

40th Fiscal Period

Semi-Annual Report

Starts Proceed Investment Corporation

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

From: May 1, 2025
To: October 31, 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 40th fiscal period ended October 2025 (from May 1, 2025, to October 31, 2025), we would like to report on the management status and performance results for the period.

In the 40th fiscal period, SPI acquired (C-96) Proceed Sakurazaka (acquisition price: 850 million yen) on May 13, 2025, and disposed of (C-12) Proceed Makuharihongo 2 (disposition price: 264 million yen) on August 1, 2025, to enhance the competitiveness of its portfolio. As a result, SPI’s portfolio as of the end of the 40th fiscal period consists of 107 properties, with acquisition prices totaling 100,964 million yen and a total leasable floor area of 207,046.76 m². 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 3,642 million yen, ordinary income of 1,208 million yen and net income of 1,207 million yen for the 40th fiscal period. Distribution of earnings per unit came to 4,433 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 4,825 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 four properties, CASBEE Certification for Real Estate for three 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	36th period	37th period	38th period	39th period	40th period
		From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024	From May 1, 2024, to Oct. 31, 2024	From Nov. 1, 2024, to Apr. 30, 2025	From May 1, 2025, to Oct. 31, 2025
Operating revenue [Of which, real estate rent revenue]	million yen	3,532 [3,532]	3,756 [3,612]	3,768 [3,620]	3,827 [3,621]	3,642 [3,606]
Operating expenses [Of which, expenses related to real estate rent business]	million yen	2,031 [1,546]	2,048 [1,554]	2,061 [1,559]	2,107 [1,607]	2,064 [1,586]
Operating income	million yen	1,500	1,707	1,707	1,719	1,577
Ordinary income	million yen	1,226	1,417	1,379	1,384	1,208
Net income (a)	million yen	1,218	1,409	1,377	1,383	1,207
Total assets (b)	million yen	103,441	106,659	103,834	101,988	101,715
Net assets (c)	million yen	48,854	48,946	48,821	46,984	46,701
Unitholders' capital (net) (Note 2)	million yen	47,536	47,536	47,443	45,600	45,494
Total number of investment units issued and outstanding (d)	units	282,477	282,477	282,477	272,415	272,415
Net assets per unit (c)÷(d)	yen	172,949	173,275	172,833	172,473	171,435
Net income per unit (Note 3)	yen	4,313	4,990	4,878	4,897	4,432
Total distributions (e)	million yen	1,317	1,503	1,483	1,490	1,314
Distribution per unit (e)÷(d) [Of which, distribution of earnings per unit]	yen	4,664 [4,664]	5,321 [4,990]	5,250 [4,878]	5,470 [5,078]	4,825 [4,433]
[Of which, allowance for temporary difference adjustments per unit]	yen	[-]	[-]	[41]	[49]	[49]
[Of which, other distribution in excess of earnings per unit]	yen	[-]	[331]	[331]	[343]	[343]
Return on assets (Note 4)	%	1.2 [2.3]	1.3 [2.7]	1.3 [2.6]	1.3 [2.7]	1.2 [2.4]
Return on equity (Note 4)	%	2.5 [4.9]	2.9 [5.8]	2.8 [5.6]	2.9 [5.8]	2.6 [5.1]
Equity ratio (c)÷(b)	%	47.2	45.9	47.0	46.1	45.9
Distribution payout ratio (Note 4)	%	108.1	100.0	100.0	100.0	100.0
[Other Reference Information]						
Number of investment properties (Note 5)	properties	108	111	109	107	107
Total number of leasable units (Note 5)	units	5,323	5,481	5,387	5,244	5,248
Total leasable floor area	m ²	208,500.36	214,907.86	212,121.51	207,405.45	207,046.76
Period-end occupancy rate (Note 5)	%	97.1	96.3	96.8	96.9	96.9
Depreciation and amortization	million yen	662	677	703	704	707
Capital expenditures	million yen	214	309	192	332	268
Property leasing NOI (Net Operating Income) (Note 4)	million yen	2,648	2,736	2,763	2,718	2,728
FFO (Funds from Operations) per unit (Note 4)	yen	6,677	6,903	6,862	6,933	6,924
FFO multiple (Note 4)	times	15.7	15.0	12.8	12.1	14.7
Debt service coverage ratio (Note 4)	times	9.1	9.5	8.4	7.4	6.1
Earnings before interest, depreciation and amortization	million yen	2,111	2,332	2,363	2,416	2,287
Interest expenses	million yen	231	245	282	328	372
Total interest-bearing liabilities	million yen	52,846	55,931	53,261	53,246	53,246
LTV (Loan-To-Value) ratio (Note 4)	%	51.1	52.4	51.3	52.2	52.3
Number of days of management	days	184	182	184	181	184

(Note 1) All amounts less than the specified unit are rounded down, and percentage figures and multiples are rounded off to the first decimal place except for distribution payout ratio, which is rounded down to the first decimal place.

(Note 2) Unitholders' capital (net) is the amount obtained by subtracting deduction from unitholders' capital from unitholders' capital.

(Note 3) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units issued and outstanding.

(Note 4) The indicators presented are calculated as follows.

For return on assets and return on equity, figures that are annualized by the number of days of management are also shown in brackets.

Return on assets	Ordinary income \div Average total assets $\times 100$ <u>Average total assets</u> = <u>(Total assets at beginning of period + Total assets at end of period) $\div 2$</u>
Return on equity	Net income \div Average net assets $\times 100$ <u>Average net assets</u> = <u>(Net assets at beginning of period + Net assets at end of period) $\div 2$</u>
Distribution payout ratio	Distribution per unit (excluding distribution in excess of earnings) \div Net income per unit $\times 100$ Distribution payout ratio is calculated using the following formula due to change in the number of investment units during the period from having conducted an acquisition and cancellation of own investment units during the period for the 39th fiscal period. <u>Total distributions (excluding distributions in excess of earnings)</u> \div <u>Net income</u> $\times 100$
Property leasing NOI	Profit from real estate rent business (Real estate rent revenue – Expenses related to real estate rent business) + <u>Depreciation and amortization</u>
FFO per unit	(Net income + Depreciation and amortization + Other depreciation and amortization – Gain on sales of real estate properties + loss on sales of real estate properties + other sales expenses) \div Total number of investment units issued and outstanding
FFO multiple	Investment unit price at end of period \div Annualized FFO per unit
Debt service coverage ratio	Earnings before interest, depreciation and amortization \div Interest expenses (including interest expenses on investment corporation bonds)
LTV ratio	Total interest-bearing liabilities \div Total assets $\times 100$

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

(Note 6) Fiscal period is a six-month period that ends on April 30 and October 31 of each year.

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

i) Brief background of the investment corporation

Starts Proceed Investment Corporation (“SPI”) was established on May 2, 2005, with 150 million yen in capital (750 units) based on the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including amendments thereto) (the “Investment Trusts Act”), completed registration with the Kanto Local Finance Bureau based on Article 187 of the Investment Trusts Act on June 15, 2005 (Registration No. 37 issued by the Director-General of the Kanto Local Finance Bureau), implemented additional issuance of investment units through public offering (21,600 units) on November 29, 2005, and listed on Jasdaq Securities Exchange, Inc. (currently Tokyo Stock Exchange, Inc. JASDAQ Market) (Securities Code: 8979) the next day. After three capital increases through public offering and other developments since listing on the JASDAQ Market, SPI listed on the Tokyo Stock Exchange, Inc. Real Estate Investment Trust Securities Market (Securities Code: 8979) on July 27, 2010, and this was accompanied by an application for delisting being filed with the JASDAQ Market on August 10, 2010, and the delisting from the JASDAQ Market taking effect on October 1, 2010.

SPI entrusts asset management to Starts Asset Management Co., Ltd. (the “Asset Management Company”) and sets the focus of management on investment in real estate of which the principal use is use as rental housing (“rental housing”) as well as specified assets (the meaning provided in Article 2, Paragraph 1 of the Investment Trusts Act; the same hereinafter) backed mainly by rental housing. SPI also invests in monthly rental apartments, serviced apartments, hotels, residential facilities for the elderly (collectively referred to as “rental housing, etc.” together with “rental housing”), which are assets related to rental housing, and real estate from which income can be expected due to other leasing revenue or specified assets backed by such real estate. As it invests in rental housing, etc., SPI adopts the basic policy of setting rental housing for average-income households in particular, the demand for which SPI believes to be the most stable, as the primary investment target. In addition, SPI takes measures, such as leveraging the capabilities of the Starts Group, to enhance asset management efficiency, with an aim to secure steady growth of assets under management and stable earnings over the medium to long term.

As of the end of the 40th fiscal period, the total number of investment units issued and outstanding is 272,415 units, total assets amount to 101,715 million yen, and unitholders’ capital (net) amounts to 45,494 million yen.

ii) Investment environment and management performance

Looking at the Japanese economy in the 40th fiscal period, personal consumption continued to increase moderately, supported by the improvement of the employment and income environment, despite the ongoing negative impact of rising prices. Corporate earnings remained robust overall due to measures to pass on the increased costs and increase cost efficiency, which increased profitability despite uncertainties arising due to the trade policies of other countries. At the same time, it continues to be essential to keep trade risks in mind, especially those stemming from U.S.-China relations, and to also keep the impact of rising interest rates in mind, as they are rising due to the Bank of Japan’s normalization of its monetary policy.

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 40th fiscal period, SPI acquired (C-96) Proceed Sakurazaka (acquisition price: 850 million yen) on May 13, 2025, and disposed of (C-12) Proceed Makuharihongo 2 (disposition price: 264 million yen) on August 1, 2025, to enhance the competitiveness of its portfolio. As a result, SPI’s portfolio as of the end of the 40th fiscal period consists of 107 properties, with acquisition prices totaling 100,964 million yen and a total leasable floor area of 207,046.76 m².

In close collaboration with the property management company Starts Amenity Corporation, the Asset Management Company made efforts to reduce building maintenance and management costs while striving to increase rent, the receipt of key money and other revenue. The Asset Management Company also promoted leasing activities in coordination with leasing agents by setting finely tuned leasing conditions based on deeper understanding of regional characteristics and advantages of individual properties as well as thorough comparative analyses of nearby competing properties. Furthermore, the Asset Management Company continued to reduce utility costs by converting the common lighting for common areas to LED lighting. These measures worked to maintain the occupancy rate of the entire portfolio stably, resulting in a period-end occupancy rate of 96.9% and an average occupancy rate of 97.2%.

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. In addition, as an initiative to acquire external certifications regarding the energy-saving and environmental performance of its portfolio properties, SPI acquired DBJ Green Building Certification for (C-72) Proceed Minamigotoku 2 and CASBEE Certification for Real Estate for (C-65) Proceed TX Nagareyama Central Park in October 2025. SPI has acquired DBJ Green Building Certification for four properties, CASBEE Certification for Real Estate for three 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 40th fiscal period, SPI took out long-term loans of 3,049 million yen (term: 6 years and 6 months) to repay long-term loans of 3,049 million yen due for repayment on May 23, 2025.

As a result, the period-end balance of interest-bearing liabilities totaled 53,246 million yen, comprising 5,820 million yen in current portion of long-term loans payable, 41,426 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 40th fiscal period, with the period-end LTV ratio standing at 52.3%.

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

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

iv) Overview of business performance and distributions

As a result of the management described above, business performance recorded for the 40th fiscal period was operating revenue of 3,642 million yen, operating income of 1,577 million yen, ordinary income of 1,208 million yen and net income of 1,207 million yen.

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 4,433 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 40th 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 40th 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)
July 15, 2025	Cash distributions in excess of earnings (refund of investment)	-	272,415	(93)	45,518	(Note 18)

(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.

(Note 18) SPI resolved at its Board of Directors meeting held on June 13, 2025, to pay out cash distributions in excess of earnings (a refund of investment, which is a return of capital under tax law) of 343 yen per unit as cash distributions for the 39th fiscal period ended April 2025 and commenced the payout on July 15, 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	36th period	37th period	38th period	39th period	40th period
Closing month/year	October 2023	April 2024	October 2024	April 2025	October 2025
Highest (yen)	238,400	213,400	213,400	179,100	207,300
Lowest (yen)	206,500	189,800	174,500	163,500	171,800

(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 1,207,615 thousand yen, which is the entire amount of unappropriated retained earnings after excluding fractions of distribution per investment unit of less than 1 yen, as distributions of earnings. Accordingly, SPI declared a distribution of earnings per investment unit of 4,433 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 4,825 yen.

Fiscal period	36th period	37th period	38th period	39th period	40th period
Calculation period	From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024	From May 1, 2024, to Oct. 31, 2024	From Nov. 1, 2024, to Apr. 30, 2025	From May 1, 2025, to Oct. 31, 2025
Total unappropriated retained earnings	1,218,575 thousand yen	1,409,730 thousand yen	1,378,117 thousand yen	1,383,474 thousand yen	1,207,704 thousand yen
Retained earnings	102 thousand yen	170 thousand yen	194 thousand yen	151 thousand yen	88 thousand yen
Total distributions	1,317,472 thousand yen	1,503,060 thousand yen	1,483,004 thousand yen	1,490,110 thousand yen	1,314,402 thousand yen
[Distribution per unit]	[4,664 yen]	[5,321 yen]	[5,250 yen]	[5,470 yen]	[4,825 yen]
Of which, total distributions of earnings	1,317,472 thousand yen	1,409,560 thousand yen	1,377,922 thousand yen	1,383,323 thousand yen	1,207,615 thousand yen
[Distribution of earnings per unit]	[4,664 yen]	[4,990 yen]	[4,878 yen]	[5,078 yen]	[4,433 yen]
Of which, total refund of investment	-	93,499 thousand yen	105,081 thousand yen	106,786 thousand yen	106,786 thousand yen
[Refund of investment per unit]	[-]	[331 yen]	[372 yen]	[392 yen]	[392 yen]
Of the total refund of investment, total distributions from the allowance for temporary difference adjustments	-	-	11,581 thousand yen	13,348 thousand yen	13,348 thousand yen
[Of the refund of investment per unit, distribution per unit from the allowance for temporary difference adjustments]	[-]	[-]	[41 yen]	[49 yen]	[49 yen]
Of the total refund of investment, total distributions through the return of capital under tax law	-	93,499 thousand yen	93,499 thousand yen	93,438 thousand yen	93,438 thousand yen
[Of the refund of investment per unit, distribution per unit through the return of capital under tax law]	[-]	[331 yen]	[331 yen]	[343 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 supported by strong corporate earnings. However, due attention must still be paid to rising interest rates due to the Bank of Japan's normalization of its monetary policy, persistent inflation, supply constraints, and the volatility of financial and capital markets.

In the secondary real estate market, the increase of interest rates due to monetary tightening policies around the world have slowed, and investors' appetite to acquire property remains strong reflecting the relative stability of the Japanese market. 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 be high and the 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 40th 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. Issuance of Investment Corporation Bonds (Green Bonds)

SPI issued investment corporation bonds under the conditions below based on a comprehensive resolution on the issuance of investment corporation bonds passed at a meeting of the Board of Directors held on October 30, 2025.

Name	Starts Proceed Sixth Series Unsecured Investment Corporation Bonds (ranking pari passu among specified investment corporation bonds) (Green bonds)
Total amount issued	2,000 million yen
Payment date	November 19, 2025
Paid-in amount	100 yen per 100 yen of each investment corporation bond
Interest rate	1.936% per annum
Security and guaranteee	Unsecured and unguaranteed
Redemption date	SPI will conduct the redemption of the total amount on November 19, 2030. The Investment Corporation Bonds may be repurchased and canceled at any time on or after the date subsequent to the payment date, unless otherwise determined by laws and regulations, or the book-entry transfer institution's operational rules and other rules. If the maturity date of the Investment Corporation Bonds falls on a bank holiday, the payment will be moved forward to the preceding bank business day.
Interest payment date	May 19 and November 19 every year First interest payment date will be May 19, 2026. If the interest payment date falls on a bank holiday, payment will be moved forward to the preceding bank business day.
Use of funds	SPI procured the funds to acquire (C-65) Proceed TX Nagareyama Central Park, (C-82) The Parkhabio Yokohamayamate, and (G-34) Proceed Sendai Kamisugi, specified assets that meet the eligibility criteria in the Green Finance Framework. The entire amount was used to redeem the refinanced Second Series Unsecured Investment Corporation Bonds and partially repay Term Loan 2O.

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

SPI borrowed Term Loan 3G as follows to repay Term Loan 2O (loan balance: 1,500 million yen) which was due for repayment on November 25, 2025.

		Term Loan 3G
Lender		Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. The Musashino Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited
Loan amount		500 million yen
Drawdown date		November 25, 2025
Principal repayment date		May 25, 2032
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 November 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 3G, which is conducted with a floating interest rate.

		Agreement concerning Term Loan 3G
Lender		Aozora Bank, Ltd.
Notional principal amount		500 million yen
Interest rate, etc.		Fixed interest rate payable: 2.448% (Note) Floating interest rate receivable: Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.680%
Commencement date		November 25, 2025
Termination date		May 25, 2032
Payment date		The interest payment dates shall be the last day of November 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 3G are substantially fixed.

2. Overview of the Investment Corporation

(1) Status of investment in capital

Fiscal period	36th period	37th period	38th period	39th period	40th period
Closing month/year	As of October 31, 2023	As of April 30, 2024	As of October 31, 2024	As of April 30, 2025	As of October 31, 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	272,415 units	272,415 units
Unitholders' capital (net) (Note)	47,536 million yen	47,536 million yen	47,443 million yen	45,600 million yen	45,494 million yen
Number of unitholders	11,702 individuals	11,786 individuals	12,340 individuals	12,330 individuals	12,117 individuals

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

(2) Major unitholders

The following table shows the ten largest unitholders according to the percentage of their owned investment units to the total number of investment units outstanding as of October 31, 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)	58,845	21.60
Starts Corporation, Inc.	38,017	13.95
The Master Trust Bank of Japan, Ltd. (trust account)	31,330	11.50
The Nomura Trust and Banking Co., Ltd. (investment trust account)	12,095	4.43
Kinkisangyo Shinkumi Bank	4,604	1.69
JP MORGAN CHASE BANK 385781	3,333	1.22
STATE STREET BANK AND TRUST COMPANY 505001	3,128	1.14
K. K. Toyosu	2,826	1.03
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	2,256	0.82
Custody Bank of Japan, Ltd. (trust account 4)	2,007	0.73
Total	158,441	58.16

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

(3) Matters concerning directors, etc.

The Executive Director, Supervising Directors and Independent Auditor as of October 31, 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. President, Starts Research Institute, Ltd.	-
Supervising Director (Note 1)	Shigeki Nomura	Partner, Okuno & Partners Director, Japan Deaf-Blind Association Councilor, National Committee of Welfare for The Blind in Japan President, Fujiwara Natural History Public Interest Incorporated Foundation	600
Supervising Director (Note 1)	Motohisa Matsushita	Certified Public Accountant, Matsushita Certified Public Accountant Office Controller, Kyoritsu Credit Corporation External Director (Audit and Supervisory Committee Member), Nissan Securities Co., Ltd.	600
Independent Auditor (Note 2) (Note 3)	Nihombashi Corporation	-	7,730

(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 (80 thousand yen), other than the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948, as amended).

(4) Matters concerning directors and officers liability insurance agreement

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

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

The following are the asset management company, asset custodian and general administrative agents as of October 31, 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 Mizuho Bank, Ltd. 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	39th period (as of April 30, 2025)		40th period (as of October 31, 2025)	
			Total value of owned assets (thousand yen) (Note 1)	Percentage of total assets (%) (Note 2)	Total value of owned assets (thousand yen) (Note 1)	Percentage of total assets (%) (Note 2)
Real estate beneficial interests in trust	Rental housing and residential facilities for the elderly	Tokyo metropolitan area major cities	70,948,412	69.6	71,350,986	70.1
		Cabinet order designated cities	21,557,376	21.1	21,468,750	21.1
		Regional area major cities	2,160,736	2.1	2,139,941	2.1
	Others	Tokyo metropolitan area major cities	1,669,165	1.6	1,648,813	1.6
Subtotal			96,335,692	94.5	96,608,492	95.0
Deposits and other assets			5,652,400	5.5	5,106,882	5.0
Total assets			101,988,093	100.0	101,715,374	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 real estate beneficial interests in trust and deposits and other assets to total assets, rounded to the first decimal place.

(2) Major assets held

The following is an overview of the major assets (top ten properties on a book value basis) owned by SPI as of October 31, 2025.

Property number	Property name	Book value (thousand yen) (Note 1)	Leasable floor area (m ²) (Note 2)	Leased floor area (m ²) (Note 3)	Occupancy rate (%)	Ratio to total rent revenue (%) (Note 4)	Main use
C-90	Proceed Yamashita Koen The Tower	8,099,249	8,154.58	8,123.49	99.6	5.8	Apartment
C-75	Proceed Shin Yokohama	4,300,248	5,457.56	5,346.58	98.0	3.6	Apartment
C-82	The Parkhabio Yokohama Yamate	3,101,729	2,654.69	2,572.58	96.9	1.9	Apartment
C-89	Alpha Grande Chizakura Tower	2,941,291	4,437.47	4,437.47	100.0	2.7	Apartment
C-70	Proceed Nishi Shinjuku	2,660,368	2,461.88	2,259.14	91.8	1.8	Apartment
C-69	Proceed Nihonbashi Honcho	2,553,835	2,553.89	2,489.79	97.5	1.8	Apartment
C-41	Proceed Nishiarai	2,550,015	20,137.85	20,083.91	99.7	8.5	Apartment
G-26	Proceed Bentencho	2,219,436	4,134.70	4,075.25	98.6	1.9	Apartment
G-25	Proceed Aratamabashi	2,022,461	5,335.93	4,533.13	85.0	1.8	Apartment
G-24	Proceed Kanayama 2	1,971,125	4,218.01	3,962.61	93.9	1.8	Apartment
Total		32,419,761	59,546.56	57,883.95	97.2	31.6	-

(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 beneficial interests in real estate trust) owned by SPI as of October 31, 2025.

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-1	Proceed Ichikawa	2-33-17 Shinden, Ichikawa, Chiba	Beneficial interests in trust	3,322.17	1,590,000	956,711
C-2	Proceed Toycho	2-1-7 Minamisuna, Koto-ku, Tokyo	Beneficial interests in trust	1,085.56	1,000,000	551,400
C-3	Proceed Kasai	5-41-6 Nakakasai, Edogawa-ku, Tokyo	Beneficial interests in trust	1,243.80	919,000	567,388
C-4	Proceed Sangenjaya	2-41-1 Sangenjaya, Setagaya-ku, Tokyo	Beneficial interests in trust	1,019.27	690,000	592,511
C-5	Proceed Mizue	3-24-10 Minamishinozakimachi, Edogawa-ku, Tokyo	Beneficial interests in trust	2,076.68	838,000	593,562
C-6	Proceed Funabashi Miyamoto	1-22-13 Miyamoto, Funabashi, Chiba	Beneficial interests in trust	1,685.73	625,000	420,162
C-7	Proceed Minamikasai	6-2-26 Minamikasai, Edogawa-ku, Tokyo	Beneficial interests in trust	1,045.28	344,000	337,015
C-9	Proceed Gyotoku	8-2 Irifune, Ichikawa, Chiba	Beneficial interests in trust	1,218.56	367,000	330,998
C-10	Proceed Makuharihongo	6-2-15 Makuharihongo, Hanamigawa-ku, Chiba, Chiba	Beneficial interests in trust	963.00	349,000	269,856
C-11	Proceed Minamigyotoku	3-12-10 Fukuei, Ichikawa, Chiba	Beneficial interests in trust	838.95	363,000	281,596
C-14	Proceed Funabori	5-5-16 Funabori, Edogawa-ku, Tokyo	Beneficial interests in trust	479.52	258,000	227,308
C-15	Proceed Takenozuka	2-16-6 Iriya, Adachi-ku, Tokyo	Beneficial interests in trust	860.55	265,000	162,380
C-16	Proceed Sengendai 2	5-7-6 Sengendainishi, Koshigaya, Saitama	Beneficial interests in trust	695.81	122,000	83,755
C-17	Proceed Shoto	2-3-11 Shoto, Shibuya-ku, Tokyo	Beneficial interests in trust	890.22	1,160,000	866,789
C-18	Proceed Sangubashi	3-57-10 Yoyogi, Shibuya-ku, Tokyo	Beneficial interests in trust	527.88	561,000	476,161
C-19	Proceed Urayasu	1-2-1 Fujimi, Urayasu, Chiba	Beneficial interests in trust	1,786.58	470,000	434,398
C-24	Proceed Toritsudaigaku 2	1-2-3 Tairamachi, Meguro-ku, Tokyo	Beneficial interests in trust	831.74	900,000	715,414
C-25	Proceed Honjoazumabashi	4-15-13 Higashikomagata, Sumida-ku, Tokyo	Beneficial interests in trust	570.53	525,000	285,023
C-26	Proceed Meguro Aobadai	3-5-2 Aobadai, Meguro-ku, Tokyo	Beneficial interests in trust	485.15	500,000	442,859
C-27	Proceed Suginami Miyamae	1-15-12 Miyamae, Suginami-ku, Tokyo	Beneficial interests in trust	680.50	514,000	411,937
C-28	Proceed Ryogoku	1-20-4 Midori, Sumida-ku, Tokyo	Beneficial interests in trust	702.54	642,000	410,326
C-29	Proceed Mita	2-30-9 Shiba, Minato-ku, Tokyo	Beneficial interests in trust	1,500.57	1,590,000	1,381,791
C-31	Proceed Kameido	9-5-13 Kameido, Koto-ku, Tokyo	Beneficial interests in trust	853.98	358,000	354,733
C-32	Proceed Takadanobaba	3-43-18 Takadanobaba, Shinjuku-ku, Tokyo	Beneficial interests in trust	278.36	288,000	240,314
C-33	Proceed Shinkoenji	3-10-21 Horinouchi, Suginami-ku, Tokyo	Beneficial interests in trust	1,040.24	912,000	745,524
C-36	Proceed Oimachi	5-8-9 Higashioi, Shinagawa-ku, Tokyo	Beneficial interests in trust	961.88	968,000	946,007
C-37	Proceed Jujo	4-9-17 Kamijujo, Kita-ku, Tokyo	Beneficial interests in trust	1,206.90	568,000	532,063
C-41	Proceed Nishiarai	1-18-11, 12, 13 and 14, Nishiaraisakaecho, Adachi-ku, Tokyo	Beneficial interests in trust	20,137.85	6,870,000	2,550,015
C-42	Proceed Chofu	1-28-4 Fuda, Chofu, Tokyo	Beneficial interests in trust	764.48	642,000	415,262

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-43	Proceed TX Rokucho	1-16-17 Higashihokima, Adachi-ku, Tokyo	Beneficial interests in trust	518.31	191,000	170,962
C-44	Proceed Nakagawara	5-10-1 Bubaicho, Fuchu, Tokyo	Beneficial interests in trust	3,061.94	1,460,000	1,174,893
C-46	Proceed Chitosekarasuyama	2-38-30 Kamisoshigaya, Setagaya-ku, Tokyo	Beneficial interests in trust	449.96	342,000	320,115
C-47	Proceed Mitaka	3-16-3 Shimorenjaku, Mitaka, Tokyo	Beneficial interests in trust	739.48	594,000	511,970
C-48	Proceed Kashiwa Est	3-8-19 Kashiwa, Kashiwa, Chiba	Beneficial interests in trust	1,279.93	780,000	645,421
C-49	Proceed Kashiwa Nord	5-8-17 Kashiwa, Kashiwa, Chiba	Beneficial interests in trust	1,391.55	661,000	591,258
C-50	Proceed Gyotokuekima	2-1-18 Gyotokuekima, Ichikawa, Chiba	Beneficial interests in trust	659.68	388,000	250,140
C-51	Proceed Funabashi Honcho	6-19-18 Honcho, Funabashi, Chiba	Beneficial interests in trust	996.44	622,000	470,641
C-53	Proceed Gumyoji	1-4-12 Nakazato, Minami-ku, Yokohama, Kanagawa	Beneficial interests in trust	1,246.48	575,000	547,284
C-54	Proceed Tsurugamine	2-9-6 Tsurugamine, Asahi-ku, Yokohama, Kanagawa	Beneficial interests in trust	855.00	389,000	348,198
C-55	Proceed Sagamiotsuka	2-13-5 Sakuramori, Yamato, Kanagawa	Beneficial interests in trust	741.24	226,000	218,631
C-58	Proceed Shinozaki Tower	7-20-19 Shinozakimachi, Edogawa-ku, Tokyo	Beneficial interests in trust	5,117.49	2,340,000	1,146,074
C-59	Proceed Tobu Nerima	1-3-11 Tokumaru, Itabashi-ku, Tokyo	Beneficial interests in trust	779.84	599,000	388,820
C-60	Proceed Yukigaya	1-15-20 Minamiyukigaya, Ota-ku, Tokyo	Beneficial interests in trust	600.62	414,000	342,172
C-61	Proceed Ichikawa Minami	1-9-27 Ichikawaminami, Ichikawa, Chiba	Beneficial interests in trust	1,635.59	1,060,000	676,469
C-62	Proceed Ichikawa Myoden	2-14-15 Shioyaki, Ichikawa, Chiba	Beneficial interests in trust	945.00	679,000	501,281
C-63	Proceed Fujisawa Kugenuma	2-6-6 Kugenumaishigami, Fujisawa, Kanagawa	Beneficial interests in trust	2,005.76	935,000	718,005
C-64	Proceed Nihonbashi-horidomecho	2-4-8 Nihonbashi-horidomecho, Chuo-ku, Tokyo	Beneficial interests in trust	1,904.45	2,000,000	1,474,267
C-65	Proceed TX Nagareyama Central Park	UN B139 District 3-2, 9-3 177-1 Maehirai, Nagareyama, Chiba	Beneficial interests in trust	2,976.85	1,160,000	736,135
C-66	Proceed Gyotoku 2	1-6-6 Fukuei, Ichikawa, Chiba	Beneficial interests in trust	1,626.54	1,010,000	788,290
C-67	Proceed Nishikasai	2-7-6 and 2-7-1, Seishin-cho, Edogawa-ku, Tokyo	Beneficial interests in trust	2,993.52	1,130,000	931,911
C-68	Proceed Kasai 2	7-15-7 Higashikasai, Edogawa-ku, Tokyo	Beneficial interests in trust	2,140.59	1,090,000	796,238
C-69	Proceed Nihonbashi Honcho	4-10-5 Nihonbashi-honcho, Chuo-ku, Tokyo	Beneficial interests in trust	2,553.89	2,910,000	2,553,835
C-70	Proceed Nishi Shinjuku	3-7-23 Nishishinjuku, Shinjuku-ku, Tokyo	Beneficial interests in trust	2,461.88	2,860,000	2,660,368
C-71	Proceed Unoki	2-43-7 Unoki, Ota-ku, Tokyo	Beneficial interests in trust	1,260.58	1,160,000	869,774
C-72	Proceed Minamigyotoku 2	3-3-20 Fukuei, Ichikawa, Chiba	Beneficial interests in trust	2,832.74	1,320,000	991,229
C-73	Proceed CO-Z East Building	4-12 Kozunomori, Narita, Chiba	Beneficial interests in trust	6,873.33	2,270,000	1,846,154
C-74	Proceed CO-Z West Building	4-1-1 Kozunomori, Narita, Chiba	Beneficial interests in trust	3,716.05	1,190,000	1,002,508
C-75	Proceed Shin Yokohama	3-21-2 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa	Beneficial interests in trust	5,457.56	4,880,000	4,300,248
C-76	Life Support Residence Funaboriekimae	4-8-10 Funabori, Edogawa-ku, Tokyo	Beneficial interests in trust	1,408.71	446,000	231,886
C-78	Proceed K2	6-8-37 Kashiwa, Kashiwa, Chiba	Beneficial interests in trust	4,140.69	1,450,000	1,279,613

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-79	Proceed K3 Annex	1023-1 Kashiwa, Kashiwa, Chiba	Beneficial interests in trust	1,590.30	333,000	299,158
C-80	Proceed K5	6-8-38 Kashiwa, Kashiwa, Chiba	Beneficial interests in trust	788.95	290,000	281,490
C-81	Proceed Ichikawa Myoden II	2-14-20 Shioyaki, Ichikawa, Chiba	Beneficial interests in trust	1,218.00	866,000	828,713
C-82	The Parkhabio Yokohama Yamate	2-78-11 Ishikawa-cho, Naka-ku, Yokohama, Kanagawa	Beneficial interests in trust	2,654.69	3,240,000	3,101,729
C-83	Proceed Monzennakacho	1-7-8 Fukuzumi, Koto-ku, Tokyo	Beneficial interests in trust	1,515.81	1,520,000	1,238,534
C-84	Proceed Maihama	4-14-13 Fujimi, Urayasu, Chiba	Beneficial interests in trust	1,735.31	1,390,000	1,024,266
C-85	Proceed Nagareyama Otakanomori	1-2-3 Otakanomorikita, Nagareyama, Chiba	Beneficial interests in trust	1,730.96	1,230,000	1,089,212
C-86	Proceed Shinkawa	1-25-14 Shinkawa, Chuo-ku, Tokyo	Beneficial interests in trust	579.96	580,000	527,520
C-87	Proceed Kinshicho 2	5-14-11 Kotobashi, Sumida-ku, Tokyo	Beneficial interests in trust	668.54	556,000	572,016
C-88	Proceed Ishikawadai	2-24-7 Higashiyukigaya, Ota-ku, Tokyo	Beneficial interests in trust	1,105.45	932,000	835,617
C-89	Alpha Grande Chizakura Tower	25 Kandaigashimatsushitacho, Chiyoda-ku, Tokyo	Beneficial interests in trust	4,437.47	3,030,000	2,941,291
C-90	Proceed Yamashita Koen The Tower	27 Yamashitacho, Naka-ku, Yokohama, Kanagawa	Beneficial interests in trust	8,154.58	8,100,000	8,099,249
C-91	Shinozaki Twin Place	7-20-19 and 7-21-5 Shinozakimachi, Edogawa-ku, Tokyo	Beneficial interests in trust	3,997.56	1,810,000	1,648,813
C-92	Proceed Minamisunamachi	5-12-5 Minamisuna, Koto-ku, Tokyo	Beneficial interests in trust	872.95	799,000	787,347
C-93	Proceed Matsudo	19-3 Honcho, Matsudo, Chiba	Beneficial interests in trust	827.56	522,000	530,230
C-94	Proceed Shinozaki 2	7-21-13 Shinozakimachi, Edogawa-ku, Tokyo	Beneficial interests in trust	2,134.07	1,250,000	1,175,571
C-95	Proceed Shin-Matsudo	4-29-2 Shinmatsudo, Matsudo, Chiba	Beneficial interests in trust	1,514.93	993,000	1,025,750
C-96	Proceed Sakurazaka	25-10 Denenchofuhoncho, Ota-ku, Tokyo	Beneficial interests in trust	746.15	907,000	925,208
G-8	Proceed Taikodori	4-31 Taikotori, Nakamura-ku, Nagoya, Aichi	Beneficial interests in trust	1,101.56	520,000	309,176
G-11	Proceed Honamicho	3-55 Honamicho, Chikusa-ku, Nagoya, Aichi	Beneficial interests in trust	620.22	263,000	215,507
G-13	Proceed Shinsakae	1-28-21 Shinsakae, Naka-ku, Nagoya, Aichi	Beneficial interests in trust	1,958.44	927,000	579,664
G-14	Proceed Chiyoda	2-10-16 Chiyoda, Naka-ku, Nagoya, Aichi	Beneficial interests in trust	922.40	363,000	230,045
G-15	Proceed Fukuoka Takamiya	1-7-15 Noma, Minami-ku, Fukuoka, Fukuoka	Beneficial interests in trust	1,312.29	542,000	388,133
G-17	Proceed Kanayama	3-11-9 Kanayama, Naka-ku, Nagoya, Aichi	Beneficial interests in trust	2,733.58	1,580,000	841,221
G-18	Proceed Fukiage	2-22-1 Kurumadacho, Showa-ku, Nagoya, Aichi	Beneficial interests in trust	1,204.65	654,000	405,976
G-19	Proceed Toyota	3-51 Shinmeicho, Toyota, Aichi	Beneficial interests in trust	752.04	338,000	180,101
G-21	Proceed Nishitenma	3-7-3 Nishitenma, Kita-ku, Osaka, Osaka	Beneficial interests in trust	1,775.89	1,230,000	821,233
G-22	Proceed Kobemotomachi	3-5-2 Sakaemachidori, Chuo-ku, Kobe, Hyogo	Beneficial interests in trust	1,590.64	1,100,000	804,173
G-23	Proceed Taisho	3-14-8 Hirao, Taisho-ku, Osaka, Osaka	Beneficial interests in trust	482.72	179,000	144,929
G-24	Proceed Kanayama 2	2-1-22 Kanayama, Naka-ku, Nagoya, Aichi	Beneficial interests in trust	4,218.01	2,510,000	1,971,125
G-25	Proceed Aratamabashi	8-17-2 Mizuhodori, Mizuho-ku, Nagoya, Aichi	Beneficial interests in trust	5,335.93	2,250,000	2,022,461

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
G-26	Proceed Bentencho	2-5-12 Ichioka Motomachi, Minato-ku, Osaka, Osaka	Beneficial interests in trust	4,134.70	2,490,000	2,219,436
G-27	Proceed Nagaikoendori	2-9-19 Minamisumiyoshi, Sumiyoshi-ku, Osaka, Osaka	Beneficial interests in trust	2,170.80	1,090,000	1,070,342
G-31	Proceed Mizuho	2-43 Mizuhodori, Mizuho-ku, Nagoya, Aichi	Beneficial interests in trust	1,126.40	541,000	523,006
G-32	Proceed Osu	1-29-32 Osu, Naka-ku, Nagoya, Aichi	Beneficial interests in trust	1,851.30	955,000	744,703
G-33	Proceed Sendai Kozurushinden	3-13-3 Shinden Higashi, Miyagino-ku, Sendai, Miyagi	Beneficial interests in trust	1,913.28	811,000	725,647
G-34	Proceed Sendai Kamisugi	2-4-30 Kamisugi, Aoba-ku, Sendai, Miyagi	Beneficial interests in trust	3,409.93	1,890,000	1,429,183
G-35	Proceed Kanayama 3	2-4-26 Masaki, Naka-ku, Nagoya, Aichi	Beneficial interests in trust	1,799.52	954,000	738,541
G-36	Proceed Tsurigane	2-1-5 Tsuriganecho, Chuo-ku, Osaka, Osaka	Beneficial interests in trust	1,072.24	905,000	855,153
G-37	Proceed Fukaebashi	2-1-2 Fukaebashi, Higashinari-ku, Osaka, Osaka	Beneficial interests in trust	1,609.14	1,360,000	1,380,974
G-38	Proceed Nishioji	54 Shichijo Goshonouchi Nakamachi, Shimogyo-ku, Kyoto, Kyoto	Beneficial interests in trust	1,460.96	856,000	805,479
G-39	Proceed Shin-Anjo	1-22-14 Imaikecho, Anjo, Aichi	Beneficial interests in trust	1,824.95	788,000	841,216
G-40	Proceed Nissekidori	1-26-1 Ogasu, Minami-ku, Fukuoka, Fukuoka	Beneficial interests in trust	1,742.20	1,220,000	1,221,312
R-2	Proceed Mito	3-4-14 Omachi, Mito, Ibaraki	Beneficial interests in trust	1,223.83	496,000	272,667
R-3	Proceed Mito 2	3-2-31 Omachi, Mito, Ibaraki	Beneficial interests in trust	1,381.34	525,000	307,345
R-4	Proceed Tsukuba Gakuentoshi	3-9-4 Ninomiya, Tsukuba, Ibaraki	Beneficial interests in trust	2,659.71	923,000	761,167
R-5	Proceed Mito 3	3-1-41 Minamimachi, Mito, Ibaraki	Beneficial interests in trust	2,258.88	911,000	798,761
Total				207,046.76	119,848,000	96,608,492

(Note) “Period-end appraisal value” refers to the appraisal value or survey value by real estate appraisers (by appraisal or survey benchmarked to the price by the income approach with October 31, 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	39th period (as of April 30, 2025)				40th period (as of October 31, 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	98.2	45,887	1.3	49	98.2	46,877	1.3
C-2	Proceed Toycho	45	100.0	23,573	0.7	45	100.0	23,573	0.7
C-3	Proceed Kasai	57	100.0	29,267	0.8	54	94.8	25,553	0.7
C-4	Proceed Sangenjaya	9	100.0	21,009	0.6	9	100.0	21,252	0.6
C-5	Proceed Mizue	28	100.0	28,141	0.8	28	100.0	27,834	0.8
C-6	Proceed Funabashi Miyamoto	32	96.5	23,985	0.7	33	100.0	23,935	0.7
C-7	Proceed Minamikasai	16	100.0	13,050	0.4	16	100.0	13,701	0.4
C-9	Proceed Gyotoku	20	100.0	13,338	0.4	20	100.0	13,057	0.4

Property number	Property name	39th period (as of April 30, 2025)				40th period (as of October 31, 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	33	97.0	12,770	0.4	29	85.2	12,287	0.3
C-11	Proceed Minamigyotoku	25	96.1	12,996	0.4	25	95.2	12,874	0.4
C-12	Proceed Makuharihongo 2 (Note 3)	21	95.5	11,273	0.3	-	-	5,484	0.2
C-14	Proceed Funabori	24	100.0	9,151	0.3	24	100.0	9,536	0.3
C-15	Proceed Takenozuka	15	100.0	8,508	0.2	13	86.7	8,679	0.2
C-16	Proceed Sengendai 2	12	100.0	5,117	0.1	10	82.2	5,510	0.2
C-17	Proceed Shoto	40	100.0	28,352	0.8	38	95.4	29,703	0.8
C-18	Proceed Sangubashi	26	100.0	15,839	0.4	26	100.0	15,489	0.4
C-19	Proceed Urayasu	21	100.0	19,319	0.5	21	100.0	19,242	0.5
C-20	Proceed Shinkoiwa (Note 3)	-	-	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	19	100.0	12,569	0.3	19	100.0	12,667	0.4
C-26	Proceed Meguro Aobadai	24	100.0	14,154	0.4	24	100.0	13,760	0.4
C-27	Proceed Suginami Miyamae	29	100.0	13,803	0.4	29	100.0	13,788	0.4
C-28	Proceed Ryogoku	27	100.0	14,790	0.4	27	100.0	14,807	0.4
C-29	Proceed Mita	72	100.0	40,937	1.1	72	100.0	40,937	1.1
C-31	Proceed Kameido	23	100.0	10,978	0.3	23	100.0	10,962	0.3
C-32	Proceed Takadanobaba	17	100.0	7,620	0.2	17	100.0	7,620	0.2
C-33	Proceed Shinkoenji	57	100.0	24,132	0.7	57	100.0	24,148	0.7
C-36	Proceed Oimachi	59	100.0	25,173	0.7	59	100.0	25,170	0.7
C-37	Proceed Jujo	30	100.0	16,427	0.5	30	100.0	16,423	0.5
C-41	Proceed Nishiarai	290	98.7	305,085	8.4	293	99.7	305,310	8.5
C-42	Proceed Chofu	22	82.4	16,278	0.4	24	93.1	16,678	0.5
C-43	Proceed TX Rokucho	20	100.0	7,083	0.2	20	100.0	7,178	0.2
C-44	Proceed Nakagawara	53	100.0	43,031	1.2	49	93.2	43,917	1.2
C-46	Proceed Chitosekarasuyama	26	92.9	9,456	0.3	26	92.9	10,234	0.3
C-47	Proceed Mitaka	47	100.0	16,158	0.4	47	100.0	16,139	0.4
C-48	Proceed Kashiwa Est	41	93.1	23,523	0.6	41	93.3	22,975	0.6
C-49	Proceed Kashiwa Nord	47	100.0	21,657	0.6	44	93.9	20,846	0.6
C-50	Proceed Gyotokuekima	24	100.0	12,196	0.3	23	95.8	11,921	0.3
C-51	Proceed Funabashi Honcho	40	100.0	19,966	0.6	39	97.5	19,921	0.6
C-53	Proceed Gumyoji	73	95.0	21,869	0.6	71	92.4	21,782	0.6

Property number	Property name	39th period (as of April 30, 2025)				40th period (as of October 31, 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-54	Proceed Tsurugamine	48	96.0	13,959	0.4	47	94.0	14,999	0.4
C-55	Proceed Sagamiotsuka	27	93.6	9,214	0.3	29	100.0	9,311	0.3
C-58	Proceed Shinozaki Tower	87	98.6	94,150	2.6	87	99.0	94,110	2.6
C-59	Proceed Tobu Nerima	33	94.7	18,831	0.5	34	97.3	18,796	0.5
C-60	Proceed Yukigaya	34	97.2	13,825	0.4	34	97.1	14,245	0.4
C-61	Proceed Ichikawa Minami	66	100.0	32,475	0.9	65	98.2	33,070	0.9
C-62	Proceed Ichikawa Myoden	43	95.6	19,485	0.5	43	95.6	19,373	0.5
C-63	Proceed Fujisawa Kugenuma	24	96.9	33,168	0.9	23	90.9	33,269	0.9
C-64	Proceed Nihonbashi-horidomecho	37	100.0	45,183	1.2	35	95.2	45,297	1.3
C-65	Proceed TX Nagareyama Central Park	72	99.1	46,114	1.3	71	98.2	45,195	1.3
C-66	Proceed Gyotoku 2	57	96.9	29,614	0.8	58	98.6	31,063	0.9
C-67	Proceed Nishikasai	62	98.3	41,042	1.1	59	94.2	41,737	1.2
C-68	Proceed Kasai 2	26	83.2	30,202	0.8	28	97.5	32,291	0.9
C-69	Proceed Nihonbashi Honcho	78	91.8	64,601	1.8	81	97.5	63,945	1.8
C-70	Proceed Nishi Shinjuku	66	100.0	66,563	1.8	61	91.8	65,382	1.8
C-71	Proceed Unoki	28	96.4	28,898	0.8	29	100.0	29,365	0.8
C-72	Proceed Minamigyotoku 2	35	97.3	39,972	1.1	36	100.0	40,373	1.1
C-73	Proceed CO-Z East Building	109	97.5	81,082	2.2	112	100.0	81,681	2.3
C-74	Proceed CO-Z West Building	65	91.8	42,839	1.2	69	97.0	42,308	1.2
C-75	Proceed Shin Yokohama	222	98.1	126,250	3.5	222	98.0	129,716	3.6
C-76	Life Support Residence Funaboriekimae	2	100.0	11,774	0.3	2	100.0	11,774	0.3
C-78	Proceed K2	60	100.0	49,198	1.4	55	93.1	49,137	1.4
C-79	Proceed K3 Annex	24	100.0	13,157	0.4	23	95.9	13,321	0.4
C-80	Proceed K5	17	100.0	10,428	0.3	16	94.4	10,393	0.3
C-81	Proceed Ichikawa Myoden II	58	100.0	26,796	0.7	58	100.0	31,015	0.9
C-82	The Parkhabio Yokohama Yamate	75	98.0	69,071	1.9	74	96.9	68,433	1.9
C-83	Proceed Monzennakacho	47	98.0	37,633	1.0	44	91.4	37,538	1.0
C-84	Proceed Maihama	65	98.5	35,894	1.0	66	100.0	36,666	1.0
C-85	Proceed Nagareyama Otakanomori	49	98.4	34,614	1.0	49	98.4	35,558	1.0
C-86	Proceed Shinkawa	18	100.0	14,716	0.4	17	95.7	14,703	0.4
C-87	Proceed Kinshicho 2	17	90.1	14,384	0.4	19	100.0	13,456	0.4

Property number	Property name	39th period (as of April 30, 2025)				40th period (as of October 31, 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-88	Proceed Ishikawadai	25	100.0	24,933	0.7	25	100.0	25,211	0.7
C-89	Alpha Grande Chizakura Tower	65	96.0	96,769	2.7	68	100.0	97,391	2.7
C-90	Proceed Yamashita Koen The Tower	141	94.1	205,499	5.7	146	99.6	210,593	5.8
C-91	Shinozaki Twin Place	4	100.0	85,350	2.4	4	100.0	86,347	2.4
C-92	Proceed Minamisunamachi	34	100.0	20,846	0.6	34	100.0	20,760	0.6
C-93	Proceed Matsudo	29	100.0	15,368	0.4	29	100.0	15,436	0.4
C-94	Proceed Shinozaki 2	34	96.7	34,663	1.0	35	100.0	34,832	1.0
C-95	Proceed Shin-Matsudo	51	97.8	27,423	0.8	49	94.0	29,944	0.8
C-96	Proceed Sakurazaka	-	-	-	-	26	100.0	18,736	0.5
G-8	Proceed Taikodori	41	93.4	16,657	0.5	40	91.2	16,472	0.5
G-11	Proceed Honamicho	9	88.2	6,672	0.2	10	100.0	6,986	0.2
G-13	Proceed Shinsakae	77	100.0	31,205	0.9	73	94.8	32,786	0.9
G-14	Proceed Chiyoda	26	86.8	12,832	0.4	30	100.0	13,309	0.4
G-15	Proceed Fukuoka Takamiya	46	100.0	18,898	0.5	45	98.1	18,956	0.5
G-17	Proceed Kanayama	89	94.9	45,045	1.2	90	95.7	45,516	1.3
G-18	Proceed Fukiage	43	89.1	17,346	0.5	44	91.6	18,784	0.5
G-19	Proceed Toyota	27	100.0	13,159	0.4	26	96.7	13,205	0.4
G-21	Proceed Nishitenma	55	98.5	34,567	1.0	55	98.5	33,744	0.9
G-22	Proceed Kobemotomachi	59	96.9	31,521	0.9	54	89.1	30,033	0.8
G-23	Proceed Taisho	1	100.0	6,000	0.2	1	100.0	6,000	0.2
G-24	Proceed Kanayama 2	68	94.3	62,005	1.7	68	93.9	65,623	1.8
G-25	Proceed Aratamabashi	68	90.7	62,119	1.7	64	85.0	63,677	1.8
G-26	Proceed Bentencho	125	99.2	69,122	1.9	124	98.6	69,272	1.9
G-27	Proceed Nagaikoendori	79	97.6	32,784	0.9	79	97.6	33,989	0.9
G-30	Proceed Hyogoekimaedori (Note 3)	-	-	40,213	1.1	-	-	-	-
G-31	Proceed Mizuho	39	97.5	17,088	0.5	39	97.3	17,452	0.5
G-32	Proceed Osu	60	90.9	27,221	0.8	61	92.4	27,700	0.8
G-33	Proceed Sendai Kozurushinden	58	91.3	24,675	0.7	60	95.9	24,349	0.7
G-34	Proceed Sendai Kamisugi	92	86.3	57,887	1.6	94	87.0	54,289	1.5
G-35	Proceed Kanayama 3	59	98.5	28,798	0.8	57	95.5	28,857	0.8
G-36	Proceed Tsurigane	24	92.3	20,232	0.6	25	96.2	20,306	0.6
G-37	Proceed Fukaebashi	62	98.5	32,831	0.9	60	95.5	33,044	0.9

Property number	Property name	39th period (as of April 30, 2025)				40th period (as of October 31, 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)
G-38	Proceed Nishioji	36	100.0	21,096	0.6	35	97.3	20,788	0.6
G-39	Proceed Shin-Anjo	45	96.7	25,311	0.7	47	100.0	25,230	0.7
G-40	Proceed Nissekidori	61	100.0	30,892	0.9	60	98.4	31,477	0.9
R-2	Proceed Mito	32	90.0	16,593	0.5	34	94.4	16,118	0.4
R-3	Proceed Mito 2	33	92.1	18,252	0.5	36	100.0	18,262	0.5
R-4	Proceed Tsukuba Gakuentoshi	31	90.6	29,014	0.8	32	94.7	28,880	0.8
R-5	Proceed Mito 3	60	100.0	31,558	0.9	58	96.6	31,748	0.9
Total		5,088	96.9	3,621,840	100.0	5,073	96.9	3,606,960	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-20) Proceed Shinkoiwa on February 28, 2025, (G-30) Proceed Hyogoekimaedori on March 21, 2025, and (C-12) Proceed Makuharihongo 2 on August 1, 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 October 31, 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 Receivable floating; Payable fixed	36,956,000	31,136,000	(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

Beneficial interests in real estate trust are listed on the aforementioned "(3) Details of real estate properties in the portfolio."

As of October 31, 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 (Location)	Purpose	Schedule period	Planned construction cost (thousand yen) (Note)		
			Total amount	Payment in the 40th fiscal period	Total amount already paid
Proceed Gyotoku 2 (Ichikawa, Chiba)	Upgrading of mechanical parking lot	From Feb. 2026 to Mar. 2026	24,970	-	-
Proceed Gyotokuekimae (Ichikawa, Chiba)	Refreshment of exterior finishes	From Sep. 2025 to Feb. 2026	24,860	-	-
Proceed Kanayama (Naka-ku, Nagoya, Aichi)	Upgrading of mechanical parking lot	From Nov. 2025 to Dec. 2025	23,365	-	-
Proceed Honamicho (Chikusa-ku, Nagoya, Aichi)	Refreshment of exterior finishes	From Nov. 2025 to Feb. 2026	17,545	-	-
Proceed Tsukuba Gakuentoshi (Tsukuba, Ibaraki)	Upgrading of mechanical parking lot	From Feb. 2026 to Feb. 2026	14,729	-	-

(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 40th fiscal period. Capital expenditures during the fiscal period totaled 268,221 thousand yen. Combined with repair expenses of 124,555 thousand yen that were classified as expenses for the fiscal period, SPI implemented 392,777 thousand yen worth of construction works in the fiscal period.

Property name (Location)	Purpose	Period	Total expenditures (thousand yen) (Note)
Proceed Chofu (Chofu, Tokyo)	Refreshment of exterior finishes	From Feb. 2025 to Sep. 2025	44,281
Proceed Aratamabashi (Mizuho-ku, Nagoya, Aichi)	Upgrading of mechanical parking lot	From Jun. 2025 to Jul. 2025	35,277
Proceed Gumyoji (Minami-ku, Yokohama, Kanagawa)	Replacement of Housing Heating Total System (HEATS) equipment	From Sep. 2025 to Oct. 2025	20,350
Other constructions			168,313
Total			268,221

(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	36th period	37th period	38th period	39th period	40th period
Operation period	From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024	From May 1, 2024, to Oct. 31, 2024	From Nov. 1, 2024, to Apr. 30, 2025	From May 1, 2025, to Oct. 31, 2025
Balance of reserves at beginning of period	900,000	950,000	1,000,000	1,050,000	1,100,000
Reserves during the period	50,000	50,000	50,000	50,000	50,000
Reversal of reserves during the period	-	-	-	-	-
Amount carried forward to the next period	950,000	1,000,000	1,050,000	1,100,000	1,150,000

(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	39th period	40th period
	From Nov. 1, 2024, to Apr. 30, 2025	From May 1, 2025, to Oct. 31, 2025
(a) Asset management fees	355,866	329,408
(b) Asset custody fees	8,784	8,757
(c) Administrative service fees	21,709	20,532
(d) Directors' compensations	1,200	1,200
(e) Other operating expenses	135,624	130,766
Total	523,186	490,665

(Note) The asset management fee for the 39th fiscal period includes 22,851 thousand yen for asset management related to property disposition. The asset management fee for the 40th fiscal period includes 8,500 thousand yen for asset management related to property acquisition, capitalized in the acquisition costs of respective properties, and 3,905 thousand yen for asset management related to property disposition.

(2) Debt financing status

The status of loans from respective financial institutions as of October 31, 2025, is as follows.

Classification Lender	Drawdown date	Balance at beginning of 40th FP (thousand yen)	Balance at end of 40th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Aozora Bank, Ltd.	May 24, 2019	831,000	-	0.86000 (Note 2)	May 23, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
Resona Bank, Limited		635,000	-					
The Chiba Bank, Ltd.		356,000	-					
The Musashino Bank, Ltd.		356,000	-					
The Kagawa Bank, Ltd.		303,000	-					
Mizuho Bank, Ltd.		250,000	-					
Sumitomo Mitsui Banking Corporation		225,000	-					
Sumitomo Mitsui Trust Bank, Limited		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		1,095,000	1,095,000					
Aozora Bank, Ltd.	May 22, 2020	1,060,000	1,060,000	0.92000 (Note 2)	May 22, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
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.		790,000	790,000					
Resona Bank, Limited		590,000	590,000					
The Chiba Bank, Ltd.	Nov. 24, 2020	286,000	286,000	0.90000 (Note 2)	Nov. 24, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
The Musashino Bank, Ltd.		286,000	286,000					
Mizuho Bank, Ltd.		248,000	248,000					
The Kagawa Bank, Ltd.		244,000	244,000					
Sumitomo Mitsui Banking Corporation		181,000	181,000					
Sumitomo Mitsui Trust Bank, Limited		75,000	75,000					
Resona Bank, Limited		660,000	660,000					
Aozora Bank, Ltd.		640,000	640,000					
Mizuho Bank, Ltd.	Nov. 24, 2021	550,000	550,000	0.85000 (Note 2)	May 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
The Chiba Bank, Ltd.		290,000	290,000					
The Musashino Bank, Ltd.		280,000	280,000					
The 77 Bank, Ltd.		200,000	200,000					
The Kagawa Bank, Ltd.		100,000	100,000					
Sumitomo Mitsui Trust Bank, Limited		100,000	100,000					
Resona Bank, Limited		828,500	828,500					
Aozora Bank, Ltd.		585,000	585,000					
Sumitomo Mitsui Banking Corporation	May 24, 2022	408,500	408,500	1.06800 (Note 2)	May 24, 2028	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
The Chiba Bank, Ltd.		387,500	387,500					
The Musashino Bank, Ltd.		387,500	387,500					
Mizuho Bank, Ltd.		158,500	158,500					
Sumitomo Mitsui Trust Bank, Limited		56,500	56,500					
Mizuho Trust & Banking Co., Ltd.		50,000	50,000					
The Kagawa Bank, Ltd.		11,500	11,500					
Mizuho Bank, Ltd.		600,000	600,000					
Sumitomo Mitsui Banking Corporation	May 24, 2022	600,000	600,000	1.01600 (Note 2)	Nov. 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
Resona Bank, Limited		350,000	350,000					
Aozora Bank, Ltd.		300,000	300,000					
The Bank of Kyoto, Ltd.		200,000	200,000					
The 77 Bank, Ltd.		200,000	200,000					
The Joyo Bank, Ltd.		200,000	200,000					
Sumitomo Mitsui Trust Bank, Limited		150,000	150,000					
Mizuho Trust & Banking Co., Ltd.		100,000	100,000					
The Kagawa Bank, Ltd.	Nov. 1, 2022	100,000	100,000	1.16000 (Note 2)	Nov. 24, 2028	Lump-sum repayment on repayment date	Funds for acquisition of AUM	Unsecured Unguaranteed
Higashi-Nippon Bank, Ltd.		100,000	100,000					
The Bank of Yokohama, Ltd.		3,000,000	3,000,000					
Resona Bank, Limited		1,200,000	1,200,000					
Resona Bank, Limited	Nov. 1, 2022	700,000	700,000	1.30439	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.		1,090,000	1,090,000					
The Musashino Bank, Ltd.	Nov. 24, 2022	500,000	500,000	1.45439	May 24, 2029	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
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.	May 24, 2023	100,000	100,000	1.22000 (Note 2)	Nov. 22, 2029	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.		100,000	100,000					
Resona Bank, Limited		978,500	978,500					
Aozora Bank, Ltd.		820,000	820,000					
The Musashino Bank, Ltd.		430,000	430,000					
The Chiba Bank, Ltd.		425,000	425,000					
Mizuho Bank, Ltd.		420,000	420,000					
Sumitomo Mitsui Banking Corporation		280,000	280,000					
Sumitomo Mitsui Trust Bank, Limited		129,000	129,000					
Mizuho Trust & Banking Co., Ltd.		50,000	50,000					

Long-Term Loans (Note 3)

Classification	Lender	Drawdown date	Balance at beginning of 40th FP (thousand yen)	Balance at end of 40th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-Term Loans (Note 3)	The Bank of Yokohama, Ltd.	Nov. 24, 2023	1,000,000	1,000,000	1.49000 (Note 2)	May 24, 2030	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	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		477,000	477,000					
May 24, 2024	Aozora Bank, Ltd.		450,000	450,000	1.57700 (Note 2)	Nov. 22, 2030	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	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		548,000	548,000					
May 24, 2024	Aozora Bank, Ltd.		530,500	530,500	1.12900 (Note 2)	May 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	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.		917,000	917,000					
	Resona Bank, Limited		678,000	678,000					
	The Chiba Bank, Ltd.		322,000	322,000					
	The Musashino Bank, Ltd.		322,000	322,000					
Nov. 22, 2024	Mizuho Bank, Ltd.		300,000	300,000	1.45439	May 23, 2031	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	The Kagawa Bank, Ltd.		274,000	274,000					
	Sumitomo Mitsui Banking Corporation		203,000	203,000					
	Sumitomo Mitsui Trust Bank, Limited		84,000	84,000					
	Aozora Bank, Ltd.		-	831,000					
	Resona Bank, Limited		-	635,000					
	The Chiba Bank, Ltd.		-	356,000					
	The Musashino Bank, Ltd.		-	356,000					
	The Kagawa Bank, Ltd.		-	303,000					
	Mizuho Bank, Ltd.		-	250,000					
May 23, 2025	Sumitomo Mitsui Banking Corporation		-	225,000	2.12400 (Note 2)	Nov. 21, 2031	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		-	93,000					
	Subtotal		47,246,000	47,246,000					
	Total		47,246,000	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 (5,820,000 thousand yen) on the balance sheets are included in long-term loans payable.

(3) Status of investment corporation bonds

The status of investment corporation bonds as of October 31, 2025, is as follows.

Issue	Issue date	Balance at beginning of 40th FP (thousand yen)	Balance at end of 40th FP (thousand yen)	Interest rate	Redemption date	Redemption method	Use of funds	Remarks
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	2,000,000	1.227% per annum	Nov. 16, 2029	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Total		6,000,000	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) (Note 1)	Disposition date	Disposition price (thousand yen) (Note 1)	Book value (thousand yen)	Gain (loss) on sale (thousand yen) (Note 2)
C-96	Proceed Sakurazaka	May 13, 2025	850,000	-	-	-	-
C-12	Proceed Makuharihongo 2	-	-	Aug. 1, 2025	264,173	216,187	35,147
Total		-	850,000	-	264,173	216,187	35,147

(Note 1) "Acquisition price" or "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 acquisition or 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 Chuo Real Estate Appraisal Co., Ltd. and Asset Research Inc. based on the Real Estate Appraisal Standards, and SPI has received notices on the results of the concerned appraisals from the relevant parties.

Acquisition or disposition	Property number	Property name	Transaction date	Type of asset	Acquisition price or disposition price (thousand yen)	Appraisal value (thousand yen)	Appraisal date	Appraiser
Acquisition	C-96	Proceed Sakurazaka	May 13, 2025	Real estate in trust	850,000	887,000	Mar. 31, 2025	Chuo Real Estate Appraisal Co., Ltd.
Disposition	C-12	Proceed Makuharihongo 2	Aug. 1, 2025	Real estate in trust	264,173	252,000	Apr. 30, 2025	Asset Research Inc.

ii) Others

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

There was a single interest rate swap transaction that was subject to the research during the research period from May 1, 2025, to October 31, 2025. SPI has received a research report regarding the transaction from Nihombashi Corporation. With regard to the said interest rate swap transaction, SPI entrusted research on the name of the transaction counterpart, currency type, agreed-upon interest rate, transaction period and other details of the relevant transaction.

(4) Status of interested party transactions, etc.

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

Category	Transaction amount, etc.	
	Purchase amount, etc. (thousand yen)	Sale amount, etc. (thousand yen)
Total amount	850,000	264,173
Breakdown of transactions with interested parties, etc.		
Starts Development Corporation	850,000 (100.0%)	- (-%)
Total	850,000 (100.0%)	- (-%)

ii) Amount of commission fee, etc.

Category	Total paid fee (A) (thousand yen)	Breakdown of transactions with interested parties, etc.		B/A (%)
		Paid party	Paid amount (B) (thousand yen)	
Property management fee	98,534	Starts Amenity Corporation	96,546	98.0
Repair expenses	392,777	Starts Amenity Corporation	329,237	83.8
Maintenance and inspection fee	143,419	Starts Amenity Corporation	141,094	98.4
Advertising expenses	54,563	Starts Amenity Corporation	53,388	97.8
Renewal fee	29,663	Starts Amenity Corporation	28,855	97.3

(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

	1	2	3	4	5	6
Property name	Proceed Monzennakacho	Proceed Maihama	Proceed Nishiari ARTIER	Proceed Sendai Kamisugi	Proceed Yamashita Koen The Tower	Proceed Shin-Matsudo
Date of acquisition	June 2021	June 2021	October 2022	April 2022	March 2024	April 2024
DBJ Green Building Certification						
CASBEE Certification for Real Estate			★★★★★		★★★★	
BELS Certification	★★★★	★★★		★★★		★★★★★
Acquisition price (million yen)	1,240	1,029	4,279	1,560	7,900	952
Total floor area (m ²)	1,777.37	2,151.57	18,209.50	3,750.27	12,208.74	1,613.30
	7	8	9	10	11	12
Property name	Proceed Shin Yokohama	Proceed Shin-Anjo	The Parkhabio Yokohamayamate	Alpha Grande Chizakura Tower	Proceed TX Nagareyama Central Park	Proceed Minamigotoku 2
Date of acquisition	May 2024	May 2024	November 2024	November 2024	October 2025	October 2025
DBJ Green Building Certification	★★★		★★★	★★★★★		★★★
CASBEE Certification for Real Estate					★★★★	
BELS Certification		★★★★				
Acquisition price (million yen)	4,330	780	3,047	2,800	979	1,080
Total floor area (m ²)	6,256.98	1,933.31	3,606.42	4,258.99	3,107.84	2,941.35

Percentage of properties that have acquired environmental certification	
Number of certified properties	12 properties
Total floor area	61,815.64 m ²
Percentage of certified properties (Compared to previous period)	25.9% (+2.6%)
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, cafe)
- Private facilities (retail facility, housing)



■ Proceed Nishiari <Acquired in 5th FP>

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



Social



- Seismic isolation structure (as of October 31, 2025)
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



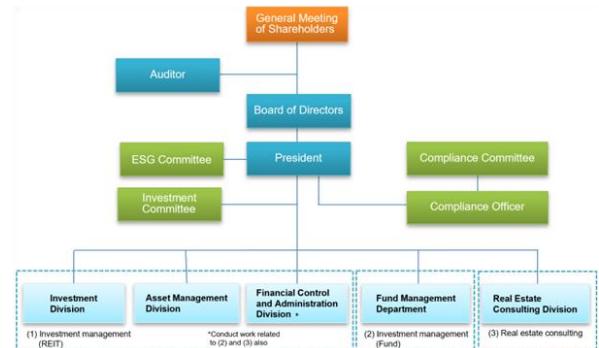
Disaster prevention goods for exclusive floor area (some properties)

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 ₂) emissions (Scope 1 and 2)	Reduce 42% (on a gross amount basis) by fiscal 2030 based on the amount in fiscal 2023. Achieve net zero emissions by fiscal 2050.
Water consumption	Will not increase the amount in terms of water consumption intensity until fiscal 2030 based on the amount in fiscal 2023.

Environmental Performance Results

Item		Fiscal 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 ²)	0.047	0.048	0.047	-2.1%
GHG (CO ₂) emissions	Total amount (t-CO ₂)	222	187	29	-84.5%
	Consumption intensity (t-CO ₂ /m ²)	0.005	0.003	0.001	-66.7%
Water consumption	Total amount (m ³)	824	881	1,159 (Note)	31.6%
	Consumption intensity (m ³ /m ²)	0.022	0.019	0.025	31.6%

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

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

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

■ Reduction of CO₂ emissions from electricity at common areas to zero

For 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 Mitsuuroko Green Energy Co., Ltd.

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

*Please refer to the following website for the ESG policy and materiality of SPI.

<https://www.sp-inv.co.jp/>

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 (39th) 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 (40th) 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

Not applicable.

(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]

	39th Fiscal Period (Reference) (as of April 30, 2025)	40th Fiscal Period (as of October 31, 2025)
Assets		
Current assets		
Cash and deposits	2,167,715	1,473,132
Cash and deposits in trust	2,261,257	2,403,173
Operating accounts receivable	39,234	30,175
Prepaid expenses	109,954	109,801
Consumption taxes refund receivable	-	41,095
Income taxes refund receivable	-	255
Others	21,300	17,288
Total current assets	4,599,462	4,074,921
Non-current assets		
Property, plant and equipment		
Buildings in trust	54,861,795	55,318,975
Accumulated depreciation	(13,720,793)	(14,263,750)
Buildings in trust, net	41,141,001	41,055,224
Structures in trust	1,339,800	1,396,928
Accumulated depreciation	(961,313)	(982,825)
Structures in trust, net	378,486	414,103
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	998,105	1,039,867
Accumulated depreciation	(548,070)	(598,323)
Tools, furniture and fixtures in trust, net	450,035	441,543
Land in trust	53,357,208	53,697,053
Total property, plant and equipment	95,327,000	95,608,194
Intangible assets		
Leasehold in trust	1,008,691	1,000,297
Software	406	333
Total intangible assets	1,009,098	1,000,631
Investments and other assets		
Leasehold and guarantee deposits	10,000	10,000
Leasehold and guarantee deposits in trust	734,611	734,596
Long-term prepaid expenses	210,334	186,660
Deferred tax assets	14	15
Others	66,190	75,377
Total investments and other assets	1,021,151	1,006,649
Total non-current assets	97,357,250	97,615,476
Deferred assets		
Investment corporation bond issuance costs	29,307	24,977
Investment unit issuance costs	2,071	-
Total deferred assets	31,379	24,977
Total assets	101,988,093	101,715,374

Starts Proceed Investment Corporation
Balance Sheets

	[Unit: thousand yen]	
	39th Fiscal Period (Reference) (as of April 30, 2025)	40th Fiscal Period (as of October 31, 2025)
Liabilities		
Current liabilities		
Current portion of investment corporation bonds	1,000,000	1,000,000
Current portion of long-term loans payable	4,549,000	5,820,000
Operating accounts payable	172,193	209,397
Accounts payable – other	259,554	245,971
Accrued expenses	100,388	113,624
Income taxes payable	695	697
Accrued consumption taxes	46,140	14,766
Advances received	2,130	1,294
Others	99	1,470
Total current liabilities	<u>6,130,201</u>	<u>7,407,222</u>
Non-current liabilities		
Investment corporation bonds	5,000,000	5,000,000
Long-term loans payable	42,697,000	41,426,000
Tenant leasehold and security deposits in trust	866,489	867,832
Asset retirement obligations	310,120	312,596
Total non-current liabilities	<u>48,873,609</u>	<u>47,606,428</u>
Total liabilities	<u>55,003,811</u>	<u>55,013,650</u>
Net assets		
Unitholders' equity		
Unitholders' capital	48,082,645	48,082,645
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	(11,581)	(24,929)
Other deduction from unitholders' capital	(2,470,257)	(2,563,695)
Total deduction from unitholders' capital	<u>(2,481,838)</u>	<u>(2,588,625)</u>
Unitholders' capital (net)	<u>45,600,807</u>	<u>45,494,020</u>
Surplus		
Unappropriated retained earnings (undisposed loss)	1,383,474	1,207,704
Total surplus	1,383,474	1,207,704
Total unitholders' equity	<u>46,984,281</u>	<u>46,701,724</u>
Total net assets	<u>(Note 3)</u> 46,984,281	<u>46,701,724</u>
Total liabilities and net assets	<u>101,988,093</u>	<u>101,715,374</u>

Starts Proceed Investment Corporation
Statements of Income

[Unit: thousand yen]

	39th Fiscal Period (Reference)	40th Fiscal Period
	From: Nov. 1, 2024	From: May 1, 2025
	To: Apr. 30, 2025	To: Oct. 31, 2025
Operating revenue		
Rent revenue – real estate	(Note 1) 3,621,840	3,606,960
Gain on sales of real estate properties	(Note 2) 205,458	35,147
Total operating revenue		3,827,299 3,642,108
Operating expenses		
Expenses related to rent business	(Note 1) 1,607,483	1,586,142
Asset management fee	333,015	317,003
Asset custody fee	8,784	8,757
Administrative service fees	21,709	20,532
Directors' compensations	1,200	1,200
Other operating expenses	135,624	130,766
Total operating expenses		2,107,818 2,064,402
Operating income		1,719,480 1,577,705
Non-operating income		
Interest income	36,691	51,466
Insurance income	107	1,436
Reversal of distribution payable	789	933
Others	11,312	459
Total non-operating income		48,901 54,295
Non-operating expenses		
Interest expenses	302,531	344,815
Interest expenses on investment corporation bonds	25,684	27,413
Amortization of investment corporation bond issuance costs	4,330	4,330
Amortization of investment unit issuance costs	2,071	2,071
Borrowing related expenses	44,255	43,947
Others	5,312	951
Total non-operating expenses		384,185 423,530
Ordinary income		1,384,196 1,208,469
Income before income taxes		1,384,196 1,208,469
Income taxes – current	901	917
Income taxes – deferred	15	(0)
Total income taxes		917 917
Net income		1,383,279 1,207,552
Retained earnings brought forward	194	151
Unappropriated retained earnings (undisposed loss)		1,383,474 1,207,704

Starts Proceed Investment Corporation

Statements of Changes in Unitholders' Equity

39th Fiscal Period (Reference) (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]

	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	

40th Fiscal Period (from May 1, 2025, to October 31, 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	(11,581)	(2,470,257)	(2,481,838)	45,600,807
Changes of items during the period					
Distribution in an allowance for temporary difference adjustments in excess of earnings		(13,348)		(13,348)	(13,348)
Distribution in other distributions in excess of earnings			(93,438)	(93,438)	(93,438)
Dividends from surplus					
Net income					
Total changes of items during the period	-	(13,348)	(93,438)	(106,786)	(106,786)
Balance at end of period	48,082,645	(24,929)	(2,563,695)	(2,588,625)	45,494,020

[Unit: thousand yen]

	Unitholders' equity			Total net assets	
	Surplus		Total unitholders' equity		
	Unappropriated retained earnings (undisposed loss)	Total surplus			
Balance at beginning of period	1,383,474	1,383,474	46,984,281	46,984,281	
Changes of items during the period					
Distribution in an allowance for temporary difference adjustments in excess of earnings			(13,348)	(13,348)	
Distribution in other distributions in excess of earnings			(93,438)	(93,438)	
Dividends from surplus	(1,383,323)	(1,383,323)	(1,383,323)	(1,383,323)	
Net income	1,207,552	1,207,552	1,207,552	1,207,552	
Total changes of items during the period	(175,770)	(175,770)	(282,557)	(282,557)	
Balance at end of period	1,207,704	1,207,704	46,701,724	46,701,724	

Starts Proceed Investment Corporation
Statements of Cash Flows

[Unit: thousand yen]

	39th Fiscal Period (Reference)	40th Fiscal Period
	From: Nov. 1, 2024	From: May 1, 2025
	To: Apr. 30, 2025	To: Oct. 31, 2025
Net cash provided by (used in) operating activities		
Income before income taxes	1,384,196	1,208,469
Depreciation and amortization	704,053	707,471
Amortization of investment corporation bond issuance costs	4,330	4,330
Amortization of investment unit issuance costs	2,071	2,071
Interest income	(36,691)	(51,466)
Interest expenses	328,215	372,228
Decrease (increase) in operating accounts receivable	(8,639)	9,058
Decrease (increase) in prepaid expenses	(46)	153
Decrease (increase) in consumption taxes refund receivable	-	(41,095)
Increase (decrease) in accrued consumption taxes	(3,629)	(31,374)
Increase (decrease) in operating accounts payable	(37,781)	52,185
Increase (decrease) in accounts payable – other	(831)	(16,627)
Decrease (increase) in long-term prepaid expenses	25,891	23,674
Decrease from sales of property, plant and equipment in trust	2,248,261	216,187
Others, net	(10,699)	8,617
Subtotal	4,598,702	2,463,885
Interest income received	36,691	51,466
Interest expenses paid	(299,986)	(358,992)
Income taxes paid	(1,391)	(915)
Net cash provided by (used in) operating activities	4,334,016	2,155,444
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(313,194)	(1,212,329)
Proceeds from tenant leasehold and security deposits in trust	47,181	54,566
Repayments of tenant leasehold and security deposits in trust	(54,169)	(53,224)
Decrease (increase) in investments and other assets	(8,687)	(9,171)
Net cash provided by (used in) investing activities	(328,870)	(1,220,158)
Net cash provided by (used in) financing activities		
Repayments of short-term loans payable	(415,500)	-
Proceeds from long-term loans payable	3,100,000	3,049,000
Repayments of long-term loans payable	(3,700,000)	(3,049,000)
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	(1,375,755)	(1,381,166)
Distributions in excess of earnings	(105,081)	(106,786)
Net cash provided by (used in) financing activities	(3,247,647)	(1,487,953)
Net increase (decrease) in cash and cash equivalents	757,499	(552,667)
Cash and cash equivalents at beginning of period	3,671,474	4,428,973
Cash and cash equivalents at end of period	4,428,973	3,876,305
(Note)		

Starts Proceed Investment Corporation

Notes to Financial Statements

1. Basis of presenting financial statements

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

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

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

2. Summary of significant accounting policies

Fiscal period Item	39th Fiscal Period (Reference) (from November 1, 2024, to April 30, 2025)	40th Fiscal Period (from May 1, 2025, to October 31, 2025)
1. Depreciation and amortization method for non-current assets	<p>(1) Property, plant and equipment Depreciation is calculated using the straight-line method. The useful lives of major categories of property, plant and equipment are as follows: Buildings in trust 3–64 years Structures in trust 10–45 years Machinery and equipment in trust 8 years Tools, furniture and fixtures in trust 3–15 years</p> <p>(2) Intangible assets Intangible assets are amortized using the straight-line method. Leasehold in trust is amortized using the straight-line method based on the contract period of fixed-term land lease agreements.</p> <p>(3) Long-term prepaid expenses Long-term prepaid expenses are amortized using the straight-line method.</p>	<p>(1) Property, plant and equipment Same as on the left</p> <p>(2) Intangible assets Same as on the left</p> <p>(3) Long-term prepaid expenses Same as on the left</p>
2. Accounting for deferred assets	<p>(1) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over the period through redemption.</p> <p>(2) Investment unit issuance costs Investment unit issuance costs are amortized in equal amounts over three years.</p>	<p>(1) Investment corporation bond issuance costs Same as on the left</p> <p>(2) Investment unit issuance costs Same as on the left</p>

<p>3. Standards for recognition of revenue and expenses</p>	<p>(1) Accounting treatment of property taxes, etc.</p> <p>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.</p> <p>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.</p> <p>The amount equivalent to property taxes, etc. for the initial fiscal year to be borne by SPI upon acquisition of real estate or beneficial interests in real estate trust are not expensed but capitalized as part of the acquisition cost of the relevant property.</p> <p>(2) Standards for revenue recognition</p> <p>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</p> <p>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</p> <p>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.</p> <p>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.</p> <p>Same as on the left</p> <p>(2) Standards for revenue recognition</p> <p>Same as on the left</p>
<p>4. Method of hedge accounting</p>	<p>(1) Method of hedge accounting</p> <p>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</p> <p>Hedging instrument: interest rate swap transactions</p> <p>Hedged items: interest of borrowings</p> <p>(3) Hedging policy</p> <p>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</p> <p>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</p> <p>Same as on the left</p> <p>(2) Hedging instruments and hedged items</p> <p>Same as on the left</p> <p>(3) Hedging policy</p> <p>Same as on the left</p> <p>(4) Method for assessing the effectiveness of hedging</p> <p>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 beneficial interests in real estate trust</p> <p>Regarding beneficial interests in real estate trust, 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.</p> <p>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"> a. Cash and deposits in trust b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust c. Leasehold in trust d. Leasehold and guarantee deposits in trust e. Tenant leasehold and security deposits in trust <p>(2) Accounting for consumption taxes</p> <p>For non-current assets and deferred assets, the consumption taxes are included.</p>	<p>(1) Accounting method for beneficial interests in real estate trust</p> <p>Same as on the left</p> <p>(2) Accounting for consumption taxes</p> <p>Same as on the left</p>

3. Notes to Balance Sheets

39th Fiscal Period (Reference) (as of April 30, 2025)			40th Fiscal Period (as of October 31, 2025)		
(Note 1) Allowance for temporary difference adjustments 1. Reason for provision, relevant asset, etc., and amount of the allowance (thousand yen)			(Note 1) Allowance for temporary difference adjustments 1. Reason for provision, relevant asset, etc., and amount of the allowance (thousand yen)		
Relevant asset, etc.	Buildings in trust	Fixed-term leasehold in trust	Relevant asset, etc.	Buildings in trust	Fixed-term leasehold in trust
Reason for provision	Incurrence of expenses related to asset retirement obligations	Incurrence of amortization of leasehold	Reason for provision	Incurrence of expenses related to asset retirement obligations	Incurrence of amortization of leasehold
Initial amount incurred	4,353	7,228	Initial amount incurred	4,353	7,228
Balance at beginning of period	-	-	Balance at beginning of period	4,353	7,228
Provision during period	4,353	7,228	Provision during period	5,029	8,313
Reversal during period	-	-	Reversal during period	-	-
Balance at end of period	4,353	7,228	Balance at end of period	9,382	15,547
Reason for reversal	-	-	Reason for reversal	-	-
2. Specific method of reversal			2. Specific method of reversal		
Relevant asset, etc.	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.		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.		Fixed-term leasehold in trust	The plan is reversal of the corresponding amount at the time of sale or such.	
(Note 2) Cancellation of treasury investment units			(Note 2) Cancellation of treasury investment units		
Total number of cancelled units	13,062 units		Total number of cancelled units	13,062 units	
Total amount of cancellation	2,283,257 thousand yen		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 50,000 thousand yen			(Note 3) Minimum net assets designated in Article 67-4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen		

4. Notes to Statements of Income

39th Fiscal Period (Reference) (from November 1, 2024, to April 30, 2025)		40th Fiscal Period (from May 1, 2025, to October 31, 2025)	
(Note 1) Breakdown of revenues and expenses related to real estate rent business		(Note 1) Breakdown of revenues and expenses related to real estate rent business	
(thousand yen)		(thousand yen)	
A. Real estate rent revenue		A. Real estate rent revenue	
Rent revenue – real estate		Rent revenue – real estate	
Rent	3,133,475	Rent	3,118,489
Common area maintenance charges	220,446	Common area maintenance charges	219,975
Parking revenue	105,786	Parking revenue	104,479
Incidental revenue	1,046	Incidental revenue	1,162
Rent revenue – other	161,086	Rent revenue – other	162,853
Total real estate rent revenue	<u>3,621,840</u>	Total real estate rent revenue	<u>3,606,960</u>
B. Expenses related to real estate rent business		B. Expenses related to real estate rent business	
Expenses related to rent business		Expenses related to rent business	
Management expenses	242,927	Management expenses	241,953
Repair expenses	137,724	Repair expenses	124,555
Taxes and public dues	215,115	Taxes and public dues	209,135
Trust fee	35,157	Trust fee	34,748
Utilities expenses	54,772	Utilities expenses	56,061
Casualty insurance	14,399	Casualty insurance	14,407
Depreciation and amortization	704,462	Depreciation and amortization	707,398
Other expenses related to rent business	<u>202,922</u>	Other expenses related to rent business	<u>197,882</u>
Total expenses related to real estate rent business	<u>1,607,483</u>	Total expenses related to real estate rent business	<u>1,586,142</u>
C. Profit from real estate rent business (A-B)	<u>2,014,357</u>	C. Profit from real estate rent business (A-B)	<u>2,020,817</u>
(Note 2) Breakdown of gain on sales of real estate properties		(Note 2) Breakdown of gain on sales of real estate properties	
(thousand yen)		(thousand yen)	
Proceed Shinkoiwa		Proceed Makuharihongo 2	
Proceeds from sales of real estate properties	620,570	Proceeds from sales of real estate properties	264,735
Cost of sales of real estate properties	512,368	Cost of sales of real estate properties	216,187
Other sales expenses	11,932	Other sales expenses	13,399
Gain on sales of real estate properties	<u>96,269</u>	Gain on sales of real estate properties	<u>35,147</u>
(thousand yen)			
Proceed Hyogoekimaedori			
Proceeds from sales of real estate properties	1,912,813		
Cost of sales of real estate properties	1,735,893		
Other sales expenses	67,730		
Gain on sales of real estate properties	<u>109,188</u>		

5. Notes to Statements of Changes in Unitholders' Equity

39th Fiscal Period (Reference) (from November 1, 2024, to April 30, 2025)		40th Fiscal Period (from May 1, 2025, to October 31, 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	272,415 units	Total number of investment units issued and outstanding	272,415 units

6. Notes to Statements of Cash Flows

39th Fiscal Period (Reference) (from November 1, 2024, to April 30, 2025)		40th Fiscal Period (from May 1, 2025, to October 31, 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		(Note) Relationship between the balance of cash and cash equivalents at the end of period and the amounts of the corresponding accounts on the Balance Sheets	
(thousand yen)		(thousand yen)	
(As of April 30, 2025)		(As of October 31, 2025)	
Cash and deposits	2,167,715	Cash and deposits	1,473,132
Cash and deposits in trust	<u>2,261,257</u>	Cash and deposits in trust	<u>2,403,173</u>
Cash and cash equivalents	<u>4,428,973</u>	Cash and cash equivalents	<u>3,876,305</u>

7. Notes to lease transactions

39th Fiscal Period (Reference) (as of April 30, 2025)		40th Fiscal Period (as of October 31, 2025)	
Operating lease transaction (As Lessee)		Operating lease transaction (As Lessee)	
	(thousand yen)		(thousand yen)
Future minimum lease payments		Future minimum lease payments	
Due within 1 year	127,158	Due within 1 year	127,890
Due after 1 year	4,878,227	Due after 1 year	4,835,144
Total	5,005,386	Total	4,963,035

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

8. Notes to financial instruments

39th fiscal period (Reference) (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.

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

	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

40th fiscal period (from May 1, 2025, to October 31, 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 October 31, 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	997,756	(2,243)
(2) Current portion of long-term loans payable (Note 2)	5,820,000	5,778,834	(41,165)
(3) Investment corporation bonds (Note 2)	5,000,000	4,980,693	(19,306)
(4) Long-term loans payable (Note 2)	41,426,000	41,249,480	(176,519)
(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.

Method of hedge accounting	Type of derivative transactions, etc.	Main hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value	(thousand yen)
			Of which, exceeding 1 year				
Special accounting for interest rate swaps	Interest rate swap transaction Receivable floating; Payable fixed	Long-term loans payable	36,956,000	31,136,000	(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 40th fiscal period

	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	(thousand yen)
Current portion of investment corporation bonds	1,000,000	-	-	-	-	-	
Current portion of long-term loans payable	5,820,000	-	-	-	-	-	
Investment corporation bonds	-	-	1,500,000	-	2,000,000	1,500,000	
Long-term loans payable	-	10,681,000	5,773,500	8,390,000	7,532,500	9,049,000	

9. Notes to tax effect accounting

39th Fiscal Period (Reference) (from November 1, 2024, to April 30, 2025)	40th Fiscal Period (from May 1, 2025, to October 31, 2025)
1. Deferred tax assets and liabilities consist of the following: (thousand yen)	1. Deferred tax assets and liabilities consist of the following: (thousand yen)
[Deferred tax assets]	[Deferred tax assets]
Accrued business taxes not deductible from taxable income 14	Accrued business taxes not deductible from taxable income 15
Amortization of leasehold in trust 14,354	Amortization of leasehold in trust 17,218
Asset retirement obligations 105,813	Asset retirement obligations 106,657
Subtotal of deferred tax assets 120,182	Subtotal of deferred tax assets 123,891
Valuation allowance (120,167)	Valuation allowance (123,876)
Total deferred tax assets 14	Total deferred tax assets 15
[Deferred tax assets, net] 14	[Deferred tax assets, net] 15
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 (31.74)	Deductible distributions (31.79)
Change in valuation allowance 0.27	Change in valuation allowance 0.31
Others 0.08	Others 0.10
Effective tax rate after applying tax effect accounting 0.07	Effective tax rate after applying tax effect accounting 0.08

10. Notes to asset retirement obligations

39th Fiscal Period (Reference) (from November 1, 2024, to April 30, 2025)	40th Fiscal Period (from May 1, 2025, to October 31, 2025)
Asset retirement obligations recorded on the Balance Sheets	Asset retirement obligations recorded on the Balance Sheets
1. Overview of the asset retirement obligations	1. Overview of the asset retirement obligations
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.	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	2. Calculation method of the amount of the asset retirement obligations
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%.	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 (thousand yen)	3. Change in the total amount of the asset retirement obligations (thousand yen)
Balance at beginning of period 307,663	Balance at beginning of period 310,120
Accretion 2,456	Accretion 2,475
Balance at end of period 310,120	Balance at end of period 312,596

11. Notes to related party transactions

39th fiscal period (Reference) (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	Tenant leasehold and security deposits in trust (Note 2)	56,841
				Renewal fee	27,422		
				Rent revenue, etc. (Note 2)	261,224		
Asset custodian	Sumitomo Mitsui Trust Bank, Limited	Banking business	-	Trust fee	12,642	Prepaid expenses	1,259
				Interest expenses	7,687	Long-term prepaid expenses	3,224
				Payment related to financing matters	394	Accrued expenses	1,743
				Borrowing of long-term loans payable	84,000	Prepaid expenses	433
				Repayment of long-term loans payable	99,000	Long-term prepaid expenses	927
				Administrative service fees	8,809	Current portion of long-term loans payable	162,000
						Long-term loans payable	1,091,000
						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.

40th fiscal period (from May 1, 2025, to October 31, 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	96,546	Operating accounts payable	145,983
				Repair expenses	329,237		
				Maintenance and inspection fee	141,094		
				Advertising expenses	53,388	Tenant leasehold and security deposits in trust (Note 2)	57,420
				Renewal fee	28,855		
				Rent revenue, etc. (Note 2)	264,055		
Interested party, etc.	Starts Development Corporation	Real estate sales business	-	Purchase of beneficial interests in trust (Note 3)	850,000	-	-
Asset custodian	Sumitomo Mitsui Trust Bank, Limited	Banking business	-	Trust fee	13,280	Prepaid expenses	996
				Interest expenses	8,720	Long-term prepaid expenses	2,745
				Payment related to financing matters	186	Accrued expenses	2,009
				Borrowing of long-term loans payable	93,000	Prepaid expenses	425
				Repayment of long-term loans payable	93,000	Long-term prepaid expenses	901
				Administrative service fees	8,232	Current portion of long-term loans payable	215,000
						Long-term loans payable	1,038,000
						Accounts payable – other	724

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

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

(Note 3) With respect to the purchase of beneficial interests in trust from related parties and other stakeholders, the purchase price is, in principle, determined at or below the appraised value of the underlying real estate in accordance with the internal rules and regulations established by the Asset Management Company. Other transaction terms are determined based on prevailing market conditions.

12. Notes to investment and rental properties

39th fiscal period (Reference) (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 (Note 3)
Balance at beginning of period	Amount of change during 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."

40th fiscal period (from May 1, 2025, to October 31, 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 October 31, 2025.

(thousand yen)

Book value recorded on the Balance Sheets (Note 1)			Fair value at end of period (Note 3)
Balance at beginning of period	Amount of change during period (Note 2)	Balance at end of period	
96,335,692	272,799	96,608,492	119,848,000

(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 40th fiscal period, the amount of increase is primarily attributable to the acquisition of (C-96) Proceed Sakurazaka (930,947 thousand yen) and capital expenditures (268,221 thousand yen), and the amount of decrease is primarily attributable to the disposition of (C-12) Proceed Makuharihongo 2 (216,187 thousand yen) and depreciation and amortization (707,398 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 40th fiscal period ended October 2025 for the investment and rental properties, refer to the aforementioned "Notes to Statements of Income."

13. Notes to per unit information

39th Fiscal Period (Reference) (from November 1, 2024, to April 30, 2025)		40th Fiscal Period (from May 1, 2025, to October 31, 2025)	
Net assets per unit	172,473 yen	Net assets per unit	171,435 yen
Net income per unit (Note)	4,897 yen	Net income per unit (Note)	4,432 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.

39th Fiscal Period (Reference) (from November 1, 2024, to April 30, 2025)		40th Fiscal Period (from May 1, 2025, to October 31, 2025)	
Net income (thousand yen)	1,383,279	Net income (thousand yen)	1,207,552
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)	1,383,279	Net income attributable to ordinary investment units (thousands of yen)	1,207,552
Average number of units during the fiscal period (units)	282,421	Average number of units during the fiscal period (units)	272,415

14. Notes to significant subsequent events

39th Fiscal Period (Reference) (from November 1, 2024, to April 30, 2025)		40th Fiscal Period (from May 1, 2025, to October 31, 2025)
Not applicable.		Same as on the left

15. Notes to revenue recognition

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

	Revenue from contracts with customers (Note 1)	Sales to external customers	(thousand yen)
Sales of real estate properties	2,533,383	(Note 2)	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.

40th fiscal period (from May 1, 2025, to October 31, 2025)

	Revenue from contracts with customers (Note 1)	Sales to external customers	(thousand yen)
Sales of real estate properties	264,735	(Note 2)	35,147
Utilities income	20,143		20,143
Others	-		3,586,816
Total	284,878		3,642,108

(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

39th fiscal period (Reference) (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.

40th fiscal period (from May 1, 2025, to October 31, 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	5,058	
Fixed-term leasehold in trust	Incurrence of amortization of leasehold	8,334	
	Subtotal of increases	13,393	
Other	-	(45)	
	Subtotal of decreases	(45)	
	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	39th Fiscal Period (Reference)	40th Fiscal Period
		From: Nov. 1, 2024 To: Apr. 30, 2025	From: May 1, 2025 To: Oct. 31, 2025
I. Unappropriated retained earnings		1,383,474,609 yen	1,207,704,111 yen
II. Additional amount of distribution in excess of earnings		106,786,680 yen	106,786,680 yen
Allowance for temporary difference adjustments		13,348,335 yen	13,348,335 yen
Other deduction from unitholders' capital		93,438,345 yen	93,438,345 yen
III. Amount of distributions		1,490,110,050 yen	1,314,402,375 yen
[Amount of distribution per investment unit]		[5,470 yen]	[4,825 yen]
Distribution of earnings		1,383,323,370 yen	1,207,615,695 yen
[Distribution of earnings per unit]		[5,078 yen]	[4,433 yen]
Distribution in an allowance for temporary difference adjustments		13,348,335 yen	13,348,335 yen
[Distribution in excess of earnings per unit (those pertaining to an allowance for temporary difference adjustments)]		[49 yen]	[49 yen]
Distribution in other distributions in excess of earnings		93,438,345 yen	93,438,345 yen
[Distribution in excess of earnings per unit (those pertaining to other distributions in excess of earnings)]		[343 yen]	[343 yen]
IV. Retained earnings brought forward		151,239 yen	88,416 yen

Method of calculation of amount of distributions	<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>	<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 40th fiscal period, SPI decided to pay out distributions of earnings of 1,207,615,695 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 40th 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 699,004,979 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>
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Independent Auditor's Report

To the Board of Directors of Starts Proceed Investment Corporation

Opinion

We have audited the financial statements of Starts Proceed Investment Corporation (the Company), which comprise the balance sheets as of October 31, 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 October 31, 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, including those applicable to audits of financial statements of public interest entities, 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 豊浩

Kotaro Yamamura
Designated Engagement Partner
Certified Public Accountant

山村 浩太郎

Nihombashi Corporation
Chuo-Ku, Tokyo
January 26, 2026