825
Interest expenses on investment corporation bonds		16,863	17,297
Amortization of investment corporation bond issuance costs		4,061	4,061
Amortization of investment unit issuance costs		2,071	2,071
Borrowing related expenses		45,680	48,842
Others		1,032	557
Total non-operating expenses		298,339	337,656
Ordinary income		1,417,539	1,379,769
Income before income taxes		1,417,539	1,379,769
Income taxes – current		7,924	1,228
Income taxes – deferred		(13)	593
Total income taxes		7,911	1,821
Net income		1,409,627	1,377,947
Retained earnings brought forward		102	170
Unappropriated retained earnings (undisposed loss)		1,409,730	1,378,117

Starts Proceed Investment Corporation

Statements of Changes in Unitholders' Equity

37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)

[Unit: thousand yen]

	Unitholders' equity					
	Unitholders' capital			Surplus		
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Voluntary reserves		Unappropriated retained earnings (undisposed loss)
				Reserve for reduction entry	Total voluntary reserves	
Balance at beginning of period	48,082,645	(545,913)	47,536,732	99,000	99,000	1,218,575
Changes of items during the period						
Reversal of reserve for reduction entry				(99,000)	(99,000)	99,000
Dividends from surplus						(1,317,472)
Net income						1,409,627
Total changes of items during the period	-	-	-	(99,000)	(99,000)	191,154
Balance at end of period	48,082,645	(545,913)	47,536,732	-	-	1,409,730

[Unit: thousand yen]

	Unitholders' equity		Total net assets
	Surplus	Total unitholders' equity	
	Total surplus		
Balance at beginning of period	1,317,575	48,854,307	48,854,307
Changes of items during the period			
Reversal of reserve for reduction entry	-	-	-
Dividends from surplus	(1,317,472)	(1,317,472)	(1,317,472)
Net income	1,409,627	1,409,627	1,409,627
Total changes of items during the period	92,154	92,154	92,154
Balance at end of period	1,409,730	48,946,462	48,946,462

38th Fiscal Period (from May 1, 2024, to October 31, 2024)

[Unit: thousand yen]

	Unitholders' equity			
	Unitholders' capital			Surplus
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Unappropriated retained earnings (undisposed loss)
Balance at beginning of period	48,082,645	(545,913)	47,536,732	1,409,730
Changes of items during the period				
Distributions in excess of earnings		(93,499)	(93,499)	-
Dividends from surplus				(1,409,560)
Net income				1,377,947
Total changes of items during the period	-	(93,499)	(93,499)	(31,612)
Balance at end of period	48,082,645	(639,413)	47,443,232	1,378,117

[Unit: thousand yen]

	Unitholders' equity		Total net assets
	Surplus	Total unitholders' equity	
	Total surplus		
Balance at beginning of period	1,409,730	48,946,462	48,946,462
Changes of items during the period			
Distributions in excess of earnings	-	(93,499)	(93,499)
Dividends from surplus	(1,409,560)	(1,409,560)	(1,409,560)
Net income	1,377,947	1,377,947	1,377,947
Total changes of items during the period	(31,612)	(125,112)	(125,112)
Balance at end of period	1,378,117	48,821,350	48,821,350

Starts Proceed Investment Corporation

Statements of Cash Flows

[Unit: thousand yen]

	37th Fiscal Period (Reference) From: Nov. 1, 2023 To: Apr. 30, 2024	38th Fiscal Period From: May 1, 2024 To: Oct. 31, 2024
Net cash provided by (used in) operating activities		
Income before income taxes	1,417,539	1,379,769
Depreciation and amortization	677,783	703,408
Amortization of investment corporation bond issuance costs	4,061	4,061
Amortization of investment unit issuance costs	2,071	2,071
Interest income	(128)	(7,492)
Interest expenses	245,494	282,122
Decrease (increase) in operating accounts receivable	(12,443)	9,961
Decrease (increase) in prepaid expenses	(28,610)	487
Increase (decrease) in accrued consumption taxes	(5,848)	36,944
Increase (decrease) in operating accounts payable	(107,512)	20,251
Increase (decrease) in accounts payable – other	40,549	(29,494)
Decrease (increase) in long-term prepaid expenses	(103,032)	16,328
Decrease from sales of property, plant and equipment in trust	755,575	2,498,889
Others, net	(5,924)	6,764
Subtotal	2,879,574	4,924,074
Interest income received	128	7,492
Interest expenses paid	(235,195)	(274,490)
Income taxes paid	(7,782)	(7,965)
Net cash provided by (used in) operating activities	2,636,725	4,649,110
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(4,578,304)	(254,293)
Purchase of intangible assets	-	(308)
Proceeds from tenant leasehold and security deposits in trust	66,435	52,432
Repayments of tenant leasehold and security deposits in trust	(51,263)	(67,983)
Decrease (increase) in investments and other assets	(13,968)	(32,895)
Net cash provided by (used in) investing activities	(4,577,100)	(303,048)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	4,000,000	-
Repayments of short-term loans payable	(915,000)	(2,669,500)
Proceeds from long-term loans payable	4,000,000	5,061,000
Repayments of long-term loans payable	(4,000,000)	(5,061,000)
Dividends paid	(1,318,553)	(1,409,452)
Distributions in excess of earnings	-	(93,499)
Net cash provided by (used in) financing activities	1,766,446	(4,172,452)
Net increase (decrease) in cash and cash equivalents	(173,928)	173,610
Cash and cash equivalents at beginning of period	3,671,792	3,497,863
Cash and cash equivalents at end of period	(Note) 3,497,863	3,671,474

Starts Proceed Investment Corporation

Notes to Financial Statements

1. Basis of presenting financial statements

SPI maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (Japanese GAAP), including provisions set forth in the “Financial Instruments and Exchange Act” of Japan, the “Act on Investment Trusts and Investment Corporations” (the Investment Trusts Act), the “Companies Act” and the related regulations, which are different in certain respects as to the adoption and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are basically a translation of the audited financial statements of SPI, which were prepared in accordance with Japanese GAAP and filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information.

SPI’s accounting periods end at the end of April and October.

2. Summary of significant accounting policies

Fiscal period Item	37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)	38th Fiscal Period (from May 1, 2024, to October 31, 2024)
1. Depreciation and amortization method for non-current assets	(1) Property, plant and equipment Depreciation is calculated using the straight-line method. The useful lives of major categories of property, plant and equipment are as follows: Buildings in trust 3–64 years Structures in trust 10–45 years Machinery and equipment in trust 8 years Tools, furniture and fixtures in trust 3–15 years (2) Intangible assets Intangible assets are amortized using the straight-line method. Leasehold in trust is amortized using the straight-line method based on the contract period of fixed-term land lease agreements. (3) Long-term prepaid expenses Long-term prepaid expenses are amortized using the straight-line method.	(1) Property, plant and equipment Same as on the left (2) Intangible assets Same as on the left (3) Long-term prepaid expenses Same as on the left
2. Accounting for deferred assets	(1) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over the period through redemption. (2) Investment unit issuance costs Investment unit issuance costs are amortized in equal amounts over three years.	(1) Investment corporation bond issuance costs Same as on the left (2) Investment unit issuance costs Same as on the left

<p>3. Standards for recognition of revenue and expenses</p>	<p>(1) Accounting treatment of property taxes, etc. In connection with property taxes, city planning taxes and depreciable asset taxes, SPI as a rule uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as expenses related to rent business. In the case of property taxes, city planning taxes and depreciable asset taxes on owned properties that have a different number of installment tax payments every period, however, the amount of the number of annual tax payments corresponding to the business period is accounted for as expenses related to rent business. The amount equivalent to property taxes, etc. for the initial fiscal year to be borne by SPI upon acquisition of real estate or trust beneficiary interests in real estate as trust property are not expensed but capitalized as part of the acquisition cost of the relevant property.</p> <p>(2) Standards for revenue recognition The details of main performance obligations concerning revenue generated from contracts between SPI and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows.</p> <p>a. Sale of real estate properties SPI recognizes revenue from sale of real estate properties when the purchaser who is a customer obtains control of the relevant real estate properties as a result of the seller fulfilling its delivery obligations stipulated in the transaction agreement of the real estate properties.</p> <p>b. Utilities income SPI recognizes utilities income in accordance with the supply of electricity and water, etc. to the lessee who is a customer based on the lease agreement of real estate, etc. and details of agreements incidental to it. Of the utilities income, in the case that SPI deems itself to be an agent, the net amount obtained by deducting the amount it pays to other parties from the amount it receives as charges for electricity and gas, etc. supplied by the said other parties is recognized as revenue.</p>	<p>(1) Accounting treatment of property taxes, etc. Same as on the left</p> <p>(2) Standards for revenue recognition Same as on the left</p>
<p>4. Method of hedge accounting</p>	<p>(1) Method of hedge accounting Special accounting is applied for interest rate swap transactions as they satisfy the requirements for special accounting.</p> <p>(2) Hedging instruments and hedged items Hedging instrument: interest rate swap transactions Hedged items: interest of borrowings</p> <p>(3) Hedging policy Based on its financial policy, SPI conducts derivative transactions to hedge risks, as stipulated in its Articles of Incorporation.</p> <p>(4) Method for assessing the effectiveness of hedging Assessment of the effectiveness of hedging is omitted as requirements for special accounting are satisfied for interest rate swap transactions.</p>	<p>(1) Method of hedge accounting Same as on the left</p> <p>(2) Hedging instruments and hedged items Same as on the left</p> <p>(3) Hedging policy Same as on the left</p> <p>(4) Method for assessing the effectiveness of hedging Same as on the left</p>

5. Scope of funds in the Statements of Cash Flows	The funds (cash and cash equivalents) in the Statements of Cash Flows consist of cash on hand and cash in trust, deposits and deposits in trust that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.	Same as on the left
6. Other significant items fundamental to preparing the financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate as trust property Regarding trust beneficiary interests in owned real estate as trust property, all asset and liability accounts of the trust properties as well as all revenue and expense accounts generated by the trust properties are recorded in relevant accounts on the Balance Sheets and Statements of Income. Furthermore, among trust properties recorded in relevant accounts, the following material accounts are separately stated on the Balance Sheets.</p> <p>a. Cash and deposits in trust b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust c. Leasehold in trust d. Leasehold and guarantee deposits in trust e. Tenant leasehold and security deposits in trust</p> <p>(2) Accounting for consumption taxes For non-current assets and deferred assets, the consumption taxes are included.</p>	<p>(1) Accounting method for trust beneficiary interests in real estate as trust property Same as on the left</p> <p>(2) Accounting for consumption taxes Same as on the left</p>

3. Notes to Balance Sheets

37th Fiscal Period (Reference) (as of April 30, 2024)	38th Fiscal Period (as of October 31, 2024)
<p>(Note 1) Cancellation of treasury investment units Total number of cancelled units 3,000 units Total amount of cancellation 545,913 thousand yen</p>	<p>(Note 1) Cancellation of treasury investment units Total number of cancelled units 3,000 units Total amount of cancellation 545,913 thousand yen</p>
<p>(Note 2) Minimum net assets designated in Article 67-4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen</p>	<p>(Note 2) Minimum net assets designated in Article 67-4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen</p>

4. Notes to Statements of Income

37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)	38th Fiscal Period (from May 1, 2024, to October 31, 2024)
(Note 1) Breakdown of revenues and expenses related to real estate rent business (thousand yen)	(Note 1) Breakdown of revenues and expenses related to real estate rent business (thousand yen)
A. Real estate rent revenue	A. Real estate rent revenue
Rent revenue – real estate	Rent revenue – real estate
Rent 3,115,310	Rent 3,135,621
Common area maintenance charges 219,029	Common area maintenance charges 220,382
Parking revenue 107,801	Parking revenue 108,095
Incidental revenue 1,232	Incidental revenue 1,375
Rent revenue – other 169,534	Rent revenue – other 154,614
Total real estate rent revenue 3,612,908	Total real estate rent revenue 3,620,089
B. Expenses related to real estate rent business	B. Expenses related to real estate rent business
Expenses related to rent business	Expenses related to rent business
Management expenses 242,771	Management expenses 243,031
Repair expenses 119,942	Repair expenses 98,276
Taxes and public dues 205,793	Taxes and public dues 210,786
Trust fee 35,079	Trust fee 35,204
Utilities expenses 55,919	Utilities expenses 57,361
Casualty insurance 12,384	Casualty insurance 14,486
Depreciation and amortization 677,816	Depreciation and amortization 703,340
Other expenses related to rent business 204,912	Other expenses related to rent business 197,187
Total expenses related to real estate rent business 1,554,620	Total expenses related to real estate rent business 1,559,676
C. Profit from real estate rent business (A-B) 2,058,288	C. Profit from real estate rent business (A-B) 2,060,413
(Note 2) Breakdown of gain or loss on sales of real estate properties (thousand yen)	(Note 2) Breakdown of gain on sales of real estate properties (thousand yen)
Proceed Toritsudaigaku	Proceed Kinshicho
Proceeds from sales of real estate properties 916,273	Proceeds from sales of real estate properties 2,388,664
Cost of sales of real estate properties 755,575	Cost of sales of real estate properties 2,216,036
Other sales expenses 17,185	Other sales expenses 24,308
Gain on sales of real estate properties 143,512	Gain on sales of real estate properties 148,319
	(thousand yen)
	Proceed Oizumigakuen
	Proceeds from sales of real estate properties 284,914
	Cost of sales of real estate properties 282,853
	Other sales expenses 1,520
	Gain on sales of real estate properties 539

5. Notes to Statements of Changes in Unitholders' Equity

37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)	38th Fiscal Period (from May 1, 2024, to October 31, 2024)
Total number of authorized investment units and total number of investment units issued and outstanding	Total number of authorized investment units and total number of investment units issued and outstanding
Total number of authorized investment units 2,000,000 units	Total number of authorized investment units 2,000,000 units
Total number of investment units issued and outstanding 282,477 units	Total number of investment units issued and outstanding 282,477 units

6. Notes to Statements of Cash Flows

37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)	38th Fiscal Period (from May 1, 2024, to October 31, 2024)
(Note) Relationship between the balance of cash and cash equivalents at the end of period and the amounts of the corresponding accounts on the Balance Sheets (thousand yen) (As of April 30, 2024)	(Note) Relationship between the balance of cash and cash equivalents at the end of period and the amounts of the corresponding accounts on the Balance Sheets (thousand yen) (As of October 31, 2024)
Cash and deposits 1,191,304	Cash and deposits 1,264,128
Cash and deposits in trust 2,306,559	Cash and deposits in trust 2,407,345
Cash and cash equivalents 3,497,863	Cash and cash equivalents 3,671,474

7. Notes to lease transactions

37th Fiscal Period (Reference) (as of April 30, 2024)		38th Fiscal Period (as of October 31, 2024)	
Operating lease transaction (As Lessee)	(thousand yen)	Operating lease transaction (As Lessee)	(thousand yen)
Future minimum lease payments		Future minimum lease payments	
Due within 1 year	121,897	Due within 1 year	126,623
Due after 1 year	4,828,396	Due after 1 year	4,920,164
Total	4,950,293	Total	5,046,787

(Note) The above-mentioned future minimum lease payments are rents based on ordinary fixed-term land lease establishment agreements.

8. Notes to financial instruments

37th fiscal period (Reference) (from November 1, 2023, to April 30, 2024)

1. Matters concerning status of financial instruments

(1) Policy on handling financial instruments

SPI principally makes it a policy to utilize only deposits for surplus fund management, although it sometimes utilizes securities and monetary claims, etc. as investment targets. Fund procurement shall be made primarily through borrowings from financial institutions, issuance of investment corporation bonds and issuance of investment units, etc. SPI conducts derivative transactions only for the purpose of hedging risks, such as interest rate fluctuation risk for borrowings, etc., and not for speculation purpose.

(2) Description of financial instruments and associated risks, and risk management structure

Borrowings and investment corporation bonds are exposed to liquidity risks upon repayment and redemption dates, but SPI works to mitigate these risks by such measures as the administration department of the Asset Management Company preparing cash flow plans and their results on a monthly basis.

Currently, all borrowings are procured with floating interest rates and thus are exposed to interest rate fluctuation risks. However, for part of the borrowings, SPI conducts derivative transactions (interest rate swap transactions) in order to hedge the risk of fluctuations in the rates of interest payable and fix interest expenses. Furthermore, assessment of the effectiveness of these interest rate swaps as a hedge is omitted as it has been determined that they have met the requirements for special accounting.

Deposits are exposed to the risks of failure of the financial institutions holding the deposits as well as other credit risks. SPI mitigates the risks by limiting its deposits to those with short durations.

(3) Supplementary explanation on matters concerning fair value of financial instruments

Certain assumptions are made in calculating the fair value of financial instruments, and there may be cases where the values will vary when different assumptions are used.

2. Matters concerning fair value of financial instruments

The following table includes the book values for financial instruments as recorded on the Balance Sheets, the corresponding fair values and the difference between these amounts as of April 30, 2024. Furthermore, notes on "Cash and deposits" and "Cash and deposits in trust" are omitted as these are settled with cash and within a short period of time and thus the fair value approximates the book value. Notes on "Tenant leasehold and security deposits in trust" are also omitted as they lack materiality.

(thousand yen)

	Book value recorded on the Balance Sheets	Fair value (Note 1)	Difference
(1) Short-term loans payable (Note 2)	3,085,000	3,085,000	-
(2) Current portion of investment corporation bonds (Note 2)	1,000,000	1,000,000	-
(3) Current portion of long-term loans payable (Note 2)	8,761,000	8,748,159	(12,840)
(4) Investment corporation bonds (Note 2)	4,000,000	3,988,259	(11,740)
(5) Long-term loans payable (Note 2)	39,085,000	39,216,246	131,246
(6) Derivative transactions	-	-	-

(Note 1) Calculation method for fair value of financial instruments and matters regarding derivative transactions

(1) Short-term loans payable

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated as that book value.

(2) Current portion of investment corporation bonds and (4) Investment corporation bonds

The fair value is calculated by discounting the total amount of principal and interest by the reasonably estimated interest rate applicable when similar loans are borrowed.

(3) Current portion of long-term loans payable and (5) Long-term loans payable

As both of these loans are with floating interest rates and the contract terms require the interest rates to be revised in a certain period of time, the fair value is approximately the same as the book value and is thus stated as that book value. However, the fair value of long-term loans with floating interest rate subject to special accounting for interest rate swaps (refer to (6) Derivative transactions below) is calculated by discounting the total amount of principal and interest (accounted for together with the interest rate swaps) with the reasonably estimated interest rate applicable when similar loans are borrowed.

(6) Derivative transactions

(i) Derivatives to which hedge accounting is not applied

Not applicable.

(ii) Derivatives to which hedge accounting is applied

The following is the contract amount or amount equivalent to the principal provided in the contract as of the closing of accounts for each method of hedge accounting.

(thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Main hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Special accounting for interest rate swaps	Interest rate swap transaction Receivable floating; Payable fixed	Long-term loans payable	35,595,000	31,895,000	(Note)	-

(Note) Transactions for which special accounting for interest rate swaps is applied are combined with long-term loans payable for accounting purposes. Accordingly, their fair value is included in the fair value of the relevant long-term loans payable.

(Note 2) Amount of repayment or redemption of loans and investment corporation bonds scheduled to be due after closing date of 37th fiscal period

(thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	3,085,000	-	-	-	-	-
Current portion of investment corporation bonds	1,000,000	-	-	-	-	-
Current portion of long-term loans payable	8,761,000	-	-	-	-	-
Investment corporation bonds	-	1,000,000	-	-	1,500,000	1,500,000
Long-term loans payable	-	4,549,000	10,020,000	5,720,000	7,073,500	11,722,500

38th fiscal period (from May 1, 2024, to October 31, 2024)

1. Matters concerning status of financial instruments

(1) Policy on handling financial instruments

SPI principally makes it a policy to utilize only deposits for surplus fund management, although it sometimes utilizes securities and monetary claims, etc. as investment targets. Fund procurement shall be made primarily through borrowings from financial institutions, issuance of investment corporation bonds and issuance of investment units, etc. SPI conducts derivative transactions only for the purpose of hedging risks, such as interest rate fluctuation risk for borrowings, etc., and not for speculation purpose.

(2) Description of financial instruments and associated risks, and risk management structure

Borrowings and investment corporation bonds are exposed to liquidity risks upon repayment and redemption dates, but SPI works to mitigate these risks by such measures as the administration department of the Asset Management Company preparing cash flow plans and their results on a monthly basis.

Currently, all borrowings are procured with floating interest rates and thus are exposed to interest rate fluctuation risks. However, for part of the borrowings, SPI conducts derivative transactions (interest rate swap transactions) in order to hedge the risk of fluctuations in the rates of interest payable and fix interest expenses. Furthermore, assessment of the effectiveness of these interest rate swaps as a hedge is omitted as it has been determined that they have met the requirements for special accounting. Deposits are exposed to the risks of failure of the financial institutions holding the deposits as well as other credit risks. SPI mitigates the risks by limiting its deposits to those with short durations.

(3) Supplementary explanation on matters concerning fair value of financial instruments

Certain assumptions are made in calculating the fair value of financial instruments, and there may be cases where the values will vary when different assumptions are used.

2. Matters concerning fair value of financial instruments

The following table includes the book values for financial instruments as recorded on the Balance Sheets, the corresponding fair values and the difference between these amounts as of October 31, 2024. Furthermore, notes on “Cash and deposits” and “Cash and deposits in trust” are omitted as these are settled with cash and within a short period of time and thus the fair value approximates the book value. Notes on “Tenant leasehold and security deposits in trust” are also omitted as they lack materiality.

(thousand yen)

	Book value recorded on the Balance Sheets	Fair value (Note 1)	Difference
(1) Short-term loans payable (Note 2)	415,500	415,500	-
(2) Current portion of investment corporation bonds (Note 2)	1,000,000	1,000,000	-
(3) Current portion of long-term loans payable (Note 2)	6,749,000	6,716,277	(32,722)
(4) Investment corporation bonds (Note 2)	4,000,000	3,988,215	(11,784)
(5) Long-term loans payable (Note 2)	41,097,000	46,526,403	5,429,403
(6) Derivative transactions	-	-	-

(Note 1) Calculation method for fair value of financial instruments and matters regarding derivative transactions

(1) Short-term loans payable

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated as that book value.

(2) Current portion of investment corporation bonds and (4) Investment corporation bonds

The fair value is calculated by discounting the total amount of principal and interest by the reasonably estimated interest rate applicable when similar loans are borrowed.

(3) Current portion of long-term loans payable and (5) Long-term loans payable

As both of these loans are with floating interest rates and the contract terms require the interest rates to be revised in a certain period of time, the fair value is approximately the same as the book value and is thus stated as that book value. However, the fair value of long-term loans with floating interest rate subject to special accounting for interest rate swaps (refer to (6) Derivative transactions below) is calculated by discounting the total amount of principal and interest (accounted for together with the interest rate swaps) with the reasonably estimated interest rate applicable when similar loans are borrowed.

(6) Derivative transactions

(i) Derivatives to which hedge accounting is not applied

Not applicable.

(ii) Derivatives to which hedge accounting is applied

The following is the contract amount or amount equivalent to the principal provided in the contract as of the closing of accounts for each method of hedge accounting.

(thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Main hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Special accounting for interest rate swaps	Interest rate swap transaction Receivable floating; Payable fixed	Long-term loans payable	40,656,000	33,907,000	(Note)	-

(Note) Transactions for which special accounting for interest rate swaps is applied are combined with long-term loans payable for accounting purposes. Accordingly, their fair value is included in the fair value of the relevant long-term loans payable.

(Note 2) Amount of repayment or redemption of loans and investment corporation bonds scheduled to be due after closing date of 38th fiscal period

(thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	415,500	-	-	-	-	-
Current portion of investment corporation bonds	1,000,000	-	-	-	-	-
Current portion of long-term loans payable	6,749,000	-	-	-	-	-
Investment corporation bonds	-	1,000,000	-	-	1,500,000	1,500,000
Long-term loans payable	-	5,820,000	10,681,000	5,773,500	8,390,000	10,432,500

9. Notes to tax effect accounting

37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)	38th Fiscal Period (from May 1, 2024, to October 31, 2024)																												
<p>1. Deferred tax assets and liabilities consist of the following: (thousand yen)</p> <p>[Deferred tax assets]</p> <table> <tr> <td>Accrued business taxes not deductible from taxable income</td><td>623</td></tr> <tr> <td>Amortization of leasehold in trust</td><td>8,626</td></tr> <tr> <td>Asset retirement obligations</td><td>104,143</td></tr> <tr> <td>Subtotal of deferred tax assets</td><td>113,393</td></tr> <tr> <td>Valuation allowance</td><td>(112,770)</td></tr> <tr> <td>Total deferred tax assets</td><td>623</td></tr> <tr> <td>[Deferred tax assets, net]</td><td>623</td></tr> </table>	Accrued business taxes not deductible from taxable income	623	Amortization of leasehold in trust	8,626	Asset retirement obligations	104,143	Subtotal of deferred tax assets	113,393	Valuation allowance	(112,770)	Total deferred tax assets	623	[Deferred tax assets, net]	623	<p>1. Deferred tax assets and liabilities consist of the following: (thousand yen)</p> <p>[Deferred tax assets]</p> <table> <tr> <td>Accrued business taxes not deductible from taxable income</td><td>29</td></tr> <tr> <td>Amortization of leasehold in trust</td><td>11,490</td></tr> <tr> <td>Asset retirement obligations</td><td>104,974</td></tr> <tr> <td>Subtotal of deferred tax assets</td><td>116,495</td></tr> <tr> <td>Valuation allowance</td><td>(116,465)</td></tr> <tr> <td>Total deferred tax assets</td><td>29</td></tr> <tr> <td>[Deferred tax assets, net]</td><td>29</td></tr> </table>	Accrued business taxes not deductible from taxable income	29	Amortization of leasehold in trust	11,490	Asset retirement obligations	104,974	Subtotal of deferred tax assets	116,495	Valuation allowance	(116,465)	Total deferred tax assets	29	[Deferred tax assets, net]	29
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<p>2. Reconciliation between the statutory tax rate and the effective tax rate after applying tax effect accounting</p> <table> <tr> <td></td><td>(%)</td></tr> <tr> <td>Statutory tax rate</td><td>31.46</td></tr> <tr> <td>[Adjustment]</td><td></td></tr> <tr> <td>Deductible distributions</td><td>(31.28)</td></tr> <tr> <td>Change in valuation allowance</td><td>0.26</td></tr> <tr> <td>Others</td><td>0.12</td></tr> <tr> <td>Effective tax rate after applying tax effect accounting</td><td>0.56</td></tr> </table>		(%)	Statutory tax rate	31.46	[Adjustment]		Deductible distributions	(31.28)	Change in valuation allowance	0.26	Others	0.12	Effective tax rate after applying tax effect accounting	0.56	<p>2. Reconciliation between the statutory tax rate and the effective tax rate after applying tax effect accounting</p> <table> <tr> <td></td><td>(%)</td></tr> <tr> <td>Statutory tax rate</td><td>31.46</td></tr> <tr> <td>[Adjustment]</td><td></td></tr> <tr> <td>Deductible distributions</td><td>(31.68)</td></tr> <tr> <td>Change in valuation allowance</td><td>0.27</td></tr> <tr> <td>Others</td><td>0.08</td></tr> <tr> <td>Effective tax rate after applying tax effect accounting</td><td>0.13</td></tr> </table>		(%)	Statutory tax rate	31.46	[Adjustment]		Deductible distributions	(31.68)	Change in valuation allowance	0.27	Others	0.08	Effective tax rate after applying tax effect accounting	0.13
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10. Notes to asset retirement obligations

37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)	38th Fiscal Period (from May 1, 2024, to October 31, 2024)												
<p>Asset retirement obligations recorded on the Balance Sheets</p> <p>1. Overview of the asset retirement obligations</p> <p>Asset retirement obligations have been recorded as SPI has obligations to restore the sites to their original conditions based on the ordinary fixed-term land lease agreements, etc. for the land of (C-58) Proceed Shinozaki Tower, etc. that it acquired on May 1, 2013.</p> <p>2. Calculation method of the amount of the asset retirement obligations</p> <p>The amount of the asset retirement obligations is calculated by estimating the use period of the relevant assets to be the period from their acquisition to the expiration of the relevant agreements (52 to 65 years) and using the discount rates of 1.531%–1.672%.</p> <p>3. Change in the total amount of the asset retirement obligations (thousand yen)</p> <table> <tr> <td>Balance at beginning of period</td><td>302,809</td></tr> <tr> <td>Accretion</td><td>2,417</td></tr> <tr> <td>Balance at end of period</td><td>305,227</td></tr> </table>	Balance at beginning of period	302,809	Accretion	2,417	Balance at end of period	305,227	<p>Asset retirement obligations recorded on the Balance Sheets</p> <p>1. Overview of the asset retirement obligations</p> <p>Asset retirement obligations have been recorded as SPI has obligations to restore the sites to their original conditions based on the ordinary fixed-term land lease agreements, etc. for the land of (C-58) Proceed Shinozaki Tower, etc. that it acquired on May 1, 2013.</p> <p>2. Calculation method of the amount of the asset retirement obligations</p> <p>The amount of the asset retirement obligations is calculated by estimating the use period of the relevant assets to be the period from their acquisition to the expiration of the relevant agreements (52 to 65 years) and using the discount rates of 1.531%–1.672%.</p> <p>3. Change in the total amount of the asset retirement obligations (thousand yen)</p> <table> <tr> <td>Balance at beginning of period</td><td>305,227</td></tr> <tr> <td>Accretion</td><td>2,436</td></tr> <tr> <td>Balance at end of period</td><td>307,663</td></tr> </table>	Balance at beginning of period	305,227	Accretion	2,436	Balance at end of period	307,663
Balance at beginning of period	302,809												
Accretion	2,417												
Balance at end of period	305,227												
Balance at beginning of period	305,227												
Accretion	2,436												
Balance at end of period	307,663												

11. Notes to related party transactions

37th fiscal period (Reference) (from November 1, 2023, to April 30, 2024)

Classification	Name	Business or occupation	Share of owned investment units	Description of transaction	Transaction amount (thousand yen) (Note 1)	Item	Balance at end of period (thousand yen) (Note 1)
Interested party, etc.	Starts Amenity Corporation	Real estate leasing and management, construction	-	Property management fee	96,930	Operating accounts payable	207,263
				Repair expenses	329,202		
				Maintenance and inspection fee	141,739		
				Advertising expenses	66,340		
				Renewal fee	30,416		
				Rent revenue, etc. (Note 2)	258,387	Tenant leasehold and security deposits in trust (Note 2)	59,746
Interested party, etc.	Starts Development Corporation	Real estate sales business	-	Purchase of trust beneficiary interest (Note 3)	2,862,000	-	-
Interested party, etc.	Starts Kyushu Co., Ltd.	Real estate leasing, selling/buying and management, construction	-	Purchase of trust beneficiary interest (Note 3)	1,130,000	-	-
Asset custodian	Sumitomo Mitsui Trust Bank, Limited	Banking business	-	Trust fee	13,072	Prepaid expenses	1,342
						Long-term prepaid expenses	2,898
				Interest expenses	4,793	Accrued expenses	817
						Prepaid expenses	379
				Payment related to financing matters	376	Long-term prepaid expenses	885
				Borrowing of long-term loans payable	171,000	Current portion of long-term loans payable	278,500
				Repayment of long-term loans payable	171,000	Long-term loans payable	989,500
				Administrative service fees	7,564	Accounts payable – other	690

(Note 1) Consumption taxes are not included in the transaction amount except for the transactions related to capital expenditures. The balance at the end of period includes consumption taxes when the transactions are subject to such taxes.

(Note 2) For rent revenue, etc. and tenant leasehold and security deposits in trust, all transactions under fixed-rent-type agreements and, of the transactions under pass-through-type agreements, those with the Starts Group companies as end tenants are indicated.

(Note 3) When purchasing trust beneficiary interest from related parties, etc., the purchase price is determined at a level lower than the relevant appraisal value as a rule, based on the internal regulations, etc. designated by the Asset Management Company. Other transaction terms and conditions are determined based on the market realities.

38th fiscal period (from May 1, 2024, to October 31, 2024)

Classification	Name	Business or occupation	Share of owned investment units	Description of transaction	Transaction amount (thousand yen) (Note 1)	Item	Balance at end of period (thousand yen) (Note 1)
Interested party, etc.	Starts Amenity Corporation	Real estate leasing and management, construction	-	Property management fee	97,395	Operating accounts payable	130,304
				Repair expenses	289,359		
				Maintenance and inspection fee	141,312		
				Advertising expenses	59,674		
				Renewal fee	23,674		
				Rent revenue, etc. (Note 2)	260,966	Tenant leasehold and security deposits in trust (Note 2)	59,062
Asset custodian	Sumitomo Mitsui Trust Bank, Limited	Banking business	-	Trust fee	23,028	Prepaid expenses	1,475
						Long-term prepaid expenses	3,745
				Interest expenses	6,078	Accrued expenses	1,196
						Prepaid expenses	434
				Payment related to financing matters	394	Long-term prepaid expenses	981
						Current portion of long-term loans payable	192,000
				Borrowing of long-term loans payable	179,500	Long-term loans payable	1,076,000
				Repayment of long-term loans payable	179,500		
				Administrative service fees	7,854	Accounts payable – other	730

(Note 1) Consumption taxes are not included in the transaction amount except for the transactions related to capital expenditures. The balance at the end of period includes consumption taxes when the transactions are subject to such taxes.

(Note 2) For rent revenue, etc. and tenant leasehold and security deposits in trust, all transactions under fixed-rent-type agreements and, of the transactions under pass-through-type agreements, those with the Starts Group companies as end tenants are indicated.

12. Notes to investment and rental properties

37th fiscal period (Reference) (from November 1, 2023, to April 30, 2024)

SPI owns rental housing, etc. mainly in the Tokyo metropolitan area as well as in cabinet order designated cities and major cities in regional areas for the purpose of obtaining rent revenue. The following table provides the book value recorded on the Balance Sheets, amount of change during the period and fair value at the end of period of these investment and rental properties as of April 30, 2024.

(thousand yen)

Book value recorded on the Balance Sheets (Note 1)			Fair value at end of period (Note 3)
Balance at beginning of period	Amount of change during period (Note 2)	Balance at end of period	
98,709,646	3,233,843	101,943,490	122,952,000

(Note 1) The book value recorded on the Balance Sheets is the acquisition cost less accumulated depreciation.

(Note 2) Of the amount of change during the 37th fiscal period, the amount of increase is primarily attributable to the acquisition of (C-94) Proceed Shinozaki 2, (C-95) Proceed Shin-Matsudo, (G-39) Proceed Shin-Anjo and (G-40) Proceed Nissekidori (4,352,173 thousand yen) and capital expenditures (309,293 thousand yen), and the amount of decrease is primarily attributable to the disposition of (C-23) Proceed Toritsudaigaku (755,575 thousand yen) and depreciation and amortization (677,816 thousand yen).

(Note 3) The fair value at the end of period is the appraisal value or survey value provided by outside real estate appraisers.

For the income (loss) in the 37th fiscal period ended April 2024 for the investment and rental properties, refer to the aforementioned "Notes to Statements of Income."

38th fiscal period (from May 1, 2024, to October 31, 2024)

SPI owns rental housing, etc. mainly in the Tokyo metropolitan area as well as in cabinet order designated cities and major cities in regional areas for the purpose of obtaining rent revenue. The following table provides the book value recorded on the Balance Sheets, amount of change during the period and fair value at the end of period of these investment and rental properties as of October 31, 2024.

(thousand yen)

Book value recorded on the Balance Sheets (Note 1)			Fair value at end of period (Note 3)
Balance at beginning of period	Amount of change during period (Note 2)	Balance at end of period	
101,943,490	(2,991,959)	98,951,530	120,690,000

(Note 1) The book value recorded on the Balance Sheets is the acquisition cost less accumulated depreciation.

(Note 2) Of the amount of change during the 38th fiscal period, the amount of increase is primarily attributable to capital expenditures (192,746 thousand yen), and the amount of decrease is primarily attributable to the disposition of (C-77) Proceed Kinshicho and (C-45) Proceed Oizumigakuen (2,498,889 thousand yen) and depreciation and amortization (703,340 thousand yen).

(Note 3) The fair value at the end of period is the appraisal value or survey value provided by outside real estate appraisers.

For the income (loss) in the 38th fiscal period ended October 2024 for the investment and rental properties, refer to the aforementioned "Notes to Statements of Income."

13. Notes to per unit information

37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)	38th Fiscal Period (from May 1, 2024, to October 31, 2024)
Net assets per unit 173,275 yen	Net assets per unit 172,833 yen
Net income per unit (Note) 4,990 yen	Net income per unit (Note) 4,878 yen
Net income per unit is calculated by dividing net income by the daily weighted average number of investment units.	Same as on the left
Diluted net income per unit is not presented as there are no dilutive investment units.	

(Note) Net income per unit was calculated based on the following data.

37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)	38th Fiscal Period (from May 1, 2024, to October 31, 2024)
Net income (thousand yen) 1,409,627	Net income (thousand yen) 1,377,947
Amount not attributable to ordinary unitholders (thousands of yen) -	Amount not attributable to ordinary unitholders (thousands of yen) -
Net income attributable to ordinary investment units (thousands of yen) 1,409,627	Net income attributable to ordinary investment units (thousands of yen) 1,377,947
Average number of units during the fiscal period (units) 282,477	Average number of units during the fiscal period (units) 282,477

14. Notes to significant subsequent events

37th Fiscal Period (Reference) (from November 1, 2023, to April 30, 2024)	38th Fiscal Period (from May 1, 2024, to October 31, 2024)
Not applicable.	<p>Decision on Matters Relating to Acquisition of Own Investment Units</p> <p>On December 16, 2024, SPI determined the matters relating to the acquisition of its own investment units in accordance with Article 80-2 of the Investment Trusts Act applied under Article 80-5, Paragraph 2 of the same act. Moreover, all of the own investment units are scheduled to be cancelled during the fiscal period ending April 30, 2025.</p> <p>Total number of investment units that can be acquired: A maximum of 12,000</p> <p>Total acquisition value of investment units: A maximum of 2,000 million yen</p> <p>Acquisition method: Market purchase based on discretionary transactions with securities company</p> <p>Acquisition period: From December 17, 2024, to April 22, 2025</p>

15. Notes to revenue recognition

Breakdown information on revenue from contracts with customers

37th fiscal period (Reference) (from November 1, 2023, to April 30, 2024)

(thousand yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Sales of real estate properties (Note 2)	916,273	143,512
Utilities income	22,008	22,008
Others	-	3,590,899
Total	938,282	3,756,420

(Note 1) Rent revenue subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) is excluded from “Revenue from contracts with customers” as such revenue is not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents revenues from the sale of real estate and utilities.

(Note 2) Sales of real estate properties are recorded as gain (loss) on sales of real estate properties on the Statements of Income pursuant to Article 48, Paragraph 2 of the Regulations on Accounting of Investment Corporations (Cabinet Office Order No. 47 of 2006). Accordingly, the amount obtained by deducting cost of sales of real estate properties and other sales expenses from proceeds from sales of real estate properties is indicated for Sales of real estate properties.

38th fiscal period (from May 1, 2024, to October 31, 2024)

(thousand yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Sales of real estate properties (Note 2)	2,673,578	148,859
Utilities income	24,516	24,516
Others	-	3,595,573
Total	2,698,094	3,768,949

(Note 1) Rent revenue subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) is excluded from “Revenue from contracts with customers” as such revenue is not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents revenues from the sale of real estate and utilities.

(Note 2) Sales of real estate properties are recorded as gain (loss) on sales of real estate properties on the Statements of Income pursuant to Article 48, Paragraph 2 of the Regulations on Accounting of Investment Corporations (Cabinet Office Order No. 47 of 2006). Accordingly, the amount obtained by deducting cost of sales of real estate properties and other sales expenses from proceeds from sales of real estate properties is indicated for Sales of real estate properties.

16. Notes to provision and reversal of allowance for temporary difference adjustments

37th fiscal period (Reference) (from November 1, 2023, to April 30, 2024)

Not applicable.

38th fiscal period (from May 1, 2024, to October 31, 2024)

1. Reason for provision, relevant asset, etc., and amount of the allowance

(thousand yen)

Relevant asset, etc.	Reason for provision	Allowance for temporary difference adjustments
Buildings in trust	Incurrence of expenses related to asset retirement obligations	5,039
Fixed-term leasehold in trust	Incurrence of amortization of leasehold	8,368
Subtotal of increases		13,407
Other	-	(1,826)
Subtotal of decreases		(1,826)
Total		11,581

2. Specific method of reversal

Relevant asset, etc.	Method of reversal
Buildings in trust	The plan is reversal of the corresponding amount at the time of sale or such.
Fixed-term leasehold in trust	The plan is reversal of the corresponding amount at the time of sale or such.

Starts Proceed Investment Corporation

Statements of Cash Distributions

Item	Fiscal period	37th Fiscal Period (Reference)	38th Fiscal Period
		From: Nov. 1, 2023 To: Apr. 30, 2024	From: May 1, 2024 To: Oct. 31, 2024
I. Unappropriated retained earnings		1,409,730,423 yen	1,378,117,785 yen
II. Additional amount of distribution in excess of earnings		93,499,887 yen	105,081,444 yen
Allowance for temporary difference adjustments		- yen	11,581,557 yen
Other deduction from unitholders' capital		93,499,887 yen	93,499,887 yen
III. Amount of distributions		1,503,060,117 yen	1,483,004,250 yen
[Amount of distribution per investment unit]		[5,321 yen]	[5,250 yen]
Distribution of earnings		1,409,560,230 yen	1,377,922,806 yen
[Distribution of earnings per unit]		[4,990 yen]	[4,878 yen]
Distribution in an allowance for temporary difference adjustments		- yen	11,581,557 yen
[Distribution in excess of earnings per unit (those pertaining to an allowance for temporary difference adjustments)]		[- yen]	[41 yen]
Distribution in other distributions in excess of earnings		93,499,887 yen	93,499,887 yen
[Distribution in excess of earnings per unit (those pertaining to other distributions in excess of earnings)]		[331 yen]	[331 yen]
IV. Retained earnings brought forward		170,193 yen	194,979 yen

<p>Method of calculation of amount of distributions</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 1,409,560,230 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (282,477 units) that does not exceed the amount of unappropriated retained earnings at the end of the 37th fiscal period. In addition, based on SPI’s policy to conduct cash distributions in excess of earnings set out in 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. Under this policy, SPI has decided to distribute 93,499,887 yen, which is the amount equivalent to 13.8% of depreciation expense in the 37th fiscal period (677,816,247 yen), as distributions in excess of earnings (return of capital).</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 38th fiscal period, SPI decided to pay out distributions of earnings of 1,377,922,806 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (282,477 units) that does not exceed the amount of unappropriated retained earnings at the end of the 38th fiscal period. In addition, based on SPI’s policy to conduct cash distributions in excess of earnings set out in 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. 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. Under this policy, SPI has decided to pay out distributions totaling 105,081,444 yen as distributions in excess of earnings. These distributions are the sum of 93,499,887 yen (a refund of investment, which is a return of capital under tax law), which is equivalent to 13.5% of depreciation (excluding the amortization of leaseholds in trust, etc.) totaling 694,946,508 yen for the fiscal period under review, and 11,581,557 yen (an allowance for temporary difference adjustments), which is roughly equivalent to tax income in excess of accounting income.</p>
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Independent Auditor's Report

To the Board of Directors of Starts Proceed Investment Corporation

Opinion

We have audited the financial statements of Starts Proceed Investment Corporation (the Company), which comprise the balance sheets as of October 31, 2024, and the statements of income and retained earnings, statements of changes in net assets and statements of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2024, and its financial performance and its cash flows for the six months period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 14 to the financial statements which discloses that the company acquired its own investment units in accordance with the resolution of the acquisition. Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the information included in the Semiannual Report that contains audited financial statements but does not include the financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Supervisory Directors are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Supervisory Directors are responsible for overseeing the executive director's performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with executive director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide executive director with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Tomohiro Yoshioka
Designated Engagement Partner
Certified Public Accountant

吉岡 智 浩

Kotaro Yamamura
Designated Engagement Partner
Certified Public Accountant

山村 浩 太郎

Nihombashi Corporation
Chuo-Ku, Tokyo
January 24, 2025