

34th Fiscal Period Semi-Annual Report

Starts Proceed Investment Corporation

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

From: May 1, 2022
To: October 31, 2022

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 34th fiscal period ended October 2022 (May 1, 2022 – October 31, 2022), we would like to report on the management status and performance results for the period.

During the fiscal period under review, SPI conducted asset replacement by acquiring Proceed Ishikawadai on May 10, 2022 and Alpha Grande Chizakura Tower on October 31, 2022, while disposing Proceed Shinozaki 2 and three other properties on October 31, 2022. Consequently, SPI’s portfolio as of the end of the 34th fiscal period consists of 104 properties with a total acquisition price of 89,256 million yen. SPI also worked to reduce building maintenance and management costs while striving to increase revenue including rents and receipt of key money. As a result of these endeavors, SPI posted operating revenue of 3,349 million yen, ordinary income of 1,303 million yen and net income of 1,301 million yen for the 34th fiscal period. Distribution per unit came to 5,971 yen, surpassing the forecast announced earlier.

Moreover, as we entered the 35th fiscal period, we issued new investment units through public offering and borrowed new loans in November 2022, and used the procured funds to acquire Proceed Yamashita Koen The Tower and four other properties (total acquisition price: 12,235 million yen). These initiatives enabled us to expand the asset size, reaching the 100 billion yen level on an acquisition price basis.

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	30th period (From May 1, 2020 to October 31, 2020)	31st period (From November 1, 2020 to April 30, 2021)	32nd period (From May 1, 2021 to October 31, 2021)	33rd period (From November 1, 2021 to April 30, 2022)	34th period (From May 1, 2022 to October 31, 2022)
Operating revenue	million yen	3,352	3,160	3,177	3,224	3,349
[Of which, real estate rent revenue]	million yen	[3,106]	[3,113]	[3,115]	[3,154]	[3,154]
Operating expenses	million yen	1,769	1,797	1,806	1,810	1,830
[Of which, expenses related to real estate rent business]	million yen	[1,354]	[1,374]	[1,382]	[1,391]	[1,416]
Operating income	million yen	1,582	1,362	1,370	1,413	1,519
Ordinary income	million yen	1,394	1,163	1,159	1,199	1,303
Net income (a)	million yen	1,392	1,183	1,157	1,197	1,301
Total assets (b)	million yen	90,411	90,191	90,258	90,240	90,625
Net assets (c)	million yen	43,576	43,366	43,341	43,380	43,484
Unitholders' capital (net) (Note 2)	million yen	41,684	41,684	41,684	41,684	41,684
Total number of investment units issued and outstanding (d)	units	253,777	253,777	253,777	253,777	253,777
Net assets per unit (c) ÷ (d)	yen	171,711	170,886	170,785	170,940	171,350
Net income per unit (Note 3)	yen	5,487	4,662	4,562	4,717	5,127
Total distributions (e)	million yen	1,392	1,183	1,157	1,197	1,515
Distribution per unit (e) ÷ (d)	yen	5,488	4,663	4,563	4,718	5,971
[Of which, distribution of earnings per unit]	yen	[5,488]	[4,663]	[4,563]	[4,718]	[5,971]
[Of which, distribution in excess of earnings per unit]	yen	[-]	[-]	[-]	[-]	[-]
Return on assets (Note 4)	%	1.5 [3.1]	1.3 [2.6]	1.3 [2.6]	1.3 [2.7]	1.4 [2.9]
Return on equity (Note 4)	%	3.2 [6.3]	2.7 [5.5]	2.7 [5.3]	2.8 [5.6]	3.0 [5.9]
Equity ratio (c) ÷ (b)	%	48.2	48.1	48.0	48.1	48.0
Distribution payout ratio (Note 4)	%	100.0	100.0	100.0	100.0	116.4
[Other Reference Information]						
Number of investments properties (Note 5)	properties	107	106	106	106	104
Total number of leasable units (Note 5)	units	5,227	5,226	5,219	5,189	5,069
Total leasable floor area	m ²	193,846.29	192,166.37	192,143.94	192,005.05	192,437.53
Period-end occupancy rate (Note 5)	%	95.2	95.4	96.4	96.3	96.1
Depreciation and amortization	million yen	650	650	647	645	651
Capital expenditures	million yen	81	114	213	217	186
Property leasing NOI (Net Operating Income) (Note 4)	million yen	2,401	2,389	2,381	2,408	2,389
FFO (Funds from Operations) per unit (Note 4)	yen	7,086	7,051	6,883	7,002	6,936
FFO multiple (Note 4)	times	14.2	16.0	17.5	16.5	17.2
Debt service coverage ratio (Note 4)	times	13.1	12.0	11.4	11.3	11.3
Earnings before interest, depreciation and amortization	million yen	2,211	2,000	1,979	2,021	2,142
Interest expenses	million yen	169	167	174	178	189
Total interest-bearing liabilities	million yen	45,646	45,646	45,646	45,646	45,646
LTV (Loan-To-Value) ratio (Note 4)	%	50.5	50.6	50.6	50.6	50.4
Number of days of management	days	184	181	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 ÷ Average total assets Average total assets = (Total assets at beginning of period + Total assets at end of period) ÷ 2
Return on equity	Net income ÷ Average net assets Average net assets = (Net assets at beginning of period + Net assets at end of period) ÷ 2
Distribution payout ratio	Distribution per unit ÷ Net income per unit
Property leasing NOI	Profit from real estate rent business (Real estate rent revenue – Expenses related to real estate rent business) + Depreciation and amortization
FFO per unit	(Net income + Depreciation and amortization + Other depreciation and amortization – Gain (loss) on sales of real estate properties + other sales expenses) ÷ Total number of investment units issued and outstanding
FFO multiple	Investment unit price at end of period ÷ Annualized FFO per unit
Debt service coverage ratio	Earnings before interest, depreciation and amortization ÷ Interest expenses (including interest expenses on investment corporation bonds)
LTV ratio	Total interest-bearing liabilities ÷ Total assets

- (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 Jasdac Securities Exchange, Inc. (“Jasdac”) (Securities Code: 8979) the next day. After three capital increases through public offering and other developments since listing on Jasdac, 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 Jasdac on August 10, 2010, and the delisting from Jasdac taking effect on October 1, 2010.

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

As of the end of the fiscal period under review (34th fiscal period: from May 1, 2022 to October 31, 2022), the total number of investment units issued and outstanding is 253,777 units, total assets amount to 90,625 million yen, and unitholders' capital (net) amounts to 41,684 million yen.

ii) Investment environment and management performance

In the 34th fiscal period, the Japanese economy remained uncertain with the rapid exchange fluctuation due to soaring resource and energy prices against the backdrop of the situation in Ukraine and the policy interest rate hike in Europe and the U.S. and other factors, while movement restrictions implemented to prevent the spread of COVID-19 were eased and economic activities were normalized. Even under the COVID-19 pandemic, its impact on SPI, such as a decrease in rent revenue, found to date has been extremely limited as SPI is a REIT investing mainly in rental housing. As such, SPI does not foresee any concern of its operations being affected by the pandemic in the short term.

Under such circumstances, demand trends in the rental housing market in which SPI invests have continued to be stable in the Tokyo metropolitan area, Osaka, Nagoya, Fukuoka, Sendai, and other major metropolitan areas, and rental apartments owned by listed REITs specializing in housing have also maintained high occupancy rates.

In the secondary real estate market, a robust property acquisition appetite continued to be seen among investors amid the ongoing favorable fund procurement environment. This, combined with limited supply of quality properties, has kept competition in property acquisition overheated, leaving transaction prices at a high level.

In the 34th fiscal period, SPI conducted asset replacement through acquisition of (C-88) Proceed Ishikawadai (acquisition price: 810 million yen) on May 10, 2022, and (C-89) Alpha Grande Chizakura Tower (acquisition price: 2,800 million yen) on October 31, 2022, and disposition of (C-35) Proceed Hasune, (C-39) Proceed Shinmaruko, (C-52) Proceed Nishikawaguchi and (C-56) Proceed Shinozaki 2 (total disposition price: 2,864 million yen) on October 31, 2022. As a result, SPI's portfolio as of the end of the 34th fiscal period consists of 104 properties with acquisition prices totaling 89,256 million yen and a total leasable floor area of 192,437.53 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. Moreover, the Asset Management Company continued to support remote work of residents and strengthen property competitiveness by making online infrastructure free for residents. These measures worked to maintain the occupancy rate of the entire portfolio stably at 96.1% on average and resulted in a period-end occupancy rate of 96.1%.

As ESG initiatives, SPI participated in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment for the first time based on its ESG policy. GRESB Real Estate Assessment is an annual benchmark assessment measuring the consideration to ESG in the real estate sector and was established in 2009 mainly by a group of major European pension funds leading the Principles for Responsible Investment (PRI). In addition, SPI acquired "S Rank," the highest evaluation rank under CASBEE Certification for Real Estate, for (C-41) Proceed Nishiarai (Artier) in October 2022. As a result, SPI has acquired CASBEE Certification for Real Estate for one property and Building-Housing Energy-Efficiency Labeling System (BELS) Certification for three properties as of the end of the 34th fiscal period.

iii) Overview of financing

In the 34th fiscal period, SPI borrowed a long-term loan of 2,873.5 million yen (term: 6 years) and a long-term loan of 2,900 million yen (term: 5.5 years) to repay a long-term loan of 5,773.5 million yen due for repayment on May 24, 2022. As a result, the period-end balance of interest-bearing liabilities totaled 45,646 million yen, comprising 9,222 million yen in current portion of long-term loans payable, 32,923 million yen in long-term loans payable and 3,500 million yen in investment corporation bonds as of the end of the 34th fiscal period, with the period-end LTV ratio standing at 50.4%.

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) Summary of business performance and distribution

As a result of the management described above, business performance recorded for the 34th fiscal period was operating revenue of 3,349 million yen, operating income of 1,519 million yen, ordinary income of 1,303 million yen and net income of 1,301 million yen.

Concerning distributions, SPI conducts distributions to ensure the 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”). For the 34th fiscal period, SPI decided to distribute the entire amount, excluding fractions of distribution per investment unit of less than 1 yen, which is obtained by adding 313 million yen of reversal of reserve for reduction entry accumulated in accordance with Article 66-2 of the Special Taxation Measures Act to unappropriated retained earnings and reserving 99 million yen as reserve for reduction entry in accordance with Article 65-7 of the Special Taxation Measures Act. Accordingly, SPI declared a distribution per investment unit of 5,971 yen.

(3) Status of capital increase, etc.

Date	Description	Total numbers 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)

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

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

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

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

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

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

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

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

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

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

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

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

(Note 13) SPI repurchased its own investment units from the market at the Tokyo Stock Exchange based on the discretionary transaction contract with securities companies regarding purchase of treasury investment units, for the period from March 27, 2019 to April 4, 2019. All of the acquired treasury investment units (3,000 units) were cancelled on April 26, 2019, based on the resolution at SPI's Board of the Directors meeting held on April 22, 2019.

[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	30th period	31st period	32nd period	33rd period	34th period
Closing month/year	October 2020	April 2021	October 2021	April 2022	October 2022
Highest (yen)	214,000	232,000	268,200	242,500	264,900
Lowest (yen)	183,400	190,700	219,100	205,200	222,300

(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 the entire amount, excluding fractions of distribution per investment unit of less than 1 yen, which is obtained by adding reversal of reserve for reduction entry accumulated in accordance with Article 66-2 of the Special Taxation Measures Act to unappropriated retained earnings and reserving the reserve for reduction entry in accordance with Article 65-7 of the Special Taxation Measures Act. Accordingly, SPI declared a distribution per investment unit of 5,971 yen.

Fiscal period	30th period	31st period	32nd period	33rd period	34th period
Calculation period	From May 1, 2020 to October 31, 2020	From November 1, 2020 to April 30, 2021	From May 1, 2021 to October 31, 2021	From November 1, 2021 to April 30, 2022	From May 1, 2022 to October 31, 2022
Total unappropriated retained earnings	1,392,789 thousand yen	1,183,395 thousand yen	1,158,003 thousand yen	1,197,331 thousand yen	1,301,169 thousand yen
Retained earnings	61 thousand yen	33 thousand yen	18 thousand yen	11 thousand yen	99,018 thousand yen
Total distributions	1,392,728 thousand yen	1,183,362 thousand yen	1,157,984 thousand yen	1,197,319 thousand yen	1,515,302 thousand yen
[Distribution per unit]	[5,488 yen]	[4,663 yen]	[4,563 yen]	[4,718 yen]	[5,971 yen]
Of which, total distributions of earnings	1,392,728 thousand yen	1,183,362 thousand yen	1,157,984 thousand yen	1,197,319 thousand yen	1,515,302 thousand yen
[Distribution of earnings per unit]	[5,488 yen]	[4,663 yen]	[4,563 yen]	[4,718 yen]	[5,971 yen]
Of which, total contribution refund	-	-	-	-	-
[Contribution refund per unit]	[-]	[-]	[-]	[-]	[-]
Of the total contribution refund, total distributions from the reserve for temporary difference adjustments	-	-	-	-	-
[Of the contribution refund per unit, distribution per unit from the reserve for temporary difference adjustments]	[-]	[-]	[-]	[-]	[-]
Of the total contribution refund, total distributions through the reduction in unitholders' capital for tax purposes	-	-	-	-	-
[Of the contribution refund per unit, distribution per unit through the reduction in unitholders' capital for tax purpose]	[-]	[-]	[-]	[-]	[-]

(5) Future management policy

Looking ahead, the Japanese economy is expected to see a moderate recovery in consumption due to the normalization of social and economic activities despite the impact of COVID-19. On the other hand, careful attention should continue to be paid to the situation inside and outside Japan, such as the prolonged conflict in Ukraine as well as the soaring resource and energy prices against the backdrop of such situation in Ukraine and the policy interest rate hike in Europe and the U.S.

In the secondary real estate market, as the property acquisition appetite among investors remains strong against the backdrop of the favorable fund procurement environment including low interest rates, the transaction prices are expected to remain at high levels. In the rental housing market, meanwhile, it is expected that occupancy rates will remain high and an upward trend in rent per unit will continue to a certain degree, mainly in the Tokyo metropolitan area.

i) External Growth Strategy

SPI strives to increase opportunities to newly acquire prime investment real estate, based on the extensive collaborative relationship with the Starts Group. Such relationship has been formed by the pipeline support agreement concluded between the Asset Management Company and Starts Corporation Inc., Starts Development Corporation and Starts Amenity Corporation, 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.

ii) Internal Growth Strategy

Following on from the 34th 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

Issuance of new investment units

SPI resolved at its Board of Directors' meetings held on October 14, 2022 and October 24, 2022 on the issuance of new investment units to partially fund the acquisition of specified assets. As for the issuance through primary offering, payment was completed on November 1, 2022. As a result, unitholders' capital (net) was 47,536,732,300 yen and the total number of investment units issued and outstanding was 282,477 units.

For details of the new investment units, refer to 14. Notes to significant subsequent events in Notes to Financial Statements below.

(Reference Information)

A. Acquisition of assets

SPI acquired the following specified assets (trust beneficiary interests) on November 1, 2022.

Property number	Property name	Location	Seller (Note 1)	Acquisition price (thousand yen) (Note 2)
C-90	Proceed Yamashita Koen The Tower	Yokohama-shi, Kanagawa	Starts Corporation Inc.	7,900,000
C-91	Shinozaki Twin Place	Edogawa-ku, Tokyo	Shinozaki-eki Nishiguchi Koeki Fukugo Shisetsu K.K	1,500,000
C-92	Proceed Minamisunamachi	Koto-ku, Tokyo	Starts Development Corporation	735,000
G-36	Proceed Tsurigane	Osaka-shi, Osaka	Starts Development Corporation	795,000
G-37	Proceed Fukaebashi	Osaka-shi, Osaka	Starts Development Corporation	1,305,000
Total				12,235,000

(Note 1) All transactions have been determined after following appropriate procedures based on the internal rules of the Asset Management Company and pursuant to standards stipulated by laws and regulations.

(Note 2) Acquisition price does not include miscellaneous acquisition related expenses, property taxes, city planning taxes, consumption taxes and local consumption taxes.

B. Borrowing of funds (new) and conclusion of interest rate swap agreement

SPI borrowed Term Loan 2W and Term Loan 2X as follows to partially fund the acquisition of the above specified assets acquired on November 1, 2022 and related expenses.

	Term Loan 2W	Term Loan 2X
Lender	The Bank of Yokohama, Ltd. Resona Bank, Limited	Resona Bank, Limited Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. The Chiba Bank, Ltd. The 77 Bank, Ltd. The Joyo Bank, Ltd.
Loan amount	4,200 million yen	3,000 million yen
Drawdown date	November 1, 2022	
Principal repayment date	November 24, 2028	November 24, 2026
Interest rate (Note)	Floating rate (Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.650%)	Floating rate (Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.530%)
Interest payment date	The first interest payment date shall be the last day of November 2022, and for subsequent payments, the last day of 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.	
Principle repayment method	Lump-sum repayment on repayment date	
Security and guarantee	Unsecured and unguaranteed	

(Note) The base interest rate applicable to the calculation period for the interest payable on an interest payment date shall be the JBA 3-month Japanese Yen TIBOR two business days prior to the interest payment date immediately preceding the respective interest payment date (except for the first interest payment, in which case it shall be the drawdown date).

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 2W, which is conducted with a floating interest rate.

	Agreement concerning Term Loan 2W
Lender	Resona Bank, Limited
Notional principal amount	4,200 million yen
Interest rate, etc.	Fixed interest rate payable: 1.160% Receivable floating Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.650%
Commencement date	November 1, 2022
Termination date	November 24, 2028
Payment date	The first interest payment date shall be the last day of November 2022, and for subsequent payments, the last day of 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) In accordance with conclusion of the interest rate swap agreement, the actual interest rate on Term Loan 2W is, in effect, fixed.

C. Borrowing of funds (refinancing)

SPI borrowed Term Loan 2Y as follows to fund the repayment of Term Loan 2I (loan balance: 4,190 million yen) for which the repayment date arrived on November 24, 2022.

	Term Loan 2Y
Lender	Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. Sumitomo Mitsui Banking Corporation The Nishi-Nippon City Bank, Ltd. Resona Bank, Limited Higashi-Nippon Bank, Ltd. Aozora Bank, Ltd. Asahi Shinkin Bank The Bank of Kyoto, Ltd. Mizuho Trust & Banking Co., Ltd.
Loan amount	4,190 million yen
Drawdown date	November 24, 2022
Principal repayment date	May 24, 2029
Interest rate (Note)	Floating rate (Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.680%)
Interest payment date	The first interest payment date shall be the last day of November 2022, and for subsequent payments, the last day of 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.
Principle repayment method	Lump-sum repayment on repayment date
Security and guarantee	Unsecured and unguaranteed

(Note) The base interest rate applicable to the calculation period for the interest payable on an interest payment date shall be the JBA 3-month Japanese Yen TIBOR two business days prior to the interest payment date immediately preceding the respective interest payment date (except for the first interest payment, in which case it shall be the drawdown date).

D. Disposition of assets

SPI concluded a sales agreement for the disposition of the following specified assets (trust beneficiary interests) on October 14, 2022, and the assets are scheduled to be delivered on April 28, 2023.

Property number	Property name	Location	Buyer (Note 1)	Planned disposition price (thousand yen) (Note 2)
C-34	Proceed Koenjiminami	Suginami-ku, Tokyo	Starts Development Corporation	251,000
C-38	Proceed Hakuraku	Yokohama-shi, Kanagawa		185,000
C-57	Proceed Kashiwa Trois	Kashiwa-shi, Chiba		688,000
Total				1,124,000

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

(Note 2) Planned disposition price does not include miscellaneous disposition related expenses, property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 3) The above sales agreement falls under the category of “forward commitment, etc.” as defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” by the Financial Services Agency. If either party materially breaches its obligations under the sales agreement, causing the other party to fail to achieve the purpose for which the sales agreement was concluded and cancel the agreement, the party which cancelled the agreement may demand an amount equivalent to 20% of the transaction price as a penalty fee from the other party. SPI assumes that, considering its financial status, the forward commitment, etc. pertaining to the disposition of the assets to be disposed is unlikely to have a serious impact on SPI’s financial profile, etc.

2. Overview of the Investment Corporation

(1) Status of investment in capital

Fiscal period	30th period	31st period	32nd period	33rd period	34th period
Closing month/year	As of October 31, 2020	As of April 30, 2021	As of October 31, 2021	As of April 30, 2022	As of October 31, 2022
Total number of authorized investment units	2,000,000 units	2,000,000 units	2,000,000 units	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	253,777 units	253,777 units	253,777 units	253,777 units	253,777 units
Unitholders' capital (net) (Note)	41,684 million yen	41,684 million yen	41,684 million yen	41,684 million yen	41,684 million yen
Number of unitholders	12,955 individuals	12,373 individuals	11,711 individuals	11,383 individuals	11,189 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, 2022.

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)	51,510	20.29
Starts Corporation, Inc.	34,153	13.45
The Master Trust Bank of Japan, Ltd. (trust account)	29,672	11.69
The Nomura Trust and Banking Co., Ltd. (investment trust account)	9,441	3.72
JP MORGAN CHASE BANK 385771	4,194	1.65
Kinkisangyo Shinkumi Bank	3,313	1.30
SMBC Nikko Securities Inc.	2,899	1.14
K. K. Toyosu	2,476	0.97
Morgan Stanley MUFG Securities Co., Ltd.	2,398	0.94
Kyoichi Kageyama	2,000	0.78
Total	142,056	55.97

(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, 2022 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	-	7,560

(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 and services for agreed-upon procedures, 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, 2022.

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

3. Status of Assets under Management of the Investment Corporation

(1) Composition of assets of the investment corporation

Type of asset	Area	33rd period (as of April 30, 2022)		34th period (as of October 31, 2022)	
		Total value of owned assets (thousand yen) (Note 1)	Percentage of total assets (%) (Note 2)	Total value of owned assets (thousand yen) (Note 1)	Percentage of total assets (%) (Note 2)
Trust beneficiary interest in real estate	Tokyo metropolitan area major cities	64,543,674	71.5	65,553,144	72.3
	Cabinet order designated cities	18,642,783	20.7	18,582,239	20.5
	Regional area major cities	2,224,060	2.5	2,195,750	2.4
Subtotal		85,410,519	94.6	86,331,134	95.3
Deposits and other assets		4,830,388	5.4	4,294,064	4.7
Total assets		90,240,908	100.0	90,625,199	100.0

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

(Note 2) "Percentage of total assets" indicates the ratio of trust beneficiary interest in real estate and deposits and other assets to total assets, rounded to the first dismal 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, 2022.

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-75	Proceed Shin Yokohama	4,356,563	5,457.56	5,094.10	93.3	3.8	Apartment
C-82	The Parkhabio Yokohama Yamate	3,191,411	2,654.69	2,554.32	96.2	2.1	Apartment
C-89	Alpha Grande Chizakura Tower	3,166,768	4,437.47	4,309.09	97.1	0.0	Apartment
C-41	Proceed Nishiarai	2,813,063	20,137.85	19,810.54	98.4	9.6	Apartment
C-70	Proceed Nishi Shinjuku	2,696,635	2,461.88	2,437.45	99.0	2.0	Apartment
C-69	Proceed Nihonbashi Honcho	2,590,821	2,553.89	2,399.73	94.0	1.9	Apartment
C-77	Proceed Kinshicho	2,224,415	2,302.92	2,221.93	96.5	1.7	Apartment
G-26	Proceed Bentencho	2,221,907	4,134.70	3,973.21	96.1	2.1	Apartment
G-25	Proceed Aratamabashi	2,077,926	5,335.93	4,296.81	80.5	1.7	Apartment
G-24	Proceed Kanayama 2	1,956,079	4,218.01	3,991.98	94.6	2.0	Apartment
Total		27,295,594	53,694.90	51,089.16	95.1	27.0	-

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

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

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

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

(3) Details of real estate properties in the portfolio

The following table provides details of the assets (real estate or trust beneficiary interest in real estate as major trust property) owned by SPI as of October 31, 2022.

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-1	Proceed Ichikawa	2-33-17 Shinden, Ichikawa, Chiba	Trust beneficiary interest	3,322.17	1,490,000	987,130
C-2	Proceed Toyochō	2-1-7 Minamisuna, Koto-ku, Tokyo	Trust beneficiary interest	1,085.56	954,000	561,399
C-3	Proceed Kasai	5-41-6 Nakakasai, Edogawa-ku, Tokyo	Trust beneficiary interest	1,243.80	874,000	585,171
C-4	Proceed Sangenjaya	2-41-1 Sangenjaya, Setagaya-ku, Tokyo	Trust beneficiary interest	1,019.27	659,000	608,966
C-5	Proceed Mizue	3-24-10 Minamishinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	2,076.68	805,000	612,437
C-6	Proceed Funabashi Miyamoto	1-22-13 Miyamoto, Funabashi, Chiba	Trust beneficiary interest	1,685.73	606,000	438,432
C-7	Proceed Minamikasai	6-2-26 Minamikasai, Edogawa-ku, Tokyo	Trust beneficiary interest	1,045.28	325,000	315,830
C-9	Proceed Gyotoku	8-2 Irifune, Ichikawa, Chiba	Trust beneficiary interest	1,218.56	356,000	335,485
C-10	Proceed Makuharihongo	6-2-15 Makuharihongo, Hanamigawa-ku, Chiba, Chiba	Trust beneficiary interest	963.00	333,000	267,069
C-11	Proceed Minamigyotoku	3-12-10 Fukuei, Ichikawa, Chiba	Trust beneficiary interest	838.95	349,000	291,133
C-12	Proceed Makuharihongo 2	5-19-13 Makuharihongo, Hanamigawa-ku, Chiba, Chiba	Trust beneficiary interest	1,104.84	247,000	225,278
C-14	Proceed Funabori	5-5-16 Funabori, Edogawa-ku, Tokyo	Trust beneficiary interest	479.52	247,000	232,285
C-15	Proceed Takenozuka	2-16-6 Iriya, Adachi-ku, Tokyo	Trust beneficiary interest	860.55	250,000	167,733
C-16	Proceed Sengendai 2	5-7-6 Sengendainishi, Koshigaya, Saitama	Trust beneficiary interest	695.81	117,000	88,538
C-17	Proceed Shoto	2-3-11 Shoto, Shibuya-ku, Tokyo	Trust beneficiary interest	890.22	1,040,000	870,195
C-18	Proceed Sangubashi	3-57-10 Yoyogi, Shibuya-ku, Tokyo	Trust beneficiary interest	527.88	527,000	477,408
C-19	Proceed Urayasu	1-2-1 Fujimi, Urayasu, Chiba	Trust beneficiary interest	1,786.58	456,000	447,916
C-20	Proceed Shinkoiwa	2-31-14 Matsushima, Edogawa-ku, Tokyo	Trust beneficiary interest	1,629.07	553,000	492,364
C-23	Proceed Toritsudaigaku	1-5-8 Yakumo, Meguro-ku, Tokyo	Trust beneficiary interest	808.65	876,000	757,930
C-24	Proceed Toritsudaigaku 2	1-2-3 Tairamachi, Meguro-ku, Tokyo	Trust beneficiary interest	831.74	899,000	717,176
C-25	Proceed Honjozumabashi	4-15-13 Higashikomagata, Sumida-ku, Tokyo	Trust beneficiary interest	570.53	491,000	286,453
C-26	Proceed Meguro Aobadai	3-5-2 Aobadai, Meguro-ku, Tokyo	Trust beneficiary interest	485.15	478,000	446,300
C-27	Proceed Suginami Miyamae	1-15-12 Miyamae, Suginami-ku, Tokyo	Trust beneficiary interest	680.50	495,000	418,817
C-28	Proceed Ryogoku	1-20-4 Midori, Sumida-ku, Tokyo	Trust beneficiary interest	702.54	629,000	417,350
C-29	Proceed Mita	2-30-9 Shiba, Minato-ku, Tokyo	Trust beneficiary interest	1,500.57	1,570,000	1,397,490
C-31	Proceed Kameido	9-5-13 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	853.98	346,000	365,959
C-32	Proceed Takadanobaba	3-43-18 Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest	278.36	290,000	245,760
C-33	Proceed Shinkoenji	3-10-21 Horinouchi, Suginami-ku, Tokyo	Trust beneficiary interest	1,040.24	894,000	765,326
C-34	Proceed Koenjiminami	5-2-9 Koenjiminami, Suginami-ku, Tokyo	Trust beneficiary interest	337.05	251,000	306,018

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-36	Proceed Oimachi	5-8-9 Higashioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	961.88	950,000	964,358
C-37	Proceed Jujo	4-9-17 Kamijujo, Kita-ku, Tokyo	Trust beneficiary interest	1,206.90	558,000	545,515
C-38	Proceed Hakuraku	1-12 Shirahataminamicho, Kanagawa-ku, Yokohama, Kanagawa	Trust beneficiary interest	445.16	185,000	252,961
C-41	Proceed Nishiarai	1-18-11, 12, 13 and 14, Nishiaraisakaecho, Adachi-ku, Tokyo	Trust beneficiary interest	20,137.85	6,900,000	2,813,063
C-42	Proceed Chofu	1-28-4 Fuda, Chofu, Tokyo	Trust beneficiary interest	764.48	591,000	385,083
C-43	Proceed TX Rokucho	1-16-17 Higashihokima, Adachi-ku, Tokyo	Trust beneficiary interest	518.31	182,000	174,205
C-44	Proceed Nakagawara	5-10-1 Bubaicho, Fuchu, Tokyo	Trust beneficiary interest	3,061.94	1,360,000	1,196,179
C-45	Proceed Oizumigakuen	4-19-6 Higashioizumi, Nerima-ku, Tokyo	Trust beneficiary interest	483.43	282,000	284,793
C-46	Proceed Chitosekarasuyama	2-38-30 Kamisoshigaya, Setagaya-ku, Tokyo	Trust beneficiary interest	449.96	334,000	323,528
C-47	Proceed Mitaka	3-16-3 Shimorenjaku, Mitaka, Tokyo	Trust beneficiary interest	739.48	581,000	515,991
C-48	Proceed Kashiwa Est	3-8-19 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,279.93	723,000	657,500
C-49	Proceed Kashiwa Nord	5-8-17 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,391.55	619,000	604,904
C-50	Proceed Gyotokuekimae	2-1-18 Gyotokuekimae, Ichikawa, Chiba	Trust beneficiary interest	659.68	373,000	258,526
C-51	Proceed Funabashi Honcho	6-19-18 Honcho, Funabashi, Chiba	Trust beneficiary interest	996.44	591,000	481,581
C-53	Proceed Gumyoji	1-4-12 Nakazato, Minami-ku, Yokohama, Kanagawa	Trust beneficiary interest	1,246.48	572,000	547,668
C-54	Proceed Tsurugamine	2-9-6 Tsurugamine, Asahi-ku, Yokohama, Kanagawa	Trust beneficiary interest	855.00	378,000	356,057
C-55	Proceed Sagamiotsuka	2-13-5 Sakuramori, Yamato, Kanagawa	Trust beneficiary interest	741.24	218,000	224,210
C-57	Proceed Kashiwa Trois	3-9-3 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,149.95	688,000	446,844
C-58	Proceed Shinozaki Tower	7-20-19 Shinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	5,117.49	2,260,000	1,263,812
C-59	Proceed Tobu Nerima	1-3-11 Tokumaru, Itabashi-ku, Tokyo	Trust beneficiary interest	779.84	585,000	397,156
C-60	Proceed Yukigaya	1-15-20 Minamiyukigaya, Ota-ku, Tokyo	Trust beneficiary interest	600.62	401,000	353,588
C-61	Proceed Ichikawa Minami	1-9-27 Ichikawaminami, Ichikawa, Chiba	Trust beneficiary interest	1,635.59	1,030,000	694,379
C-62	Proceed Ichikawa Myoden	2-14-15 Shioyaki, Ichikawa, Chiba	Trust beneficiary interest	945.00	660,000	512,332
C-63	Proceed Fujisawa Kugenuma	2-6-6 Kugenumaishigami, Fujisawa, Kanagawa	Trust beneficiary interest	2,005.76	924,000	734,840
C-64	Proceed Nihonbashi-horidomecho	2-4-8 Nihonbashihoridomecho, Chuo-ku, Tokyo	Trust beneficiary interest	1,904.45	1,900,000	1,498,388
C-65	Proceed TX Nagareyama Central Park	UN B139 District 3-2, 9-3 177-1 Machirai, Nagareyama, Chiba	Trust beneficiary interest	2,976.85	1,180,000	841,020
C-66	Proceed Gyotoku 2	1-6-6 Fukuei, Ichikawa, Chiba	Trust beneficiary interest	1,626.54	971,000	810,529
C-67	Proceed Nishikasai	2-7-6 and 2-7-1, Seishin-cho, Edogawa-ku, Tokyo	Trust beneficiary interest	2,993.52	1,080,000	948,143
C-68	Proceed Kasai 2	7-15-7 Higashikasai, Edogawa-ku, Tokyo	Trust beneficiary interest	2,140.59	1,000,000	822,308
C-69	Proceed Nihonbashi Honcho	4-10-5 Nihonbashihoncho, Chuo-ku, Tokyo	Trust beneficiary interest	2,553.89	2,700,000	2,590,821
C-70	Proceed Nishi Shinjuku	3-7-23 Nishishinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,461.88	2,820,000	2,696,635

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-71	Proceed Unoki	2-43-7 Unoki, Ota-ku, Tokyo	Trust beneficiary interest	1,260.58	1,070,000	904,372
C-72	Proceed Minamigyotoku 2	3-3-20 Fukuei, Ichikawa, Chiba	Trust beneficiary interest	2,832.74	1,230,000	1,048,988
C-73	Proceed CO-Z East Building	4-12 Kozunomori, Narita, Chiba	Trust beneficiary interest	6,873.33	2,130,000	1,908,530
C-74	Proceed CO-Z West Building	4-1-1 Kozunomori, Narita, Chiba	Trust beneficiary interest	3,716.05	1,140,000	1,024,760
C-75	Proceed Shin Yokohama	3-21-2 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa	Trust beneficiary interest	5,457.56	4,640,000	4,356,563
C-76	Life Support Residence Funaboriekimae	4-8-10 Funabori, Edogawa-ku, Tokyo	Trust beneficiary interest	1,408.71	437,000	245,473
C-77	Proceed Kinshicho	4-6-9 Kamezawa, Sumida-ku, Tokyo	Trust beneficiary interest	2,302.92	2,220,000	2,224,415
C-78	Proceed K2	6-8-37 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	4,140.69	1,350,000	1,244,239
C-79	Proceed K3 Annex	1023-1 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,590.30	318,000	303,828
C-80	Proceed K5	6-8-38 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	788.95	277,000	286,070
C-81	Proceed Ichikawa Myoden II	2-14-20 Shioyaki, Ichikawa, Chiba	Trust beneficiary interest	1,218.00	858,000	833,085
C-82	The Parkhabio Yokohama Yamate	2-78-11 Ishikawa-cho, Naka-ku, Yokohama, Kanagawa	Trust beneficiary interest	2,654.69	3,150,000	3,191,411
C-83	Proceed Monzennakacho	1-7-8 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interest	1,515.81	1,460,000	1,281,886
C-84	Proceed Maihama	4-14-13 Fujimi, Urayasu, Chiba	Trust beneficiary interest	1,735.31	1,320,000	1,078,939
C-85	Proceed Nagareyama Otakanomori	1-2-3 Otakanomorikita, Nagareyama, Chiba	Trust beneficiary interest	1,730.96	1,180,000	1,150,758
C-86	Proceed Shinkawa	1-25-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	579.96	550,000	533,311
C-87	Proceed Kinshicho 2	5-14-11 Kotobashi, Sumida-ku, Tokyo	Trust beneficiary interest	668.54	551,000	575,215
C-88	Proceed Ishikawadai	2-24-7 Higashiyukigaya, Ota-ku, Tokyo	Trust beneficiary interest	1,105.45	897,000	868,229
C-89	Alpha Grande Chizakura Tower	25 Kandahigashimatsushitacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	4,437.47	2,880,000	3,166,768
G-8	Proceed Taikodori	4-31 Taikotori, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,101.56	510,000	319,154
G-11	Proceed Honamicho	3-55 Honamicho, Chikusa-ku, Nagoya, Aichi	Trust beneficiary interest	620.22	252,000	217,830
G-13	Proceed Shinsakae	1-28-21 Shinsakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,958.44	929,000	599,916
G-14	Proceed Chiyoda	2-10-16 Chiyoda, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	922.40	363,000	232,804
G-15	Proceed Fukuoka Takamiya	1-7-15 Noma, Minami-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,312.29	516,000	403,389
G-17	Proceed Kanayama	3-11-9 Kanayama, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,733.58	1,500,000	895,845
G-18	Proceed Fukiage	2-22-1 Kurumadacho, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	1,204.65	656,000	436,110
G-19	Proceed Toyota	3-51 Shinmeicho, Toyota, Aichi	Trust beneficiary interest	752.04	324,000	191,560
G-21	Proceed Nishitenma	3-7-3 Nishitenma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	1,775.89	1,210,000	850,241
G-22	Proceed Kobemotomachi	3-5-2 Sakaemachidori, Chuo-ku, Kobe, Hyogo	Trust beneficiary interest	1,590.64	1,050,000	757,679
G-23	Group Home Tanoshii Ie Taisho	3-14-8 Hirao, Taisho-ku, Osaka, Osaka	Trust beneficiary interest	482.72	186,000	155,082
G-24	Proceed Kanayama 2	2-1-22 Kanayama, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	4,218.01	2,390,000	1,956,079

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
G-25	Proceed Aratamabashi	8-17-2 Mizuhodori, Mizuho-ku, Nagoya, Aichi	Trust beneficiary interest	5,335.93	2,260,000	2,077,926
G-26	Proceed Bentencho	2-5-12 Ichioka Motomachi, Minato-ku, Osaka, Osaka	Trust beneficiary interest	4,134.70	2,360,000	2,221,907
G-27	Proceed Nagaikoendori	2-9-19 Minamisumiyoshi, Sumiyoshi-ku, Osaka, Osaka	Trust beneficiary interest	2,170.80	1,070,000	1,088,984
G-30	Proceed Hyogoekimaedori	1-3-22 Ekimaedori, Hyogo-ku, Kobe, Hyogo	Trust beneficiary interest	3,086.99	1,800,000	1,762,245
G-31	Proceed Mizuho	2-43 Mizuhodori, Mizuho-ku, Nagoya, Aichi	Trust beneficiary interest	1,126.40	544,000	543,659
G-32	Proceed Osu	1-29-32 Osu, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,851.30	941,000	798,948
G-33	Proceed Sendai Kozurushinden	3-13-3 Shinden Higashi, Miyagino-ku, Sendai, Miyagi	Trust beneficiary interest	1,913.28	805,000	749,309
G-34	Proceed Sendai Kamisugi	2-4-30 Kamisugi, Aoba-ku, Sendai, Miyagi	Trust beneficiary interest	3,409.93	1,820,000	1,526,880
G-35	Proceed Kanayama 3	2-4-26 Masaki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,799.52	897,000	796,679
R-2	Proceed Mito	3-4-14 Omachi, Mito, Ibaraki	Trust beneficiary interest	1,223.83	488,000	284,069
R-3	Proceed Mito 2	3-2-31 Omachi, Mito, Ibaraki	Trust beneficiary interest	1,381.34	522,000	318,136
R-4	Proceed Tsukuba Gakuentoshi	3-9-4 Ninomiya, Tsukuba, Ibaraki	Trust beneficiary interest	2,659.71	891,000	731,733
R-5	Proceed Mito 3	3-1-41 Minamimachi, Mito, Ibaraki	Trust beneficiary interest	2,258.88	889,000	861,811
Total				192,437.53	103,834,000	86,331,134

(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, 2022 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	33rd period (as of April 30, 2022)				34th period (as of October 31, 2022)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-1	Proceed Ichikawa	48	95.2	45,432	1.4	48	95.3	45,035	1.4
C-2	Proceed Toyochō	45	100.0	22,999	0.7	45	100.0	22,999	0.7
C-3	Proceed Kasai	57	100.0	29,312	0.9	57	100.0	25,057	0.8
C-4	Proceed Sangenjaya	9	100.0	21,114	0.7	9	100.0	20,357	0.6
C-5	Proceed Mizue	27	96.5	26,292	0.8	28	100.0	26,281	0.8
C-6	Proceed Funabashi Miyamoto	32	97.2	22,373	0.7	32	97.2	21,964	0.7
C-7	Proceed Minamikasai	16	100.0	13,359	0.4	16	100.0	12,760	0.4
C-9	Proceed Gyotoku	19	95.0	13,750	0.4	19	95.0	13,207	0.4
C-10	Proceed Makuharihongo	33	97.0	12,261	0.4	32	94.0	12,072	0.4
C-11	Proceed Minamigyotoku	26	100.0	12,637	0.4	26	100.0	12,431	0.4
C-12	Proceed Makuharihongo 2	21	95.5	10,833	0.3	19	86.4	10,124	0.3

Property number	Property name	33rd period (as of April 30, 2022)				34th period (as of October 31, 2022)			
		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-14	Proceed Funabori	24	100.0	8,575	0.3	23	95.8	8,327	0.3
C-15	Proceed Takenozuka	15	100.0	8,578	0.3	15	100.0	8,582	0.3
C-16	Proceed Sengendai 2	12	100.0	4,993	0.2	12	100.0	5,191	0.2
C-17	Proceed Shoto	39	97.7	27,428	0.9	39	97.7	26,868	0.9
C-18	Proceed Sangubashi	25	96.2	14,638	0.5	23	89.0	14,460	0.5
C-19	Proceed Urayasu	21	100.0	18,640	0.6	20	95.1	19,803	0.6
C-20	Proceed Shinkoiwa	26	96.2	20,540	0.7	27	100.0	20,778	0.7
C-23	Proceed Toritsudaigaku	36	97.4	21,464	0.7	35	94.7	21,971	0.7
C-24	Proceed Toritsudaigaku 2	36	100.0	21,519	0.7	36	100.0	21,519	0.7
C-25	Proceed Honjoazumabashi	19	100.0	11,322	0.4	19	100.0	12,038	0.4
C-26	Proceed Meguro Aobadai	24	100.0	12,264	0.4	21	87.1	13,228	0.4
C-27	Proceed Suginami Miyamae	29	100.0	13,804	0.4	29	100.0	13,788	0.4
C-28	Proceed Ryogoku	27	100.0	14,790	0.5	27	100.0	14,822	0.5
C-29	Proceed Mita	72	100.0	40,937	1.3	72	100.0	40,937	1.3
C-30	Proceed Nakanoshimbashi	-	-	19,683	0.6	-	-	-	-
C-31	Proceed Kameido	23	100.0	11,262	0.4	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	24,119	0.8	57	100.0	24,138	0.8
C-34	Proceed Koenjiminami	20	100.0	8,298	0.3	20	100.0	8,298	0.3
C-35	Proceed Hasune	29	100.0	9,342	0.3	-	-	9,342	0.3
C-36	Proceed Oimachi	59	100.0	25,177	0.8	59	100.0	25,180	0.8
C-37	Proceed Jujo	30	100.0	16,445	0.5	30	100.0	16,427	0.5
C-38	Proceed Hakuraku	27	100.0	8,646	0.3	27	100.0	8,745	0.3
C-39	Proceed Shinmaruko	46	100.0	17,474	0.6	-	-	17,474	0.6
C-41	Proceed Nishiarai	292	99.5	304,150	9.6	289	98.4	304,005	9.6
C-42	Proceed Chofu	26	100.0	17,558	0.6	25	96.6	16,531	0.5
C-43	Proceed TX Rokucho	20	100.0	6,790	0.2	19	95.3	7,174	0.2
C-44	Proceed Nakagawara	52	96.9	41,640	1.3	52	96.8	41,726	1.3
C-45	Proceed Oizumigakuen	26	89.7	10,088	0.3	27	93.1	9,416	0.3
C-46	Proceed Chitosekarasuyama	27	96.4	10,733	0.3	25	89.3	10,608	0.3
C-47	Proceed Mitaka	47	100.0	16,145	0.5	47	100.0	16,174	0.5
C-48	Proceed Kashiwa Est	44	100.0	23,267	0.7	43	97.8	23,608	0.7
C-49	Proceed Kashiwa Nord	46	97.8	21,489	0.7	45	95.8	20,590	0.7

Property number	Property name	33rd period (as of April 30, 2022)				34th period (as of October 31, 2022)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-50	Proceed Gyotokuekimae	23	96.0	11,633	0.4	22	91.4	11,788	0.4
C-51	Proceed Funabashi Honcho	39	97.5	18,876	0.6	39	97.5	19,110	0.6
C-52	Proceed Nishikawaguchi	98	94.2	32,502	1.0	-	-	31,095	1.0
C-53	Proceed Gumyoji	72	93.7	20,335	0.6	74	96.2	21,781	0.7
C-54	Proceed Tsurugamine	49	98.0	13,541	0.4	50	100.0	14,229	0.5
C-55	Proceed Sagamiotsuka	28	97.5	9,198	0.3	29	100.0	8,764	0.3
C-56	Proceed Shinozaki 2	34	98.6	33,564	1.1	-	-	33,410	1.1
C-57	Proceed Kashiwa Trois	37	97.6	21,582	0.7	38	100.0	22,343	0.7
C-58	Proceed Shinozaki Tower	83	94.5	91,781	2.9	88	100.0	91,276	2.9
C-59	Proceed Tobu Nerima	35	100.0	18,563	0.6	35	100.0	17,877	0.6
C-60	Proceed Yukigaya	34	97.2	13,247	0.4	34	97.1	13,235	0.4
C-61	Proceed Ichikawa Minami	64	96.8	31,467	1.0	63	96.6	32,167	1.0
C-62	Proceed Ichikawa Myoden	42	93.3	18,896	0.6	45	100.0	18,357	0.6
C-63	Proceed Fujisawa Kugenuma	25	100.0	33,608	1.1	25	100.0	34,089	1.1
C-64	Proceed Nihonbashi-horidomecho	35	95.2	43,946	1.4	34	95.3	42,199	1.3
C-65	Proceed TX Nagareyama Central Park	69	93.8	43,705	1.4	72	98.5	44,684	1.4
C-66	Proceed Gyotoku 2	58	98.6	28,435	0.9	57	96.6	30,081	1.0
C-67	Proceed Nishikasai	63	100.0	39,536	1.3	60	95.0	39,613	1.3
C-68	Proceed Kasai 2	29	100.0	31,637	1.0	29	100.0	31,501	1.0
C-69	Proceed Nihonbashi Honcho	82	98.3	61,263	1.9	80	94.0	61,136	1.9
C-70	Proceed Nishi Shinjuku	60	90.1	62,166	2.0	65	99.0	62,950	2.0
C-71	Proceed Unoki	29	100.0	29,058	0.9	29	100.0	28,548	0.9
C-72	Proceed Minamigyotoku 2	35	97.3	38,466	1.2	35	96.3	37,718	1.2
C-73	Proceed CO-Z East Building	106	94.7	75,148	2.4	109	97.5	75,825	2.4
C-74	Proceed CO-Z West Building	70	99.2	40,499	1.3	68	95.5	41,554	1.3
C-75	Proceed Shin Yokohama	216	95.7	116,058	3.7	211	93.3	120,868	3.8
C-76	Life Support Residence Funaboriekimae	2	100.0	11,774	0.4	2	100.0	11,774	0.4
C-77	Proceed Kinshicho	60	93.8	52,097	1.7	62	96.5	52,955	1.7
C-78	Proceed K2	60	100.0	45,304	1.4	60	100.0	47,250	1.5
C-79	Proceed K3 Annex	22	91.6	12,874	0.4	24	100.0	12,118	0.4
C-80	Proceed K5	15	81.1	8,931	0.3	16	92.4	7,974	0.3

Property number	Property name	33rd period (as of April 30, 2022)				34th period (as of October 31, 2022)			
		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-81	Proceed Ichikawa Myoden II	58	100.0	26,832	0.9	58	100.0	26,811	0.9
C-82	The Parkhabio Yokohama Yamate	70	92.0	67,709	2.1	74	96.2	66,947	2.1
C-83	Proceed Monzennakacho	48	100.0	39,770	1.3	44	92.0	35,402	1.1
C-84	Proceed Maihama	61	92.1	35,672	1.1	66	100.0	33,484	1.1
C-85	Proceed Nagareyama Otakanomori	49	98.2	35,292	1.1	50	100.0	33,834	1.1
C-86	Proceed Shinkawa	18	100.0	13,727	0.4	16	86.4	13,950	0.4
C-87	Proceed Kinshicho 2	16	85.5	3,258	0.1	19	100.0	12,383	0.4
C-88	Proceed Ishikawadai	-	-	-	-	25	100.0	23,841	0.8
C-89	Alpha Grande Chizakura Tower	-	-	-	-	66	97.1	501	0.0
G-8	Proceed Taikodori	42	95.6	15,890	0.5	42	95.6	16,354	0.5
G-11	Proceed Honamicho	10	100.0	7,219	0.2	8	75.4	7,160	0.2
G-13	Proceed Shinsakae	65	84.3	29,398	0.9	68	88.3	29,647	0.9
G-14	Proceed Chiyoda	27	90.2	12,961	0.4	29	96.8	12,118	0.4
G-15	Proceed Fukuoka Takamiya	43	93.8	18,153	0.6	44	95.5	17,745	0.6
G-17	Proceed Kanayama	89	94.9	44,696	1.4	87	93.0	43,925	1.4
G-18	Proceed Fukiage	46	95.5	19,644	0.6	42	87.1	19,371	0.6
G-19	Proceed Toyota	27	100.0	12,876	0.4	26	93.5	13,120	0.4
G-21	Proceed Nishitenma	53	93.1	32,554	1.0	51	91.4	32,214	1.0
G-22	Proceed Kobemotomachi	60	98.5	31,439	1.0	57	93.7	30,994	1.0
G-23	Group Home Tanoshii Ie Taisho	1	100.0	6,000	0.2	1	100.0	6,000	0.2
G-24	Proceed Kanayama 2	66	92.0	66,282	2.1	68	94.6	62,985	2.0
G-25	Proceed Aratamabashi	63	82.9	56,118	1.8	60	80.5	54,196	1.7
G-26	Proceed Bentencho	121	96.1	65,723	2.1	121	96.1	64,962	2.1
G-27	Proceed Nagaikoendori	80	98.7	32,427	1.0	76	93.9	33,333	1.1
G-30	Proceed Hyogoekimaedori	111	95.1	52,690	1.7	100	86.2	51,713	1.6
G-31	Proceed Mizuho	36	91.0	15,653	0.5	38	95.1	16,413	0.5
G-32	Proceed Osu	62	93.9	28,493	0.9	61	92.4	28,030	0.9
G-33	Proceed Sendai Kozurushinden	57	90.9	25,246	0.8	58	92.2	24,630	0.8
G-34	Proceed Sendai Kamisugi	106	98.2	58,416	1.9	105	97.4	58,894	1.9
G-35	Proceed Kanayama 3	57	95.5	28,629	0.9	58	97.0	28,112	0.9
R-2	Proceed Mito	32	89.6	15,198	0.5	33	92.2	16,149	0.5
R-3	Proceed Mito 2	32	89.1	18,712	0.6	33	91.1	17,306	0.5

Property number	Property name	33rd period (as of April 30, 2022)				34th period (as of October 31, 2022)			
		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)
R-4	Proceed Tsukuba Gakuentoshi	33	97.4	27,984	0.9	32	93.5	29,349	0.9
R-5	Proceed Mito 3	60	100.0	30,448	1.0	60	100.0	31,214	1.0
Total		4,999	96.3	3,154,624	100.0	4,865	96.1	3,154,025	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 (C-30) Proceed Nakanoshimbashi on April 28, 2022, and (C-35) Proceed Hasune, (C-39) Proceed Shinmaruko, (C-52) Proceed Nishikawaguchi and (C-56) Proceed Shinozaki 2 on October 31, 2022, respectively.

(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, 2022.

[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	23,862,500	23,862,500	(Note 2)

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

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

(5) Status of other assets

Trust beneficiary interests in real estate as major trust property are listed on the aforementioned “(3) Details of real estate properties in the portfolio.” As of October 31, 2022, 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 34th fiscal period	Total amount already paid
Shinozaki Twin Place (Edogawa-ku, Tokyo)	Refurbishment of interior fittings on the 4th and 5th floors	From Nov. 2022 to Feb. 2023	37,620	-	-
Proceed Shinkoiwa (Edogawa-ku, Toyo)	Refreshment of exterior finishes	From Jan. 2023 to Apr. 2023	32,830	-	-
Proceed Tobu Nerima (Itabashi-ku, Tokyo)	Replacement of interphone systems	From Jan. 2023 to Feb. 2023	8,160	-	-
Proceed Ichikawa Myoden (Ichikawa-shi, Chiba)	Replacement of interphone systems	From Dec. 2022 to Jan. 2023	5,960	-	-

(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 34th fiscal period. Capital expenditures during the 34th fiscal period totaled 186,239 thousand yen. Combined with repair expenses of 123,141 thousand yen that were classified as expenses for the fiscal period, SPI implemented 309,380 thousand yen worth of construction works in the 34th fiscal period.

Property name (Location)	Purpose	Period	Total expenditures (thousand yen) (Note)
Proceed Hyogoekimaedori (Hyogo ku, Kobe-shi, Hyogo)	Refreshment of exterior finishes	From May 2022 to Oct. 2022	61,030
Group Home Tanoshii Ie Taisho (Taisho-ku, Osaka-shi, Osaka)	Refreshment of exterior finishes	From Mar. 2022 to May 2022	5,382
Other constructions			119,826
Total			186,239

(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 repairs 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	30th period	31st period	32nd period	33rd period	34th period
Operation period	From May 1, 2020 to Oct. 31, 2020	From Nov. 1, 2020 to Apr. 30, 2021	From May 1, 2021 to Oct. 31, 2021	From Nov. 1, 2021 to Apr. 30, 2022	From May 1, 2022 to Oct. 31, 2022
Balance of reserves at beginning of period	600,000	650,000	700,000	750,000	800,000
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	650,000	700,000	750,000	800,000	850,000

(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	33rd period	34th period
	(From Nov. 1, 2021 to Apr. 30, 2022)	(From May 1, 2022 to Oct. 31, 2022)
(a) Asset management fees	268,678	305,480
(b) Asset custody fees	8,476	8,480
(c) Administrative service fees	22,654	22,450
(d) Directors' compensations	1,200	1,200
(e) Other operating expenses	125,494	112,376
Total	426,504	449,988

(Note) The asset management fee for the 33rd fiscal period includes 3,222 thousand yen for asset management related to property acquisition, capitalized in the acquisition costs of respective properties, and 4,560 thousand yen for asset management related to property disposition. The asset management fee for the 34th fiscal period includes 19,855 thousand yen for asset management related to property acquisition, capitalized in the acquisition costs of respective properties, and 15,752 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, 2022 is as follows.

Classification	Lender	Drawdown date	Balance at beginning of 34th FP (thousand yen)	Balance at end of 34th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-Term Loans (Note 3)	Resona Bank, Limited	May 24, 2016	763,500	-	0.86545	May 24, 2022	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Aozora Bank, Ltd.		520,000	-					
	Sumitomo Mitsui Banking Corporation		408,500	-					
	The Chiba Bank, Ltd.		387,500	-					
	The Musashino Bank, Ltd.		387,500	-					
	Mizuho Bank, Ltd.		158,500	-					
	ORIX Bank Corporation		130,000	-					
	Sumitomo Mitsui Trust Bank, Limited		56,500	-					
	Mizuho Trust & Banking Co., Ltd.		50,000	-					
	The Kagawa Bank, Ltd.		11,500	-					
	Resona Bank, Limited		763,500	763,500					
	Aozora Bank, Ltd.		520,000	520,000					
	Sumitomo Mitsui Banking Corporation		408,500	408,500					
	The Chiba Bank, Ltd.	387,500	387,500						
	The Musashino Bank, Ltd.	387,500	387,500						
	Mizuho Bank, Ltd.	158,500	158,500						
	ORIX Bank Corporation	130,000	130,000						
	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.	1,090,000	1,090,000						
	The Chiba Bank, Ltd.	500,000	500,000						
	The Nishi-Nippon City Bank, Ltd.	500,000	500,000						
	Sumitomo Mitsui Banking Corporation	500,000	500,000						
	The Musashino Bank, Ltd.	500,000	500,000						
	Resona Bank, Limited	385,000	385,000						
	Higashi-Nippon Bank, Ltd.	250,000	250,000						
	Aozora Bank, Ltd.	215,000	215,000						
	ORIX Bank Corporation	150,000	150,000						
	Mizuho Trust & Banking Co., Ltd.	100,000	100,000						
	The Bank of Yokohama, Ltd.	1,000,000	1,000,000						
	Resona Bank, Limited	519,000	519,000						
	Mizuho Bank, Ltd.	479,000	479,000						
	Sumitomo Mitsui Banking Corporation	479,000	479,000						
	The Chiba Bank, Ltd.	415,000	415,000						
	The Musashino Bank, Ltd.	415,000	415,000						
	Aozora Bank, Ltd.	321,000	321,000						
	Sumitomo Mitsui Trust Bank, Limited	171,000	171,000						
	ORIX Bank Corporation	167,000	167,000						
	The Kagawa Bank, Ltd.	34,000	34,000						
	Resona Bank, Limited	650,000	-						
	Aozora Bank, Ltd.	600,000	-						
Mizuho Bank, Ltd.	600,000	-							
Sumitomo Mitsui Banking Corporation	600,000	-							
Sumitomo Mitsui Trust Bank, Limited	150,000	-							
The Kagawa Bank, Ltd.	100,000	-							
Higashi-Nippon Bank, Ltd.	100,000	-							
Mizuho Trust & Banking Co., Ltd.	100,000	-							
Resona Bank, Limited	727,000	727,000							
Aozora Bank, Ltd.	450,000	450,000							
The Bank of Kyoto, Ltd.	400,000	400,000							
Mizuho Bank, Ltd.	299,000	299,000							
Sumitomo Mitsui Banking Corporation	299,000	299,000							
The Chiba Bank, Ltd.	259,000	259,000							
The Musashino Bank, Ltd.	259,000	259,000							
Sumitomo Mitsui Trust Bank, Limited	107,000	107,000							
The Kagawa Bank, Ltd.	100,000	100,000							
Aozora Bank, Ltd.	1,089,000	1,089,000							
Resona Bank, Limited	825,000	825,000							
The Chiba Bank, Ltd.	382,000	382,000							
The Musashino Bank, Ltd.	382,000	382,000							
Mizuho Bank, Ltd.	357,000	357,000							
The Kagawa Bank, Ltd.	325,000	325,000							
Sumitomo Mitsui Banking Corporation	241,000	241,000							
Sumitomo Mitsui Trust Bank, Limited	99,000	99,000							
Aozora Bank, Ltd.	831,000	831,000							
Resona Bank, Limited	635,000	635,000							
The Chiba Bank, Ltd.	356,000	356,000							
The Musashino Bank, Ltd.	356,000	356,000							
The Kagawa Bank, Ltd.	303,000	303,000							
Mizuho Bank, Ltd.	250,000	250,000							
Sumitomo Mitsui Banking Corporation	225,000	225,000							
Sumitomo Mitsui Trust Bank, Limited	93,000	93,000							
Resona Bank, Limited	449,000	449,000							
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							

Classification	Lender	Drawdown date	Balance at beginning of 34th FP (thousand yen)	Balance at end of 34th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Description					
Long-Term Loans (Note 3)	Resona Bank, Limited	May 22, 2020	1,095,000	1,095,000	0.92000 (Note 2)	May 22, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed					
	Aozora Bank, Ltd.		1,060,000	1,060,000										
	Mizuho Bank, Ltd.		917,000	917,000										
	The Musashino Bank, Ltd.		480,000	480,000										
	The Chiba Bank, Ltd.		470,000	470,000										
	The Kagawa Bank, Ltd.		152,000	152,000										
	Sumitomo Mitsui Trust Bank, Limited		146,000	146,000										
	Aozora Bank, Ltd.	Nov. 24, 2020	790,000	790,000	0.90000 (Note 2)	Nov. 24, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed					
	Resona Bank, Limited		590,000	590,000										
	The Chiba Bank, Ltd.		286,000	286,000										
	The Musashino Bank, Ltd.		286,000	286,000										
	Mizuho Bank, Ltd.		248,000	248,000										
	The Kagawa Bank, Ltd.		244,000	244,000										
	Sumitomo Mitsui Banking Corporation		181,000	181,000										
	Sumitomo Mitsui Trust Bank, Limited	75,000	75,000											
	Resona Bank, Limited	May 24, 2021	547,500	547,500	0.49491	May 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed					
	Aozora Bank, Ltd.		530,000	530,000										
	Mizuho Bank, Ltd.		458,000	458,000										
	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										
	Resona Bank, Limited	May 24, 2021	548,000	548,000	0.55491	May 24, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed					
	Aozora Bank, Ltd.		530,500	530,500										
	Mizuho Bank, Ltd.		459,000	459,000										
	The Musashino Bank, Ltd.		240,000	240,000										
	The Chiba Bank, Ltd.		235,000	235,000										
	The Kagawa Bank, Ltd.		76,000	76,000										
	Sumitomo Mitsui Trust Bank, Limited		72,500	72,500										
	Resona Bank, Limited	Nov. 24, 2021	660,000	660,000	0.85000 (Note 2)	May 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed					
	Aozora Bank, Ltd.		640,000	640,000										
	Mizuho Bank, Ltd.		550,000	550,000										
	The Chiba Bank, Ltd.		290,000	290,000										
	The Musashino Bank, Ltd.		280,000	280,000										
	The 77 Bank, Ltd.		200,000	200,000										
	The Kagawa Bank, Ltd.		100,000	100,000										
	Sumitomo Mitsui Trust Bank, Limited	100,000	100,000											
	Resona Bank, Limited	May 24, 2022	-	828,500	1.06800 (Note 2)	May 24, 2028	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed					
	Aozora Bank, Ltd.		-	585,000										
	Sumitomo Mitsui Banking Corporation		-	408,500										
	The Chiba Bank, Ltd.		-	387,500										
	The Musashino Bank, Ltd.		-	387,500										
	Mizuho Bank, Ltd.		-	158,500										
	Sumitomo Mitsui Trust Bank, Limited		-	56,500										
	Mizuho Trust & Banking Co., Ltd.	-	50,000											
	The Kagawa Bank, Ltd.	-	11,500											
	Mizuho Bank, Ltd.	May 24, 2022	-	600,000	1.01600 (Note 2)	Nov. 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed					
	Sumitomo Mitsui Banking Corporation		-	600,000										
	Resona Bank, Limited		-	350,000										
	Aozora Bank, Ltd.		-	300,000										
The Bank of Kyoto, Ltd.	-		200,000											
The 77 Bank, Ltd.	-		200,000											
The Joyo Bank, Ltd.	-		200,000											
Sumitomo Mitsui Trust Bank, Limited	-		150,000											
Mizuho Trust & Banking Co., Ltd.	-		100,000											
The Kagawa Bank, Ltd.	-		100,000											
Higashi-Nippon Bank, Ltd.	-		100,000											
Subtotal			42,146,000	42,146,000										
Total			42,146,000	42,146,000										

(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 conducted interest rate swap transactions 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 (9,222,500 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, 2022 is as follows.

Issue	Issue date	Balance at beginning of 34th FP (thousand yen)	Balance at end of 34th FP (thousand yen)	Interest rate	Redemption date	Redemption method	Use of funds	Remarks
First Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds)	Nov. 18, 2019	1,000,000	1,000,000	0.470% per annum	Nov. 18, 2024	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Second Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds)	Nov. 19, 2020	1,000,000	1,000,000	0.540% per annum	Nov. 19, 2025	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Third Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds)	Nov. 18, 2021	1,500,000	1,500,000	0.800% per annum	Nov. 18, 2031	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Total		3,500,000	3,500,000					

(4) Status of short-term investment 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 or loss on sale (thousand yen) (Note 2)
C-88	Proceed Ishikawadai	May 10, 2022	810,000	-	-	-	-
C-89	Alpha Grande Chizakura Tower	October 31, 2022	2,800,000	-	-	-	-
C-35	Proceed Hasune	-	-	October 31, 2022	267,000	305,705	(40,061)
C-39	Proceed Shinmaruko	-	-	October 31, 2022	605,000	656,099	(54,217)
C-52	Proceed Nishikawaguchi	-	-	October 31, 2022	852,000	935,407	(87,609)
C-56	Proceed Shinozaki 2	-	-	October 31, 2022	1,140,000	756,944	377,399
Total		-	3,610,000	-	2,864,000	2,654,157	195,510

(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 or loss on sale” indicates the amount obtained by subtracting the book value and expenses related to disposition 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., Asset Research Inc. and Rich Appraisal Institute Co., Ltd. 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-88	Proceed Ishikawadai	May 10, 2022	Real estate in trust	810,000	854,000	Feb. 28, 2022	Chuo Real Estate Appraisal Co., Ltd.
Acquisition	C-89	Alpha Grande Chizakura Tower	Oct. 31, 2022	Real estate in trust	2,800,000	2,800,000	Aug. 31, 2022	Chuo Real Estate Appraisal Co., Ltd.
Disposition	C-35	Proceed Hasune	Oct. 31, 2022	Real estate in trust	267,000	267,000	Apr. 30, 2022	Asset Research Inc.
Disposition	C-39	Proceed Shinmaruko	Oct. 31, 2022	Real estate in trust	605,000	605,000	Apr. 30, 2022	Asset Research Inc.
Disposition	C-52	Proceed Nishikawaguchi	Oct. 31, 2022	Real estate in trust	852,000	852,000	Apr. 30, 2022	Rich Appraisal Institute Co., Ltd.
Disposition	C-56	Proceed Shinozaki 2	Oct. 31, 2022	Real estate in trust	1,140,000	1,140,000	Apr. 30, 2022	Asset Research Inc.

ii) Others

Not applicable.

(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	3,610,000	2,864,000
Breakdown of transactions with interested parties, etc.		
Starts Corporation Inc.	2,800,000 (77.6 %)	- (-%)
Starts Development Corporation	810,000 (22.4 %)	2,864,000 (100.0 %)
Total	3,610,000 (100.0%)	2,864,000 (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	86,504	Starts Amenity Corporation	84,552	97.7
Repair expenses	309,380	Starts Amenity Corporation	238,081	77.0
Maintenance and inspection fee	123,762	Starts Amenity Corporation	121,669	98.3
Advertising expenses	61,482	Starts Amenity Corporation	59,018	96.0
Renewal fee	20,329	Starts Amenity Corporation	19,721	97.0

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

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

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

7. Initiatives on Sustainability

Acquisition of environmental certifications (CASBEE Certification for Real Estate and BELS Certification)

Proceed Nishiarai (Artier) new

Acquired the highest evaluation rank "S Rank" under CASBEE Certification for Real Estate



Proceed Monzennakacho



Proceed Maihama



Proceed Sendai Kamisugi



Participation in GRESB Real Estate Assessment

<Started participating from fiscal 2022>



Promote the installation of rooftop solar panels

Proceed Ishikawadai

Electricity generated by solar panels 5,456.2 kWh (May 10, 2022 to October 31, 2022)



Environmental consideration to printed matter, etc.

Adopting environmentally friendly materials such as FSC certified papers for asset management reports, envelops, etc.



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

- 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

- 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 35th FP

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



Proceed Nishiarai

- 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 November 30, 2022)
Number of orders received by Starts CAM: **607**
Number of buildings incorporated into the AUM of SPI: **10**
- 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
- Installation of public art
Installed public art at many places including PPP and PFI projects
Contribution to the training of artists
- Investment in healthcare facilities/nursery facilities
➔ Nishiarai Kirakira Hoikuen, etc.
- Recommendation and provision of expenses for the acquisition of qualifications by employees
- Promotion of health checkup of employees, success of female employees, work-life balance, special holiday
- Recommendation of remote work and staggered commuting by employees



Well

Bench with oven function



Earthquake simulation vehicles/disaster prevention events

Disaster prevention goods for exclusive floor area (some properties)



Nishiarai Kirakira Hoikuen

Life Support Residence Funaboriekimae

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 5% by fiscal 2026 (1% on average per year) based on the amount in fiscal 2021
GHG (CO ₂) emissions	Reduce energy consumption intensity by 5% by fiscal 2026 (1% on average per year) based on the amount in fiscal 2021
Water consumption	Do not increase the amount in terms of water consumption intensity based on the amount in fiscal 2021

Environmental Performance Results

Item		Fiscal 2021
Energy consumption	Total amount (MWh)	2,281
	Consumption intensity (MWh/m ²)	0.051
GHG (CO ₂) emissions	Total amount (t-CO ₂)	979
	Consumption intensity (t-CO ₂ /m ²)	0.022
Water consumption	Total amount (m ³)	1,542
	Consumption intensity (m ³ /m ²)	0.043

* 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.

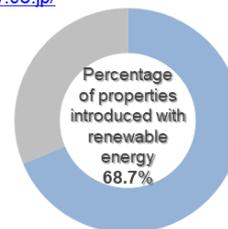
Reduction of CO₂ emissions from electricity at common areas to zero

For **72 properties (68.7% of the total floor area)** of the 104 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,” “Statement of Cash Flows,” “Notes to Financial Statements” and “Statements of Cash Distributions” on later pages of this report.

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

Not applicable.

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

Not applicable.

9. Others

(1) Notice

The overview of the major conclusion and change of contracts that were approved by the Board of Directors of SPI during the 34th fiscal period is as follows.

Approval date	Item	Overview
October 14 and October 24, 2022	Conclusion of new investment unit underwriting agreement	With regard to issuance of new investment units, SPI, the Asset Management Company and Mizuho Securities Co., Ltd and Nomura Securities Co., Ltd. (the joint managers) concluded a new investment unit underwriting agreement on October 24, 2022 to consign administration services regarding underwriting and offering of investment units to the joint managers.

(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]

	33rd Fiscal Period (Reference) (as of April 30, 2022)	34th Fiscal Period (as of October 31, 2022)
Assets		
Current assets		
Cash and deposits	2,109,924	1,434,739
Cash and deposits in trust	1,918,318	1,980,700
Operating accounts receivable	32,510	26,459
Prepaid expenses	69,981	82,873
Others	9,797	7,274
Total current assets	4,140,531	3,532,046
Non-current assets		
Property, plant and equipment		
Buildings in trust	46,907,339	48,355,761
Accumulated depreciation	(11,131,809)	(11,258,805)
Buildings in trust, net	35,775,530	37,096,956
Structures in trust	1,287,299	1,263,759
Accumulated depreciation	(858,191)	(870,052)
Structures in trust, net	429,107	393,707
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	642,370	697,073
Accumulated depreciation	(316,059)	(338,894)
Tools, furniture and fixtures in trust, net	326,310	358,179
Land in trust	48,879,302	47,610,451
Total property, plant and equipment	85,410,519	85,459,562
Intangible assets		
Leasehold in trust	-	871,571
Software	407	364
Total intangible assets	407	871,936
Investment and other assets		
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	541,719	608,281
Long-term prepaid expenses	93,421	100,392
Deferred tax assets	81	81
Others	19,265	20,745
Total investments and other assets	664,487	739,501
Total non-current assets	86,075,414	87,071,000
Deferred assets		
Investment corporation bond issuance costs	24,961	22,151
Total deferred assets	24,961	22,151
Total assets	90,240,908	90,625,199

Starts Proceed Investment Corporation

Balance Sheets

[Unit: thousand yen]

	33rd Fiscal Period (Reference) (as of April 30, 2022)	34th Fiscal Period (as of October 31, 2022)
Liabilities		
Current liabilities		
Current portion of long-term loans payable	9,963,500	9,222,500
Operating accounts payable	160,868	202,506
Accounts payable – other	205,052	246,638
Accrued expenses	16,557	25,060
Income taxes payable	1,965	1,976
Accrued consumption taxes	14,056	82,270
Advances received	1,919	1,794
Others	323	4,681
Total current liabilities	10,364,244	9,787,427
Non-current liabilities		
Investment corporation bonds	3,500,000	3,500,000
Long-term loans payable	32,182,500	32,923,500
Tenant leasehold and security deposits in trust	675,912	678,572
Asset retirement obligations	137,375	250,985
Total non-current liabilities	36,495,788	37,353,058
Total liabilities	46,860,032	47,140,485
Net assets		
Unitholders' equity		
Unitholders' capital	42,230,457	42,230,457
Deduction from unitholders' capital	(Note 1) (545,913)	(545,913)
Unitholders' capital (net)	41,684,544	41,684,544
Surplus		
Voluntary reserves		
Reserve for reduction entry	99,000	99,000
Reserve for reduction entry under special provisions for property replacement	(Note 2) 400,000	400,000
Total voluntary reserves	499,000	499,000
Unappropriated retained earnings (undisposed loss)	1,197,331	1,301,169
Total surplus	1,696,331	1,800,169
Total unitholders' equity	43,380,875	43,484,713
Total net assets	(Note 3) 43,380,875	43,484,713
Total liabilities and net assets	90,240,908	90,625,199

Starts Proceed Investment Corporation

Statements of Income

[Unit: thousand yen]

		33rd Fiscal Period (Reference) From: Nov. 1, 2021 To: Apr. 30, 2022	34th Fiscal Period From: May 1, 2022 To: Oct. 31, 2022
Operating revenue			
Rent revenue – real estate	(Note 1)	3,154,624	3,154,026
Gain on sales of real estate properties	(Note 2)	69,375	195,510
Total operating revenue		3,224,000	3,349,536
Operating expenses			
Expenses related to rent business	(Note 1)	1,391,429	1,416,086
Asset management fee		260,896	269,873
Asset custody fee		8,476	8,480
Administrative service fees		22,654	22,450
Directors' compensations		1,200	1,200
Other operating expenses		125,494	112,376
Total operating expenses		1,810,151	1,830,467
Operating income		1,413,848	1,519,069
Non-operating income			
Interest income		17	16
Insurance income		5,780	14,144
Reversal of distribution payable		1,157	1,224
Others		530	143
Total non-operating income		7,486	15,529
Non-operating expenses			
Interest expenses		168,655	178,364
Interest expenses on investment corporation bonds		10,343	11,198
Amortization of investment corporation bond issuance costs		3,508	2,809
Borrowing related expenses		38,981	38,513
Others		565	576
Total non-operating expenses		222,055	231,463
Ordinary income		1,199,280	1,303,135
Income before income taxes		1,199,280	1,303,135
Income taxes – current		1,967	1,978
Income taxes – deferred		(0)	(0)
Total income taxes		1,966	1,978
Net income		1,197,313	1,301,157
Retained earnings brought forward		18	11
Unappropriated retained earnings (undisposed loss)		1,197,331	1,301,169

Starts Proceed Investment Corporation
Statements of Changes in Unitholders' Equity

33rd Fiscal Period: from November 1, 2021 to April 30, 2022 (Reference)

[Unit: thousand yen]

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Voluntary reserves			Unappropriated retained earnings (undisposed loss)
				Reserve for reduction entry	Reserve for reduction entry under special provisions for property replacement	Total voluntary reserves	
Balance at beginning of period	42,230,457	(545,913)	41,684,544	99,000	400,000	499,000	1,158,003
Changes of items during the period							
Dividends from surplus							(1,157,984)
Net income							1,197,313
Total changes of items during the period	-	-	-	-	-	-	39,328
Balance at end of period	42,230,457	(545,913)	41,684,544	99,000	400,000	499,000	1,197,331

[Unit: thousand yen]

	Unitholders' equity		Total net assets
	Surplus	Total unitholders' equity	
	Total surplus		
Balance at beginning of period	1,657,003	43,341,547	43,341,547
Changes of items during the period			
Dividends from surplus	(1,157,984)	(1,157,984)	(1,157,984)
Net income	1,197,313	1,197,313	1,197,313
Total changes of items during the period	39,328	39,328	39,328
Balance at end of period	1,696,331	43,380,875	43,380,875

34th Fiscal Period: from May 1, 2022 to October 31, 2022

[Unit: thousand yen]

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Voluntary reserves			Unappropriated retained earnings (undisposed loss)
				Reserve for reduction entry	Reserve for reduction entry under special provisions for property replacement	Total voluntary reserves	
Balance at beginning of period	42,230,457	(545,913)	41,684,544	99,000	400,000	499,000	1,197,331
Changes of items during the period							
Dividends from surplus							(1,197,319)
Net income							1,301,157
Total changes of items during the period	-	-	-	-	-	-	103,837
Balance at end of period	42,230,457	(545,913)	41,684,544	99,000	400,000	499,000	1,301,169

[Unit: thousand yen]

	Unitholders' equity		Total net assets
	Surplus	Total unitholders' equity	
	Total surplus		
Balance at beginning of period	1,696,331	43,380,875	43,380,875
Changes of items during the period			
Dividends from surplus	(1,197,319)	(1,197,319)	(1,197,319)
Net income	1,301,157	1,301,157	1,301,157
Total changes of items during the period	103,837	103,837	103,837
Balance at end of period	1,800,169	43,484,713	43,484,713

Starts Proceed Investment Corporation
Statements of Cash Flows

[Unit: thousand yen]

	33rd Fiscal Period (Reference) From: Nov. 1, 2021 To: Apr. 30, 2022	34th Fiscal Period From: May 1, 2022 To: Oct. 31, 2022
Net cash provided by (used in) operating activities		
Income before income taxes	1,199,280	1,303,135
Depreciation and amortization	645,540	651,974
Amortization of investment corporation bond issuance costs	3,508	2,809
Interest income	(17)	(16)
Interest expenses	178,999	189,563
Decrease (increase) in operating accounts receivable	(8,675)	6,051
Decrease (increase) in prepaid expenses	6,691	(12,891)
Decrease (increase) in consumption taxes receivable	8,072	-
Increase (decrease) in accrued consumption taxes	6,886	68,213
Increase (decrease) in operating accounts payable	(42,086)	46,996
Increase (decrease) in accounts payable – other	(935)	23,432
Decrease (increase) in long-term prepaid expenses	12,075	(6,971)
Decrease from sales of property, plant and equipment in trust	661,973	2,654,157
Others, net	(4,692)	6,663
Subtotal	2,666,622	4,933,119
Interest income received	17	16
Interest expenses paid	(169,774)	(181,061)
Income taxes paid	(1,959)	(1,967)
Net cash provided by (used in) operating activities	2,494,906	4,750,107
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(835,626)	(3,229,656)
Purchase of intangible assets	(445)	(871,571)
Proceeds from tenant leasehold and security deposits in trust	52,998	75,919
Repayments of tenant leasehold and security deposits in trust	(49,970)	(73,258)
Decrease (increase) in other investments	(1,521)	(68,041)
Net cash provided by (used in) investing activities	(834,564)	(4,166,609)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	2,820,000	5,773,500
Repayments of long-term loans payable	(4,320,000)	(5,773,500)
Proceeds from investment corporation bond issuance	1,500,000	-
Payments of investment corporation bond issuance costs	(13,278)	-
Dividends paid	(1,158,681)	(1,196,301)
Net cash provided by (used in) financing activities	(1,171,959)	(1,196,301)
Net increase (decrease) in cash and cash equivalents	488,381	(612,802)
Cash and cash equivalents at beginning of period	3,539,860	4,028,242
Cash and cash equivalents at end of period	(Note) 4,028,242	3,415,440

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	33rd Fiscal Period (Reference) (November 1, 2021 - April 30, 2022)	34th Fiscal Period (May 1, 2022 - October 31, 2022)
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.</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 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 Same as on the left</p>
2. Accounting for deferred assets	Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over the period through redemption.	Investment corporation bond issuance costs Same as on the left

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

<p>5. Scope of funds in the Statements of Cash Flows</p>	<p>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.</p>	<p>Same as on the left</p>
<p>6. Other significant items fundamental to preparing the financial statements</p>	<p>(1) Accounting method for trust beneficiary interests in real estate as trust property Regarding trust beneficiary interests in owned real estate as trust property, all asset and liability accounts of the trust properties as well as all revenue and expense accounts generated by the trust properties are recorded in relevant accounts on the Balance Sheets and Statements of Income. Furthermore, among trust properties recorded in relevant accounts, the following material accounts are separately stated on the Balance Sheets.</p> <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. Lease and guarantee deposits in trust d. Tenant leasehold and security deposits in trust <p>(2) Accounting for consumption taxes For non-current assets and deferred assets, the consumption taxes are included.</p>	<p>(1) Accounting method for trust beneficiary interests in real estate as trust property Regarding trust beneficiary interests in owned real estate as trust property, all asset and liability accounts of the trust properties as well as all revenue and expense accounts generated by the trust properties are recorded in relevant accounts on the Balance Sheets and Statements of Income. Furthermore, among trust properties recorded in relevant accounts, the following material accounts are separately stated on the Balance Sheets.</p> <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. Lease and guarantee deposits in trust e. Tenant leasehold and security deposits in trust <p>(2) Accounting for consumption taxes Same as on the left</p>

3. Notes to Balance Sheets

33rd Fiscal Period (Reference) (as of April 30, 2022)		34th Fiscal Period (as of October 31, 2022)	
(Note 1) Cancellation of treasury investment units Total number of cancelled units 3,000 units Total amount of cancellation 545,913 thousand yen		(Note 1) Cancellation of treasury investment units Total number of cancelled units 3,000 units Total amount of cancellation 545,913 thousand yen	
(Note 2) Breakdown of reserve for reduction entry under special provisions for property replacement defined in Article 2, Paragraph 2, Item 28 of the Regulations on Accounting of Investment Corporations is as follows.		(Note 2) Breakdown of reserve for reduction entry under special provisions for property replacement defined in Article 2, Paragraph 2, Item 28 of the Regulations on Accounting of Investment Corporations is as follows.	
Item	Breakdown	Item	Breakdown
Relevant properties	Land of Proceed Shinozaki 2 and Proceed Kashiwa Trois, respectively	Relevant properties	Land of Proceed Shinozaki 2 and Proceed Kashiwa Trois, respectively
Reason for recognition and amount	Gain on sales of real estate properties amounting to 549,257 thousand yen due to sale of Proceed Kitahorie in March 2020	Reason for recognition and amount	Gain on sales of real estate properties amounting to 549,257 thousand yen due to sale of Proceed Kitahorie in March 2020
Policy for reversal	Reversal into retained earnings is made in accordance with tax regulations.	Policy for reversal	Reversal into retained earnings is made in accordance with tax regulations.
Description of reversal in the period	Not applicable.	Description of reversal in the period	Reversal was made in accordance with the sale of Proceed Shinozaki 2 in October 2022.
Amount (thousand yen)		Amount (thousand yen)	
Balance before provision or reversal in the period	400,000	Balance before provision or reversal in the period	400,000
Reversal in the Statements of Income	-	Reversal in the Statements of Income	-
Balance on the Balance Sheets	400,000	Balance on the Balance Sheets	400,000
Provision in the Statements of Cash Distributions	-	Provision in the Statements of Cash Distributions	-
Reversal in the Statements of Cash Distributions	-	Reversal in the Statements of Cash Distributions	214,151
Balance after provision or reversal in the period	400,000	Balance after provision or reversal in the period	185,848
(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

33rd Fiscal Period (Reference) (November 1, 2021 - April 30, 2022)	34th Fiscal Period (May 1, 2022 - October 31, 2022)
(Note 1) Breakdown of revenues and expenses related to real estate rent business (thousand yen)	(Note 1) Breakdown of revenues and expenses related to real estate rent business (thousand yen)
A. Real estate rent revenue	A. Real estate rent revenue
Rent revenue – real estate	Rent revenue – real estate
Rent 2,734,326	Rent 2,746,573
Common area maintenance charges 187,164	Common area maintenance charges 190,769
Parking revenue 85,246	Parking revenue 85,950
Incidental revenue 1,289	Incidental revenue 1,456
Rent revenue – other 146,597	Rent revenue – other 129,275
Total real estate rent revenue <u>3,154,624</u>	Total real estate rent revenue <u>3,154,026</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 203,304	Management expenses 210,266
Repair expenses 106,340	Repair expenses 123,141
Taxes and public dues 182,455	Taxes and public dues 186,721
Trust fee 34,220	Trust fee 35,036
Utilities expenses 49,867	Utilities expenses 48,790
Casualty insurance 7,624	Casualty insurance 7,807
Depreciation and amortization 645,502	Depreciation and amortization 651,932
Other expenses related to rent business 162,112	Other expenses related to rent business 152,390
Total expenses related to real estate rent business <u>1,391,429</u>	Total expenses related to real estate rent business <u>1,416,086</u>
C. Profit from real estate rent business (A-B) <u>1,763,195</u>	C. Profit from real estate rent business (A-B) <u>1,737,940</u>
(Note 2) Breakdown of gain on sales of real estate properties (thousand yen)	(Note 2) Breakdown of gain or loss on sales of real estate properties (thousand yen)
Proceed Nakanoshimbashi	Proceed Hasune
Proceeds from sales of real estate properties 761,148	Proceeds from sales of real estate properties 267,163
Cost of sales of real estate properties 661,973	Cost of sales of real estate properties 305,705
Other sales expenses 29,799	Other sales expenses 1,519
Gain on sales of real estate properties <u>69,375</u>	Loss on sales of real estate properties <u>40,061</u>
	Proceed Shinmaruko
	Proceeds from sales of real estate properties 605,260
	Cost of sales of real estate properties 656,099
	Other sales expenses 3,378
	Loss on sales of real estate properties <u>54,217</u>
	Proceed Nishikawaguchi
	Proceeds from sales of real estate properties 852,535
	Cost of sales of real estate properties 935,407
	Other sales expenses 4,737
	Loss on sales of real estate properties <u>87,609</u>
	Proceed Shinozaki 2
	Proceeds from sales of real estate properties 1,140,666
	Cost of sales of real estate properties 756,944
	Other sales expenses 6,321
	Gain on sales of real estate properties <u>377,399</u>

5. Notes to Statements of Changes in Unitholders' Equity

33rd Fiscal Period (Reference) (November 1, 2021 - April 30, 2022)	34th Fiscal Period (May 1, 2022 - October 31, 2022)
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 253,777 units	Total number of investment units issued and outstanding 253,777 units

6. Notes to Statements of Cash Flows

33rd Fiscal Period (Reference) (November 1, 2021 - April 30, 2022)	34th Fiscal Period (May 1, 2022 - October 31, 2022)
(Note) Relationship between the balance of cash and cash equivalents at the end of period and the amounts of the corresponding accounts on the Balance Sheets (thousand yen) (As of April 30, 2022)	(Note) Relationship between the balance of cash and cash equivalents at the end of period and the amounts of the corresponding accounts on the Balance Sheets (thousand yen) (As of October 31, 2022)
Cash and deposits 2,109,924	Cash and deposits 1,434,739
Cash and deposits in trust 1,918,318	Cash and deposits in trust 1,980,700
Cash and cash equivalents 4,028,242	Cash and cash equivalents 3,415,440

7. Notes to lease transactions

33rd Fiscal Period (Reference) (as of April 30, 2022)	34th Fiscal Period (as of October 31, 2022)
Operating lease transaction (As Lessee) (thousand yen)	Operating lease transaction (As Lessee) (thousand yen)
Future minimum lease payments	Future minimum lease payments
Due within 1 year 89,568	Due within 1 year 111,477
Due after 1 year 3,136,401	Due after 1 year 4,482,819
Total 3,225,969	Total 4,594,297

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

8. Notes to financial instruments

33rd fiscal period (Reference) (from November 1, 2021 to April 30, 2022)

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, 2022. 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 long-term loans payable (Note 2)	9,963,500	9,963,500	-
(2) Investment corporation bonds (Note 2)	3,500,000	3,491,261	(8,738)
(3) Long-term loans payable (Note 2)	32,182,500	32,205,226	22,726
(4) Derivative transactions	-	-	-

(Note 1) Calculation method for fair value of financial instruments

(1) Current portion of long-term loans payable and (3) 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 (4) 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.

(2) 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.

(4) Derivative transactions

(i) Derivatives to which hedge accounting is not applied

Not applicable.

(ii) Derivatives to which hedge accounting is applied

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

(thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Main hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Special accounting for interest rate swaps	Interest rate swap transaction Receivable floating; Payable fixed	Long-term loans payable	18,089,000	18,089,000	(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 33rd fiscal period

(thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Current portion of long-term loans payable	9,963,500	-	-	-	-	-
Investment corporation bonds	-	-	1,000,000	1,000,000	-	1,500,000
Long-term loans payable	-	9,032,500	8,761,000	4,549,000	7,020,000	2,820,000

34th fiscal period (from May 1, 2022 to October 31, 2022)

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, 2022. 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 long-term loans payable (Note 2)	9,222,500	9,222,500	-
(2) Investment corporation bonds (Note 2)	3,500,000	3,491,221	(8,778)
(3) Long-term loans payable (Note 2)	32,923,500	33,025,983	102,483
(4) Derivative transactions	-	-	-

(Note 1) Calculation method for fair value of financial instruments

(1) Current portion of long-term loans payable and (3) 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 (4) 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.

(2) 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.

(4) Derivative transactions

(i) Derivatives to which hedge accounting is not applied

Not applicable.

(ii) Derivatives to which hedge accounting is applied

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

(thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Main hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Special accounting for interest rate swaps	Interest rate swap transaction Receivable floating; Payable fixed	Long-term loans payable	23,862,500	23,862,500	(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 34th fiscal period

(thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Current portion of long-term loans payable	9,222,500	-	-	-	-	-
Investment corporation bonds	-	-	1,000,000	1,000,000	-	1,500,000
Long-term loans payable	-	9,061,000	6,749,000	5,820,000	5,520,000	5,773,500

9. Notes to tax effect accounting

33rd Fiscal Period (Reference) (November 1, 2021 - April 30, 2022)	34th Fiscal Period (May 1, 2022 - October 31, 2022)																																
<p>1. Deferred tax assets and liabilities consist of the following: (thousand yen)</p> <p>(Deferred tax assets)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Accrued business taxes not deductible from taxable income</td> <td style="text-align: right;">81</td> </tr> <tr> <td>Asset retirement obligations</td> <td style="text-align: right;">44,331</td> </tr> <tr> <td>Subtotal of deferred tax assets</td> <td style="text-align: right;">44,412</td> </tr> <tr> <td>Valuation allowance</td> <td style="text-align: right;">(44,331)</td> </tr> <tr> <td>Total deferred tax assets</td> <td style="text-align: right;">81</td> </tr> <tr> <td>(Deferred tax assets, net)</td> <td style="text-align: right;">81</td> </tr> </table>	Accrued business taxes not deductible from taxable income	81	Asset retirement obligations	44,331	Subtotal of deferred tax assets	44,412	Valuation allowance	(44,331)	Total deferred tax assets	81	(Deferred tax assets, net)	81	<p>1. Deferred tax assets and liabilities consist of the following: (thousand yen)</p> <p>(Deferred tax assets)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Accrued business taxes not deductible from taxable income</td> <td style="text-align: right;">81</td> </tr> <tr> <td>Asset retirement obligations</td> <td style="text-align: right;">81,018</td> </tr> <tr> <td>Subtotal of deferred tax assets</td> <td style="text-align: right;">81,099</td> </tr> <tr> <td>Valuation allowance</td> <td style="text-align: right;">(81,018)</td> </tr> <tr> <td>Total deferred tax assets</td> <td style="text-align: right;">81</td> </tr> <tr> <td>(Deferred tax assets, net)</td> <td style="text-align: right;">81</td> </tr> </table>	Accrued business taxes not deductible from taxable income	81	Asset retirement obligations	81,018	Subtotal of deferred tax assets	81,099	Valuation allowance	(81,018)	Total deferred tax assets	81	(Deferred tax assets, net)	81								
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10. Notes to asset retirement obligations

33rd Fiscal Period (Reference) (November 1, 2021 - April 30, 2022)	34th Fiscal Period (May 1, 2022 - October 31, 2022)																
<p>Asset retirement obligations recorded on the Balance Sheets</p> <p>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.</p> <p>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 62 years) and using the discount rates of 1.624% - 1.672%.</p> <p>3. Change in the total amount of the asset retirement obligations (thousand yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Balance at beginning of period</td> <td style="text-align: right;">136,251</td> </tr> <tr> <td>Increase due to acquisition of property, plant and equipment</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Accretion</td> <td style="text-align: right;">1,123</td> </tr> <tr> <td>Balance at end of period</td> <td style="text-align: right;">137,375</td> </tr> </table>	Balance at beginning of period	136,251	Increase due to acquisition of property, plant and equipment	-	Accretion	1,123	Balance at end of period	137,375	<p>Asset retirement obligations recorded on the Balance Sheets</p> <p>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.</p> <p>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%.</p> <p>3. Change in the total amount of the asset retirement obligations (thousand yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Balance at beginning of period</td> <td style="text-align: right;">137,375</td> </tr> <tr> <td>Increase due to acquisition of property, plant and equipment</td> <td style="text-align: right;">112,476</td> </tr> <tr> <td>Accretion</td> <td style="text-align: right;">1,133</td> </tr> <tr> <td>Balance at end of period</td> <td style="text-align: right;">250,985</td> </tr> </table>	Balance at beginning of period	137,375	Increase due to acquisition of property, plant and equipment	112,476	Accretion	1,133	Balance at end of period	250,985
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11. Notes to related party transactions

33rd fiscal period (Reference) (from November 1, 2021 to April 30, 2022)

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	82,836	Operating accounts payable	159,573
				Repair expenses	279,796		
				Maintenance and inspection fee	116,419		
				Advertising expenses	65,821		
				Renewal fee	25,314		
				Rent revenue, etc. (Note 2)	338,348	Tenant leasehold and security deposits in trust (Note 2)	82,345
Asset custodian	Sumitomo Mitsui Trust Bank, Limited	Banking business	-	Trust fee	16,758	Prepaid expenses	1,382
						Long-term prepaid expenses	4,600
				Interest expenses	4,676	Accrued expenses	196
				Payment related to financing matters	220	Prepaid expenses	465
						Long-term prepaid expenses	722
				Borrowing of long-term loans payable	2,820,000	Current portion of long-term loans payable	206,500
				Repayment of long-term loans payable	4,320,000	Long-term loans payable	1,061,500
Administrative service fees	22,304	Accounts payable – other	17,053				

(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.

34th fiscal period (from May 1, 2022 to October 31, 2022)

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. and major unitholder of the investment corporation	Starts Corporation Inc.	Holding company	13.5%	Purchase of trust beneficiary interest (Note 2)	2,800,000	-	-
Interested party, etc.	Starts Amenity Corporation	Real estate leasing and management, construction	-	Property management fee	84,552	Operating accounts payable	110,379
				Repair expenses	238,081		
				Maintenance and inspection fee	121,669		
				Advertising expenses	59,018		
				Renewal fee	19,721	Tenant leasehold and security deposits in trust (Note 3)	68,484
Interested party, etc.	Starts Development Corporation	Real estate sales business	-	Purchase of trust beneficiary interest (Note 2)	810,000	-	-
				Disposition of trust beneficiary interest (Note 4)	2,864,000	-	-
Asset custodian	Sumitomo Mitsui Trust Bank, Limited	Banking business	-	Trust fee	13,694	Prepaid expenses	1,252
				Interest expenses	4,759	Long-term prepaid expenses	3,499
				Payment related to financing matters	454	Accrued expenses	403
				Borrowing of long-term loans payable	5,773,500	Prepaid expenses	498
				Repayment of long-term loans payable	5,773,500	Long-term prepaid expenses	871
				Administrative service fees	22,050	Current portion of long-term loans payable	129,000
						Long-term loans payable	1,139,000
						Accounts payable – other	17,044

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

(Note 3) 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 4) When disposing trust beneficiary interest to related parties, etc., the disposition price is determined at a level higher than the relevant appraisal value as a rule, based on the internal regulations, etc. designated by the Asset Management Company. Other transaction terms and conditions are determined based on the market realities.

12. Notes to investment and rental properties

33rd fiscal period (Reference) (from November 1, 2021 to April 30, 2022)

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, 2022.

(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	
85,914,742	(504,222)	85,410,519	102,304,000

(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 33rd fiscal period, the amount of increase is primarily attributable to the acquisition of (C-87) Proceed Kinshicho 2 (576,707 thousand yen) and capital expenditures (217,689 thousand yen), and the amount of decrease is primarily attributable to the disposition of (C-30) Proceed Nakanoshimbashi (661,973 thousand yen) and depreciation and amortization (645,502 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 33rd fiscal period ended April 2022 for the investment and rental properties, refer to the aforementioned

“Notes to Statements of Income.”

34th fiscal period (from May 1, 2022 to October 31, 2022)

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, 2022.

(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	
85,410,519	920,614	86,331,134	103,834,000

(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 34th fiscal period, the amount of increase is primarily attributable to the acquisition of (C-88) Proceed Ishikawadai and (C-89) Alpha Grande Chizakura Tower (4,040,465 thousand yen) and capital expenditures (186,239 thousand yen), and the amount of decrease is primarily attributable to the disposition of (C-35) Proceed Hasune, (C-39) Proceed Shinmaruko, (C-52) Proceed Nishikawaguchi and (C-56) Proceed Shinozaki 2 (2,654,157 thousand yen) and depreciation and amortization (651,932 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 34th fiscal period ended October 2022 for the investment and rental properties, refer to the aforementioned “Notes to Statements of Income.”

13. Notes to per unit information

33rd Fiscal Period (Reference) (November 1, 2021 - April 30, 2022)		34th Fiscal Period (May 1, 2022 - October 31, 2022)	
Net assets per unit	170,940 yen	Net assets per unit	171,350 yen
Net income per unit (Note)	4,717 yen	Net income per unit (Note)	5,127 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.

33rd Fiscal Period (Reference) (November 1, 2021 - April 30, 2022)		34th Fiscal Period (May 1, 2022 - October 31, 2022)	
Net income (thousand yen)	1,197,313	Net income (thousand yen)	1,301,157
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)	1,197,313	Net income attributable to ordinary investment units (thousands of yen)	1,301,157
Average number of units during the fiscal period (units)	253,777	Average number of units during the fiscal period (units)	253,777

14. Notes to significant subsequent events

33rd Fiscal Period (Reference) (November 1, 2021 - April 30, 2022)	34th Fiscal Period (May 1, 2022 - October 31, 2022)												
Not applicable.	<p>Issuance of new investment units</p> <p>SPI resolved at its Board of Directors' meetings held on October 14, 2022 and October 24, 2022 on the issuance of new investment units to partially fund the acquisition of specified assets. As for the issuance through primary offering, payment was completed on November 1, 2022.</p> <p>As a result, unitholders' capital (net) was 47,536,732,300 yen and the total number of investment units issued and outstanding was 282,477 units.</p> <p>Issuance of new investment units through public offering (primary offering)</p> <table data-bbox="852 622 1506 813"> <tr> <td>Number of new investment units issued:</td> <td style="text-align: right;"><u>28,700 units</u></td> </tr> <tr> <td>Issue price (offer price):</td> <td style="text-align: right;"><u>210,941 yen per unit</u></td> </tr> <tr> <td>Total issue price (offer price):</td> <td style="text-align: right;"><u>6,054,006,700 yen</u></td> </tr> <tr> <td>Paid-in amount (issue amount):</td> <td style="text-align: right;"><u>203,909 yen per unit</u></td> </tr> <tr> <td>Total paid-in amount (issue amount):</td> <td style="text-align: right;"><u>5,852,188,300 yen</u></td> </tr> <tr> <td>Payment date:</td> <td style="text-align: right;"><u>November 1, 2022</u></td> </tr> </table>	Number of new investment units issued:	<u>28,700 units</u>	Issue price (offer price):	<u>210,941 yen per unit</u>	Total issue price (offer price):	<u>6,054,006,700 yen</u>	Paid-in amount (issue amount):	<u>203,909 yen per unit</u>	Total paid-in amount (issue amount):	<u>5,852,188,300 yen</u>	Payment date:	<u>November 1, 2022</u>
Number of new investment units issued:	<u>28,700 units</u>												
Issue price (offer price):	<u>210,941 yen per unit</u>												
Total issue price (offer price):	<u>6,054,006,700 yen</u>												
Paid-in amount (issue amount):	<u>203,909 yen per unit</u>												
Total paid-in amount (issue amount):	<u>5,852,188,300 yen</u>												
Payment date:	<u>November 1, 2022</u>												

15. Notes to revenue recognition

Breakdown information on revenue from contracts with customers

33rd fiscal period (Reference) (from November 1, 2021 to April 30, 2022)

(thousand yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Sales of real estate properties (Note 2)	761,148	69,375
Utilities income	18,017	18,017
Others	-	3,136,607
Total	779,166	3,224,000

(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.

34th fiscal period (from May 1, 2022 to October 31, 2022)

(thousand yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Sales of real estate properties (Note 2)	2,865,625	195,510
Utilities income	20,484	20,484
Others	-	3,133,541
Total	2,886,110	3,349,536

(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.

Starts Proceed Investment Corporation
Statements of Cash Distributions

Fiscal period	33rd Fiscal Period (Reference) From: Nov. 1, 2021 To: Apr. 30, 2022	34th Fiscal Period From: May 1, 2022 To: Oct. 31, 2022
Item		
I. Unappropriated retained earnings	1,197,331,817 yen	1,301,169,665 yen
II. Reversal of voluntary reserves		
Reversal of reserve for reduction entry	- yen	313,151,007 yen
III. Amount of distributions	1,197,319,886 yen	1,515,302,467 yen
[Amount of distribution per investment unit]	[4,718 yen]	[5,971 yen]
IV. Voluntary reserves		
Provision of reserve for reduction entry	- yen	99,000,000 yen
V. Retained earnings brought forward	11,931 yen	18,205 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 such policy, SPI decided to pay out distributions of earnings of 1,197,319,886 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (253,777 units) in an amount not in excess of unappropriated retained earnings. SPI shall not distribute the cash in excess of earnings provided in Article 35, Item 4 of its Articles of Incorporation.</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 such policy, SPI decided to pay out distributions of earnings of 1,515,302,467 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (253,777 units) not in excess of the amount after adding the amount of reversal of reserve for reduction entry accumulated in accordance with Article 66-2 of the Act on Special Measures Concerning Taxation to unappropriated retained earnings and reserving the reserve for reduction entry in accordance with Article 65-7 of the Act on Special Measures Concerning Taxation. SPI shall not distribute the cash in excess of earnings provided in Article 35, Item 4 of its Articles of Incorporation.</p>

Independent Auditor's Report

To the Board of Directors of Starts Proceed Investment Corporation

Opinion

We have audited the financial statements of Starts Proceed Investment Corporation (the Company), which comprise the balance sheets as of October 31, 2022, 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, 2022, and its financial performance and its cash flows for the six months period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Emphasis of Matter

We draw attention to "Notes to Significant Subsequent Events", which describes issuance of new investment units.

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

We have nothing to report in this regard.

Responsibilities of Management and Supervisory Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

We also provide executive director with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably

be thought to bear on our independence, and where applicable, related safeguards.

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.

Homare Furukawa

Designated Engagement Partner
Certified Public Accountant

古川 蒼

Yoshiaki Yanagi

Designated Engagement Partner
Certified Public Accountant

柳 吉昭

Nihombashi Corporation

Chuo-Ku, Tokyo

January 24, 2023