

Supplementary Materials

Securities Code 3488

Outline of "Notice Concerning Acquisition of Domestic Trust Beneficiary Right in Real Estate (Valor Kachigawa Store (Leasehold land) (50% quasi-co-ownership interest)) and Sale of Domestic Real Estate Trust Beneficiary Right (Renaissance 21 Chihaya)" and "Notice of Revision of Investment Forecast and Distribution Forecast for the fiscal years ending February 28, 2022 (8th fiscal period) and August 31, 2022 (9th fiscal period)."

January 27, 2022



XYMAX REIT Investment Corporation



| Point of the Asset Replacement |

- Realize unrealized gains through the first asset replacement after IPO in collaboration with the XYMAX Group
- Distribution per unit is expected to improve significantly by returning a portion of the high unrealized gains maintained since IPO to the unitholders
- Continuously investigate strategic asset replacement in the future

| Purpose of the Asset Replacement |

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<p>Maintaining both Asset Size and Normalized Distributable Earnings</p> <p>NOI difference after depreciation +10 million yen/year(approximate)</p>	<p>Realize unrealized gains and return capital gains to unitholders over two fiscal periods</p> <p>Difference on Disposition +¥531 million(approximate)</p>	<p>Improve medium to long term earnings stability Acquisition of asset for which long-term stable contracts have been concluded with the lessee having good relationship with the sponsor</p> <p>Remaining lease term 24.6 years</p>

| Outline of Asset Replacement |

Acquisition of the asset

Valor Kachigawa Store (Leasehold land) (50% quasi-co-ownership interest)



Seller	Japan Metropolitan Fund Investment Corporation
Scheduled acquisition date	January 31, 2022
Location	2-chome, Ono-cho, Kasugai-shi, Aichi
Site Area	20,509.10㎡
Anticipated acquisition price	3.245 billion yen
Appraisal value (January 1, 2022)	3.33 billion yen
Appraisal NOI yield after depreciation	4.1%



Disposition of the asset

Renaissance 21 Chihaya



Buyer	Japan Metropolitan Fund Investment Corporation
Scheduled date of sale	First sale (50%) January 31, 2022 Second sale (50%) March 31, 2022
Location	Chihaya 5-chome, Higashi-ku, Fukuoka-shi, Fukuoka
Construction date	October 19, 2006
Book Value (As of August 31, 2021)	2.748 billion yen
Appraisal value (As of August 31, 2021)	3.28 billion yen
Anticipated sale price	3.28 billion yen
Actual NOI yield after depreciation	3.7%

Estimated distribution per unit forecast for the 8th and 9th fiscal periods

We expect a substantial increase in distributions per unit over two fiscal periods due to the realization of unrealized gains.

Distribution forecast for the 8th Fiscal Period

3,877 JPY per unit

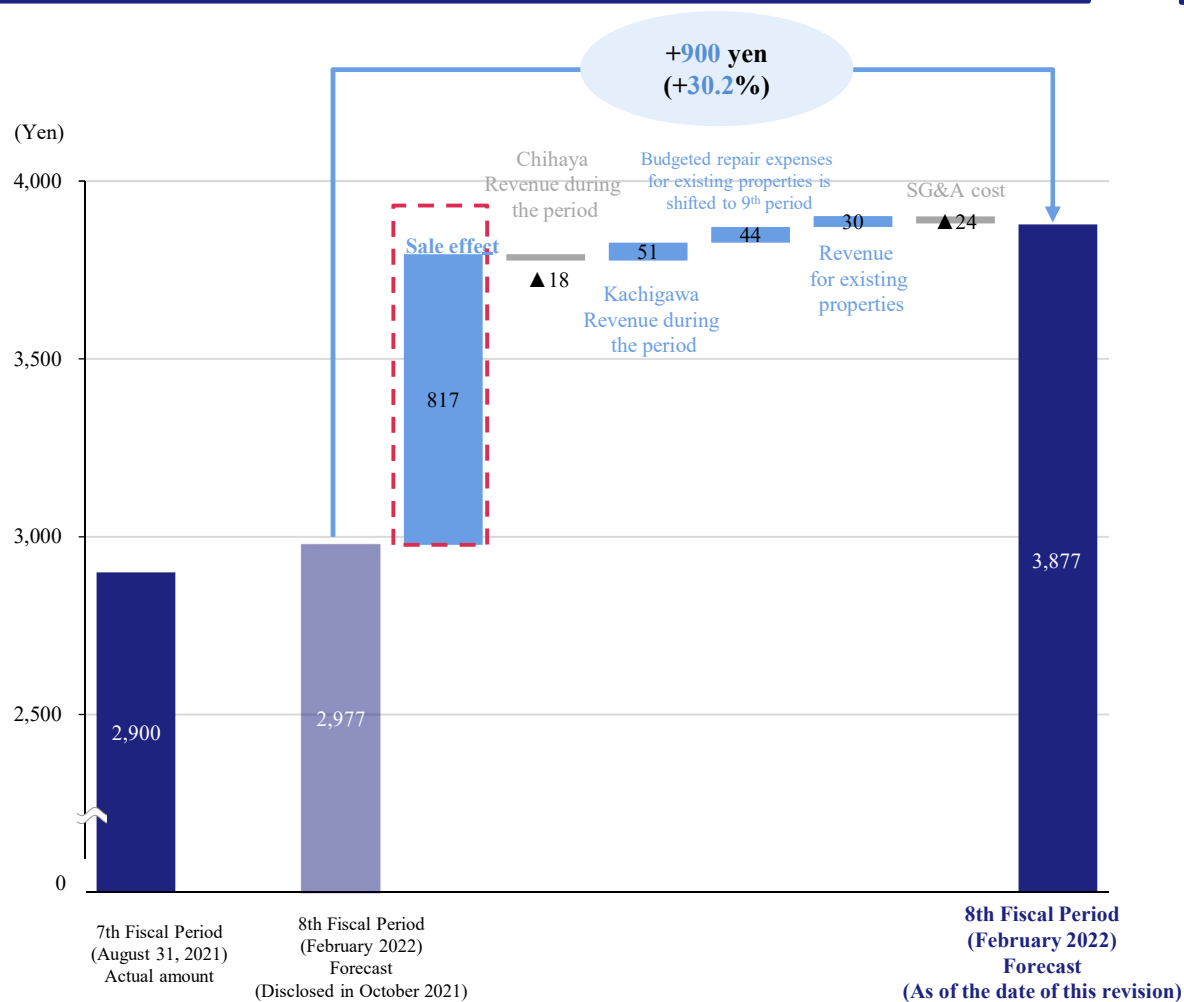
Revision of +900 yen (+30.2%) compared to the forecast as of October 13, 2021

Distribution forecast for the 9th Fiscal Period

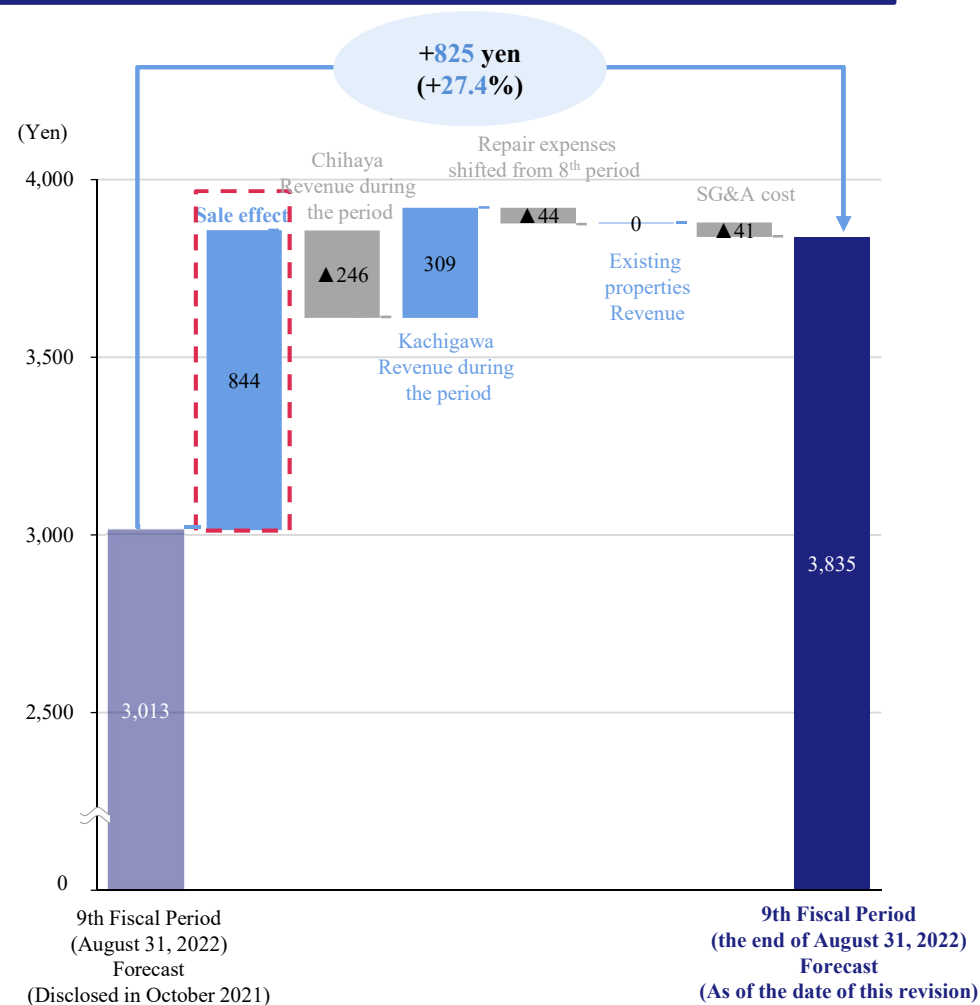
3,835 JPY per unit

Revision of +822 yen (+27.3%) compared to the forecast as of October 13, 2021

Forecast for the 8th Fiscal Period ending February 28, 2022



Forecast for the 9th fiscal period ending August 31, 2022



● Valor Kachigawa Store (Leasehold land) (50% quasi-co-ownership interest)



Retail

Face-to-face transaction



Outline of the Assets to Be Acquired

Anticipated acquisition price	3.245 billion yen
Appraisal value	3.33 billion yen
Appraisal NOI yield	4.1%
Appraisal NOI yield after depreciation	4.1%
Location	Kasugai-shi, Aichi 1-1, Onomachi 2-chome
Nearest station	"Kachigawa" Station on the JR Chuo Line 7 minutes walk
Leasable area	10,254.55㎡

Feature analysis by the Investment Corporation

- Location characteristics
 - ✓ Areas located 7 minutes walk from Kachigawa Station of the JR Chuo Main Line, which can be accessed at 20 minutes to Nagoya Station, and where many commuters live in Nagoya City
 - ✓ This is a retail area with many families at the child-rearing stage, and is suitable for retail facilities centered on food supermarkets.
- Property characteristics
 - ✓ A property with a contract remaining term of 24.6 years and a non-cancelable fixed-term lease agreement for business use has been concluded with the lessee, and high profit stability is expected.
 - ✓ The retail in terms of the Asset to Be Acquired is composed of 100-yen stores, daily-use stores such as drugstores and specialty stores for infants and children's general merchandise, centered on food supermarkets, and we expect stable store sales.
 - ✓ A property with three entrances and exits, which has a highly convenient flat parking lot that can accommodate 346 units, and has an advantage as a retail facility because of its high accessibility by passenger cars.

Effort of Xymax Group with the Valor Group

In 2017, Xymax Group and the lessee of the Asset to Be Acquired jointly established ValorMax Co., Ltd. with the aim of supporting the store opening and asset strategies by utilizing the real estate expertise of Xymax Co., Ltd., the sponsor of XYMAX REIT.

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(Note 1) "Depreciation NOI difference" refers to the difference between the appraisal NOI after depreciation of the Asset to Be Acquired and the actual NOI after depreciation of the Asset to Be Disposed for the period ended February, 2021 and August, 2021.

(Note 2) "Difference on disposition" refers to the difference between the anticipated disposition price of the Asset to Be Disposed and the book value as of the end of August 2021.

(Note 3) Anticipated acquisition price and appraisal value of the Assets to Be Acquired are figures equivalent to the ratio of quasi-co-ownership interests (50%) of trust beneficiary rights to be acquired by XYMAX REIT. The same applies hereafter.

(Note 4) "Appraisal NOI after depreciation" refers to the value obtained by deducting assumed depreciation from appraisal NOI. Assumed depreciation is calculated by the Asset Management Company and may differ from actual depreciation amounts.

(Note 5) "Appraisal NOI yield after depreciation" = Percentage obtained by dividing appraisal NOI after depreciation by the estimated acquisition price is rounded to the nearest second decimal place in percentage.

(Note 6) "Actual NOI yield after depreciation" = (total amount of NOI after actual depreciation for the fiscal period ended February 28, 2021 and August 2021) ÷ estimated transfer price (rounded to the nearest second decimal place).

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(Note 1) The sale effect refers to the amount calculated by deducting various expenses associated with the transfer from the transfer difference.

(Note 2) "Revenue during the period (Chihaya)" refers to the amount of dissipation of revenue associated with the sale of the 8th (February 2022) and 9th (August 2022) fiscal periods of Renaissance 21 Chihaya as early as possible, which was anticipated in the Financial Results for the 7th (August 2021) fiscal period.

(Note 3) "Revenue during the period (Kachigawa)" is the amount of increase in revenue associated with the acquisition of the Valor Kachigawa store (leasehold land) of the Asset to Be Acquired, respectively.

(Note 4) "Shift in repair costs of existing properties" is the amount of construction work that was carried over from the fiscal period ending February 28, 2022 (8th fiscal period) to the fiscal period ended August 31, 2022 (9th Fiscal Period) due to the impact of the Covid-19, etc., out of the repair work that was expected in the financial results for the 7th fiscal period (August 2021).

(Note 5) "Revenue from existing properties" refers to the change in the revenue from existing properties that were expected in the results summary for the 7th fiscal period (August 2021) according to the prerequisites of "Notice of Revision of Investment Forecast and Distribution Forecast for the fiscal periods ending February 28, 2022 (8th fiscal period) and August 31, 2022 (9th fiscal period)" as of this release.

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(Note 1) "Appraisal NOI yield" is the ratio of appraisal NOI divided by the anticipated acquisition price rounded to the first decimal place as a percentage. Since only the DCF method is applied in the appraisal for the asset to be acquired, the appraisal NOI is applied the net operating income at the first year.