

# 39th Fiscal Period Semi-Annual Report

Starts Proceed Investment Corporation

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

From: November 1, 2024  
To: April 30, 2025

## 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 39th fiscal period ended April 2025 (from November 1, 2024, to April 30, 2025), we would like to report on the management status and performance results for the period.

In the 39th fiscal period, from the perspective of maximizing unitholder interests, SPI disposed of (C-20) Proceed Shinkoiwa (disposition price: 618 million yen) on February 28, 2025, and (G-30) Proceed Hyogoekimaedori (disposition price: 1,900 million yen) on March 21, 2025, and used the proceeds from disposition to fund the acquisition of own investment units (total number of investment units acquired: 10,062; total acquisition amount: 1,737 million yen), all of which were then cancelled on April 30, 2025. Consequently, as of the end of the 39th fiscal period, SPI has total number of investment units issued and outstanding of 272,415 units, and a portfolio consisting of 107 properties, with acquisition prices totaling 100,337 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 3,827 million yen, ordinary income of 1,384 million yen and net income of 1,383 million yen for the 39th fiscal period. Distribution of earnings per unit came to 5,078 yen, surpassing the forecast announced earlier. Furthermore, SPI has decided to conduct distributions in excess of earnings on a continuous basis (refund of investment) and 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 392 yen in total, SPI has declared 5,470 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           | 35th period                            | 36th period                           | 37th period                            | 38th period                           | 39th period                            |
|---|----------------|--|---------------------------------------|--|---------------------------------------|--|
|   |                | From Nov. 1, 2022,<br>to Apr. 30, 2023 | From May 1, 2023,<br>to Oct. 31, 2023 | From Nov. 1, 2023,<br>to Apr. 30, 2024 | From May 1, 2024,<br>to Oct. 31, 2024 | From Nov. 1, 2024,<br>to Apr. 30, 2025 |
| Operating revenue   | million yen    | 3,676                                  | 3,532                                 | 3,756                                  | 3,768                                 | 3,827                                  |
| [Of which, real estate rent revenue]                                | million yen    | [3,554]                                | [3,532]                               | [3,612]                                | [3,620]                               | [3,621]                                |
| Operating expenses  | million yen    | 1,994                                  | 2,031                                 | 2,048                                  | 2,061                                 | 2,107                                  |
| [Of which, expenses related to real estate rent business]           | million yen    | [1,554]                                | [1,546]                               | [1,554]                                | [1,559]                               | [1,607]                                |
| Operating income  | million yen    | 1,682                                  | 1,500                                 | 1,707                                  | 1,707                                 | 1,719                                  |
| Ordinary income   | million yen    | 1,423                                  | 1,226                                 | 1,417                                  | 1,379                                 | 1,384                                  |
| Net income (a)  | million yen    | 1,415                                  | 1,218                                 | 1,409                                  | 1,377                                 | 1,383                                  |
| Total assets (b)  | million yen    | 103,703                                | 103,441                               | 106,659                                | 103,834                               | 101,988                                |
| Net assets (c)  | million yen    | 49,236                                 | 48,854                                | 48,946                                 | 48,821                                | 46,984                                 |
| Unitholders' capital (net) (Note 2)                                 | million yen    | 47,536                                 | 47,536                                | 47,536                                 | 47,443                                | 45,600                                 |
| Total number of investment units issued and outstanding (d)         | units          | 282,477                                | 282,477                               | 282,477                                | 282,477                               | 272,415                                |
| Net assets per unit (c)÷(d)   | yen            | 174,303                                | 172,949                               | 173,275                                | 172,833                               | 172,473                                |
| Net income per unit (Note 3)  | yen            | 5,009                                  | 4,313                                 | 4,990                                  | 4,878                                 | 4,897                                  |
| Total distributions (e)   | million yen    | 1,600                                  | 1,317                                 | 1,503                                  | 1,483                                 | 1,490                                  |
| Distribution per unit (e)÷(d)                                       | yen            | 5,667                                  | 4,664                                 | 5,321                                  | 5,250                                 | 5,470                                  |
| [Of which, distribution of earnings per unit]                       | yen            | [5,667]                                | [4,664]                               | [4,990]                                | [4,878]                               | [5,078]                                |
| [Of which, allowance for temporary difference adjustments per unit] | yen            | [-]                                    | [-]                                   | [-]                                    | [41]                                  | [49]                                   |
| [Of which, other distribution in excess of earnings per unit]       | yen            | [-]                                    | [-]                                   | [331]                                  | [331]                                 | [343]                                  |
| Return on assets (Note 4)   | %              | 1.5 [3.0]                              | 1.2 [2.3]                             | 1.3 [2.7]                              | 1.3 [2.6]                             | 1.3 [2.7]                              |
| Return on equity (Note 4)   | %              | 3.1 [6.2]                              | 2.5 [4.9]                             | 2.9 [5.8]                              | 2.8 [5.6]                             | 2.9 [5.8]                              |
| Equity ratio (c)÷(b)  | %              | 47.5                                   | 47.2                                  | 45.9                                   | 47.0                                  | 46.1                                   |
| Distribution payout ratio (Note 4)                                  | %              | 113.1                                  | 108.1                                 | 100.0                                  | 100.0                                 | 100.0                                  |
| <b>[Other Reference Information]</b>                                |                |  |                                       |  |                                       |  |
| Number of investments properties (Note 5)                           | properties     | 107                                    | 108                                   | 111                                    | 109                                   | 107                                    |
| Total number of leasable units (Note 5)                             | units          | 5,287                                  | 5,323                                 | 5,481                                  | 5,387                                 | 5,244                                  |
| Total leasable floor area   | m <sup>2</sup> | 207,039.40                             | 208,500.36                            | 214,907.86                             | 212,121.51                            | 207,405.45                             |
| Period-end occupancy rate (Note 5)                                  | %              | 96.3                                   | 97.1                                  | 96.3                                   | 96.8                                  | 96.9                                   |
| Depreciation and amortization                                       | million yen    | 689                                    | 662                                   | 677                                    | 703                                   | 704                                    |
| Capital expenditures  | million yen    | 213                                    | 214                                   | 309                                    | 192                                   | 332                                    |
| Property leasing NOI (Net Operating Income) (Note 4)                | million yen    | 2,689                                  | 2,648                                 | 2,736                                  | 2,763                                 | 2,718                                  |
| FFO (Funds from Operations) per unit (Note 4)                       | yen            | 7,034                                  | 6,677                                 | 6,903                                  | 6,862                                 | 6,933                                  |
| FFO multiple (Note 4)   | times          | 16.3                                   | 15.7                                  | 15.0                                   | 12.8                                  | 12.1                                   |
| Debt service coverage ratio (Note 4)                                | times          | 10.6                                   | 9.1                                   | 9.5                                    | 8.4                                   | 7.4                                    |
| Earnings before interest, depreciation and amortization             | million yen    | 2,323                                  | 2,111                                 | 2,332                                  | 2,363                                 | 2,416                                  |
| Interest expenses   | million yen    | 218                                    | 231                                   | 245                                    | 282                                   | 328                                    |
| Total interest-bearing liabilities                                  | million yen    | 52,846                                 | 52,846                                | 55,931                                 | 53,261                                | 53,246                                 |
| LTV (Loan-To-Value) ratio (Note 4)                                  | %              | 51.0                                   | 51.1                                  | 52.4                                   | 51.3                                  | 52.2                                   |
| Number of days of management  | days           | 181                                    | 184                                   | 182                                    | 184                                   | 181                                    |

- (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 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 for the 35th fiscal period and from having conducted an acquisition and cancellation of own investment units during the period for the 39th fiscal period.</p> $\text{Total distributions (excluding distributions in excess of earnings)} \div \text{Net income} \times 100$ |
| 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.

In the 39th fiscal period, SPI acquired its own investment units in the period from December 17, 2024, to April 22, 2025, from the perspective of improving unitholders’ value over the medium- to long-term (total number of investment units acquired: 10,062; total acquisition amount: 1,737 million yen). All of the acquired investment units were cancelled on April 30, 2025. As a result, as of the end of the 39th fiscal period, the total number of investment units issued and outstanding is 272,415 units, total assets amount to 101,988 million yen, and unitholders’ capital (net) amounts to 45,600 million yen.

### **ii) Investment environment and management performance**

Looking at the Japanese economy in the 39th fiscal period, personal consumption continued to increase moderately on the back of the improvement of the employment and income environment, despite the negative impact of the continuing rise in prices, and corporate earnings remained robust due to measures to pass-on the increased costs through prices which contributed to the improvement of profitability, etc. regardless of the trade policies of other countries. At the same time, it should be kept in mind that there is the continuing risk of an economic downturn due to the adverse effects of the trade policies of other countries and the Bank of Japan increasing interest rates.

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 39th fiscal period, SPI disposed of (C-20) Proceed Shinkoiwa (disposition price: 618 million yen) on February 28, 2025, and (G-30) Proceed Hyogoekimaedori (disposition price: 1,900 million yen) on March 21, 2025, in comprehensive consideration of the fact that NOI will be affected by facility replacement in the future, regular repair work and other operation and maintenance fees. As a result, SPI’s portfolio as of the end of the 39th fiscal period consists of 107 properties, with acquisition prices totaling 100,337 million yen and a total leasable floor area of 207,405.45 m<sup>2</sup>.

In close collaboration with the property management company Starts Amenity Corporation, the Asset Management Company made efforts to reduce building maintenance and management costs while striving to increase rent, the receipt of key money and other revenue. The Asset Management Company also promoted leasing activities in coordination with leasing agents by setting finely tuned leasing conditions based on deeper understanding of regional characteristics and advantages of individual properties as well as thorough comparative analyses of nearby competing properties. Furthermore, the Asset Management Company continued to reduce utility costs by converting the common lighting for common areas to LED lighting. These measures worked to maintain the occupancy rate of the entire portfolio stably, resulting in a period-end occupancy rate of 96.9% and an average occupancy rate of 97.3%.

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 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 39th fiscal period, SPI issued the following Fifth Series Unsecured Investment Corporation Bonds valued at 2,000 million yen and took out long-term loans of 3,100 million yen (term: 6 years and 6 months) to repay the First Series Unsecured Investment Corporation Bonds valued at 1,000 million yen due for redemption on November 18, 2024, and short-term loan of 415 million yen and long-term loans of 3,700 million yen due for repayment on November 22, 2024.

|                         |   |
|-------------------------|---|
| Name:                   | Starts Proceed Fifth Series Unsecured Investment Corporation Bonds<br>(with pari passu conditions among specified investment corporation bonds) (Green bonds) |
| Total amount issued:    | 2,000 million yen   |
| Interest rate:          | 1.227% per annum  |
| Issue date:             | November 18, 2024   |
| Redemption date:        | November 16, 2029   |
| Security and guarantee: | Unsecured and unguaranteed  |

As a result, the period-end balance of interest-bearing liabilities totaled 53,246 million yen, comprising 4,549 million yen in current portion of long-term loans payable, 42,697 million yen in long-term loans payable, 1,000 million yen in current portion of investment corporation bonds, and 5,000 million yen in investment corporation bonds as of the end of the 39th fiscal period, with the period-end LTV ratio standing at 52.2%.

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

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

### iv) Overview of business performance and distributions

As a result of the management described above, business performance recorded for the 39th fiscal period was operating revenue of 3,827 million yen, operating income of 1,719 million yen, ordinary income of 1,384 million yen and net income of 1,383 million yen.

During the 39th fiscal period, SPI also repurchased its own investment units from the market at the Tokyo Stock Exchange based on the discretionary transaction contract with a securities company from the perspective of enhancing unitholder value over the medium- to long-term by comprehensively considering the price of its investment units, the status of cash on hand, financial standing, the market environment, etc. SPI cancelled all the acquired investment units. The number of investment units acquired and cancelled in the 39th fiscal period was 10,062 (ratio to total investment units issued and outstanding before the acquisition and cancellation: 3.56%) and the total acquisition value was 1,737 million yen.

After cancelling the investment units acquired as described above, SPI decided to distribute the entire amount, excluding fractions of distribution per investment unit of less than 1 yen, to ensure that the maximum amount of distributions of earnings is included in deductible expenses based on application of Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto) (the “Special Taxation Measures Act”). Accordingly, SPI declared a distribution per investment unit of 5,078 yen.

In addition, SPI’s policy is to conduct cash distributions in excess of earnings each fiscal period on a continuous basis, in principle, in accordance with the distribution policy in its Articles of Incorporation. Under this policy, SPI has decided to pay out distributions of 93,438,345 yen, which is the difference between the depreciation for the properties that are buildings with fixed-term land leasehold rights owned as of the end of the 39th fiscal period and the depreciation calculated on the assumption of land ownership, as a refund of investment. SPI will also pay out distributions of 13,348,335 yen, which is equivalent to the amortization of fixed-term leaseholds, asset retirement obligations and asset retirement obligation interest for the 39th fiscal period, as an allowance for temporary difference adjustments. Consequently, the distribution in excess of earnings per investment unit is 392 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) |

|                  |   |          |         |         |        |           |
|------------------|---|----------|---------|---------|--------|-----------|
| January 22, 2025 | Cash distributions in excess of earnings (refund of investment) | -        | 282,477 | (93)    | 47,349 | (Note 16) |
| April 30, 2025   | Cancellation  | (10,062) | 272,415 | (1,737) | 45,612 | (Note 17) |

- (Note 1) Unitholders' capital (net) is the amount obtained by subtracting deduction from unitholders' capital from unitholders' capital. Any deduction from unitholders' capital with the implementation of distributions in excess of earnings from an allowance for temporary difference adjustments is not taken into consideration.
- (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 a securities company regarding repurchase of own investment units, for the period from March 27, 2019, to April 4, 2019. All of the acquired 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.
- (Note 16) SPI resolved at its Board of Directors meeting held on December 16, 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 38th fiscal period ended October 2024 and commenced the payout on January 22, 2025.
- (Note 17) SPI repurchased its own investment units from the market at the Tokyo Stock Exchange based on the discretionary transaction contract with a securities company regarding repurchase of own investment units, for the period from December 17, 2024, to April 22, 2025. All of the acquired investment units (10,062 units) were cancelled on April 30, 2025, based on the resolution at SPI's Board of Directors meeting held on April 24, 2025.

#### [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      | 35th period | 36th period  | 37th period | 38th period  | 39th period |
|--------------------|-------------|--------------|-------------|--------------|-------------|
| Closing month/year | April 2023  | October 2023 | April 2024  | October 2024 | April 2025  |
| Highest (yen)      | 239,100     | 238,400      | 213,400     | 213,400      | 179,100     |
| Lowest (yen)       | 220,200     | 206,500      | 189,800     | 174,500      | 163,500     |



#### (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 1,383,323 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 5,078 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 13,348 thousand yen from an allowance for temporary difference adjustments and 93,438 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 5,470 yen.

| Fiscal period   | 35th period                               | 36th period                              | 37th period                               | 38th period                              | 39th period                               |
|---|---|--|---|--|---|
| Calculation period  | From<br>Nov. 1, 2022, to<br>Apr. 30, 2023 | From<br>May 1, 2023, to<br>Oct. 31, 2023 | From<br>Nov. 1, 2023, to<br>Apr. 30, 2024 | From<br>May 1, 2024, to<br>Oct. 31, 2024 | From<br>Nov. 1, 2024, to<br>Apr. 30, 2025 |
| Total unappropriated retained earnings  | 1,415,073<br>thousand yen                 | 1,218,575<br>thousand yen                | 1,409,730<br>thousand yen                 | 1,378,117<br>thousand yen                | 1,383,474<br>thousand yen                 |
| Retained earnings   | 125<br>thousand yen                       | 102<br>thousand yen                      | 170<br>thousand yen                       | 194<br>thousand yen                      | 151<br>thousand yen                       |
| Total distributions   | 1,600,797<br>thousand yen                 | 1,317,472<br>thousand yen                | 1,503,060<br>thousand yen                 | 1,483,004<br>thousand yen                | 1,490,110<br>thousand yen                 |
| [Distribution per unit]   | [5,667 yen]                               | [4,664 yen]                              | [5,321 yen]                               | [5,250 yen]                              | [5,470 yen]                               |
| Of which, total distributions of earnings   | 1,600,797<br>thousand yen                 | 1,317,472<br>thousand yen                | 1,409,560<br>thousand yen                 | 1,377,922<br>thousand yen                | 1,383,323<br>thousand yen                 |
| [Distribution of earnings per unit]   | [5,667 yen]                               | [4,664 yen]                              | [4,990 yen]                               | [4,878 yen]                              | [5,078 yen]                               |
| Of which, total refund of investment  | -   | -  | 93,499<br>thousand yen                    | 105,081<br>thousand yen                  | 106,786<br>thousand yen                   |
| [Refund of investment per unit]   | [-]                                       | [-]                                      | [331 yen]                                 | [372 yen]                                | [392 yen]                                 |
| Of the total refund of investment,<br>total distributions from the allowance<br>for temporary difference adjustments        | -   | -  | -   | 11,581<br>thousand yen                   | 13,348<br>thousand yen                    |
| [Of the refund of investment per unit,<br>distribution per unit from the allowance<br>for temporary difference adjustments] | [-]                                       | [-]                                      | [-]                                       | [41 yen]                                 | [49 yen]                                  |
| Of the total refund of investment,<br>total distributions through the return of<br>capital under tax law                    | -   | -  | 93,499<br>thousand yen                    | 93,499<br>thousand yen                   | 93,438<br>thousand yen                    |
| [Of the refund of investment per unit,<br>distribution per unit through the return of<br>capital under tax law]             | [-]                                       | [-]                                      | [331 yen]                                 | [331 yen]                                | [343 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 39th 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**

Not applicable.

**(Reference information)****A. Acquisition of Asset**

SPI acquired the following specified asset (trust beneficiary interest) on May 13, 2025.

| Property no. | Property name         | Location      | Seller<br>(Note 1)                | Acquisition price<br>(thousand yen)<br>(Note 2) |
|--------------|-----------------------|---------------|-----------------------------------|---|
| C-96         | Proceed<br>Sakurazaka | Ota-ku, Tokyo | Starts Development<br>Corporation | 850,000   |

Note 1: The transaction has been determined after following appropriate procedures based on the internal rules of the Asset Management Company and pursuant to standards stipulated by laws and regulations.

Note 2: "Acquisition price" does not include miscellaneous acquisition-related expenses, fixed asset taxes, city planning taxes, consumption taxes and local consumption taxes.

**B. Borrowing of Funds (Refinancing) and Conclusion of Interest Rate Swap Agreement**

SPI borrowed Term Loan 3F as follows to repay Term Loan 2N (loan balance: 3,049 million yen) which was due for repayment on May 23, 2025.

|                            | Term Loan 3F   |
|----------------------------|--|
| Lender                     | Aozora Bank, Ltd.<br>Resona Bank, Limited<br>The Chiba Bank, Ltd.<br>The Musashino Bank, Ltd.<br>The Kagawa Bank, Ltd.<br>Mizuho Bank, Ltd.<br>Sumitomo Mitsui Banking Corporation<br>Sumitomo Mitsui Trust Bank, Limited  |
| Loan amount                | 3,049 million yen  |
| Drawdown date              | May 23, 2025   |
| Principal repayment date   | November 21, 2031  |
| Interest rate (Note)       | Floating rate (Base interest rate (JBA 3-month Japanese Yen TIBOR) +0.680%)  |
| Interest payment date      | The interest payment dates shall be the last day of May 2025, 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 dates (except for the first interest payment, in which case it shall be the drawdown date).

In addition, SPI concluded an interest rate swap agreement as follows to hedge against the risk of interest rate hike concerning the above Term Loan 3F, which is conducted with a floating interest rate.

|                           | Agreement concerning Term Loan 3F  |
|---------------------------|--|
| Lender                    | Mizuho Bank, Ltd.  |
| Notional principal amount | 3,049 million yen  |
| Interest rate, etc.       | Fixed interest rate payable: 2.124% (Note)<br>Floating interest rate receivable: Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.680%  |
| Commencement date         | May 23, 2025   |
| Termination date          | November 21, 2031  |
| Payment date              | The interest payment dates shall be the last day of May 2025, 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. |

Note: Due to the conclusion of the interest rate swap agreement, interest rates on Term Loan 3F are substantially fixed.

### C. Disposition of Asset

SPI concluded a trust beneficiary interest transfer agreement on July 2, 2025, with respect to the following specified asset (trust beneficiary interest), and plans to dispose of the asset on August 1, 2025.

| Property no. | Property name              | Location                       | Buyer                                     | Planned disposition price<br>(thousand yen)<br>(Note 1) |
|--------------|----------------------------|--------------------------------|---|---|
| C-12         | Proceed<br>Makuharihongo 2 | Hanamigawa-ku,<br>Chiba, Chiba | Domestic operating<br>company<br>(Note 2) | 264,173   |

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   | 35th period          | 36th period            | 37th period          | 38th period            | 39th period          |
|---|----------------------|------------------------|----------------------|------------------------|----------------------|
| Closing month/year                                      | As of April 30, 2023 | As of October 31, 2023 | As of April 30, 2024 | As of October 31, 2024 | As of April 30, 2025 |
| 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 | 282,477 units        | 282,477 units          | 282,477 units        | 282,477 units          | 272,415 units        |
| Unitholders' capital (net) (Note)                       | 47,536 million yen   | 47,536 million yen     | 47,536 million yen   | 47,443 million yen     | 45,600 million yen   |
| Number of unitholders                                   | 11,886 individuals   | 11,702 individuals     | 11,786 individuals   | 12,340 individuals     | 12,330 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 April 30, 2025.

| 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)   | 52,752                                   | 19.36  |
| Starts Corporation, Inc.  | 38,017                                   | 13.95  |
| The Master Trust Bank of Japan, Ltd. (trust account)                                      | 33,106                                   | 12.15  |
| The Nomura Trust and Banking Co., Ltd. (investment trust account)                         | 10,477                                   | 3.84   |
| Kinkisangyo Shinkumi Bank   | 4,604                                    | 1.69   |
| The Nomura Trust and Banking Co., Ltd. as the Trustee of Repurchase Agreement Mother Fund | 3,800                                    | 1.39   |
| Japan Securities Finance Co., Ltd.  | 2,922                                    | 1.07   |
| Morgan Stanley MUFG Securities Co., Ltd.  | 2,875                                    | 1.05   |
| K. K. Toyosu  | 2,826                                    | 1.03   |
| Custody Bank of Japan, Ltd. (trust account 4)   | 2,055                                    | 0.75   |
| Total   | 153,434                                  | 56.32  |

(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 April 30, 2025, 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.<br>President, Starts Research Institute, Ltd.  | -  |
| Supervising Director (Note 1)         | Shigeki Nomura         | Partner, Okuno & Partners<br>Director, Japan Deaf-Blind Association<br>Councilor, National Committee of Welfare for The Blind in Japan<br>President, Fujiwara Natural History Public Interest Incorporated Foundation | 600  |
| Supervising Director (Note 1)         | Motohisa Matsushita    | Certified Public Accountant, Matsushita Certified Public Accountant Office<br>Controller, Kyoritsu Credit Corporation<br>External Director (Audit and Supervisory Committee Member), Nissan Securities Co., Ltd.      | 600  |
| Independent Auditor (Note 2) (Note 3) | Nihombashi Corporation | -   | 9,650  |

(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 (2,000 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]<br/>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]<br/>SPI bears the entire amount.</p> <p>[Measures to ensure the appropriateness of the execution of duties]<br/>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 April 30, 2025.

| 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<br>Mizuho Bank, Ltd.<br>Aozora 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                                 | 38th period<br>(as of October 31, 2024)                   |   | 39th period<br>(as of April 30, 2025)                     |   |
|---|---|--------------------------------------|---|---|---|---|
|   |   |                                      | Total value of owned assets<br>(thousand yen)<br>(Note 1) | Percentage of total assets<br>(%)<br>(Note 2) | Total value of owned assets<br>(thousand yen)<br>(Note 1) | Percentage of total assets<br>(%)<br>(Note 2) |
| Trust beneficiary interest in real estate | Rental housing and residential facilities for the elderly | Tokyo metropolitan area major cities | 71,721,742  | 69.1  | 70,948,412  | 69.6  |
|   |   | Cabinet order designated cities      | 23,394,238  | 22.5  | 21,557,376  | 21.1  |
|   |   | Regional area major cities           | 2,181,499   | 2.1   | 2,160,736   | 2.1   |
|   | Others  | Tokyo metropolitan area major cities | 1,654,049   | 1.6   | 1,669,165   | 1.6   |
| Subtotal                                  |   |                                      | 98,951,530  | 95.3  | 96,335,692  | 94.5  |
| Deposits and other assets                 |   |                                      | 4,883,250   | 4.7   | 5,652,400   | 5.5   |
| Total assets                              |   |                                      | 103,834,781   | 100.0   | 101,988,093   | 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 April 30, 2025.

| Property number | Property name                    | Book value<br>(thousand yen)<br>(Note 1) | Leasable floor area (m <sup>2</sup> )<br>(Note 2) | Leased floor area (m <sup>2</sup> )<br>(Note 3) | Occupancy rate (%) | Ratio to total rent revenue<br>(%) (Note 4) | Main use  |
|-----------------|----------------------------------|--|---|---|--------------------|---|-----------|
| C-90            | Proceed Yamashita Koen The Tower | 8,117,302                                | 8,154.58  | 7,673.36  | 94.1               | 5.7   | Apartment |
| C-75            | Proceed Shin Yokohama            | 4,308,214                                | 5,457.56  | 5,354.94  | 98.1               | 3.5   | Apartment |
| C-82            | The Parkhabio Yokohama Yamate    | 3,116,760                                | 2,654.69  | 2,600.40  | 98.0               | 1.9   | Apartment |
| C-89            | Alpha Grande Chizakura Tower     | 2,978,901                                | 4,437.47  | 4,261.10  | 96.0               | 2.7   | Apartment |
| C-70            | Proceed Nishi Shinjuku           | 2,669,303                                | 2,461.88  | 2,461.88  | 100.0              | 1.8   | Apartment |
| C-41            | Proceed Nishiarai                | 2,584,795                                | 20,137.85   | 19,883.13                                       | 98.7               | 8.4   | Apartment |
| C-69            | Proceed Nihonbashi Honcho        | 2,561,184                                | 2,553.89  | 2,344.92  | 91.8               | 1.8   | Apartment |
| G-26            | Proceed Bentencho                | 2,225,556                                | 4,134.70  | 4,100.34  | 99.2               | 1.9   | Apartment |
| G-25            | Proceed Aratamabashi             | 2,003,300                                | 5,335.93  | 4,840.97  | 90.7               | 1.7   | Apartment |
| G-24            | Proceed Kanayama 2               | 1,971,872                                | 4,218.01  | 3,978.09  | 94.3               | 1.7   | Apartment |
| Total           |                                  | 32,537,192                               | 59,546.56   | 57,499.13                                       | 96.6               | 31.1  | -         |

(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 April 30, 2025.

| Property number | Property name              | Location (residential address)                              | Form of ownership          | Leasable floor area (m <sup>2</sup> ) | 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  | 962,079                   |
| C-2             | Proceed Toyochō            | 2-1-7 Minamisuna, Koto-ku, Tokyo                            | Trust beneficiary interest | 1,085.56                              | 1,000,000  | 552,725                   |
| C-3             | Proceed Kasai              | 5-41-6 Nakakasai, Edogawa-ku, Tokyo                         | Trust beneficiary interest | 1,243.80                              | 918,000  | 570,202                   |
| C-4             | Proceed Sangenjaya         | 2-41-1 Sangenjaya, Setagaya-ku, Tokyo                       | Trust beneficiary interest | 1,019.27                              | 689,000  | 595,975                   |
| C-5             | Proceed Mizue              | 3-24-10 Minamishinozakimachi, Edogawa-ku, Tokyo             | Trust beneficiary interest | 2,076.68                              | 834,000  | 597,765                   |
| C-6             | Proceed Funabashi Miyamoto | 1-22-13 Miyamoto, Funabashi, Chiba                          | Trust beneficiary interest | 1,685.73                              | 624,000  | 424,042                   |
| C-7             | Proceed Minamikasai        | 6-2-26 Minamikasai, Edogawa-ku, Tokyo                       | Trust beneficiary interest | 1,045.28                              | 342,000  | 339,296                   |
| C-9             | Proceed Gytoku             | 8-2 Irifune, Ichikawa, Chiba                                | Trust beneficiary interest | 1,218.56                              | 367,000  | 332,956                   |
| C-10            | Proceed Makuharihongo      | 6-2-15 Makuharihongo, Hanamigawa-ku, Chiba, Chiba           | Trust beneficiary interest | 963.00                                | 349,000  | 271,761                   |
| C-11            | Proceed Minamigyotoku      | 3-12-10 Fukuei, Ichikawa, Chiba                             | Trust beneficiary interest | 838.95                                | 363,000  | 283,189                   |
| C-12            | Proceed Makuharihongo 2    | 5-19-13 Makuharihongo, Hanamigawa-ku, Chiba, Chiba          | Trust beneficiary interest | 1,104.84                              | 252,000  | 217,652                   |
| C-14            | Proceed Funabori           | 5-5-16 Funabori, Edogawa-ku, Tokyo                          | Trust beneficiary interest | 479.52                                | 258,000  | 227,671                   |
| C-15            | Proceed Takenozuka         | 2-16-6 Iriya, Adachi-ku, Tokyo                              | Trust beneficiary interest | 860.55                                | 259,000  | 162,771                   |
| C-16            | Proceed Sengendai 2        | 5-7-6 Sengendainishi, Koshigaya, Saitama                    | Trust beneficiary interest | 695.81                                | 122,000  | 84,745                    |
| C-17            | Proceed Shoto              | 2-3-11 Shoto, Shibuya-ku, Tokyo                             | Trust beneficiary interest | 890.22                                | 1,120,000  | 869,106                   |
| C-18            | Proceed Sangubashi         | 3-57-10 Yoyogi, Shibuya-ku, Tokyo                           | Trust beneficiary interest | 527.88                                | 558,000  | 477,062                   |
| C-19            | Proceed Urayasu            | 1-2-1 Fujimi, Urayasu, Chiba                                | Trust beneficiary interest | 1,786.58                              | 470,000  | 437,194                   |
| C-24            | Proceed Toritsudaigaku 2   | 1-2-3 Tairamachi, Meguro-ku, Tokyo                          | Trust beneficiary interest | 831.74                                | 900,000  | 715,166                   |
| C-25            | Proceed Honjoazumabashi    | 4-15-13 Higashikomagata, Sumida-ku, Tokyo                   | Trust beneficiary interest | 570.53                                | 524,000  | 286,245                   |
| C-26            | Proceed Meguro Aobadai     | 3-5-2 Aobadai, Meguro-ku, Tokyo                             | Trust beneficiary interest | 485.15                                | 500,000  | 442,411                   |
| C-27            | Proceed Suginami Miyamae   | 1-15-12 Miyamae, Suginami-ku, Tokyo                         | Trust beneficiary interest | 680.50                                | 514,000  | 412,954                   |
| C-28            | Proceed Ryogoku            | 1-20-4 Midori, Sumida-ku, Tokyo                             | Trust beneficiary interest | 702.54                                | 643,000  | 411,865                   |
| C-29            | Proceed Mita               | 2-30-9 Shiba, Minato-ku, Tokyo                              | Trust beneficiary interest | 1,500.57                              | 1,590,000  | 1,384,423                 |
| C-31            | Proceed Kameido            | 9-5-13 Kameido, Koto-ku, Tokyo                              | Trust beneficiary interest | 853.98                                | 358,000  | 356,223                   |
| C-32            | Proceed Takadanobaba       | 3-43-18 Takadanobaba, Shinjuku-ku, Tokyo                    | Trust beneficiary interest | 278.36                                | 290,000  | 241,551                   |
| C-33            | Proceed Shinkoenji         | 3-10-21 Horinouchi, Suginami-ku, Tokyo                      | Trust beneficiary interest | 1,040.24                              | 912,000  | 748,967                   |
| C-36            | Proceed Oimachi            | 5-8-9 Higashioi, Shinagawa-ku, Tokyo                        | Trust beneficiary interest | 961.88                                | 968,000  | 950,225                   |
| C-37            | Proceed Jujo               | 4-9-17 Kamijujo, Kita-ku, Tokyo                             | Trust beneficiary interest | 1,206.90                              | 568,000  | 534,325                   |
| C-41            | Proceed Nishiarai          | 1-18-11, 12, 13 and 14, Nishiaraisakaecho, Adachi-ku, Tokyo | Trust beneficiary interest | 20,137.85                             | 6,870,000  | 2,584,795                 |



| Property number | Property name                         | Location (residential address)                              | Form of ownership          | Leasable floor area (m <sup>2</sup> ) | Period-end appraisal value (thousand yen) (Note) | Book value (thousand yen) |
|-----------------|---------------------------------------|---|----------------------------|---------------------------------------|--|---------------------------|
| C-42            | Proceed Chofu                         | 1-28-4 Fuda, Chofu, Tokyo                                   | Trust beneficiary interest | 764.48                                | 619,000  | 377,317                   |
| C-43            | Proceed TX Rokucho                    | 1-16-17 Higashihokima, Adachi-ku, Tokyo                     | Trust beneficiary interest | 518.31                                | 186,000  | 171,004                   |
| C-44            | Proceed Nakagawara                    | 5-10-1 Bubaicho, Fuchu, Tokyo                               | Trust beneficiary interest | 3,061.94                              | 1,440,000  | 1,179,478                 |
| C-46            | Proceed Chitosekarasuyama             | 2-38-30 Kamisoshigaya, Setagaya-ku, Tokyo                   | Trust beneficiary interest | 449.96                                | 342,000  | 319,331                   |
| C-47            | Proceed Mitaka                        | 3-16-3 Shimorenjaku, Mitaka, Tokyo                          | Trust beneficiary interest | 739.48                                | 594,000  | 514,717                   |
| C-48            | Proceed Kashiwa Est                   | 3-8-19 Kashiwa, Kashiwa, Chiba                              | Trust beneficiary interest | 1,279.93                              | 761,000  | 647,864                   |
| C-49            | Proceed Kashiwa Nord                  | 5-8-17 Kashiwa, Kashiwa, Chiba                              | Trust beneficiary interest | 1,391.55                              | 645,000  | 593,394                   |
| C-50            | Proceed Gyotokuekimae                 | 2-1-18 Gyotokuekimae, Ichikawa, Chiba                       | Trust beneficiary interest | 659.68                                | 388,000  | 251,502                   |
| C-51            | Proceed Funabashi Honcho              | 6-19-18 Honcho, Funabashi, Chiba                            | Trust beneficiary interest | 996.44                                | 622,000  | 472,645                   |
| C-53            | Proceed Gumyoji                       | 1-4-12 Nakazato, Minami-ku, Yokohama, Kanagawa              | Trust beneficiary interest | 1,246.48                              | 575,000  | 533,910                   |
| C-54            | Proceed Tsurugamine                   | 2-9-6 Tsurugamine, Asahi-ku, Yokohama, Kanagawa             | Trust beneficiary interest | 855.00                                | 387,000  | 350,201                   |
| C-55            | Proceed Sagamiotsuka                  | 2-13-5 Sakuramori, Yamato, Kanagawa                         | Trust beneficiary interest | 741.24                                | 222,000  | 217,793                   |
| C-58            | Proceed Shinozaki Tower               | 7-20-19 Shinozakimachi, Edogawa-ku, Tokyo                   | Trust beneficiary interest | 5,117.49                              | 2,320,000  | 1,172,072                 |
| C-59            | Proceed Tobu Nerima                   | 1-3-11 Tokumaru, Itabashi-ku, Tokyo                         | Trust beneficiary interest | 779.84                                | 613,000  | 392,066                   |
| C-60            | Proceed Yukigaya                      | 1-15-20 Minamiyukigaya, Ota-ku, Tokyo                       | Trust beneficiary interest | 600.62                                | 408,000  | 344,207                   |
| C-61            | Proceed Ichikawa Minami               | 1-9-27 Ichikawaminami, Ichikawa, Chiba                      | Trust beneficiary interest | 1,635.59                              | 1,060,000  | 679,804                   |
| C-62            | Proceed Ichikawa Myoden               | 2-14-15 Shioyaki, Ichikawa, Chiba                           | Trust beneficiary interest | 945.00                                | 679,000  | 503,345                   |
| C-63            | Proceed Fujisawa Kugenuma             | 2-6-6 Kugenumaishigami, Fujisawa, Kanagawa                  | Trust beneficiary interest | 2,005.76                              | 932,000  | 723,192                   |
| C-64            | Proceed Nihonbashi-horidomecho        | 2-4-8 Nihonbashihoridomecho, Chuo-ku, Tokyo                 | Trust beneficiary interest | 1,904.45                              | 2,000,000  | 1,478,722                 |
| C-65            | Proceed TX Nagareyama Central Park    | UN B139 District 3-2, 9-3 177-1 Machirai, Nagareyama, Chiba | Trust beneficiary interest | 2,976.85                              | 1,160,000  | 753,708                   |
| C-66            | Proceed Gyotoku 2                     | 1-6-6 Fukuei, Ichikawa, Chiba                               | Trust beneficiary interest | 1,626.54                              | 1,010,000  | 793,964                   |
| C-67            | Proceed Nishikasai                    | 2-7-6 and 2-7-1, Seishin-cho, Edogawa-ku, Tokyo             | Trust beneficiary interest | 2,993.52                              | 1,130,000  | 933,721                   |
| C-68            | Proceed Kasai 2                       | 7-15-7 Higashikasai, Edogawa-ku, Tokyo                      | Trust beneficiary interest | 2,140.59                              | 1,080,000  | 795,716                   |
| C-69            | Proceed Nihonbashi Honcho             | 4-10-5 Nihonbashihoncho, Chuo-ku, Tokyo                     | Trust beneficiary interest | 2,553.89                              | 2,850,000  | 2,561,184                 |
| C-70            | Proceed Nishi Shinjuku                | 3-7-23 Nishishinjuku, Shinjuku-ku, Tokyo                    | Trust beneficiary interest | 2,461.88                              | 2,830,000  | 2,669,303                 |
| C-71            | Proceed Unoki                         | 2-43-7 Unoki, Ota-ku, Tokyo                                 | Trust beneficiary interest | 1,260.58                              | 1,140,000  | 875,452                   |
| C-72            | Proceed Minamigyotoku 2               | 3-3-20 Fukuei, Ichikawa, Chiba                              | Trust beneficiary interest | 2,832.74                              | 1,310,000  | 1,000,784                 |
| C-73            | Proceed CO-Z East Building            | 4-12 Kozunomori, Narita, Chiba                              | Trust beneficiary interest | 6,873.33                              | 2,270,000  | 1,857,058                 |
| C-74            | Proceed CO-Z West Building            | 4-1-1 Kozunomori, Narita, Chiba                             | Trust beneficiary interest | 3,716.05                              | 1,180,000  | 1,003,751                 |
| C-75            | Proceed Shin Yokohama                 | 3-21-2 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa         | Trust beneficiary interest | 5,457.56                              | 4,880,000  | 4,308,214                 |
| C-76            | Life Support Residence Funaboriekimae | 4-8-10 Funabori, Edogawa-ku, Tokyo                          | Trust beneficiary interest | 1,408.71                              | 446,000  | 234,962                   |

| Property number | Property name                    | Location (residential address)                       | Form of ownership          | Leasable floor area (m <sup>2</sup> ) | Period-end appraisal value (thousand yen) (Note) | Book value (thousand yen) |
|-----------------|----------------------------------|--|----------------------------|---------------------------------------|--|---------------------------|
| C-78            | Proceed K2                       | 6-8-37 Kashiwa, Kashiwa, Chiba                       | Trust beneficiary interest | 4,140.69                              | 1,400,000  | 1,285,842                 |
| C-79            | Proceed K3 Annex                 | 1023-1 Kashiwa, Kashiwa, Chiba                       | Trust beneficiary interest | 1,590.30                              | 327,000  | 298,205                   |
| C-80            | Proceed K5                       | 6-8-38 Kashiwa, Kashiwa, Chiba                       | Trust beneficiary interest | 788.95                                | 283,000  | 282,250                   |
| C-81            | Proceed Ichikawa Myoden II       | 2-14-20 Shioyaki, Ichikawa, Chiba                    | Trust beneficiary interest | 1,218.00                              | 871,000  | 829,085                   |
| C-82            | The Parkhabio Yokohama Yamate    | 2-78-11 Ishikawa-cho, Naka-ku, Yokohama, Kanagawa    | Trust beneficiary interest | 2,654.69                              | 3,230,000  | 3,116,760                 |
| C-83            | Proceed Monzennakacho            | 1-7-8 Fukuzumi, Koto-ku, Tokyo                       | Trust beneficiary interest | 1,515.81                              | 1,490,000  | 1,245,759                 |
| C-84            | Proceed Maihama                  | 4-14-13 Fujimi, Urayasu, Chiba                       | Trust beneficiary interest | 1,735.31                              | 1,390,000  | 1,033,417                 |
| C-85            | Proceed Nagareyama Otakanomori   | 1-2-3 Otakanomorikita, Nagareyama, Chiba             | Trust beneficiary interest | 1,730.96                              | 1,230,000  | 1,099,470                 |
| C-86            | Proceed Shinkawa                 | 1-25-14 Shinkawa, Chuo-ku, Tokyo                     | Trust beneficiary interest | 579.96                                | 570,000  | 528,987                   |
| C-87            | Proceed Kinshicho 2              | 5-14-11 Kotobashi, Sumida-ku, Tokyo                  | Trust beneficiary interest | 668.54                                | 554,000  | 570,254                   |
| C-88            | Proceed Ishikawadai              | 2-24-7 Higashiyukigaya, Ota-ku, Tokyo                | Trust beneficiary interest | 1,105.45                              | 924,000  | 841,091                   |
| C-89            | Alpha Grande Chizakura Tower     | 25 Kandahigashimatsushitacho, Chiyoda-ku, Tokyo      | Trust beneficiary interest | 4,437.47                              | 3,030,000  | 2,978,901                 |
| C-90            | Proceed Yamashita Koen The Tower | 27 Yamashitacho, Naka-ku, Yokohama, Kanagawa         | Trust beneficiary interest | 8,154.58                              | 8,090,000  | 8,117,302                 |
| 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  | 1,669,165                 |
| C-92            | Proceed Minamisunamachi          | 5-12-5 Minamisuna, Koto-ku, Tokyo                    | Trust beneficiary interest | 872.95                                | 799,000  | 792,386                   |
| C-93            | Proceed Matsudo                  | 19-3 Honcho, Matsudo, Chiba                          | Trust beneficiary interest | 827.56                                | 516,000  | 528,166                   |
| C-94            | Proceed Shinozaki 2              | 7-21-13 Shinozakimachi, Edogawa-ku, Tokyo            | Trust beneficiary interest | 2,134.07                              | 1,250,000  | 1,179,374                 |
| C-95            | Proceed Shin-Matsudo             | 4-29-2 Shinmatsudo, Matsudo, Chiba                   | Trust beneficiary interest | 1,514.93                              | 974,000  | 1,035,404                 |
| G-8             | Proceed Taikodori                | 4-31 Taikodori, Nakamura-ku, Nagoya, Aichi           | Trust beneficiary interest | 1,101.56                              | 520,000  | 311,781                   |
| G-11            | Proceed Honamicho                | 3-55 Honamicho, Chikusa-ku, Nagoya, Aichi            | Trust beneficiary interest | 620.22                                | 263,000  | 216,275                   |
| G-13            | Proceed Shinsakae                | 1-28-21 Shinsakae, Naka-ku, Nagoya, Aichi            | Trust beneficiary interest | 1,958.44                              | 927,000  | 582,241                   |
| G-14            | Proceed Chiyoda                  | 2-10-16 Chiyoda, Naka-ku, Nagoya, Aichi              | Trust beneficiary interest | 922.40                                | 363,000  | 226,044                   |
| G-15            | Proceed Fukuoka Takamiya         | 1-7-15 Noma, Minami-ku, Fukuoka, Fukuoka             | Trust beneficiary interest | 1,312.29                              | 538,000  | 390,749                   |
| G-17            | Proceed Kanayama                 | 3-11-9 Kanayama, Naka-ku, Nagoya, Aichi              | Trust beneficiary interest | 2,733.58                              | 1,570,000  | 850,142                   |
| G-18            | Proceed Fukiage                  | 2-22-1 Kurumadacho, Showa-ku, Nagoya, Aichi          | Trust beneficiary interest | 1,204.65                              | 662,000  | 411,705                   |
| G-19            | Proceed Toyota                   | 3-51 Shinmeicho, Toyota, Aichi                       | Trust beneficiary interest | 752.04                                | 337,000  | 182,623                   |
| G-21            | Proceed Nishitenma               | 3-7-3 Nishitenma, Kita-ku, Osaka, Osaka              | Trust beneficiary interest | 1,775.89                              | 1,230,000  | 826,899                   |
| G-22            | Proceed Kobemotomachi            | 3-5-2 Sakaemachidori, Chuo-ku, Kobe, Hyogo           | Trust beneficiary interest | 1,590.64                              | 1,100,000  | 808,959                   |
| G-23            | Proceed Taisho                   | 3-14-8 Hirao, Taisho-ku, Osaka, Osaka                | Trust beneficiary interest | 482.72                                | 178,000  | 146,621                   |
| G-24            | Proceed Kanayama 2               | 2-1-22 Kanayama, Naka-ku, Nagoya, Aichi              | Trust beneficiary interest | 4,218.01                              | 2,510,000  | 1,971,872                 |
| G-25            | Proceed Aratamabashi             | 8-17-2 Mizuhodori, Mizuho-ku, Nagoya, Aichi          | Trust beneficiary interest | 5,335.93                              | 2,250,000  | 2,003,300                 |

| Property number | Property name                | Location (residential address)                               | Form of ownership          | Leasable floor area (m <sup>2</sup> ) | Period-end appraisal value (thousand yen) (Note) | Book value (thousand yen) |
|-----------------|------------------------------|--|----------------------------|---------------------------------------|--|---------------------------|
| G-26            | Proceed Bentencho            | 2-5-12 Ichioka Motomachi, Minato-ku, Osaka, Osaka            | Trust beneficiary interest | 4,134.70                              | 2,470,000  | 2,225,556                 |
| G-27            | Proceed Nagaikoendori        | 2-9-19 Minamisumiyoshi, Sumiyoshi-ku, Osaka, Osaka           | Trust beneficiary interest | 2,170.80                              | 1,090,000  | 1,074,834                 |
| G-31            | Proceed Mizuho               | 2-43 Mizuhodori, Mizuho-ku, Nagoya, Aichi                    | Trust beneficiary interest | 1,126.40                              | 541,000  | 526,190                   |
| G-32            | Proceed Osu                  | 1-29-32 Osu, Naka-ku, Nagoya, Aichi                          | Trust beneficiary interest | 1,851.30                              | 955,000  | 753,865                   |
| G-33            | Proceed Sendai Kozurushinden | 3-13-3 Shinden Higashi, Miyagino-ku, Sendai, Miyagi          | Trust beneficiary interest | 1,913.28                              | 810,000  | 722,832                   |
| G-34            | Proceed Sendai Kamisugi      | 2-4-30 Kamisugi, Aoba-ku, Sendai, Miyagi                     | Trust beneficiary interest | 3,409.93                              | 1,880,000  | 1,444,953                 |
| G-35            | Proceed Kanayama 3           | 2-4-26 Masaki, Naka-ku, Nagoya, Aichi                        | Trust beneficiary interest | 1,799.52                              | 952,000  | 748,271                   |
| G-36            | Proceed Tsurigane            | 2-1-5 Tsuriganecho, Chuo-ku, Osaka, Osaka                    | Trust beneficiary interest | 1,072.24                              | 867,000  | 856,146                   |
| G-37            | Proceed Fukaebashi           | 2-1-2 Fukaekita, Higashinari-ku, Osaka, Osaka                | Trust beneficiary interest | 1,609.14                              | 1,360,000  | 1,384,430                 |
| G-38            | Proceed Nishioji             | 54 Shichijo Goshonouchi Nakamachi, Shimogyo-ku, Kyoto, Kyoto | Trust beneficiary interest | 1,460.96                              | 844,000  | 807,149                   |
| G-39            | Proceed Shin-Anjo            | 1-22-14 Imaikecho, Anjo, Aichi                               | Trust beneficiary interest | 1,824.95                              | 782,000  | 851,174                   |
| G-40            | Proceed Nissekidori          | 1-26-1 Ogusu, Minami-ku, Fukuoka, Fukuoka                    | Trust beneficiary interest | 1,742.20                              | 1,210,000  | 1,232,756                 |
| R-2             | Proceed Mito                 | 3-4-14 Omachi, Mito, Ibaraki                                 | Trust beneficiary interest | 1,223.83                              | 496,000  | 272,977                   |
| R-3             | Proceed Mito 2               | 3-2-31 Omachi, Mito, Ibaraki                                 | Trust beneficiary interest | 1,381.34                              | 525,000  | 308,429                   |
| R-4             | Proceed Tsukuba Gakuentoshi  | 3-9-4 Ninomiya, Tsukuba, Ibaraki                             | Trust beneficiary interest | 2,659.71                              | 923,000  | 770,021                   |
| R-5             | Proceed Mito 3               | 3-1-41 Minamimachi, Mito, Ibaraki                            | Trust beneficiary interest | 2,258.88                              | 911,000  | 809,308                   |
| Total           |                              |  |                            | 207,405.45                            | 118,613,000                                      | 96,335,692                |

(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 April 30, 2025, 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              | 38th period<br>(as of October 31, 2024)               |                                  |   |  | 39th period<br>(as of April 30, 2025)                 |                                  |   |  |
|-----------------|----------------------------|---|----------------------------------|---|--|---|----------------------------------|---|--|
|                 |                            | 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           | 49  | 97.8                             | 44,790  | 1.2                                      | 49  | 98.2                             | 45,887  | 1.3                                      |
| C-2             | Proceed Toyochō            | 45  | 100.0                            | 24,575  | 0.7                                      | 45  | 100.0                            | 23,573  | 0.7                                      |
| C-3             | Proceed Kasai              | 55  | 96.5                             | 25,770  | 0.7                                      | 57  | 100.0                            | 29,267  | 0.8                                      |
| C-4             | Proceed Sangenjaya         | 9   | 100.0                            | 20,246  | 0.6                                      | 9   | 100.0                            | 21,009  | 0.6                                      |
| C-5             | Proceed Mizue              | 28  | 100.0                            | 27,371  | 0.8                                      | 28  | 100.0                            | 28,141  | 0.8                                      |
| C-6             | Proceed Funabashi Miyamoto | 33  | 100.0                            | 23,426  | 0.6                                      | 32  | 96.5                             | 23,985  | 0.7                                      |
| C-7             | Proceed Minamikasai        | 16  | 100.0                            | 13,070  | 0.4                                      | 16  | 100.0                            | 13,050  | 0.4                                      |
| C-9             | Proceed Gyotoku            | 20  | 100.0                            | 13,423  | 0.4                                      | 20  | 100.0                            | 13,338  | 0.4                                      |

| Property number | Property name                 | 38th period<br>(as of October 31, 2024)               |                                  |   |  | 39th period<br>(as of April 30, 2025)                 |                                  |   |  |
|-----------------|-------------------------------|---|----------------------------------|---|--|---|----------------------------------|---|--|
|                 |                               | 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-10            | Proceed Makuharihongo         | 34  | 100.0                            | 12,622  | 0.3                                      | 33  | 97.0                             | 12,770  | 0.4                                      |
| C-11            | Proceed Minamigyotoku         | 26  | 100.0                            | 12,473  | 0.3                                      | 25  | 96.1                             | 12,996  | 0.4                                      |
| C-12            | Proceed Makuharihongo 2       | 22  | 100.0                            | 11,411  | 0.3                                      | 21  | 95.5                             | 11,273  | 0.3                                      |
| C-14            | Proceed Funabori              | 23  | 95.8                             | 9,010   | 0.2                                      | 24  | 100.0                            | 9,151   | 0.3                                      |
| C-15            | Proceed Takenozuka            | 15  | 100.0                            | 8,592   | 0.2                                      | 15  | 100.0                            | 8,508   | 0.2                                      |
| C-16            | Proceed Sengendai 2           | 11  | 92.1                             | 4,867   | 0.1                                      | 12  | 100.0                            | 5,117   | 0.1                                      |
| C-17            | Proceed Shoto                 | 38  | 93.2                             | 29,137  | 0.8                                      | 40  | 100.0                            | 28,352  | 0.8                                      |
| C-18            | Proceed Sangubashi            | 26  | 100.0                            | 15,611  | 0.4                                      | 26  | 100.0                            | 15,839  | 0.4                                      |
| C-19            | Proceed Urayasu               | 21  | 100.0                            | 19,488  | 0.5                                      | 21  | 100.0                            | 19,319  | 0.5                                      |
| C-20            | Proceed Shinkoiwa (Note 3)    | 27  | 100.0                            | 20,386  | 0.6                                      | -   | -                                | 14,235  | 0.4                                      |
| C-24            | Proceed Toritsudaigaku 2      | 36  | 100.0                            | 21,519  | 0.6                                      | 36  | 100.0                            | 21,519  | 0.6                                      |
| C-25            | Proceed Honjoazumabashi       | 18  | 94.8                             | 12,137  | 0.3                                      | 19  | 100.0                            | 12,569  | 0.3                                      |
| C-26            | Proceed Meguro Aobadai        | 23  | 96.0                             | 14,128  | 0.4                                      | 24  | 100.0                            | 14,154  | 0.4                                      |
| C-27            | Proceed Suginami Miyamae      | 29  | 100.0                            | 13,788  | 0.4                                      | 29  | 100.0                            | 13,803  | 0.4                                      |
| C-28            | Proceed Ryogoku               | 27  | 100.0                            | 14,807  | 0.4                                      | 27  | 100.0                            | 14,790  | 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                            | 10,962  | 0.3                                      | 23  | 100.0                            | 10,978  | 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                            | 24,187  | 0.7                                      | 57  | 100.0                            | 24,132  | 0.7                                      |
| C-36            | Proceed Oimachi               | 59  | 100.0                            | 25,176  | 0.7                                      | 59  | 100.0                            | 25,173  | 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   | 98.8                             | 305,140                                       | 8.4                                      | 290   | 98.7                             | 305,085                                       | 8.4                                      |
| C-42            | Proceed Chofu                 | 26  | 100.0                            | 17,263  | 0.5                                      | 22  | 82.4                             | 16,278  | 0.4                                      |
| C-43            | Proceed TX Rokucho            | 20  | 100.0                            | 7,113   | 0.2                                      | 20  | 100.0                            | 7,083   | 0.2                                      |
| C-44            | Proceed Nakagawara            | 51  | 97.2                             | 42,829  | 1.2                                      | 53  | 100.0                            | 43,031  | 1.2                                      |
| C-45            | Proceed Oizumigakuen (Note 3) | -   | -                                | 3,308   | 0.1                                      | -   | -                                | -   | -  |
| C-46            | Proceed Chitosekarasuyama     | 24  | 85.7                             | 10,657  | 0.3                                      | 26  | 92.9                             | 9,456   | 0.3                                      |
| C-47            | Proceed Mitaka                | 47  | 100.0                            | 16,165  | 0.4                                      | 47  | 100.0                            | 16,158  | 0.4                                      |
| C-48            | Proceed Kashiwa Est           | 44  | 100.0                            | 23,796  | 0.7                                      | 41  | 93.1                             | 23,523  | 0.6                                      |
| C-49            | Proceed Kashiwa Nord          | 47  | 100.0                            | 21,655  | 0.6                                      | 47  | 100.0                            | 21,657  | 0.6                                      |
| C-50            | Proceed Gyotokuekimae         | 24  | 100.0                            | 12,064  | 0.3                                      | 24  | 100.0                            | 12,196  | 0.3                                      |
| C-51            | Proceed Funabashi Honcho      | 37  | 92.5                             | 19,982  | 0.6                                      | 40  | 100.0                            | 19,966  | 0.6                                      |

| Property number | Property name                         | 38th period<br>(as of October 31, 2024)               |                                  |   |  | 39th period<br>(as of April 30, 2025)                 |                                  |   |  |
|-----------------|---------------------------------------|---|----------------------------------|---|--|---|----------------------------------|---|--|
|                 |                                       | 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-53            | Proceed Gumyoji                       | 73  | 95.0                             | 22,725  | 0.6                                      | 73  | 95.0                             | 21,869  | 0.6                                      |
| C-54            | Proceed Tsurugamine                   | 45  | 90.0                             | 13,547  | 0.4                                      | 48  | 96.0                             | 13,959  | 0.4                                      |
| C-55            | Proceed Sagamiotsuka                  | 26  | 90.5                             | 8,567   | 0.2                                      | 27  | 93.6                             | 9,214   | 0.3                                      |
| C-58            | Proceed Shinozaki Tower               | 87  | 99.0                             | 92,908  | 2.6                                      | 87  | 98.6                             | 94,150  | 2.6                                      |
| C-59            | Proceed Tobu Nerima                   | 33  | 94.7                             | 18,137  | 0.5                                      | 33  | 94.7                             | 18,831  | 0.5                                      |
| C-60            | Proceed Yukigaya                      | 33  | 94.3                             | 13,298  | 0.4                                      | 34  | 97.2                             | 13,825  | 0.4                                      |
| C-61            | Proceed Ichikawa Minami               | 65  | 98.5                             | 31,478  | 0.9                                      | 66  | 100.0                            | 32,475  | 0.9                                      |
| C-62            | Proceed Ichikawa Myoden               | 44  | 97.8                             | 19,367  | 0.5                                      | 43  | 95.6                             | 19,485  | 0.5                                      |
| C-63            | Proceed Fujisawa Kugenuma             | 25  | 100.0                            | 34,336  | 0.9                                      | 24  | 96.9                             | 33,168  | 0.9                                      |
| C-64            | Proceed Nihonbashi-horidomecho        | 35  | 95.2                             | 44,160  | 1.2                                      | 37  | 100.0                            | 45,183  | 1.2                                      |
| C-65            | Proceed TX Nagareyama Central Park    | 73  | 100.0                            | 46,006  | 1.3                                      | 72  | 99.1                             | 46,114  | 1.3                                      |
| C-66            | Proceed Gyotoku 2                     | 58  | 97.8                             | 30,478  | 0.8                                      | 57  | 96.9                             | 29,614  | 0.8                                      |
| C-67            | Proceed Nishikasai                    | 60  | 95.3                             | 39,742  | 1.1                                      | 62  | 98.3                             | 41,042  | 1.1                                      |
| C-68            | Proceed Kasai 2                       | 28  | 92.3                             | 30,011  | 0.8                                      | 26  | 83.2                             | 30,202  | 0.8                                      |
| C-69            | Proceed Nihonbashi Honcho             | 79  | 94.1                             | 60,412  | 1.7                                      | 78  | 91.8                             | 64,601  | 1.8                                      |
| C-70            | Proceed Nishi Shinjuku                | 65  | 98.2                             | 66,153  | 1.8                                      | 66  | 100.0                            | 66,563  | 1.8                                      |
| C-71            | Proceed Unoki                         | 28  | 96.8                             | 28,138  | 0.8                                      | 28  | 96.4                             | 28,898  | 0.8                                      |
| C-72            | Proceed Minamigyotoku 2               | 35  | 96.2                             | 39,048  | 1.1                                      | 35  | 97.3                             | 39,972  | 1.1                                      |
| C-73            | Proceed CO-Z East Building            | 110   | 98.4                             | 80,889  | 2.2                                      | 109   | 97.5                             | 81,082  | 2.2                                      |
| C-74            | Proceed CO-Z West Building            | 71  | 100.0                            | 42,202  | 1.2                                      | 65  | 91.8                             | 42,839  | 1.2                                      |
| C-75            | Proceed Shin Yokohama                 | 221   | 97.7                             | 124,464                                       | 3.4                                      | 222   | 98.1                             | 126,250                                       | 3.5                                      |
| 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)            | -   | -                                | 3,713   | 0.1                                      | -   | -                                | -   | -  |
| C-78            | Proceed K2                            | 57  | 96.0                             | 48,010  | 1.3                                      | 60  | 100.0                            | 49,198  | 1.4                                      |
| C-79            | Proceed K3 Annex                      | 24  | 100.0                            | 13,016  | 0.4                                      | 24  | 100.0                            | 13,157  | 0.4                                      |
| C-80            | Proceed K5                            | 17  | 100.0                            | 10,324  | 0.3                                      | 17  | 100.0                            | 10,428  | 0.3                                      |
| C-81            | Proceed Ichikawa Myoden II            | 58  | 100.0                            | 26,843  | 0.7                                      | 58  | 100.0                            | 26,796  | 0.7                                      |
| C-82            | The Parkhabio Yokohama Yamate         | 74  | 97.4                             | 68,114  | 1.9                                      | 75  | 98.0                             | 69,071  | 1.9                                      |
| C-83            | Proceed Monzennakacho                 | 48  | 100.0                            | 36,692  | 1.0                                      | 47  | 98.0                             | 37,633  | 1.0                                      |
| C-84            | Proceed Maihama                       | 65  | 98.5                             | 35,480  | 1.0                                      | 65  | 98.5                             | 35,894  | 1.0                                      |
| C-85            | Proceed Nagareyama Otakanomori        | 50  | 100.0                            | 35,064  | 1.0                                      | 49  | 98.4                             | 34,614  | 1.0                                      |

| Property number | Property name                    | 38th period<br>(as of October 31, 2024)               |                                  |   |  | 39th period<br>(as of April 30, 2025)                 |                                  |   |  |
|-----------------|----------------------------------|---|----------------------------------|---|--|---|----------------------------------|---|--|
|                 |                                  | 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-86            | Proceed Shinkawa                 | 18  | 100.0                            | 14,416  | 0.4                                      | 18  | 100.0                            | 14,716  | 0.4                                      |
| C-87            | Proceed Kinshicho 2              | 19  | 100.0                            | 13,922  | 0.4                                      | 17  | 90.1                             | 14,384  | 0.4                                      |
| C-88            | Proceed Ishikawadai              | 25  | 100.0                            | 24,931  | 0.7                                      | 25  | 100.0                            | 24,933  | 0.7                                      |
| C-89            | Alpha Grande Chizakura Tower     | 68  | 100.0                            | 96,802  | 2.7                                      | 65  | 96.0                             | 96,769  | 2.7                                      |
| C-90            | Proceed Yamashita Koen The Tower | 138   | 96.5                             | 210,055                                       | 5.8                                      | 141   | 94.1                             | 205,499                                       | 5.7                                      |
| C-91            | Shinozaki Twin Place             | 4   | 100.0                            | 85,005  | 2.3                                      | 4   | 100.0                            | 85,350  | 2.4                                      |
| C-92            | Proceed Minamisunamachi          | 33  | 97.1                             | 20,861  | 0.6                                      | 34  | 100.0                            | 20,846  | 0.6                                      |
| C-93            | Proceed Matsudo                  | 27  | 93.7                             | 15,467  | 0.4                                      | 29  | 100.0                            | 15,368  | 0.4                                      |
| C-94            | Proceed Shinozaki 2              | 33  | 94.5                             | 34,073  | 0.9                                      | 34  | 96.7                             | 34,663  | 1.0                                      |
| C-95            | Proceed Shin-Matsudo             | 52  | 100.0                            | 27,670  | 0.8                                      | 51  | 97.8                             | 27,423  | 0.8                                      |
| G-8             | Proceed Taikodori                | 41  | 93.5                             | 15,899  | 0.4                                      | 41  | 93.4                             | 16,657  | 0.5                                      |
| G-11            | Proceed Honamicho                | 7   | 70.0                             | 5,818   | 0.2                                      | 9   | 88.2                             | 6,672   | 0.2                                      |
| G-13            | Proceed Shinsakae                | 71  | 92.0                             | 31,419  | 0.9                                      | 77  | 100.0                            | 31,205  | 0.9                                      |
| G-14            | Proceed Chiyoda                  | 27  | 89.9                             | 12,308  | 0.3                                      | 26  | 86.8                             | 12,832  | 0.4                                      |
| G-15            | Proceed Fukuoka Takamiya         | 45  | 98.1                             | 18,838  | 0.5                                      | 46  | 100.0                            | 18,898  | 0.5                                      |
| G-17            | Proceed Kanayama                 | 89  | 94.7                             | 45,163  | 1.2                                      | 89  | 94.9                             | 45,045  | 1.2                                      |
| G-18            | Proceed Fukiage                  | 35  | 73.1                             | 18,250  | 0.5                                      | 43  | 89.1                             | 17,346  | 0.5                                      |
| G-19            | Proceed Toyota                   | 27  | 100.0                            | 13,156  | 0.4                                      | 27  | 100.0                            | 13,159  | 0.4                                      |
| G-21            | Proceed Nishitenma               | 56  | 100.0                            | 33,668  | 0.9                                      | 55  | 98.5                             | 34,567  | 1.0                                      |
| G-22            | Proceed Kobemotomachi            | 60  | 98.4                             | 30,822  | 0.9                                      | 59  | 96.9                             | 31,521  | 0.9                                      |
| G-23            | Proceed Taisho                   | 1   | 100.0                            | 6,000   | 0.2                                      | 1   | 100.0                            | 6,000   | 0.2                                      |
| G-24            | Proceed Kanayama 2               | 62  | 86.7                             | 62,499  | 1.7                                      | 68  | 94.3                             | 62,005  | 1.7                                      |
| G-25            | Proceed Aratamabashi             | 66  | 88.6                             | 61,022  | 1.7                                      | 68  | 90.7                             | 62,119  | 1.7                                      |
| G-26            | Proceed Bentencho                | 125   | 99.2                             | 67,808  | 1.9                                      | 125   | 99.2                             | 69,122  | 1.9                                      |
| G-27            | Proceed Nagaikoendori            | 74  | 91.4                             | 32,531  | 0.9                                      | 79  | 97.6                             | 32,784  | 0.9                                      |
| G-30            | Proceed Hyogoekimaedori (Note 3) | 111   | 95.1                             | 55,720  | 1.5                                      | -   | -                                | 40,213  | 1.1                                      |
| G-31            | Proceed Mizuho                   | 38  | 94.6                             | 16,649  | 0.5                                      | 39  | 97.5                             | 17,088  | 0.5                                      |
| G-32            | Proceed Osu                      | 61  | 92.4                             | 26,919  | 0.7                                      | 60  | 90.9                             | 27,221  | 0.8                                      |
| G-33            | Proceed Sendai Kozurushinden     | 56  | 90.5                             | 24,709  | 0.7                                      | 58  | 91.3                             | 24,675  | 0.7                                      |
| G-34            | Proceed Sendai Kamisugi          | 106   | 98.3                             | 59,535  | 1.6                                      | 92  | 86.3                             | 57,887  | 1.6                                      |
| G-35            | Proceed Kanayama 3               | 57  | 94.7                             | 28,540  | 0.8                                      | 59  | 98.5                             | 28,798  | 0.8                                      |
| G-36            | Proceed Tsurigane                | 26  | 100.0                            | 19,078  | 0.5                                      | 24  | 92.3                             | 20,232  | 0.6                                      |

| Property number | Property name               | 38th period<br>(as of October 31, 2024)                  |                                  |   |   | 39th period<br>(as of April 30, 2025)                    |                                  |   |   |
|-----------------|-----------------------------|--|----------------------------------|---|---|--|----------------------------------|---|---|
|                 |                             | Number of leased units at period-end (units)<br>(Note 1) | Occupancy rate at period-end (%) | Rent revenue throughout period (thousand yen) | Ratio to total rent revenue (%)<br>(Note 2) | Number of leased units at period-end (units)<br>(Note 1) | Occupancy rate at period-end (%) | Rent revenue throughout period (thousand yen) | Ratio to total rent revenue (%)<br>(Note 2) |
| G-37            | Proceed Fukaebashi          | 59   | 94.0                             | 31,605  | 0.9   | 62   | 98.5                             | 32,831  | 0.9   |
| G-38            | Proceed Nishioji            | 36   | 100.0                            | 20,240  | 0.6   | 36   | 100.0                            | 21,096  | 0.6   |
| G-39            | Proceed Shin-Anjo           | 47   | 100.0                            | 24,906  | 0.7   | 45   | 96.7                             | 25,311  | 0.7   |
| G-40            | Proceed Nissekidori         | 58   | 95.3                             | 30,852  | 0.9   | 61   | 100.0                            | 30,892  | 0.9   |
| R-2             | Proceed Mito                | 33   | 92.5                             | 14,854  | 0.4   | 32   | 90.0                             | 16,593  | 0.5   |
| R-3             | Proceed Mito 2              | 33   | 92.1                             | 17,181  | 0.5   | 33   | 92.1                             | 18,252  | 0.5   |
| R-4             | Proceed Tsukuba Gakuentoshi | 29   | 85.2                             | 26,863  | 0.7   | 31   | 90.6                             | 29,014  | 0.8   |
| R-5             | Proceed Mito 3              | 58   | 96.6                             | 30,963  | 0.9   | 60   | 100.0                            | 31,558  | 0.9   |
| Total           |                             | 5,199  | 96.8                             | 3,620,089                                     | 100.0                                       | 5,088  | 96.9                             | 3,621,840                                     | 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-77) Proceed Kinshicho on May 14, 2024, (C-45) Proceed Oizumigakuen on June 28, 2024, (C-20) Proceed Shinkoiwa on February 28, 2025, and (G-30) Proceed Hyogoekimaedori on March 21, 2025.

#### (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 April 30, 2025.

[Unit: thousand yen]

| Category               | Type  | Contract amount etc. (Note 1) |                            | Fair value |
|------------------------|---|-------------------------------|----------------------------|------------|
|                        |   |                               | Of which, exceeding 1 year |            |
| Off-market transaction | Interest rate swap transactions<br>Receivable floating; Payable fixed | 36,956,000                    | 32,407,000                 | (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 April 30, 2025, 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<br>(Location)                           | Purpose  | Schedule period                | Planned construction cost<br>(thousand yen) (Note) |   |                                 |
|---|--|--------------------------------|--|---|---------------------------------|
|   |  |                                | Total<br>amount                                    | Payment in<br>the 39th<br>fiscal period | Total<br>amount<br>already paid |
| Proceed Chofu<br>(Chofu, Tokyo)                       | Refreshment of exterior finishes                                 | From Feb. 2025<br>to Sep. 2025 | 44,000   | -                                       | -                               |
| Proceed Aratamabashi<br>(Mizuho-ku, Nagoya, Aichi)    | Upgrading of mechanical parking<br>lot                           | From Sep. 2025<br>to Oct. 2025 | 32,000   | -                                       | -                               |
| Proceed Gyotoku 2<br>(Ichikawa, Chiba)                | Upgrading of mechanical parking<br>lot                           | From Sep. 2025<br>to Oct. 2025 | 26,000   | -                                       | -                               |
| Proceed Gumyoji<br>(Minami-ku, Yokohama,<br>Kanagawa) | Replacement of Housing Heating<br>Total System (HEATS) equipment | From Jun. 2025<br>to Aug. 2025 | 20,000   | -                                       | -                               |

(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 39th fiscal period. Capital expenditures during the fiscal period totaled 332,202 thousand yen. Combined with repair expenses of 137,724 thousand yen that were classified as expenses for the fiscal period, SPI implemented 469,927 thousand yen worth of construction works in the fiscal period.

| Property name<br>(Location)                                 | Purpose   | Period                         | Total expenditures<br>(thousand yen) (Note) |
|---|---|--------------------------------|---|
| Proceed Minamikasai<br>(Edogawa-ku, Tokyo)                  | Refreshment of exterior finishes                          | From May 2024<br>to Nov. 2024  | 32,082                                      |
| Proceed Shin Yokohama<br>(Kohoku-ku, Yokohama,<br>Kanagawa) | Upgrading of multi-level parking<br>lot                   | From Feb. 2025<br>to Feb. 2025 | 33,954                                      |
| Proceed Shinozaki Tower<br>(Edogawa-ku, Tokyo)              | Replacement of disaster<br>prevention monitoring panel    | From Nov. 2024<br>to Feb. 2025 | 30,416                                      |
| Proceed Bentencho<br>(Minato-ku, Osaka, Osaka)              | Replacement of intercom and<br>automatic door lock system | From Jun. 2024<br>to Mar. 2025 | 28,050                                      |
| Shinozaki Twin Place<br>(Edogawa-ku, Tokyo)                 | Replacement of disaster<br>prevention monitoring panel    | From Nov. 2024<br>to Feb. 2025 | 26,373                                      |
| Proceed Kobemotomachi<br>(Chuo-ku, Kobe, Hyogo)             | Replacement of intercom and<br>automatic door lock system | From May 2024<br>to Dec. 2024  | 15,785                                      |
| Proceed Mitaka<br>(Mitaka, Tokyo)                           | Upgrading of elevator equipment                           | From Jan. 2025<br>to Jan. 2025 | 10,670                                      |
| Other constructions   |   |                                | 154,870                                     |
| Total   |   |                                | 332,202                                     |

(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                                 | 35th period                            | 36th period                           | 37th period                            | 38th period                           | 39th period                            |
|---|--|---------------------------------------|--|---------------------------------------|--|
| Operation period                              | From Nov. 1, 2022,<br>to Apr. 30, 2023 | From May 1, 2023,<br>to Oct. 31, 2023 | From Nov. 1, 2023,<br>to Apr. 30, 2024 | From May 1, 2024,<br>to Oct. 31, 2024 | From Nov. 1, 2024,<br>to Apr. 30, 2025 |
| Balance of reserves at<br>beginning of period | 850,000                                | 900,000                               | 950,000                                | 1,000,000                             | 1,050,000                              |
| Reserves during the<br>period                 | 50,000                                 | 50,000                                | 50,000                                 | 50,000                                | 50,000                                 |
| Reversal of reserves<br>during the period     | -                                      | -                                     | -                                      | -                                     | -                                      |
| Amount carried forward<br>to the next period  | 900,000                                | 950,000                               | 1,000,000                              | 1,050,000                             | 1,100,000                              |

(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                            | 38th period                        | 39th period                         |
|---------------------------------|------------------------------------|-------------------------------------|
|                                 | From May 1, 2024, to Oct. 31, 2024 | From Nov. 1, 2024, to Apr. 30, 2025 |
| (a) Asset management fees       | 352,370                            | 355,866                             |
| (b) Asset custody fees          | 8,811                              | 8,784                               |
| (c) Administrative service fees | 20,204                             | 21,709                              |
| (d) Directors' compensations    | 1,200                              | 1,200                               |
| (e) Other operating expenses    | 136,042                            | 135,624                             |
| Total                           | 518,628                            | 523,186                             |

(Note) The asset management fee for the 38th fiscal period includes 16,511 thousand yen for asset management related to property disposition. The asset management fee for the 39th fiscal period includes 22,851 thousand yen for asset management related to property disposition.

## (2) Debt financing status

The status of loans from respective financial institutions as of April 30, 2025, is as follows.

|                          | Classification                      | Drawdown date | Balance at beginning of 39th FP (thousand yen) | Balance at end of 39th FP (thousand yen) | Average interest rate (%) (Note 1) | Repayment date | Repayment method                     | Use                          | Remarks                |
|--------------------------|-------------------------------------|---------------|--|--|------------------------------------|----------------|--------------------------------------|------------------------------|------------------------|
|                          | Lender                              |               |  |  |                                    |                |                                      |                              |                        |
| Short-Term Loans         | Resona Bank, Limited                | Mar. 29, 2024 | 415,500  | -  | 0.67000                            | Nov. 22, 2024  | Lump-sum repayment on repayment date | Funds for acquisition of AUM | Unsecured Unguaranteed |
|                          | Subtotal                            |               | 415,500  | -  |                                    |                |                                      |                              |                        |
|                          |                                     |               |  |  |                                    |                |                                      |                              |                        |
| Long-Term Loans (Note 3) | Aozora Bank, Ltd.                   | Nov. 22, 2018 | 1,089,000                                      | -  | 0.93000 (Note 2)                   | Nov. 22, 2024  | Lump-sum repayment on repayment date | Refinancing                  | Unsecured Unguaranteed |
|                          | Resona Bank, Limited                |               | 825,000  | -  |                                    |                |                                      |                              |                        |
|                          | The Chiba Bank, Ltd.                |               | 382,000  | -  |                                    |                |                                      |                              |                        |
|                          | The Musashino Bank, Ltd.            |               | 382,000  | -  |                                    |                |                                      |                              |                        |
|                          | Mizuho Bank, Ltd.                   |               | 357,000  | -  |                                    |                |                                      |                              |                        |
|                          | The Kagawa Bank, Ltd.               |               | 325,000  | -  |                                    |                |                                      |                              |                        |
|                          | Sumitomo Mitsui Banking Corporation |               | 241,000  | -  |                                    |                |                                      |                              |                        |
|                          | Sumitomo Mitsui Trust Bank, Limited |               | 99,000   | -  |                                    |                |                                      |                              |                        |
|                          | Aozora Bank, Ltd.                   | May 24, 2019  | 831,000  | 831,000                                  | 0.86000 (Note 2)                   | 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 2)                   | 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 2)                   | 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 2)                   | 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 | Nov. 24, 2021 | 75,000   | 75,000                                   | 0.85000 (Note 2)                   | May 24, 2027   | Lump-sum repayment on repayment date | Refinancing                  | Unsecured Unguaranteed |
|                          | Resona Bank, Limited                |               | 660,000  | 660,000                                  |                                    |                |                                      |                              |                        |
|                          | 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.               | May 24, 2022  | 100,000  | 100,000                                  | 1.06800 (Note 2)                   | May 24, 2028   | Lump-sum repayment on repayment date | Refinancing                  | Unsecured Unguaranteed |
|                          | Sumitomo Mitsui Trust Bank, Limited |               | 100,000  | 100,000                                  |                                    |                |                                      |                              |                        |
|                          | Resona Bank, Limited                |               | 828,500  | 828,500                                  |                                    |                |                                      |                              |                        |
|                          | 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.                   | May 24, 2022  | 158,500  | 158,500                                  | 1.01600 (Note 2)                   | Nov. 24, 2027  | Lump-sum repayment on repayment date | Refinancing                  | Unsecured Unguaranteed |
|                          | 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                                   |                                    |                |                                      |                              |                        |
|                          | Mizuho Bank, Ltd.                   |               | 600,000  | 600,000                                  |                                    |                |                                      |                              |                        |
|                          | 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.             | May 24, 2022  | 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                                  |                                    |                |                                      |                              |                        |

|                          | Classification                      | Drawdown date | Balance at beginning of 39th FP (thousand yen) | Balance at end of 39th FP (thousand yen) | Average interest rate (%) (Note 1) | Repayment date | Repayment method                     | Use                          | Description            |
|--------------------------|-------------------------------------|---------------|--|--|------------------------------------|----------------|--------------------------------------|------------------------------|------------------------|
|                          | Lender                              |               |  |  |                                    |                |                                      |                              |                        |
| Long-Term Loans (Note 3) | The Bank of Yokohama, Ltd.          | Nov. 1, 2022  | 3,000,000                                      | 3,000,000                                | 1.16000 (Note 2)                   | 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                                  | 1.15197                            | 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                                | 1.30197                            | 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 2)                   | 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.    | Nov. 24, 2023 | 50,000   | 50,000                                   | 1.49000 (Note 2)                   | May 24, 2030   | Lump-sum repayment on repayment date | Refinancing                  | Unsecured Unguaranteed |
|                          | The Bank of Yokohama, Ltd.          |               | 1,000,000                                      | 1,000,000                                |                                    |                |                                      |                              |                        |
|                          | Resona Bank, Limited                |               | 519,000  | 519,000                                  |                                    |                |                                      |                              |                        |
|                          | 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                | May. 24, 2024 | 477,000  | 477,000                                  | 1.57700 (Note 2)                   | Nov. 22, 2030  | Lump-sum repayment on repayment date | Refinancing                  | Unsecured Unguaranteed |
|                          | Aozora Bank, Ltd.                   |               | 450,000  | 450,000                                  |                                    |                |                                      |                              |                        |
|                          | The Bank of Kyoto, Ltd.             |               | 400,000  | 400,000                                  |                                    |                |                                      |                              |                        |
|                          | Mizuho Bank, Ltd.                   |               | 299,000  | 299,000                                  |                                    |                |                                      |                              |                        |
|                          | Sumitomo Mitsui Banking Corporation |               | 299,000  | 299,000                                  |                                    |                |                                      |                              |                        |
|                          | The Chiba Bank, Ltd.                |               | 259,000  | 259,000                                  |                                    |                |                                      |                              |                        |
|                          | The Musashino Bank, Ltd.            |               | 259,000  | 259,000                                  |                                    |                |                                      |                              |                        |
|                          | Asahi Shinkin Bank                  |               | 250,000  | 250,000                                  |                                    |                |                                      |                              |                        |
|                          | Sumitomo Mitsui Trust Bank, Limited |               | 107,000  | 107,000                                  |                                    |                |                                      |                              |                        |
|                          | The Kagawa Bank, Ltd.               |               | 100,000  | 100,000                                  |                                    |                |                                      |                              |                        |
|                          | Resona Bank, Limited                | May 24, 2024  | 548,000  | 548,000                                  | 1.12900 (Note 2)                   | May 24, 2027   | Lump-sum repayment on repayment date | Refinancing                  | Unsecured Unguaranteed |
|                          | Aozora Bank, Ltd.                   |               | 530,500  | 530,500                                  |                                    |                |                                      |                              |                        |
|                          | Mizuho Bank, Ltd.                   |               | 459,000  | 459,000                                  |                                    |                |                                      |                              |                        |
|                          | The Musashino Bank, Ltd.            |               | 240,000  | 240,000                                  |                                    |                |                                      |                              |                        |
|                          | The Chiba Bank, Ltd.                |               | 235,000  | 235,000                                  |                                    |                |                                      |                              |                        |
|                          | The Kagawa Bank, Ltd.               |               | 76,000   | 76,000                                   |                                    |                |                                      |                              |                        |
|                          | Sumitomo Mitsui Trust Bank, Limited |               | 72,500   | 72,500                                   |                                    |                |                                      |                              |                        |
|                          | Aozora Bank, Ltd.                   | Nov. 22, 2024 | -  | 917,000                                  | 1.32808                            | May 23, 2031   | Lump-sum repayment on repayment date | Refinancing                  | Unsecured Unguaranteed |
|                          | Resona Bank, Limited                |               | -  | 678,000                                  |                                    |                |                                      |                              |                        |
|                          | The Chiba Bank, Ltd.                |               | -  | 322,000                                  |                                    |                |                                      |                              |                        |
|                          | The Musashino Bank, Ltd.            |               | -  | 322,000                                  |                                    |                |                                      |                              |                        |
|                          | Mizuho Bank, Ltd.                   |               | -  | 300,000                                  |                                    |                |                                      |                              |                        |
|                          | The Kagawa Bank, Ltd.               |               | -  | 274,000                                  |                                    |                |                                      |                              |                        |
|                          | Sumitomo Mitsui Banking Corporation |               | -  | 203,000                                  |                                    |                |                                      |                              |                        |
|                          | Sumitomo Mitsui Trust Bank, Limited |               | -  | 84,000                                   |                                    |                |                                      |                              |                        |
|                          | Subtotal                            |               | 47,846,000                                     | 47,246,000                               |                                    |                |                                      |                              |                        |
|                          | Total                               |               | 48,261,500                                     | 47,246,000                               |                                    |                |                                      |                              |                        |

(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 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 3) The current portion of long-term loans payable (4,549,000 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 April 30, 2025, is as follows.

| Issue   | Issue date    | Balance at beginning of 39th FP (thousand yen) | Balance at end of 39th 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                                      | -  | 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 |
| Fifth Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds)  | Nov. 18, 2024 | -  | 2,000,000                                | 1.227% per annum | Nov. 16, 2029   | Lump-sum upon maturity | Partial repayment of borrowings | Unsecured and unguaranteed |
| Total   |               | 5,000,000                                      | 6,000,000                                |                  |                 |                        |                                 |                            |

**(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 (loss) on sale (thousand yen) (Note 2) |
| C-20            | Proceed Shinkoiwa       | -                | -                                | Feb. 28, 2025    | 618,000                                   | 512,368                   | 96,269                                      |
| G-30            | Proceed Hyogoekimaedori | -                | -                                | Mar. 21, 2025    | 1,900,000                                 | 1,735,893                 | 109,188                                     |
| Total           |                         | -                | -                                | -                | 2,518,000                                 | 2,248,261                 | 205,458                                     |

(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 (loss) 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 Asset Research Inc. and JLL Morii Valuation & Advisory K.K. 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-20            | Proceed Shinkoiwa       | Feb. 28, 2025    | Real estate in trust | 618,000   | 570,000                        | Apr. 30, 2024  | Asset Research Inc.                 |
| Disposition                | G-30            | Proceed Hyogoekimaedori | Mar. 21, 2025    | Real estate in trust | 1,900,000   | 1,850,000                      | Apr. 30, 2024  | JLL Morii Valuation & Advisory K.K. |

#### ii) Others

Not applicable.

**(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)<br>(thousand yen) | Breakdown of transactions with interested parties, etc. |                                   | B/A<br>(%) |
|--------------------------------|--------------------------------------|---|-----------------------------------|------------|
|                                |                                      | Paid party  | Paid amount (B)<br>(thousand yen) |            |
| Property management fee        | 99,258                               | Starts Amenity Corporation                              | 97,251                            | 98.0       |
| Repair expenses                | 469,927                              | Starts Amenity Corporation                              | 363,422                           | 77.3       |
| Maintenance and inspection fee | 143,669                              | Starts Amenity Corporation                              | 141,344                           | 98.4       |
| Advertising expenses           | 64,932                               | Starts Amenity Corporation                              | 63,268                            | 97.4       |
| Renewal fee                    | 28,207                               | Starts Amenity Corporation                              | 27,422                            | 97.2       |

(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 (from the 37th to 39th Fiscal Periods)

Proceed Yamashita Koen  
The Tower



A rank ★★★★★

Proceed Shin-Matsudo



★★★★★

Proceed Shin-Anjo



★★★★★

Proceed Shin Yokohama



★★★★★

Alpha Grande  
Chizakura Tower



★★★★★

The Parkhabio  
Yokohamayamate



★★★★★

#### ■ Properties that have acquired environmental certification (as of April 30, 2025)

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 <sup>2</sup> |
| Percentage of certified properties (Compared to previous period)        | 23.3% (+3.7%)            |
| FY2030 target   |                          |
| Percentage of certified properties                                      | 40.0%                    |

### 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.

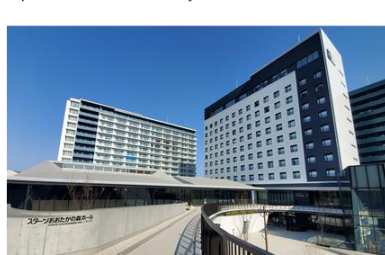
#### ■ Alpha Grande Chizakura Tower <Acquired in 34th FP>

- 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 April 30, 2025)  
Number of orders received by Starts CAM: 639  
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



Well



Bench with oven function



Earthquake simulation vehicles/disaster prevention events



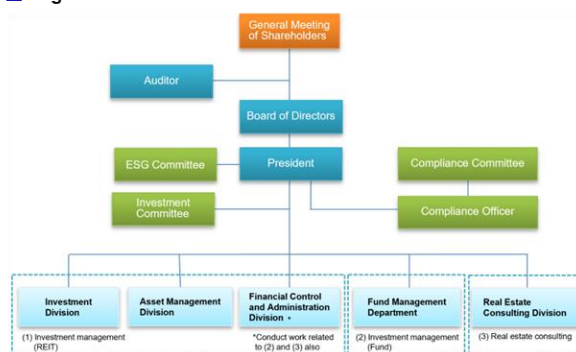
Disaster prevention goods for exclusive floor area (some properties)

## 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 <sub>2</sub> ) 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 2022 | Fiscal 2023 | Fiscal 2024 | Rate of Change (compared with Fiscal 2023) |
|----------------------------------|--|-------------|-------------|-------------|--|
| Energy consumption               | Total amount (MWh)   | 2,148       | 2,631       | 2,537       | -3.6%                                      |
|                                  | Consumption intensity (MWh/m <sup>2</sup> )                | 0.047       | 0.048       | 0.047       | -2.1%                                      |
| GHG (CO <sub>2</sub> ) emissions | Total amount (t-CO <sub>2</sub> )                          | 222         | 187         | 29          | -84.5%                                     |
|                                  | Consumption intensity (t-CO <sub>2</sub> /m <sup>2</sup> ) | 0.005       | 0.003       | 0.001       | -66.7%                                     |
| Water consumption                | Total amount (m <sup>3</sup> )                             | 824         | 881         | 1,159       | 31.6%                                      |
|                                  | Consumption intensity (m <sup>3</sup> /m <sup>2</sup> )    | 0.022       | 0.019       | 0.025       | 31.6%                                      |

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

\*For energy consumption, GHG (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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.

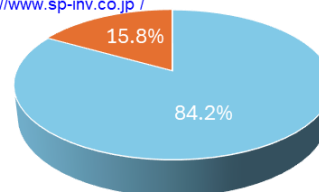
### Reduction of CO<sub>2</sub> emissions from electricity at common areas to zero

For 87 properties (84.2% of the total floor area) of the 107 properties we own, we have changed the electric power contracts for common areas to the power plan using 100% renewable energy provided by Mitsui Green Energy Co., Ltd.

Through this initiative, we will realize virtually zero CO<sub>2</sub> 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 (38th) 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 (39th) 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 39th fiscal period is as follows.

| Approval date     | Item                               | Overview   |
|-------------------|------------------------------------|--|
| December 16, 2024 | Repurchase of own investment units | Approved to entrust Mizuho Securities Co., Ltd. with the administration regarding repurchase of own investment units (administration regarding purchase of own investment units from the market based on a discretionary transaction contract) by SPI as follows:<br>(1) Total number of investment units that can be acquired:<br>A maximum of 12,000<br>(2) Total acquisition value of investment units:<br>A maximum of 2,000 million yen<br>(3) Acquisition period:<br>From December 17, 2024, to April 22, 2025 |

### (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]  |  |
|---|---|--|
|   | 38th Fiscal Period<br>(Reference)<br>(as of October 31, 2024) | 39th Fiscal Period<br>(as of April 30, 2025) |
| Assets                                      |   |  |
| Current assets                              |   |  |
| Cash and deposits                           | 1,264,128   | 2,167,715                                    |
| Cash and deposits in trust                  | 2,407,345   | 2,261,257                                    |
| Operating accounts receivable               | 30,594  | 39,234                                       |
| Prepaid expenses                            | 109,908   | 109,954                                      |
| Others                                      | 8,607   | 21,300                                       |
| Total current assets                        | 3,820,584   | 4,599,462                                    |
| Non-current assets                          |   |  |
| Property, plant and equipment               |   |  |
| Buildings in trust                          | 55,433,846  | 54,861,795                                   |
| Accumulated depreciation                    | (13,280,856)  | (13,720,793)                                 |
| Buildings in trust, net                     | 42,152,990  | 41,141,001                                   |
| Structures in trust                         | 1,307,095   | 1,339,800                                    |
| Accumulated depreciation                    | (945,847)   | (961,313)                                    |
| Structures in trust, net                    | 361,248   | 378,486                                      |
| 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      | 969,859   | 998,105                                      |
| Accumulated depreciation                    | (510,717)   | (548,070)                                    |
| Tools, furniture and fixtures in trust, net | 459,142   | 450,035                                      |
| Land in trust                               | 54,960,795  | 53,357,208                                   |
| Total property, plant and equipment         | 97,934,445  | 95,327,000                                   |
| Intangible assets                           |   |  |
| Leasehold in trust                          | 1,017,085   | 1,008,691                                    |
| Software                                    | 479   | 406  |
| Total intangible assets                     | 1,017,564   | 1,009,098                                    |
| Investments and other assets                |   |  |
| Leasehold and guarantee deposits            | 10,000  | 10,000                                       |
| Leasehold and guarantee deposits in trust   | 734,611   | 734,611                                      |
| Long-term prepaid expenses                  | 236,225   | 210,334                                      |
| Deferred tax assets                         | 29  | 14   |
| Others                                      | 57,503  | 66,190                                       |
| Total investments and other assets          | 1,038,370   | 1,021,151                                    |
| Total non-current assets                    | 99,990,380  | 97,357,250                                   |
| Deferred assets                             |   |  |
| Investment corporation bond issuance costs  | 19,672  | 29,307                                       |
| Investment unit issuance costs              | 4,143   | 2,071  |
| Total deferred assets                       | 23,815  | 31,379                                       |
| Total assets                                | 103,834,781   | 101,988,093                                  |

## Starts Proceed Investment Corporation

### Balance Sheets

|  | [Unit: thousand yen]  |  |
|--|---|--|
|  | 38th Fiscal Period<br>(Reference)<br>(as of October 31, 2024) | 39th Fiscal Period<br>(as of April 30, 2025) |
| Liabilities  |   |  |
| Current liabilities                                |   |  |
| Short-term loans payable                           | 415,500   | -  |
| Current portion of investment corporation bonds    | 1,000,000   | 1,000,000                                    |
| Current portion of long-term loans payable         | 6,749,000   | 4,549,000                                    |
| Operating accounts payable                         | 186,765   | 172,193                                      |
| Accounts payable – other                           | 259,008   | 259,554                                      |
| Accrued expenses                                   | 72,158  | 100,388                                      |
| Income taxes payable                               | 1,185   | 695  |
| Accrued consumption taxes                          | 49,769  | 46,140                                       |
| Advances received                                  | 1,648   | 2,130  |
| Others   | 253   | 99   |
| Total current liabilities                          | 8,735,289   | 6,130,201                                    |
| Non-current liabilities                            |   |  |
| Investment corporation bonds                       | 4,000,000   | 5,000,000                                    |
| Long-term loans payable                            | 41,097,000  | 42,697,000                                   |
| Tenant leasehold and security deposits in trust    | 873,477   | 866,489                                      |
| Asset retirement obligations                       | 307,663   | 310,120                                      |
| Total non-current liabilities                      | 46,278,141  | 48,873,609                                   |
| Total liabilities                                  | 55,013,431  | 55,003,811                                   |
| Net assets   |   |  |
| Unitholders' equity                                |   |  |
| Unitholders' capital                               | 48,082,645  | 48,082,645                                   |
| Deduction from unitholders' capital                |   |  |
| Allowance for temporary difference adjustments     | (Note 1) -  | (11,581)                                     |
| Other deduction from unitholders' capital          | (Note 2) (639,413)  | (2,470,257)                                  |
| Total deduction from unitholders' capital          | (639,413)   | (2,481,838)                                  |
| Unitholders' capital (net)                         | 47,443,232  | 45,600,807                                   |
| Surplus  |   |  |
| Unappropriated retained earnings (undisposed loss) | 1,378,117   | 1,383,474                                    |
| Total surplus                                      | 1,378,117   | 1,383,474                                    |
| Total unitholders' equity                          | 48,821,350  | 46,984,281                                   |
| Total net assets                                   | (Note 3) 48,821,350   | 46,984,281                                   |
| Total liabilities and net assets                   | 103,834,781   | 101,988,093                                  |

## Starts Proceed Investment Corporation

### Statements of Income

|  |          | [Unit: thousand yen]              |                    |
|--|----------|-----------------------------------|--------------------|
|  |          | 38th Fiscal Period<br>(Reference) | 39th Fiscal Period |
|  |          | From: May 1, 2024                 | From: Nov. 1, 2024 |
|  |          | To: Oct. 31, 2024                 | To: Apr. 30, 2025  |
| Operating revenue  |          |                                   |                    |
| Rent revenue – real estate                                 | (Note 1) | 3,620,089                         | 3,621,840          |
| Gain on sales of real estate properties                    | (Note 2) | 148,859                           | 205,458            |
| Total operating revenue                                    |          | 3,768,949                         | 3,827,299          |
| Operating expenses   |          |                                   |                    |
| Expenses related to rent business                          | (Note 1) | 1,559,676                         | 1,607,483          |
| Asset management fee                                       |          | 335,858                           | 333,015            |
| Asset custody fee  |          | 8,811                             | 8,784              |
| Administrative service fees                                |          | 20,204                            | 21,709             |
| Directors' compensations                                   |          | 1,200                             | 1,200              |
| Other operating expenses                                   |          | 136,042                           | 135,624            |
| Total operating expenses                                   |          | 2,061,793                         | 2,107,818          |
| Operating income   |          | 1,707,156                         | 1,719,480          |
| Non-operating income                                       |          |                                   |                    |
| Interest income  |          | 7,492                             | 36,691             |
| Insurance income   |          | 1,389                             | 107                |
| Reversal of distribution payable                           |          | 1,041                             | 789                |
| Others   |          | 346                               | 11,312             |
| Total non-operating income                                 |          | 10,269                            | 48,901             |
| Non-operating expenses                                     |          |                                   |                    |
| Interest expenses  |          | 264,825                           | 302,531            |
| Interest expenses on investment corporation bonds          |          | 17,297                            | 25,684             |
| Amortization of investment corporation bond issuance costs |          | 4,061                             | 4,330              |
| Amortization of investment unit issuance costs             |          | 2,071                             | 2,071              |
| Borrowing related expenses                                 |          | 48,842                            | 44,255             |
| Others   |          | 557                               | 5,312              |
| Total non-operating expenses                               |          | 337,656                           | 384,185            |
| Ordinary income  |          | 1,379,769                         | 1,384,196          |
| Income before income taxes                                 |          | 1,379,769                         | 1,384,196          |
| Income taxes – current                                     |          | 1,228                             | 901                |
| Income taxes – deferred                                    |          | 593                               | 15                 |
| Total income taxes   |          | 1,821                             | 917                |
| Net income   |          | 1,377,947                         | 1,383,279          |
| Retained earnings brought forward                          |          | 170                               | 194                |
| Unappropriated retained earnings (undisposed loss)         |          | 1,378,117                         | 1,383,474          |

## Starts Proceed Investment Corporation

### Statements of Changes in Unitholders' Equity

38th Fiscal Period (Reference) (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       |

39th Fiscal Period (from November 1, 2024, to April 30, 2025)

[Unit: thousand yen]

|   | Unitholders' equity  |  |   |   |                            |
|---|----------------------|--|---|---|----------------------------|
|   | Unitholders' capital |  |   |   |                            |
|   | Unitholders' capital | Deduction from unitholders' capital            |   |   | Unitholders' capital (net) |
|   |                      | Allowance for temporary difference adjustments | Other deduction from unitholders' capital | Total deduction from unitholders' capital |                            |
| Balance at beginning of period  | 48,082,645           | -  | (639,413)                                 | (639,413)                                 | 47,443,232                 |
| Changes of items during the period  |                      |  |   |   |                            |
| Distribution in an allowance for temporary difference adjustments in excess of earnings |                      | (11,581)                                       |   | (11,581)                                  | (11,581)                   |
| Distribution in other distributions in excess of earnings                               |                      |  | (93,499)                                  | (93,499)                                  | (93,499)                   |
| Dividends from surplus  |                      |  |   |   |                            |
| Net income  |                      |  |   |   |                            |
| Purchase of treasury investment units   |                      |  |   |   |                            |
| Cancellation of treasury investment units   |                      |  | (1,737,343)                               | (1,737,343)                               | (1,737,343)                |
| Total changes of items during the period  | -                    | (11,581)                                       | (1,830,843)                               | (1,842,425)                               | (1,842,425)                |
| Balance at end of period  | 48,082,645           | (11,581)                                       | (2,470,257)                               | (2,481,838)                               | 45,600,807                 |

[Unit: thousand yen]

|   |  |               |                           |                           | [Unit: thousand yen] |
|---|--|---------------|---------------------------|---------------------------|----------------------|
|   | Unitholders' equity                                |               |                           |                           | Total net assets     |
|   | Surplus  |               | Treasury investment units | Total unitholders' equity |                      |
|   | Unappropriated retained earnings (undisposed loss) | Total surplus |                           |                           |                      |
| Balance at beginning of period  | 1,378,117  | 1,378,117     | -                         | 48,821,350                | 48,821,350           |
| Changes of items during the period  |  |               |                           |                           |                      |
| Distribution in an allowance for temporary difference adjustments in excess of earnings |  |               |                           | (11,581)                  | (11,581)             |
| Distribution in other distributions in excess of earnings                               |  |               |                           | (93,499)                  | (93,499)             |
| Dividends from surplus  | (1,377,922)  | (1,377,922)   |                           | (1,377,922)               | (1,377,922)          |
| Net income  | 1,383,279  | 1,383,279     |                           | 1,383,279                 | 1,383,279            |
| Purchase of treasury investment units   |  |               | (1,737,343)               | (1,737,343)               | (1,737,343)          |
| Cancellation of treasury investment units   |  |               | 1,737,343                 | -                         | -                    |
| Total changes of items during the period  | 5,356  | 5,356         | -                         | (1,837,068)               | (1,837,068)          |
| Balance at end of period  | 1,383,474  | 1,383,474     | -                         | 46,984,281                | 46,984,281           |

## Starts Proceed Investment Corporation

### Statements of Cash Flows

[Unit: thousand yen]

|   | 38th Fiscal Period<br>(Reference)<br>From: May 1, 2024<br>To: Oct. 31, 2024 | 39th Fiscal Period<br>From: Nov. 1, 2024<br>To: Apr. 30, 2025 |
|---|---|---|
| Net cash provided by (used in) operating activities           |   |   |
| Income before income taxes                                    | 1,379,769   | 1,384,196   |
| Depreciation and amortization                                 | 703,408   | 704,053   |
| Amortization of investment corporation bond issuance costs    | 4,061   | 4,330   |
| Amortization of investment unit issuance costs                | 2,071   | 2,071   |
| Interest income   | (7,492)   | (36,691)  |
| Interest expenses   | 282,122   | 328,215   |
| Decrease (increase) in operating accounts receivable          | 9,961   | (8,639)   |
| Decrease (increase) in prepaid expenses                       | 487   | (46)  |
| Increase (decrease) in accrued consumption taxes              | 36,944  | (3,629)   |
| Increase (decrease) in operating accounts payable             | 20,251  | (37,781)  |
| Increase (decrease) in accounts payable – other               | (29,494)  | (831)   |
| Decrease (increase) in long-term prepaid expenses             | 16,328  | 25,891  |
| Decrease from sales of property, plant and equipment in trust | 2,498,889   | 2,248,261   |
| Others, net   | 6,764   | (10,699)  |
| Subtotal  | 4,924,074   | 4,598,702   |
| Interest income received                                      | 7,492   | 36,691  |
| Interest expenses paid  | (274,490)   | (299,986)   |
| Income taxes paid   | (7,965)   | (1,391)   |
| Net cash provided by (used in) operating activities           | 4,649,110   | 4,334,016   |
| Net cash provided by (used in) investing activities           |   |   |
| Purchase of property, plant and equipment in trust            | (254,293)   | (313,194)   |
| Purchase of intangible assets                                 | (308)   | -   |
| Proceeds from tenant leasehold and security deposits in trust | 52,432  | 47,181  |
| Repayments of tenant leasehold and security deposits in trust | (67,983)  | (54,169)  |
| Decrease (increase) in investments and other assets           | (32,895)  | (8,687)   |
| Net cash provided by (used in) investing activities           | (303,048)   | (328,870)   |
| Net cash provided by (used in) financing activities           |   |   |
| Repayments of short-term loans payable                        | (2,669,500)   | (415,500)   |
| Proceeds from long-term loans payable                         | 5,061,000   | 3,100,000   |
| Repayments of long-term loans payable                         | (5,061,000)   | (3,700,000)   |
| Proceeds from issuance of investment corporation bonds        | -   | 2,000,000   |
| Redemption of investment corporation bonds                    | -   | (1,000,000)   |
| Payments of investment corporation bond issuance costs        | -   | (13,966)  |
| Purchase of treasury investment units                         | -   | (1,737,343)   |
| Dividends paid  | (1,409,452)   | (1,375,755)   |
| Distributions in excess of earnings                           | (93,499)  | (105,081)   |
| Net cash provided by (used in) financing activities           | (4,172,452)   | (3,247,647)   |
| Net increase (decrease) in cash and cash equivalents          | 173,610   | 757,499   |
| Cash and cash equivalents at beginning of period              | 3,497,863   | 3,671,474   |
| Cash and cash equivalents at end of period                    | (Note) 3,671,474  | 4,428,973   |

# 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<br>Item  | 38th Fiscal Period (Reference)<br>(from May 1, 2024, to October 31, 2024)  | 39th Fiscal Period<br>(from November 1, 2024, to April 30, 2025)  |
|--|--|---|
| 1. Depreciation and amortization method for non-current assets | (1) Property, plant and equipment<br>Depreciation is calculated using the straight-line method.<br>The useful lives of major categories of property, plant and equipment are as follows:<br>Buildings in trust 3–64 years<br>Structures in trust 10–45 years<br>Machinery and equipment in trust 8 years<br>Tools, furniture and fixtures in trust 3–15 years<br>(2) Intangible assets<br>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.<br>(3) Long-term prepaid expenses<br>Long-term prepaid expenses are amortized using the straight-line method. | (1) Property, plant and equipment<br>Same as on the left<br><br>(2) Intangible assets<br>Same as on the left<br><br>(3) Long-term prepaid expenses<br>Same as on the left |
| 2. Accounting for deferred assets                              | (1) Investment corporation bond issuance costs<br>Investment corporation bond issuance costs are amortized using the straight-line method over the period through redemption.<br>(2) Investment unit issuance costs<br>Investment unit issuance costs are amortized in equal amounts over three years.   | (1) Investment corporation bond issuance costs<br>Same as on the left<br><br>(2) Investment unit issuance costs<br>Same as on the left                                    |



|   |   |  |
|---|---|--|
| <p>3. Standards for recognition of revenue and expenses</p> | <p>(1) Accounting treatment of property taxes, etc.<br/>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.<br/>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.<br/>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<br/>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<br/>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<br/>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.<br/>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.<br/>Same as on the left</p> <p>(2) Standards for revenue recognition<br/>Same as on the left</p>   |
| <p>4. Method of hedge accounting</p>                        | <p>(1) Method of hedge accounting<br/>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<br/>Hedging instrument: interest rate swap transactions<br/>Hedged items: interest of borrowings</p> <p>(3) Hedging policy<br/>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<br/>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<br/>Same as on the left</p> <p>(2) Hedging instruments and hedged items<br/>Same as on the left</p> <p>(3) Hedging policy<br/>Same as on the left</p> <p>(4) Method for assessing the effectiveness of hedging<br/>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<br/>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.<br/>Furthermore, among trust properties recorded in relevant accounts, the following material accounts are separately stated on the Balance Sheets.</p> <ul style="list-style-type: none"> <li>a. Cash and deposits in trust</li> <li>b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust</li> <li>c. Leasehold in trust</li> <li>d. Leasehold and guarantee deposits in trust</li> <li>e. Tenant leasehold and security deposits in trust</li> </ul> <p>(2) Accounting for consumption taxes<br/>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<br/>Same as on the left</p> <p>(2) Accounting for consumption taxes<br/>Same as on the left</p> |

### 3. Notes to Balance Sheets

(Note 1) Allowance for temporary difference adjustments

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

Not applicable.

39th fiscal period (from November 1, 2024, to April 30, 2025)

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

(thousand yen)

| Relevant asset, etc.          | Reason for provision   | Initial amount incurred | Balance at beginning of period | Provision during period | Reversal during period | Balance at end of period | Reason for reversal |
|-------------------------------|--|-------------------------|--------------------------------|-------------------------|------------------------|--------------------------|---------------------|
| Buildings in trust            | Incurrence of expenses related to asset retirement obligations | 4,353                   | -                              | 4,353                   | -                      | 4,353                    | -                   |
| Fixed-term leasehold in trust | Incurrence of amortization of leasehold                        | 7,228                   | -                              | 7,228                   | -                      | 7,228                    | -                   |

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. |

| 38th Fiscal Period (Reference)<br>(as of October 31, 2024)   | 39th Fiscal Period<br>(as of April 30, 2025)  |
|--|---|
| (Note 2) Cancellation of treasury investment units<br>Total number of cancelled units 3,000 units<br>Total amount of cancellation 545,913 thousand yen | (Note 2) Cancellation of treasury investment units<br>Total number of cancelled units 13,062 units<br>Total amount of cancellation 2,283,257 thousand yen |
| (Note 3) Minimum net assets designated in Article 67-4 of the Act on Investment Trusts and Investment Corporations<br>50,000 thousand yen              | (Note 3) Minimum net assets designated in Article 67-4 of the Act on Investment Trusts and Investment Corporations<br>50,000 thousand yen                 |

#### 4. Notes to Statements of Income

| 38th Fiscal Period (Reference)<br>(from May 1, 2024, to October 31, 2024)                          | 39th Fiscal Period<br>(from November 1, 2024, to April 30, 2025)                                   |
|--|--|
| (Note 1) Breakdown of revenues and expenses related to real estate rent business<br>(thousand yen) | (Note 1) Breakdown of revenues and expenses related to real estate rent business<br>(thousand yen) |
| A. Real estate rent revenue  | A. Real estate rent revenue  |
| Rent revenue – real estate   | Rent revenue – real estate   |
| Rent 3,135,621   | Rent 3,133,475   |
| Common area maintenance charges 220,382  | Common area maintenance charges 220,446  |
| Parking revenue 108,095  | Parking revenue 105,786  |
| Incidental revenue 1,375   | Incidental revenue 1,046   |
| Rent revenue – other 154,614   | Rent revenue – other 161,086   |
| Total real estate rent revenue 3,620,089   | Total real estate rent revenue 3,621,840   |
| 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 243,031  | Management expenses 242,927  |
| Repair expenses 98,276   | Repair expenses 137,724  |
| Taxes and public dues 210,786  | Taxes and public dues 215,115  |
| Trust fee 35,204   | Trust fee 35,157   |
| Utilities expenses 57,361  | Utilities expenses 54,772  |
| Casualty insurance 14,486  | Casualty insurance 14,399  |
| Depreciation and amortization 703,340  | Depreciation and amortization 704,462  |
| Other expenses related to rent business 197,187  | Other expenses related to rent business 202,922  |
| Total expenses related to real estate rent business 1,559,676                                      | Total expenses related to real estate rent business 1,607,483                                      |
| C. Profit from real estate rent business (A-B) 2,060,413   | C. Profit from real estate rent business (A-B) 2,014,357   |
| (Note 2) Breakdown of gain on sales of real estate properties<br>(thousand yen)                    | (Note 2) Breakdown of gain on sales of real estate properties<br>(thousand yen)                    |
| Proceed Kinshicho  | Proceed Shinkoiwa  |
| Proceeds from sales of real estate properties 2,388,664  | Proceeds from sales of real estate properties 620,570  |
| Cost of sales of real estate properties 2,216,036  | Cost of sales of real estate properties 512,368  |
| Other sales expenses 24,308  | Other sales expenses 11,932  |
| Gain on sales of real estate properties 148,319  | Gain on sales of real estate properties 96,269   |
| (thousand yen)   | (thousand yen)   |
| Proceed Oizumigakuen   | Proceed Hyogoekimaedori  |
| Proceeds from sales of real estate properties 284,914  | Proceeds from sales of real estate properties 1,912,813  |
| Cost of sales of real estate properties 282,853  | Cost of sales of real estate properties 1,735,893  |
| Other sales expenses 1,520   | Other sales expenses 67,730  |
| Gain on sales of real estate properties 539  | Gain on sales of real estate properties 109,188  |

#### 5. Notes to Statements of Changes in Unitholders' Equity

| 38th Fiscal Period (Reference)<br>(from May 1, 2024, to October 31, 2024)                               | 39th Fiscal Period<br>(from November 1, 2024, to April 30, 2025)  |
|---|---|
| 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 272,415 units                                   |

#### 6. Notes to Statements of Cash Flows

| 38th Fiscal Period (Reference)<br>(from May 1, 2024, to October 31, 2024)   | 39th Fiscal Period<br>(from November 1, 2024, to April 30, 2025)  |
|---|---|
| (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<br>(thousand yen)<br>(As of 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<br>(thousand yen)<br>(As of April 30, 2025) |
| Cash and deposits 1,264,128   | Cash and deposits 2,167,715   |
| Cash and deposits in trust 2,407,345  | Cash and deposits in trust 2,261,257  |
| Cash and cash equivalents 3,671,474   | Cash and cash equivalents 4,428,973   |

## 7. Notes to lease transactions

| 38th Fiscal Period (Reference)<br>(as of October 31, 2024) |                | 39th Fiscal Period<br>(as of April 30, 2025) |                |
|--|----------------|--|----------------|
| Operating lease transaction<br>(As Lessee)                 | (thousand yen) | Operating lease transaction<br>(As Lessee)   | (thousand yen) |
| Future minimum lease payments                              |                | Future minimum lease payments                |                |
| Due within 1 year  | 126,623        | Due within 1 year                            | 127,158        |
| Due after 1 year   | 4,920,164      | Due after 1 year                             | 4,878,227      |
| Total  | 5,046,787      | Total  | 5,005,386      |

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

## 8. Notes to financial instruments

38th fiscal period (Reference) (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<br>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<br>Receivable floating;<br>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        |

39th fiscal period (from November 1, 2024, to April 30, 2025)

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, 2025. 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) Current portion of investment corporation bonds (Note 2) | 1,000,000                                 | 997,768             | (2,231)    |
| (2) Current portion of long-term loans payable (Note 2)      | 4,549,000                                 | 4,519,508           | (29,491)   |
| (3) Investment corporation bonds (Note 2)                    | 5,000,000                                 | 4,980,829           | (19,170)   |
| (4) Long-term loans payable (Note 2)                         | 42,697,000                                | 46,733,576          | 4,036,576  |
| (5) Derivative transactions                                  | -   | -                   | -          |

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

### (1) Current portion of investment corporation bonds and (3) 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.

### (2) Current portion of long-term loans payable and (4) 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 (5) 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.

### (5) 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<br>Receivable floating;<br>Payable fixed | Long-term loans payable | 36,956,000            | 32,407,000                 | (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 39th 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 |
|---|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------|
| Current portion of investment corporation bonds | 1,000,000             | -                                | -                                 | -                                 | -                                 | -                 |
| Current portion of long-term loans payable      | 4,549,000             | -                                | -                                 | -                                 | -                                 | -                 |
| Investment corporation bonds                    | -                     | -                                | -                                 | 1,500,000                         | 2,000,000                         | 1,500,000         |
| Long-term loans payable                         | -                     | 10,020,000                       | 7,881,000                         | 7,073,500                         | 7,722,500                         | 10,000,000        |

## 9. Notes to tax effect accounting

| 38th Fiscal Period (Reference)<br>(from May 1, 2024, to October 31, 2024)  | 39th Fiscal Period<br>(from November 1, 2024, to April 30, 2025)   |
|--|--|
| 1. Deferred tax assets and liabilities consist of the following:<br>(thousand yen)                               | 1. Deferred tax assets and liabilities consist of the following:<br>(thousand yen)                               |
| [Deferred tax assets]  | [Deferred tax assets]  |
| Accrued business taxes not deductible from taxable income 29   | Accrued business taxes not deductible from taxable income 14   |
| Amortization of leasehold in trust 11,490  | Amortization of leasehold in trust 14,354  |
| Asset retirement obligations 104,974   | Asset retirement obligations 105,813   |
| Subtotal of deferred tax assets 116,495  | Subtotal of deferred tax assets 120,182  |
| Valuation allowance (116,465)  | Valuation allowance (120,167)  |
| Total deferred tax assets 29   | Total deferred tax assets 14   |
| [Deferred tax assets, net] 29  | [Deferred tax assets, net] 14  |
| 2. Reconciliation between the statutory tax rate and the effective tax rate after applying tax effect accounting | 2. Reconciliation between the statutory tax rate and the effective tax rate after applying tax effect accounting |
| (%)  | (%)  |
| Statutory tax rate 31.46   | Statutory tax rate 31.46   |
| [Adjustment]   | [Adjustment]   |
| Deductible distributions (31.68)   | Deductible distributions (31.74)   |
| Change in valuation allowance 0.27   | Change in valuation allowance 0.27   |
| Others 0.08  | Others 0.08  |
| Effective tax rate after applying tax effect accounting 0.13   | Effective tax rate after applying tax effect accounting 0.07   |

## 10. Notes to asset retirement obligations

| 38th Fiscal Period (Reference)<br>(from May 1, 2024, to October 31, 2024)  | 39th Fiscal Period<br>(from November 1, 2024, to April 30, 2025)   |
|--|--|
| Asset retirement obligations recorded on the Balance Sheets  | Asset retirement obligations recorded on the Balance Sheets  |
| 1. Overview of the asset retirement obligations<br>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.                   | 1. Overview of the asset retirement obligations<br>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.                   |
| 2. Calculation method of the amount of the asset retirement obligations<br>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%. | 2. Calculation method of the amount of the asset retirement obligations<br>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%. |
| 3. Change in the total amount of the asset retirement obligations<br>(thousand yen)  | 3. Change in the total amount of the asset retirement obligations<br>(thousand yen)  |
| Balance at beginning of period 305,227   | Balance at beginning of period 307,663   |
| Accretion 2,436  | Accretion 2,456  |
| Balance at end of period 307,663   | Balance at end of period 310,120   |



## 11. Notes to related party transactions

38th fiscal period (Reference) (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  |
|                        |                                     |  |                                 | Borrowing of long-term loans payable | 179,500                                    | Current portion of long-term loans payable               | 192,000  |
|                        |                                     |  |                                 | Repayment of long-term loans payable | 179,500                                    | Long-term loans payable                                  | 1,076,000  |
|                        |                                     |  |                                 | 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.

39th fiscal period (from November 1, 2024, to April 30, 2025)

| 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              | 97,251                                     | Operating accounts payable                               | 169,040  |
|                        |                                     |  |                                 | Repair expenses                      | 363,422                                    |  |  |
|                        |                                     |  |                                 | Maintenance and inspection fee       | 141,344                                    |  |  |
|                        |                                     |  |                                 | Advertising expenses                 | 63,268                                     |  |  |
|                        |                                     |  |                                 | Renewal fee                          | 27,422                                     |  |  |
|                        |                                     |  |                                 | Rent revenue, etc. (Note 2)          | 261,224                                    | Tenant leasehold and security deposits in trust (Note 2) | 56,841   |
| Asset custodian        | Sumitomo Mitsui Trust Bank, Limited | Banking business                                 | -                               | Trust fee                            | 12,642                                     | Prepaid expenses   | 1,259  |
|                        |                                     |  |                                 |                                      |  | Long-term prepaid expenses                               | 3,224  |
|                        |                                     |  |                                 | Interest expenses                    | 7,687                                      | Accrued expenses   | 1,743  |
|                        |                                     |  |                                 |                                      |  | Prepaid expenses   | 433  |
|                        |                                     |  |                                 | Payment related to financing matters | 394  | Long-term prepaid expenses                               | 927  |
|                        |                                     |  |                                 | Borrowing of long-term loans payable | 84,000                                     | Current portion of long-term loans payable               | 162,000  |
|                        |                                     |  |                                 | Repayment of long-term loans payable | 99,000                                     | Long-term loans payable                                  | 1,091,000  |
|                        |                                     |  |                                 | Administrative service fees          | 8,809                                      | Accounts payable – other                                 | 733  |

(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

38th fiscal period (Reference) (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<br>(Note 3) |
|--|--|--------------------------|---|
| Balance at beginning of<br>period                  | Amount of change during<br>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."

39th fiscal period (from November 1, 2024, to April 30, 2025)

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, 2025.

(thousand yen)

| Book value recorded on the Balance Sheets (Note 1) |  |                          | Fair value at end of period<br>(Note 3) |
|--|--|--------------------------|---|
| Balance at beginning of<br>period                  | Amount of change during<br>period (Note 2) | Balance at end of period |   |
| 98,951,530   | (2,615,838)                                | 96,335,692               | 118,613,000                             |

(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 39th fiscal period, the amount of increase is primarily attributable to capital expenditures (332,202 thousand yen), and the amount of decrease is primarily attributable to the disposition of (C-20) Proceed Shinkoiwa and (G-30) Proceed Hyogoekimaedori (2,248,261 thousand yen) and depreciation and amortization (704,462 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 39th fiscal period ended April 2025 for the investment and rental properties, refer to the aforementioned "Notes to Statements of Income."

### 13. Notes to per unit information

| 38th Fiscal Period (Reference)<br>(from May 1, 2024, to October 31, 2024)  | 39th Fiscal Period<br>(from November 1, 2024, to April 30, 2025) |
|--|--|
| Net assets per unit 172,833 yen  | Net assets per unit 172,473 yen                                  |
| Net income per unit (Note) 4,878 yen   | Net income per unit (Note) 4,897 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.

| 38th Fiscal Period (Reference)<br>(from May 1, 2024, to October 31, 2024)         | 39th Fiscal Period<br>(from November 1, 2024, to April 30, 2025)                  |
|---|---|
| Net income (thousand yen) 1,377,947   | Net income (thousand yen) 1,383,279   |
| 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) 1,377,947 | Net income attributable to ordinary investment units (thousands of yen) 1,383,279 |
| Average number of units during the fiscal period (units) 282,477                  | Average number of units during the fiscal period (units) 282,421                  |

### 14. Notes to significant subsequent events

| 38th Fiscal Period (Reference)<br>(from May 1, 2024, to October 31, 2024)   | 39th Fiscal Period<br>(from November 1, 2024, to April 30, 2025) |
|---|--|
| <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 investment units acquired are scheduled to be cancelled during the fiscal period ended April 30, 2025.</p> <p>Total number of investment units that can be acquired:<br/>A maximum of 12,000</p> <p>Total acquisition value of investment units:<br/>A maximum of 2,000 million yen</p> <p>Acquisition method:<br/>Market purchase based on discretionary transactions with securities company</p> <p>Acquisition period:<br/>From December 17, 2024, to April 22, 2025</p> | Not applicable.  |

## 15. Notes to revenue recognition

38th fiscal period (Reference) (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.

39th fiscal period (from November 1, 2024, to April 30, 2025)

(thousand yen)

|  | Revenue from contracts with customers (Note 1) | Sales to external customers |
|--|--|-----------------------------|
| Sales of real estate properties (Note 2) | 2,533,383                                      | 205,458                     |
| Utilities income                         | 18,765   | 18,765                      |
| Others                                   | -  | 3,603,075                   |
| Total                                    | 2,552,149                                      | 3,827,299                   |

(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

38th fiscal period (Reference) (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. |

39th fiscal period (from November 1, 2024, to April 30, 2025)

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 | 5,065  |
| Fixed-term leasehold in trust | Incurrence of amortization of leasehold                        | 8,378  |
| Subtotal of increases         |  | 13,443   |
| Other                         | -  | (95)   |
| Subtotal of decreases         |  | (95)   |
| Total                         |  | 13,348   |

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 | 38th Fiscal Period (Reference)         | 39th Fiscal Period                      |
|---|---------------|--|---|
|   |               | From: May 1, 2024<br>To: Oct. 31, 2024 | From: Nov. 1, 2024<br>To: Apr. 30, 2025 |
| I. Unappropriated retained earnings   |               | 1,378,117,785 yen                      | 1,383,474,609 yen                       |
| II. Additional amount of distribution in excess of earnings   |               | 105,081,444 yen                        | 106,786,680 yen                         |
| Allowance for temporary difference adjustments  |               | 11,581,557 yen                         | 13,348,335 yen                          |
| Other deduction from unitholders' capital   |               | 93,499,887 yen                         | 93,438,345 yen                          |
| III. Amount of distributions  |               | 1,483,004,250 yen                      | 1,490,110,050 yen                       |
| [Amount of distribution per investment unit]  |               | [5,250 yen]                            | [5,470 yen]                             |
| Distribution of earnings  |               | 1,377,922,806 yen                      | 1,383,323,370 yen                       |
| [Distribution of earnings per unit]   |               | [4,878 yen]                            | [5,078 yen]                             |
| Distribution in an allowance for temporary difference adjustments   |               | 11,581,557 yen                         | 13,348,335 yen                          |
| [Distribution in excess of earnings per unit (those pertaining to an allowance for temporary difference adjustments)] |               | [41 yen]                               | [49 yen]                                |
| Distribution in other distributions in excess of earnings   |               | 93,499,887 yen                         | 93,438,345 yen                          |
| [Distribution in excess of earnings per unit (those pertaining to other distributions in excess of earnings)]         |               | [331 yen]                              | [343 yen]                               |
| IV. Retained earnings brought forward   |               | 194,979 yen                            | 151,239 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 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> | <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 39th fiscal period, SPI decided to pay out distributions of earnings of 1,383,323,370 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (272,415 units) that does not exceed the amount of unappropriated retained earnings at the end of the 39th 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 106,786,680 yen as distributions in excess of earnings. These distributions are the sum of 93,438,345 yen (a refund of investment, which is a return of capital under tax law), which is equivalent to 13.4% of depreciation (excluding the amortization of leaseholds in trust, etc.) totaling 696,068,946 yen for the fiscal period under review, and 13,348,335 yen (an allowance for temporary difference adjustments), which is roughly equivalent to tax income in excess of accounting income.</p> |
|---|--|--|

## **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 April 30, 2025, 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 April 30, 2025, 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.

#### **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  
July 22, 2025