

For Immediate Release

Real Estate Investment Trust Securities Issuer
 1-1-1 Akasaka, Minato-ku, Tokyo
 XYMAX REIT Investment Corporation
 Representative Executive Director

Kanemitsu
 Shotaro
 (Securities Code: 3488)

Asset Management Company
 XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation
 Representative Representative Director
 Contact Head of Business Planning Division

Kanemitsu
 Shotaro
 Tatsuya
 Nakayama

TEL: +81-3-5544-6880

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)

XYMAX REIT Investment Corporation (hereinafter, “XYMAX REIT”) announces today the following revision of its operating forecasts and distribution forecasts for the fiscal periods ending February 2022 (the 8th fiscal period from September 1, 2021 to February 28, 2022) and the Fiscal Period Ending August 2022 (the 9th Fiscal Period from March 1, 2022 to August 31, 2022), announced in “(REIT) Financial Report for the Fiscal Period Ended August 2021” dated October 13, 2021.

1. Details of Revision

(1) The Fiscal Period Ending February 2022 (the 8th Fiscal Period)

	Operating revenues	Operating income	Ordinary income	Net income	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
Previous Forecast (A)	1,383 Million yen	740 Million yen	665 Million yen	664 Million yen	2,977 Yen	- Yen
Revised forecast (B)	1,610 Million yen	943 Million yen	867 Million yen	866 Million yen	3,877 Yen	- Yen
Amount of change (B-A)	226 Million yen	203 Million yen	201 Million yen	201 Million yen	900 Yen	- Yen
Rate of change ((B-A)/ (A))	16.4 %	27.5 %	30.2 %	30.3 %	30.2 %	-

(2) The Fiscal Period Ending August 2022 (the 9th Fiscal Period)

	Operating revenues	Operating income	Ordinary income	Net income	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
Previous Forecast (A)	1,387 Million yen	732 Million yen	674 Million yen	673 Million yen	3,013 Yen	- Yen
Revised forecast (B)	1,582 Million yen	918 Million yen	857 Million yen	856 Million yen	3,835 Yen	- Yen
Amount of change (B-A)	195 Million yen	186 Million yen	183 Million yen	183 Million yen	822 Yen	- Yen
Rate of change ((B-A)/ (A))	14.1 %	25.4 %	27.2 %	27.2 %	27.3 %	-

(Reference)

February 28, 2022 (8th fiscal period): Assumed number of investment units outstanding at the end of the period is 223,400 units

August 31, 2022 (9th fiscal period): Assumed number of investment units outstanding at the end of the period is 223,400 units

(Note 1) Forecast figures are calculated based on the assumptions set forth in the Attachment as of the date of this release. Therefore, actual operating revenues, operating income, ordinary income, net income, distributions per unit, and distributions in excess of earnings per unit may differ from the forecasts due to a variety of reasons including the future acquisition or sale of real estate and changes in XYMAX REIT's operating environment including the real estate market. Accordingly, XYMAX REIT does not guarantee payments of the forecast distributions per unit.

(Note 2) If XYMAX REIT expects changes to the aforementioned forecast greater than a certain extent, it may further revise its forecast.

(Note 3) Figures below the unit are rounded down, while percentages are rounded to the nearest second decimal place.

2. Reason for revision

As announced today in "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)", XYMAX REIT decided to acquire Valor Kachigawa Store (Leasehold land) (50% quasi-co-ownership interest) and sell 50% quasi-co-ownership interest of Renaissance 21 Chihaya on January 31, 2022, and to sell 50% quasi-co-ownership interest of Renaissance 21 Chihaya on March 31, 2022. Along with this, changes occurred in the assumptions of the forecasts for the fiscal periods ending February 2022 (the 8th Fiscal Period) and August 2022 (the 9th Fiscal Period), which were announced in the "(REIT) Financial Report for the Fiscal Period Ended August 2021" dated October 13, 2021. Accordingly, XYMAX REIT is revising its operating forecasts and distribution forecasts as indicated in the above tables.

* XYMAX REIT website address: <https://xymaxreit.co.jp/>

[Attachment]

Assumptions for the underlying the operating forecast and distribution forecast for the fiscal period ending February 2022 (the 8th Fiscal Period: September 1, 2021 to February 28, 2022) and the fiscal period ending August 2022 (the 9th Fiscal Period: March 1, 2022 to August 31, 2022)

Item	Assumptions																								
Accounting period	<ul style="list-style-type: none"> February 28, 2022 (the 8th Fiscal Period) (September 1, 2021 to February 28, 2022) (181 days) August 31, 2022 (the 9th Fiscal Period) (March 1, 2022 to August 31, 2022) (184 days) 																								
Assets under management	<ul style="list-style-type: none"> The assumption is that the actual real estate and real estate trust beneficiary rights held by XYMAX REIT as of today (total of 15 properties) (hereinafter, the "current portfolio assets"), as stated in the "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)" announced today, the acquisition of one property (Valor Kachigawa Store (Leasehold land) (50% quasi-co-ownership interest)) (hereinafter the "Asset to Be Acquired") and the sale of one property (50% of Domestic Real Estate Trust Beneficiary Right (Renaissance 21 Chihaya))(hereinafter the "Asset to Be sold") are scheduled on January 31, 2022 and March 31, 2022, respectively. In addition to the above, it is assumed that there will be no change in assets under management (sales of assets and acquisition of new properties, etc.) by the end of the 9th fiscal period. Change may arise due to the acquisition and/or disposition of the portfolio assets. 																								
Operating revenues	<ul style="list-style-type: none"> Calculated based on the effective lease agreements entered into as of the end of December, 2021 and past tenant and market trends for the current portfolio assets , and as for the Asset to Be Acquired, revenues are estimated using the information on the existing lease agreements and lease agreements to be effective as of the Scheduled Acquisition Date and by taking into account various factors, such as the assumed occupancy rate and rent fluctuation projections based on tenant move-in/move-out and rent level projections. Variable rent is based on a conservative review by XYMAX REIT based on the operational forecasts submitted by the operator, assuming that recovery from the effects of the COVID-19 will take more than 12 months, and the variable rent for the fiscal years ended February 28, 2022 (the 8th fiscal year) and August 31, 2022 (the 9th fiscal year) will not be incurred. [Hotel Vista Sendai] Fixed rent: 20 million yen per month Variable rent: Monthly variable rent is calculated by subtracting 21 million JPY from the current month's GOP (Note 1) and multiplied by a certain rate (Note2) (Note 1)If the amount obtained by subtracting 21 million yen from the GOP for the current month becomes negative, the variable rent for the current month will be 0 yen. (Note 2) "a certain rate" shall not be disclosed because the consent of the operator has not been obtained. The amount of gain on sale (excluding expenses the asset to be sold) ending February 2022 (the 8th fiscal period) and August 2022 (the 9th fiscal period) are assumed. The assumption is that there will be no delinquent or unpaid rent by tenants and no gain (loss) on sales of real estate properties. 																								
Operating expenses	<ul style="list-style-type: none"> Of operating expenses, the main components are as follows: (Figures less than the unit are rounded down. The same applies hereafter.) <table border="1" data-bbox="478 1635 1404 1971"> <thead> <tr> <th></th> <th>Fiscal period ending February 28, 2022 (the 8th Fiscal Period)</th> <th>Fiscal period ending August 31, 2022 (the 9th Fiscal Period)</th> </tr> </thead> <tbody> <tr> <td>Total rent expenses</td> <td>494 million yen</td> <td>488 million yen</td> </tr> <tr> <td>Management fees</td> <td>91 million yen</td> <td>85 million yen</td> </tr> <tr> <td>Repair expenses</td> <td>29 million yen</td> <td>51 million yen</td> </tr> <tr> <td>Property taxes</td> <td>137 million yen</td> <td>133 million yen</td> </tr> <tr> <td>Depreciation</td> <td>141 million yen</td> <td>132 million yen</td> </tr> <tr> <td>Other than expenses related to leasing business</td> <td>172 million yen</td> <td>175 million yen</td> </tr> <tr> <td>Asset management fees</td> <td>80 million yen</td> <td>83 million yen</td> </tr> </tbody> </table> Expenses related to leasing business, which are the main operating expenses, are calculated 		Fiscal period ending February 28, 2022 (the 8th Fiscal Period)	Fiscal period ending August 31, 2022 (the 9th Fiscal Period)	Total rent expenses	494 million yen	488 million yen	Management fees	91 million yen	85 million yen	Repair expenses	29 million yen	51 million yen	Property taxes	137 million yen	133 million yen	Depreciation	141 million yen	132 million yen	Other than expenses related to leasing business	172 million yen	175 million yen	Asset management fees	80 million yen	83 million yen
	Fiscal period ending February 28, 2022 (the 8th Fiscal Period)	Fiscal period ending August 31, 2022 (the 9th Fiscal Period)																							
Total rent expenses	494 million yen	488 million yen																							
Management fees	91 million yen	85 million yen																							
Repair expenses	29 million yen	51 million yen																							
Property taxes	137 million yen	133 million yen																							
Depreciation	141 million yen	132 million yen																							
Other than expenses related to leasing business	172 million yen	175 million yen																							
Asset management fees	80 million yen	83 million yen																							

	<p>on the basis of historical data at XYMAX REIT (historical data disclosed by the previous owner, etc. in the case of periods for which there is no historical data at XYMAX REIT) and by taking into consideration factors causing fluctuation in expenses.</p> <ul style="list-style-type: none"> ● Depreciation is calculated using the straight-line method inclusive of incidental expenses, etc. ● In general, property taxes and city planning taxes are settled when real estate is purchased or sold by calculating them on a pro rata basis between the current owners and the periods in which they are acquired. However, XYMAX REIT does not record expenses in the period of acquisition because the portion equivalent to the settlement amount is included in the acquisition cost. Therefore, the property tax and city planning tax, etc. will not be recorded as expenses in the February 2022 (the 8th Fiscal Period) to the February 2023 (the 10th Fiscal Period) , but the amount of property tax, etc. will be recorded as expenses from the August 2023 (the 11th Fiscal Period). The total amount of fixed asset tax and city planning tax, etc. included in the acquisition cost for the Asset to Be Acquired is assumed to be 5 million yen. ● Repair expenses are the amount necessary in each fiscal period as assumed on a property-by-property basis by the Asset Management Company. However, repair expenses possibly increasing in amount or additionally arising from unforeseeable factors, the amount generally tending to vary materially from fiscal year to fiscal year and not being an amount that arises periodically, etc. may result in repair expenses for each fiscal period differing materially from the forecast amount.
Non-operating expenses	<ul style="list-style-type: none"> ● For the fiscal period ending February 28 2022 (the 8th Fiscal Period), interest expenses and other borrowing related expenses are assumed to be 76million yen. ● For the fiscal period ending August 31 2022 (the 9th Fiscal Period), interest expenses and other borrowing related expenses are assumed to be 61million yen.
Interest-bearing liabilities	<ul style="list-style-type: none"> ● As stated in the "Notice Concerning Borrowings of Funds" announced today, on January 31, 2022, XYMAX REIT scheduled to borrow short-term loans of 1,100 million yen, long-term loans of 5,408 million yen, and repay short-term loans of 1,770 million yen, and long-term loans of 3,088 million yen. ● As a result, it is assumed that the total loan balance as of January 31, 2022 is 15,700 million yen. ● Of the above, 1,100 million yen of short-term loan due in the August 2022 (the 9th Fiscal Period) is assumed to be repaid upon completion of the sale of Renaissance 21 Chihaya. ● LTV ratio is expected to be 36.8% at the end of the February 2022 (the 8th Fiscal Period) and 36.5% at the end of the August 2022 (the 9th Fiscal Period). In addition, the following formula is used to calculate LTV ratio: LTV = Total interest-bearing liabilities ÷ Total assets × 100
Investment unit	<ul style="list-style-type: none"> ● The assumption is the total number of investment units issued and outstanding is based on the number of units issued and outstanding as of the date of this report: 223,400 units. ● It is assumed that there will be no change in the number of investment units due to the issuance of new investment units, etc. until the end of the August 2022 (the 9th Fiscal Priod).
Distribution per unit (Excluding distributions in excess of earnings)	<ul style="list-style-type: none"> ● Distribution per unit (excluding distribution in excess of earnings) is calculated based on the assumption that distribution will be in accordance with the cash distribution policy provided in XYMAX REIT's Articles of Incorporation. ● Distribution per unit (excluding distribution in excess of earnings) may vary due to various factors, such as fluctuation in rent revenue accompanying change in assets under management, change in tenants, etc. or incurrence of unexpected repairs.
Per unit Distribution in excess of earnings per unit	<ul style="list-style-type: none"> ● No cash distribution in excess of earnings (distribution in excess of earnings per unit) is scheduled to be made at this point in time.
Other	<ul style="list-style-type: none"> ● The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations provided by Tokyo Stock Exchange, rules provided by The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. ● The assumption is that there will be no unforeseen material change in general economic trends, real estate market conditions, etc.