



**XYMAX REIT Investment Corporation**

# Presentation Materials

for the 9th Fiscal Period Ended  
August 2022

Securities Code: 3488



## Basic Principles and Characteristics of XYMAX REIT

XYMAX REIT accurately assesses the value of individual properties to maximize unitholder value. We fully utilize our strength in **Management**, **Assessment**, and **Sourcing** based on the knowledge and know-how of the XYMAX Group, which has Japan's No.1 track record in property management.

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Terms	Definition
<b>Estimated value at the end of period</b>	Indicates the acquisition value appraised by the appraisers or the research price based on the Articles of Incorporation of XYMAX REIT and the "Ordinance on Accountings of Investment Corporations" (Ministry of Finance Ordinance No. 47 of 2006, as amended) with the last day of the current fiscal period as the research date
<b>Unrealized gain</b>	Estimated value of real estate, etc. at the end of period – book value at the end of period
<b>LTV based on total assets</b>	Balance of interest-bearing liabilities / total assets
<b>Appraisal LTV</b>	Balance of interest-bearing liabilities / (total assets + unrealized gain)
<b>Net asset per unit</b>	(Net asset - total distribution) / total number of investment units issued and outstanding
<b>NAV per unit</b>	(Net asset + unrealized gain - total distribution) / total number of investment units issued and outstanding
<b>Acquisition price</b>	The sales price of the acquired assets is indicated in each sales agreement and does not include consumption taxes, local taxes, and brokerage fees, etc.

#### Notes

- Unless otherwise specified, amounts are rounded to the nearest unit and ratios are rounded off to the first decimal place.
- The following abbreviations of property names are used.

XYMAX Nishi-Shimbashi Building	: Nishi-Shimbashi	XYMAX Iwamotocho Building	: Iwamotocho
XYMAX Shinjuku-Gyoen Building	: Shinjuku-Gyoen	XYMAX Kamiyacho Building	: Kamiyacho
XYMAX Higashi-Azabu Building	: Higashi-Azabu	XYMAX Higashi-Ueno Building	: Higashi-Ueno
XYMAX Hachioji Building	: Hachioji	XYMAX Mita Building	: Mita
XYMAX Sapporo Odori Building	: Sapporo	XYMAX Kiba koen Building	: Kiba
Muza Kawasaki	: Muza	Life Kawasaki Miyuki Store	: Kawasaki Miyuki
Vita Seiseki-Sakuragaoka	: Seiseki-Sakuragaoka	Life Fukuizumi Store	: Fukuizumi
The Park House Totsuka Front (the Retail Portions of 1st and 2nd Floors)			: Totsuka
Valor Kachigawa Store (Leasehold land)	: Kachigawa		
Hotel Vista Sendai	: Sendai	Renaissance 21 Chihaya	: Chihaya
L-Place Nishikasai	: Nishikasai		

### ■ The 9th FP results exceeded initial forecasts, with both sales and income up from the 8th FP.

- ✓ Expanding portfolio to 18 properties, **43.4 billion yen (based on acquisition price)** through the public offering on March 2022, etc.
- ✓ Operating revenue 1.87 billion yen (up 16.3% from the previous period, up 2.7% from initial forecast)
- ✓ **DPU 4,019 yen** (up 123 yen from the previous period, up 152 yen from initial forecast)

### ■ The steady management of properties has driven both higher revenue and profits




- ✓ Offices: High occupancy rates were maintained through stable management, and both the contract occupancy rate and economic occupancy rate were **99.2%** at the end of 9th FP.
- ✓ Retail properties: Maintained 100% occupancy and secured stable revenue backed by fixed-rent contracts. In spaces where tenant replacement occurred, contracts were concluded with no downtime at +15% rent compared to the previous tenants.
- ✓ Hotel: Reported the highest performance since the COVID-19 pandemic, generating **25 million yen** in variable rent.

### ■ Newly acquired external ratings and ESG-related certification

- ✓ In June 2022, acquired the long-term issuer rating of **A-** from R&I.
- ✓ Acquired a **3 Star** rating and a **Green Star** designation in the GRESB Real Estate Assessment, and Level A for the GRESB Public Disclosure.
- ✓ Three properties recently acquired Environmental Certifications (BELS: 1 property, CASBEE: 2 properties).

Conducted a public offering and acquired three properties (acquisition price: 7.6 billion yen) at the beginning of 9th FP.

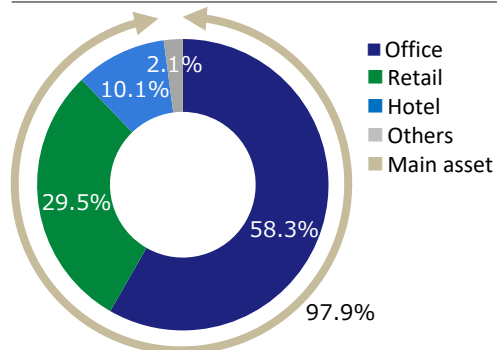
Assets acquired through the public offering

Asset type	Office	Office	Other (Residential)
Property name	XYMAX Sapporo Odori Building	XYMAX Kiba koen Building	L-Place Nishikasai
			
Location	5-10, Odori-nishi, Chuo-ku, Sapporo-shi, Hokkaido	5-11-13, Kiba, Koto-ku, Tokyo	6-3-10, Nishikasai, Edogawa-ku, Tokyo
Acquisition price (million yen)	4,707	2,003	901
Leasable area	3,106.42m <sup>2</sup>	2,587.13m <sup>2</sup>	2,044.18m <sup>2</sup>
Completion	September 2020	October 1992	June 1986

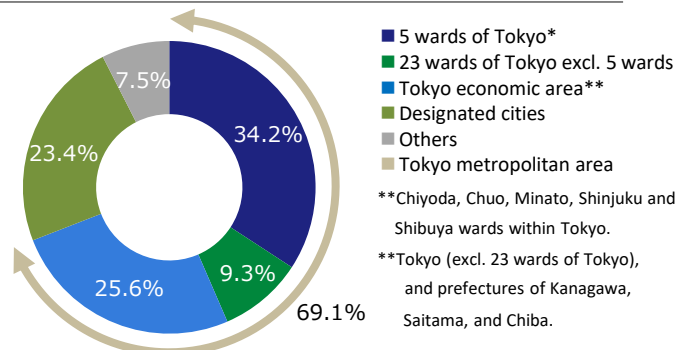
Portfolio Data at the end of 9th FP

\*The breakdown is based on the acquisition price

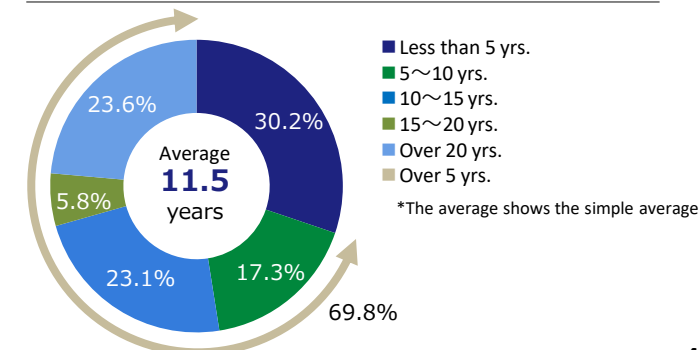
Percentage by asset type



Percentage by geographic area



Percentage by years engaged by XYMAX Group





### Asset

<b>Number of properties</b>	18
<b>Asset size (based on acquisition price)</b>	43.4 billion yen
<b>Appraisal value</b>	54.6 billion yen
<b>Unrealized gains (unrealized gain ratio)</b>	10.4 billion yen (+23.7%)
<b>Profitability (based on acquisition price)</b>	appraisal NOI yield: 5.7% appraisal NOI yield after depreciation: 5.0%
<b>Average building age (weighted average of acquisition price)</b>	19.1 years
<b>Total leasable area</b>	85,317.99 m <sup>2</sup>
<b>Occupancy rate (entire portfolio)</b>	99.7%
<b>Asset type (based on acquisition price)</b>	Office: 58.3% Retail: 29.5% Hotel: 10.1% Others: 2.1%

### Debt

<b>Balance of interest-bearing liabilities</b>	19.9 billion yen
<b>LTV based on total assets</b>	41.0%
<b>Appraisal LTV</b>	33.7%
<b>Average borrowing rate <sup>*1</sup></b>	0.632%
<b>Average remaining period</b>	2 years 5 months
<b>Fixed interest rate ratio</b>	96.5%

### Equity

<b>Aggregate market value</b>	31.4 billion yen
<b>Unitholders' capital</b>	25.4 billion yen (Total number of investment units issued and outstanding: 249,650)
<b>Investment unit price</b>	126,100 yen
<b>Net asset per unit</b>	101,903 yen
<b>NAV per unit</b>	143,867 yen
<b>Distribution per unit</b>	3,120 yen (10th FP forecast)

\*1: Interest rate for floating rate borrowings is calculated based on the JBA 1-month Japanese Yen TIBOR as of August 31, 2022.



**XYMAX REIT Investment Corporation**

# Overview of Financial Results and Earnings Forecasts



# Overview of Financial Results

Operating revenue was 1,874 million yen, up 16.3% and net income was 1,003 million yen, up 15.3% from the previous period, respectively.

Unit: million yen

	the 8th FP (A)	Actual results for the 9th FP (B)	(B) — (A)	Main factors for difference (B)-(A)
Leasing business revenue	1,289	1,523	233	Rent revenue (four new properties* <sup>1</sup> +267/existing properties* <sup>2</sup> +23/property sold* <sup>3</sup> -86)/Hotel rent (variable rent +25)
Other leasing business revenue	102	125	22	Other revenue (four new properties +16/property sold -6), Rise in electricity charges (fuel cost adjustment fees, etc.) (existing properties +11)
Gain on sale of real estate properties	219	226	6	
<b>Operating revenue</b>	<b>1,611</b>	<b>1,874</b>	<b>262</b>	
Expenses related to leasing business (Excluding Depreciation)	348	398	49	Property operating expenses (four new properties +32/properties sold -23), Rise in electricity charges (fuel cost adjustment fees, etc.) (existing properties +14), Repair expenses (existing properties +18)
<b>NOI</b>	<b>1,043</b>	<b>1,250</b>	<b>206</b>	
Depreciation	142	158	16	
<b>Leasing business income</b>	<b>901</b>	<b>1,091</b>	<b>190</b>	
Other operating expenses	173	195	21	Ratings and ESG promotion expenses (+7) Linked compensation in acquisition of four new properties, etc. (+11)
<b>Operating income</b>	<b>946</b>	<b>1,121</b>	<b>175</b>	
Non-operating income	0	0	-0	
Non-operating expenses	75	117	41	Interest and borrowing related expenses on acquisition of four new properties (+37)
<b>Ordinary income</b>	<b>871</b>	<b>1,004</b>	<b>133</b>	
<b>Net income</b>	<b>870</b>	<b>1,003</b>	<b>133</b>	
<b>Distribution per unit (yen)</b>	<b>3,896</b>	<b>4,019*<sup>4</sup></b>	<b>123</b>	<b>Comparison with the distribution forecast released in April 2022 (3,867 yen) +152 yen</b>

Days: 8th FP: 181 days, 9th FP: 184 days, Number of investment units issued and outstanding: 8th FP: 223,400, 9th FP: 249,650

\*1: Four new properties: Kachigawa, Sapporo, Kiba koen, and Nishikasai \*2: The existing properties: Assets owned at the end of the 8th FP excluding Kachigawa and Chihaya \*3: Property sold : Renaissance 21 Chihaya \*4: Includes a distribution in excess of earnings per unit of 12 yen related to the allowance for temporary differences adjustments.

## Overview of Financial Results and Earnings Forecasts

# Earnings Forecast for the 10th FP ending February 2023

Unit: million yen

	the 9th FP (A)	the 10th FP forecast (B)	Difference (B) — (A)	Main factors for difference (B)-(A)
Leasing business revenue	1,523	1,492	-31	Hotel rent revenue (fixed rent +3/variable rent -22)
Other leasing business revenue	125	143	17	Increase in electricity charges invoiced to tenants (+13)
Gain on sale of real estate properties	226	-	-226	Property sold (-226)
<b>Operating revenue</b>	<b>1,874</b>	<b>1,635</b>	<b>-239</b>	
Expenses related to leasing business (Excluding Depreciation)	398	429	31	Increase in electricity charges due to contract replacements (+13) Property operating expenses (increase in electricity unit rates and various costs +4)
<b>NOI</b>	<b>1,250</b>	<b>1,205</b>	<b>-44</b>	
Depreciation	158	159	0	
<b>Leasing business income</b>	<b>1,091</b>	<b>1,046</b>	<b>-45</b>	
Other operating expenses	195	157	-37	Disposition fees (-33)
<b>Operating income</b>	<b>1,121</b>	<b>888</b>	<b>-233</b>	
Non-operating income	0	0	-0	
Non-operating expenses	117	108	-9	Interest and borrowing-related expenses on refinance (-10)
<b>Ordinary income</b>	<b>1,004</b>	<b>779</b>	<b>-224</b>	
<b>Net income</b>	<b>1,003</b>	<b>778</b>	<b>-224</b>	
<b>Distribution per unit (yen)</b>	<b>4,019</b>	<b>3,120</b>	<b>-899</b>	<b>Comparison with the distribution forecast released in April 2022 (3,091 yen) +29 yen</b>



## Overview of Financial Results and Earnings Forecasts

# Earnings Forecast for the 11th FP ending August 2023

Unit: million yen

	the 10th FP forecast (A)	the 11th FP forecast (B)	Difference (B)-(A)	Main factors for difference (B)-(A)
Leasing business revenue	1,492	1,498	6	Hotel rent revenue (variable rent +9)
Other leasing business revenue	143	147	4	Increase in electricity charges invoiced to tenants (+11)
Gain on sale of real estate properties	-	-	-	
<b>Operating revenue</b>	<b>1,635</b>	<b>1,646</b>	<b>11</b>	
Expenses related to leasing business (Excluding Depreciation)	429	462	33	Increase in electricity charges due to contract replacements (+13) Tax and public dues (four new properties +17)
<b>NOI</b>	<b>1,205</b>	<b>1,183</b>	<b>-21</b>	
Depreciation	159	165	5	
<b>Leasing business income</b>	<b>1,046</b>	<b>1,018</b>	<b>-27</b>	
Other operating expenses	157	165	7	Unitholder General Meetings expenses (+5)
<b>Operating income</b>	<b>888</b>	<b>852</b>	<b>-35</b>	
Non-operating income	0	0	-	
Non-operating expenses	108	88	-19	Loan-related expenses stripped out and interest increased due to refinancing (-19)
<b>Ordinary income</b>	<b>779</b>	<b>764</b>	<b>-15</b>	
<b>Net income</b>	<b>778</b>	<b>763</b>	<b>-15</b>	
<b>Distribution per unit (yen)</b>	<b>3,120</b>	<b>3,058</b>	<b>-62</b>	



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# Investment Status and Growth Strategy



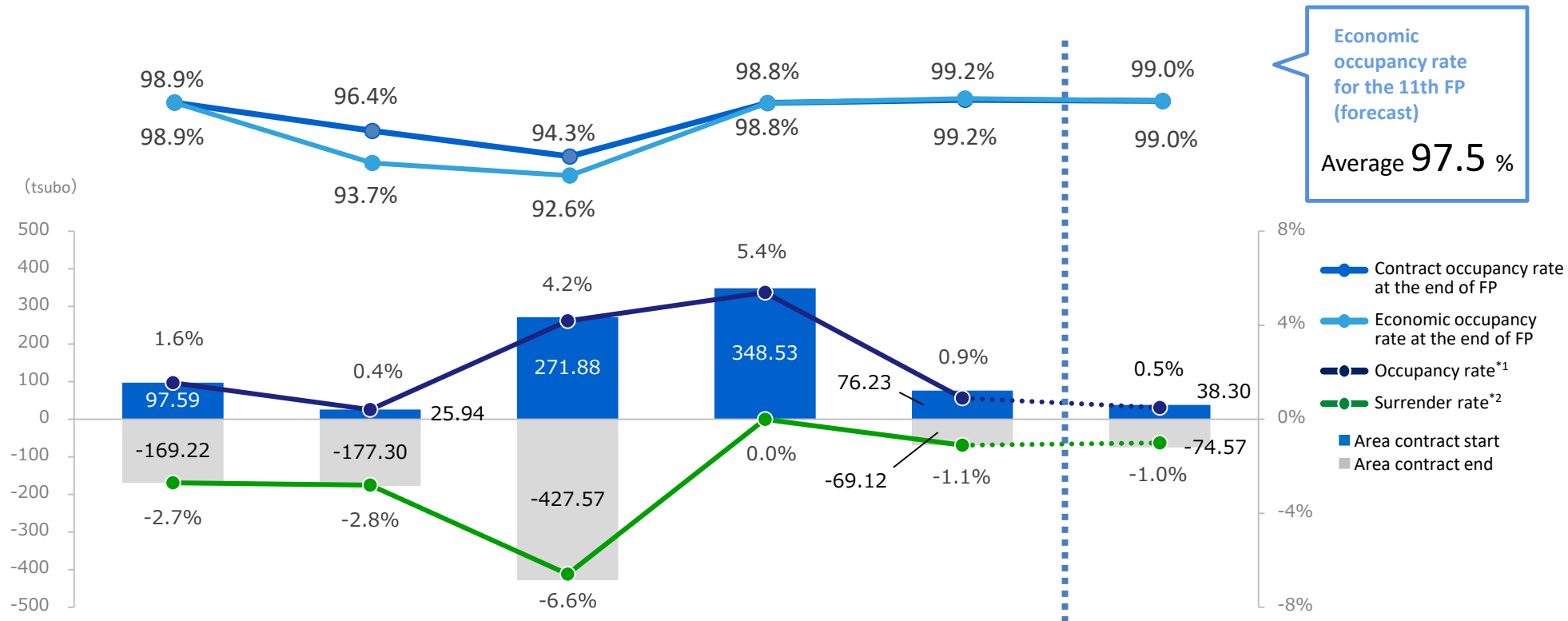
# Status of Office Tenant –Occupancy Rate & Tenant Replacements –

Despite the continued downtrend in the office leasing market, sponsor group’s operational capability have enabled it to maintain high occupancy rates

## Status of occupancy rate & tenant replacements |

Target area for the 9th FP: 8,212.46 tsubo

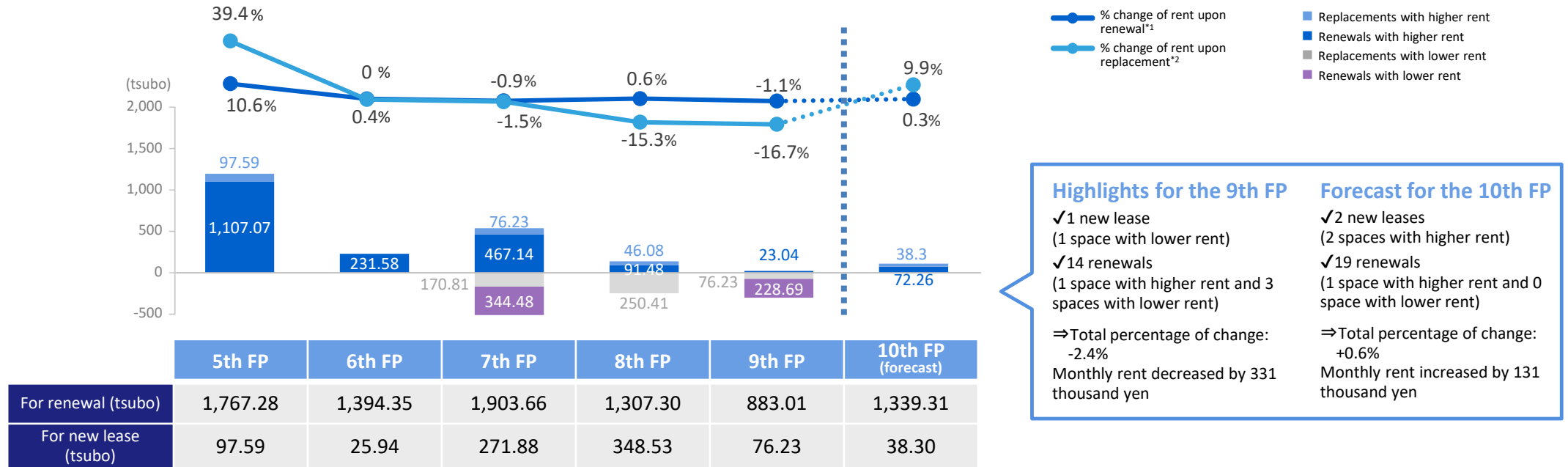
• Office properties (exc. obligated residences)



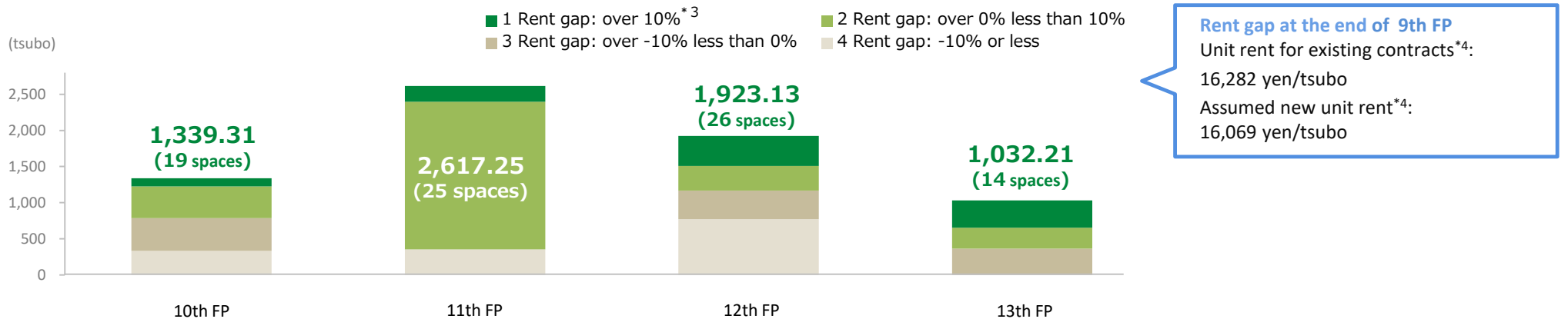
Economic occupancy rate for the 11th FP (forecast)  
Average **97.5 %**

\*1 Occupancy rate: area contract start ÷ Total leasable area  
 \*2 Surrender rate: area contract end ÷ Total leasable area  
 \*3 Area for which the lease contract term has not started as of the end of each FP

**Status of tenant replacement and contract renewal** • Office properties (exc. obligated residences)



**Floor area scheduled for contract renewal** • Office properties (exc. obligated residences)



\*1: % change of rent upon renewal: (rent that includes CAM revenue after renewal – rent that includes CAM revenue before renewal) ÷ rent that includes CAM revenue before renewal

\*2: % change of rent upon replacement: (rent that includes CAM revenue after tenant replacement – rent that includes CAM revenue before tenant replacement) ÷ rent that includes CAM revenue before tenant replacement

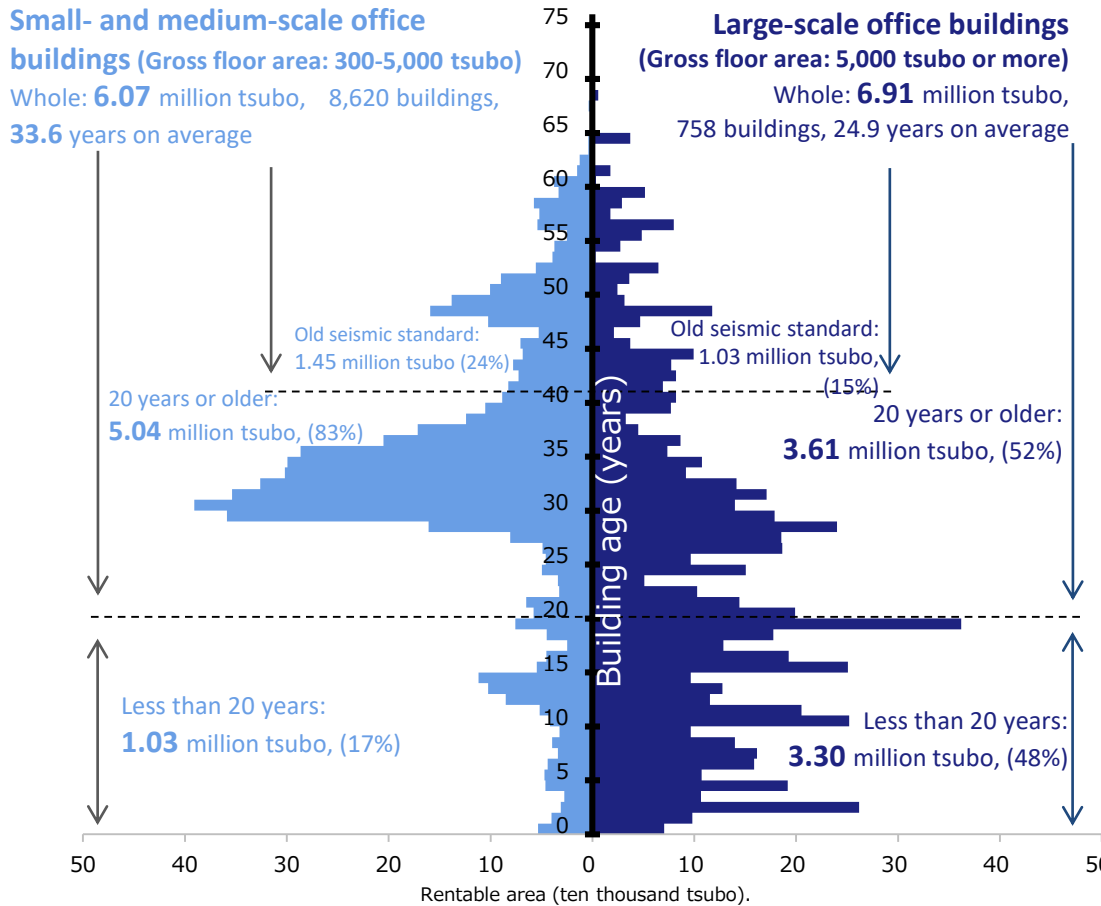
\*3: Rent gap (contractual unit rent – assumed new unit rent) ÷ assumed new unit rent

\*4: The various unit rents: using a monthly unit rent that includes CAM revenue.

The existing stock of small and medium-sized office buildings in the 23 wards of Tokyo is limited, and the supply volume of new small and medium-sized offices is also limited.

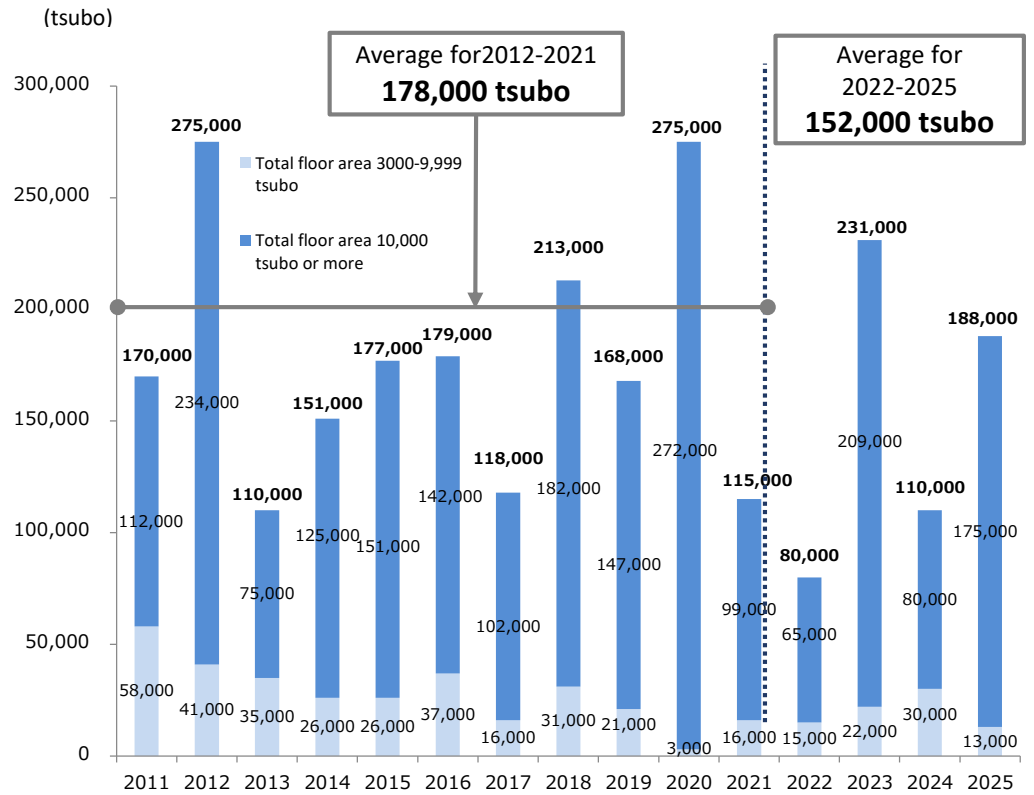
Office Stock Pyramid 2022 covering the 23 wards (net rentable area)

23 Wards of Tokyo: **12.98** million tsubo, 9,378 buildings, average building age: **32.9** years



Source: Survey Report by XYMAX Real Estate Institute Corp. "[23 Wards of Tokyo] Office Stock Pyramid 2022"

Volume of new offices in Tokyo's 23 wards in 2022 (net rental area)



- ✓ Small and medium-sized office buildings are concentrated in the existing stock of buildings that are 30 years or older.
  - ✓ Volume of the supply of new small and medium-sized offices is limited.
  - ⇒ The average building age of the 10 office properties held by XYMAX REIT Investment Corporation **22.05** years\*
- \*The weighted average of the building age of the 10 office properties calculated using total floorspace.



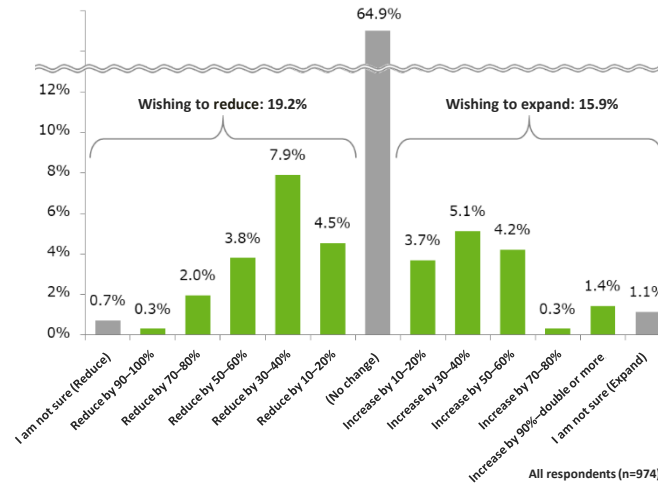
## Current workplace trends

### Survey on **Workstyles x Offices** by XYMAX Real Estate Institute

- ✓ Relationship between the number of people per office and floorspace
- ✓ Targeted office floorspace by type of employee and by industry
- ✓ Sense of values regarding the location of the workplace
- ✓ Requirements for properties where the main office will be located, etc.

Diversification of workplaces triggered by the COVID-19 pandemic heightened the awareness of companies' office strategies (the review of locations and workstyles), but this situation remains fluid, and we will need to continue gathering information.

### Distribution of percentages wishing to change current office floorspace



### Special Website: Workstyles x Offices



## Advantages of XYMAX REIT

### Knowledge and know-how of XYMAX Group

- Capturing trends on “how real estate, having various uses and locations is used” through the real estate management business
- Capturing trends of corporate office strategies through the ZXY business
- Researches and studies on real estate by XYMAX REAL ESTATE INSTITUTE Corporation

Real Estate Management Business  
(property management and building management)

ZXY business  
ZXY Totsuka

XYMAX REAL ESTATE INSTITUTE Corporation

### Entrusted Office Properties

Number of offices entrusted 601 buildings

Gross floor area 1,590,000 tsubo



# Current Status of Hotel Vista Sendai

Operating performance has recovered even further since April 2022, when movement restrictions were alleviated.

## Lease conditions and variable rent

- From the 10th FP, the calculation method for variable rent will change. Although variable rent in the 10th FP will decrease compared with the 9th FP, it is expected to gradually increase from the 11th FP.

	Fixed rent	Variable rent
8th FP, 9th FP	20 million yen/month	$(\text{GOP for the current month} - 21 \text{ million yen}) \times \alpha\%^*$
10th FP or after	20.5 million yen/month	$(\text{GOP for the past 1 year}/12 - 21.5 \text{ million yen}) \times \alpha\%^*$

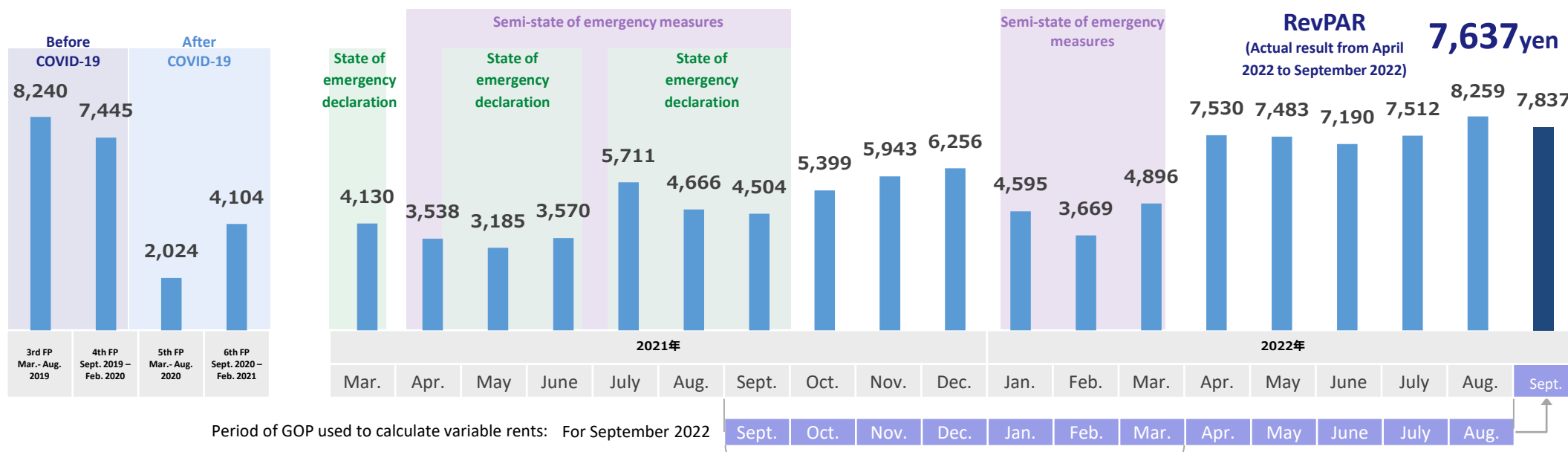
\* 0 yen, If the results of the calculation are negative

- For the year covering the 10th FP and 11th FP, variable rent has been estimated assuming approx. 10% decrease in sales and approx. 3% increase in expenses compared with 2019 (pre-COVID-19).

9th FP result **25.0 million yen**      10th FP forecast **2.3 million yen**      11th FP forecast **12.0 million yen**

(Reference) Actual variable rents    3rd FP: 43.9 million yen, 4th FP: 41.2 million yen

## Trends of RevPAR (yen)

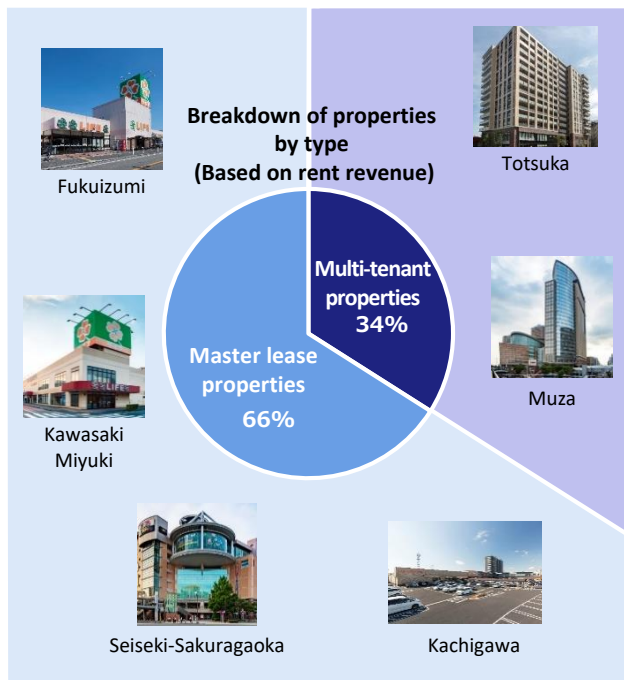


Impacted by operating results prior to the real recovery

The impact of COVID-19 has been minimal, and we have been enjoying stable rent revenue based on fixed-rent contracts.

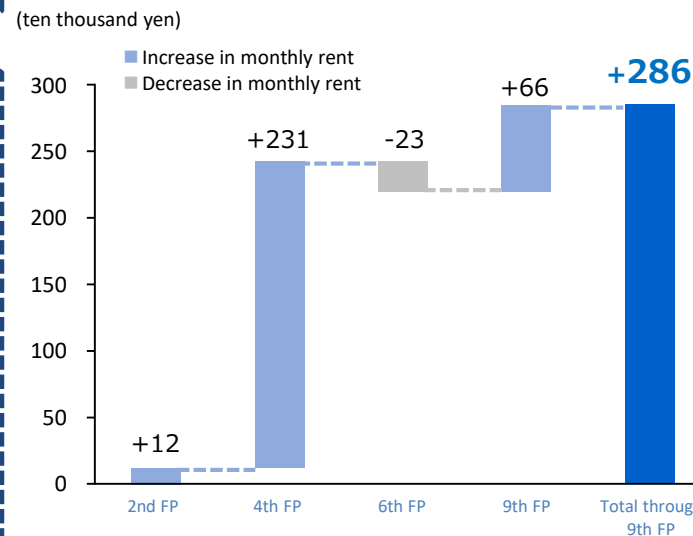
- All retail properties owned by XYMAX REIT are located in the suburbs of large metropolitan areas, where robust business conditions are expected for tenants.
- Most of the tenants leasing the master lease properties are daily use type of business with steady sales.
- Multi-tenant retail properties achieved internal growth by utilizing expertise and know-how of the XYMAX Group.
- Tenant replacements (2 spaces) were realized with no downtime at +15% rent of the previous tenants, which occurred in the 9th FP.
- In conjunction with changes in how retail facilities are used, we intend to maintain and improve asset value in leasing by considering a wide array of industries beyond the existing industries.

Properties of XYMAX REIT



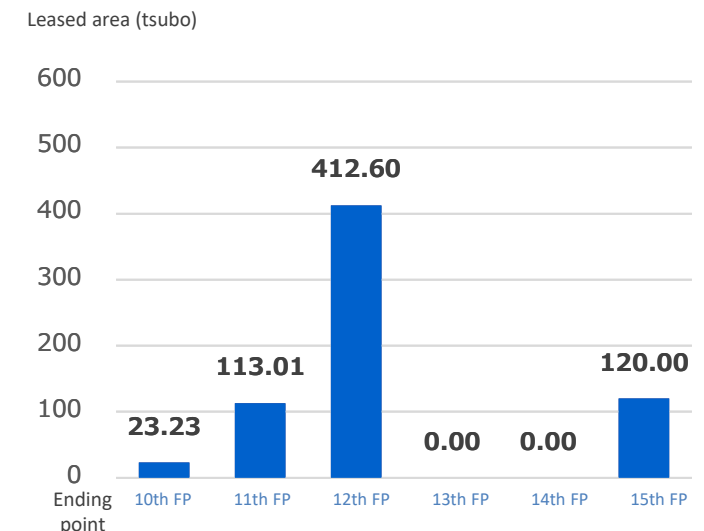
Status of multi-tenant retail properties

■ Internal growth driven by replacement and rent revision:  
**Monthly rent: +2.86 million yen**



■ Termination date of lease term (based on contracted leased area)

**Average remaining lease period: 6.3 years**  
 (\*Total leased floor area: 1,381.03 tsubo)



# External Growth – Continue to implement measures for external growth–

XYMAX REIT will continue to focus on asset type and consider acquisition of properties in accordance with the portfolio strategy. We will continue our **sourcing activities to determine the fundamental value of the target properties**, with an awareness of the balance between DPU growth and financial soundness.

## Acquisition policy

- We intend to build new property pipelines by selecting prime properties from the rich property information gained from the sponsor network and carefully examining them at the Asset Management Company.

	7th FP	8th FP	9th FP
Number of pieces of information acquired from sponsor group	807	767	765
Number of properties under consideration by XYMAX REIT	20	28	26

## LTV

At the end of 9th FP

LTV based on total assets: 41.0%, Appraisal LTV 33.7%

LTV level vs. total assets	Possible loan amount	Appraisal LTV
45%	Approx. 3.5 billion yen	37.5%
50%	Approx. 8.7 billion yen	42.3%

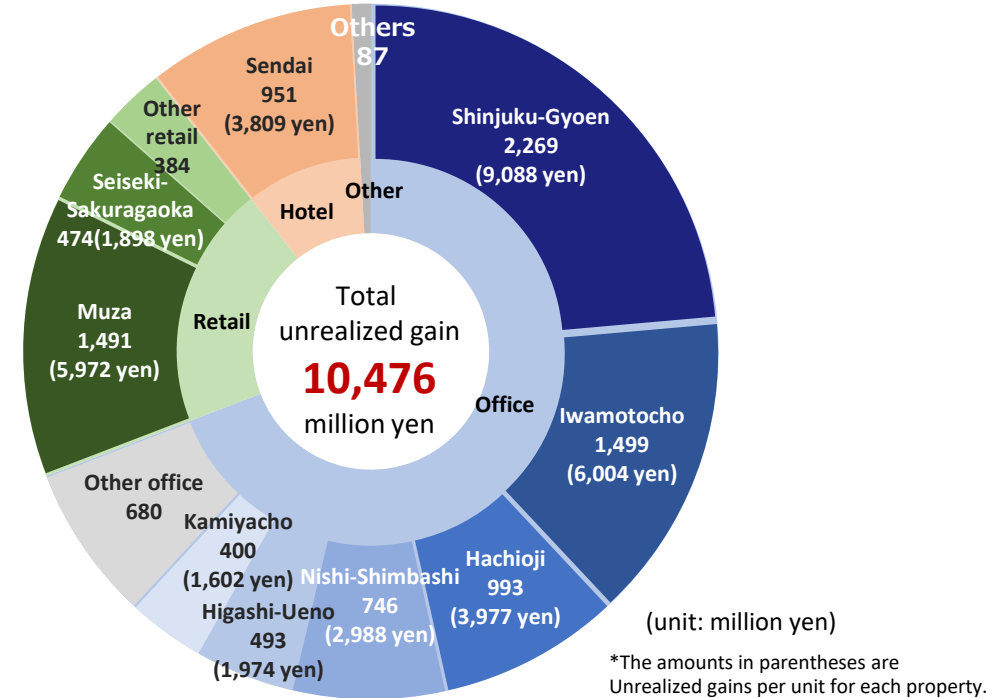
## Properties under consideration

Location	Asset type	Source	Focused point
8 central wards of Tokyo	Office (planned)	CRE client of the XYMAX Group	Reconstruction needs of CRE clients Offices located in favorable locations near train and subway stations, where high demand is expected from tenants
Core regional city	Retail properties (planned)	CRE client of the XYMAX Group	A retail development project in a location that is highly desired by CRE clients for opening stores Tenants are expected to include daily necessities selling tenants with strong sales
Core regional city	Hotel (specialized in stay)	Private fund managed by the XYMAX Group	Located in a regional economic hub and also with a high level of tourism resources, there is solid demand for accommodation

## Unrealized gain by property owned by XYMAX REIT

At the end of 9th FP

- As for the return of unrealized gain on properties, which is one of the XYMAX REIT characteristics, XYMAX REIT will consider the return by asset replacements, etc. as one of the asset strategies.



# Financial Status at the end of 9th FP

XYMAX REIT establishes a financial base that puts emphasis on stability and soundness in financing, mainly composed of megabanks and regional banks, etc., that have financial business relationships with the sponsor group. We have also acquired the issuer rating of A- from R&I in the 9th FP.

## Credit ratings

On June 27, 2022, we obtained an issuer rating from R&I

Rating

# A<sup>-</sup>

More reference  
(Japanese version only)

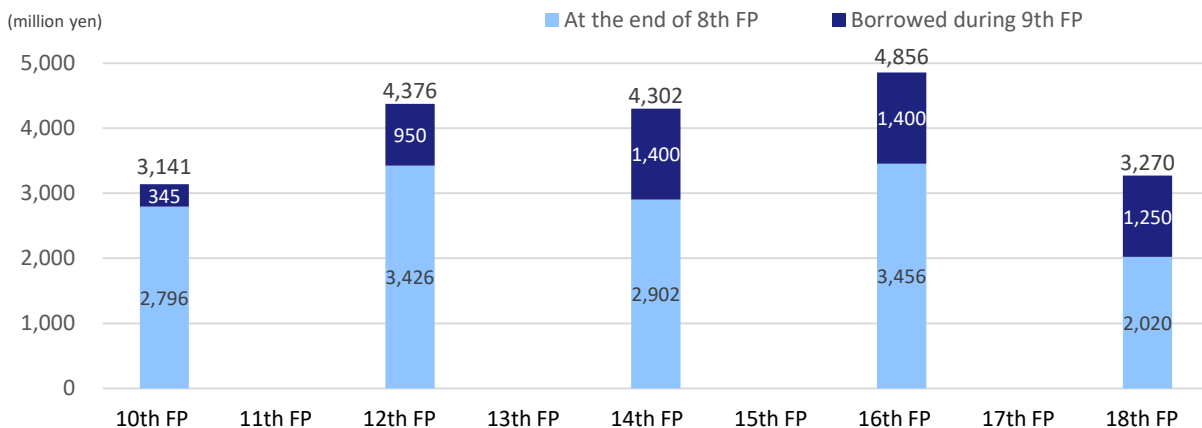
Rating Outlooks

## Stable

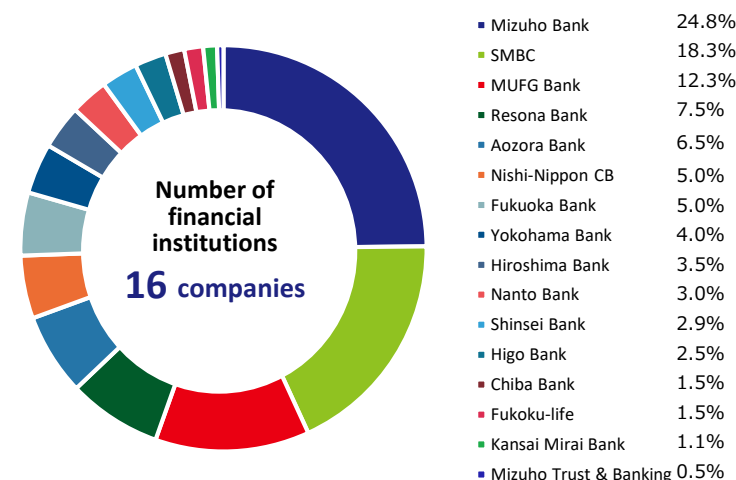
## Borrowing status

Balance of interest-bearing debts	19.94 billion yen	Fixed interest rate ratio	96.5%
Average remaining period	2 years 5 months	Long-term loan ratio	98.3%
Average interest rate	0.632%	LTV based on total assets	41.0%

## Maturity ladder



## Lender formation





We will pursue further improvement in unitholder value through realizing timely external growth, in addition to the continued internal growth since listing.

## Current status

### Advantage and characteristics

Asset management using our “three strengths”

- Assessment: Estimating the targeted real estate’s potential
- Management: Maximizing the targeted real estate’s potential
- Sourcing: Exclusive transactions utilizing the customer base of the sponsor group

### Financial and ESG

- External rating: A- (R&I)
- Financial soundness of 33.7% appraisal LTV
- GRESB 3 Star, 52.5% environmental certification acquisition rate (based on total floor area)

## Future growth drivers

### Internal growth

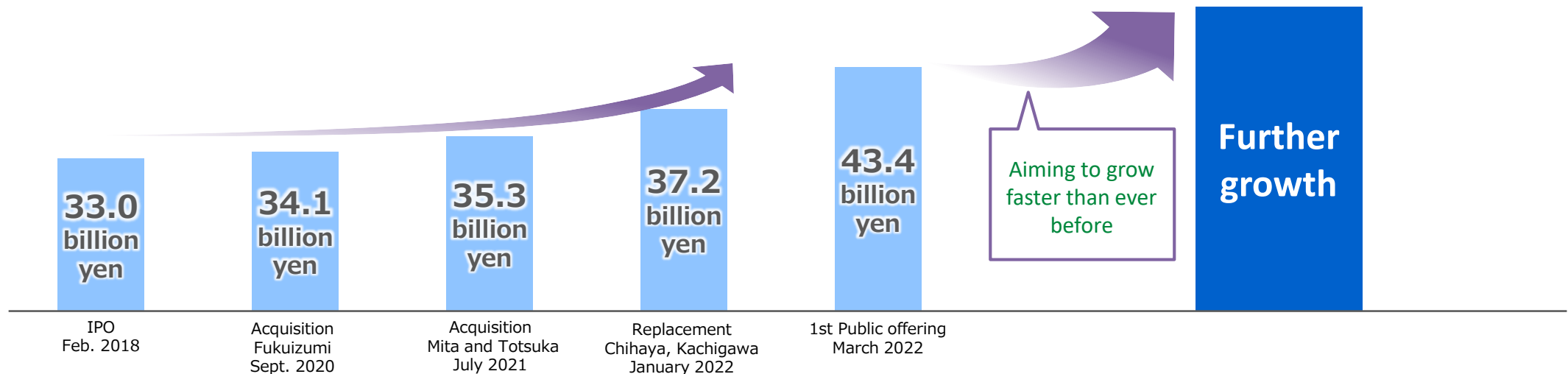
- Offices/retail properties: Maintain occupancy rates and secure stable revenue through cost management
- Hotels: Raise variable rent in conjunction with the recovery of sales

### External growth

- Improve the pipeline using our strengths in sourcing
- Continue to consider the return of unrealized gain through property sales and asset replacement
- Stabilize management by increasing the scale of our assets

### Financial and ESG

- Diversify financing methods, such as investment corporation bonds and ESG financing
- Improve disclosures and deepen ESG activities through the identification of key issues





**XYMAX REIT Investment Corporation**

# ESG



### Participated in the GRESB Assessment for the first time

Participated for the first time in the GRESB Assessment, yearly benchmarks for environmental, social, and governance (ESG) performance in the real estate sector from FY2022.

**Real estate assessment: 3 Star and Green Star**

**Public disclosure: A Level**



### Acquisition of Environmental Certification

Acquired environmental certification for three properties during the 9th FP

#### CASBEE – Real estate



Assessment Rank

**Rank S**  
(Excellent)



XYMAX Kiba koen Building



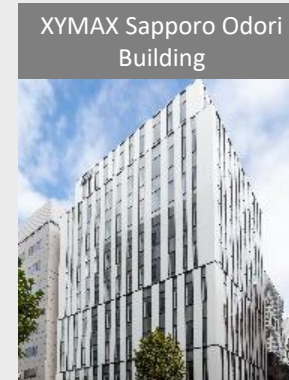
Life Kawasaki Miyuki Store

#### BELS



Assessment Rank

**4 Star**



XYMAX Sapporo Odori Building

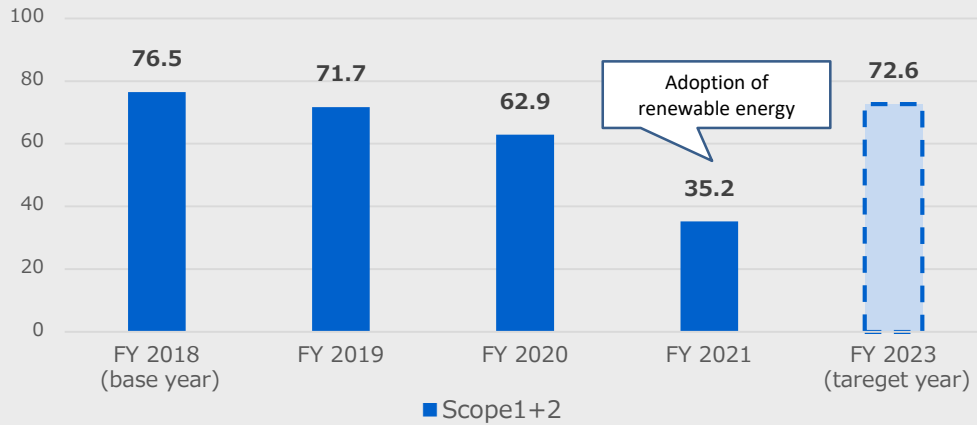
#### Acquisition status

(At the end of 9th FP)

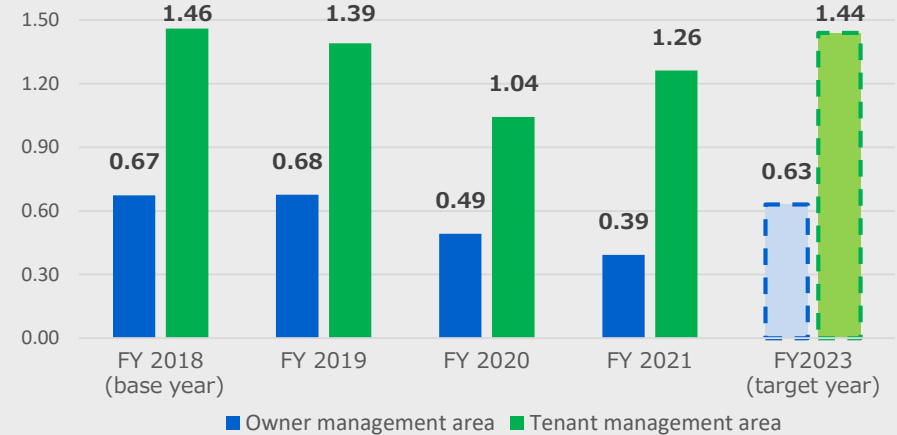
Number of Acquisition of Environmental Certification	<b>10 properties</b>
Acquisition rate (based on total floor area)	<b>52.5 %</b>

## Results of environmental initiatives

### GHG emissions intensity (kg-CO2/m<sup>2</sup>)



### Water use intensity (m<sup>3</sup>/ m<sup>2</sup>)



## Initiatives for Reducing Environmental Burden

### Improvement of environmental performance through building/equipment renovation

- Major facility renovation in the 9th FP

- Nishi-Shimbashi** Renewal for air conditioning system in common area → **approx. 55% Reduction** in energy consumption
- Shinjuku-Gyoen** Renewal for air conditioning system in exclusive space (1 floor) → **approx. 57% Reduction** in energy consumption
- Iwamotocho** LED replacement in exclusive spaces (4 floors) → **approx. 52% Reduction** in energy consumption
- Shinjuku-Gyoen** Renewal of men's urinals (1 floor) → **approx. 73% Reduction** in energy consumption



### Adoption of electricity generated from 100% renewable energy sources

- Switching to 100% renewable energy sources completed at eight office properties

Targeted electricity consumption

**1.77 million kWh**  
(based on the 9th FP)

### Future initiatives

- Promote environmental load reduction work for air conditioning renewal and replacement to LED
- Introduce more environmentally friendly models when updating equipment
- Aiming to improve the environmental performance of properties through a collaborative effort with tenants, XYMAX REIT is promoting green leases and updating equipment

## Initiatives for a Sustainable Society

### Signing of Principles for Financial Action for the 21st Century by Ministry of the Environment

- XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation, Asset Management Company of XYMAX REIT, has endorsed the ideas of the Principles and became a signatory on December 27, 2013.



## Initiatives for Tenants and Local Communities

### Resilience measures for disasters, etc.

- Introduction of emergency storage boxes



- Introduced disaster-relief vending machines

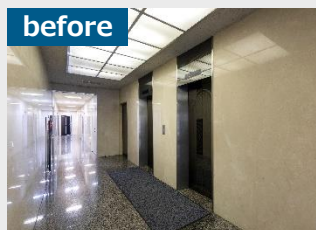


### Operation to prevent the spread of COVID-19

- Replacing conventional toilet faucets with automatic faucets
- Thoroughly implementing COVID-19 countermeasures among the management and cleaning staff (wearing face masks, washing hands, disinfecting, gargling, etc.)
- Introducing alcohol-based disinfectants (common area)
- Introducing foot pedal alcohol stands

### Initiatives to improve tenant satisfaction

- Implementation of renewal work in common areas (Kiba)



- Introduction of digital signage in common area





## Initiatives of Asset Management Company

### Qualification support system

- Asset Management Company introduced a system to provide incentives for employees who acquire certain qualifications.
- Status of qualification (incl. those unregistered) by employees of Asset Management Company (as of October 1, 2022)
  - Licensed Real Estate Broker 22
  - ARES Certified Master 8
  - Certified Building Administrator 6

### Flextime system and diversification of working places

- Asset Management Company introduced a flextime system to support a more flexible workstyle in line with the degree of activity.
- With the option of working at the head office and working at home, we are able to balance both business continuity and infection control.

### Respect for diversity

- More than half of our executives and employees are female, and female employees are succeeding in a wide range of fields, regardless of being in the front, middle, or back office.

	Number of executives and employees (excluding dispatched employees)				Maternity or child care leave
	Male	Female	(Percentage of female)	Total	
April 2020	13	23	63.9%	36	1
April 2021	15	19	55.9%	34	1
October 2022	15	18	54.5%	33	0

## ESG initiatives at Sponsor Group

- Support for corporate workstyle reforms by offering satellite office services through such services provided by ZXY
- Contribution to the environment and the local communities through real estate management services
- Nurturing real estate business personnel through Karakusa Fudosanjuku (real estate business seminar ) at Sponsor Group
- Activities in organizations such as Japan Facility Management Association (JFMA) and Japan Sustainable Building Consortium
- Contributing to ARES Real Estate Securitization Journal
- Serving as lecturer of ARES Real Estate Securitization Master training course
- Promoting diversification of working places and hours
- Granting of scholarships to Yangon Technological University students
- Accepting technical trainees from overseas
- Supporting for the development of young athletes

### Decision-making Flow at Asset Management Company

- XYMAX REIT adopts a decision-making flow via committees in which external committee members participate in matters that significantly impact unitholders' interests with the intention of protecting unitholders' interests.
- At the REIT Compliance Committee and REIT Investment Committee, the attendance and approval of compliance officers and external committee members are requirements for resolutions. Accordingly, a governance system has been established to prevent arbitrary management by the Asset Management Company.

### Asset management fee system

Fees for a fiscal period

Total asset-linked Fee	Total assets × 0.2% per annum
NOI linked Fee	NOI × 4.0% per annum

Acquisition and disposition fees

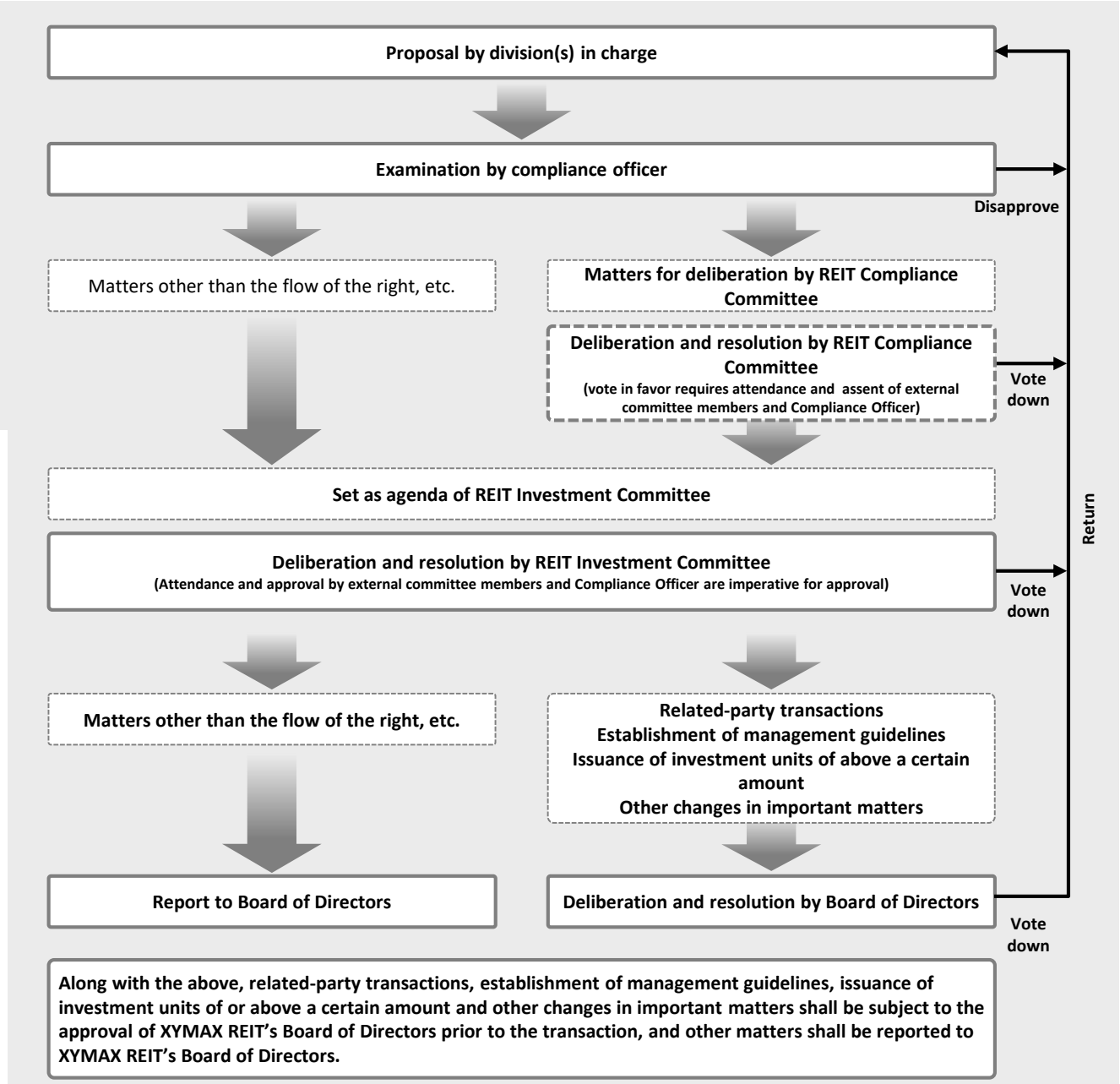
Acquisition Fee	Acquisition price × 1.0%*1
Disposition Fee	Gain on dispositions at the end of each period (after deduction of loss on dispositions) × 15.0%*2

\*1 0.5%, in the case of acquisition from interested parties

\*2 0 yen, if the gains on disposition amount is negative

### Investment Ratio in XYMAX REIT by Sponsor

**5.0%** (at the end of 9th FP)





**XYMAX REIT Investment Corporation**

# APPENDIX



XYMAX REIT realize the full potential of owned properties and maximize the unitholders' value through relevant portfolio management utilizing expertise and know-how accumulated in and by the XYMAX Group, the sponsor.

## Characteristics of XYMAX Group

### ■ Japan's prominent real estate management record

- ✓ Real estate management record: **1,070** buildings/Gross floor area Approx. **5.80** million tsubo (as of July 31, 2022)
- ✓ Entrustment records by J-REIT investment corporation other than XYMAX REIT: **27** companies/**190** properties (as of July 31, 2022)
- ✓ Human resources: **2,299** people engaged in real estate management, **56** people in leasing, and **64** people in CRE related business (as of October 1, 2022)

### ■ Real estate management utilizing accumulated various data & development of new businesses applying expertise and know-how

- ✓ Data of Real Estate Management: Contracted rent data **40,807** buildings/**134,677** cases (accumulated total as of March 31, 2022), Asking rent data **58,619** buildings (accumulated total as of March 31, 2022)/**19,239** cases (as of March 31, 2022), Construction work data **163,895** cases (accumulated total as of February 28, 2022)
- ✓ Membership satellite office business **ZXY** and expanding own hotel brand, **karaksa hotels**.

### ■ Track record in real estate sales and brokerage utilizing huge customer base

- ✓ Relationship with real estate owners: approximately **370** companies (as of July 31, 2022)
- ✓ Track record in property sales and brokerage: **374** buildings, approximately **588.8** billion yen (accumulated total from April 1, 2010 to March 31, 2022)



## Utilizing XYMAX Group's expertise and know-how as "3 Strength"



Assessment



Management



Sourcing

# The source of power to maximize unitholder value; XYMAX REIT's "3 strengths"

XYMAX REIT will maximize unitholder value by utilizing the three real estate management strengths of its sponsor, the XYMAX Group.

## "3 strengths" of XYMAX REIT



### Assessment

- Through combining our knowledge gained through real estate management experience throughout Japan and an analysis of a huge amount of unique real estate data held by the sponsor group, we will **accurately determine the market positioning of a target property**, upon estimating the appropriate level of rent and management costs for such property.



### Management

- Through daily unfettered discussion, we will perform management which directly utilizes various expertise of the sponsor group as well as input from the frontline. With close communication with the frontline enabling quick decisions, we will **maximize property potentials, together with ensuring opportunities for internal growth**.



### Sourcing

- Utilizing the sponsor group's direct communication with real estate owners, we will **seize property acquisition opportunities in exclusive transactions for sure**.
- Utilizing the real estate buying and selling needs of the customer base of the CRE service provided by the sponsor group, we will **create property acquisition opportunities in exclusive transactions**.



## Balance Sheet and Statement of Income

(Unit: thousand yen)

Balance Sheet	8th fiscal period (As of Feb. 28, 2022)	9th fiscal period (As of Aug. 31, 2022)
<b>Assets</b>		
Current assets	3,367,159	4,309,869
Cash and bank deposits	1,219,048	1,540,074
Cash and bank deposits in trust	2,080,797	2,523,504
Operating accounts receivable	19,412	37,046
Prepaid expenses	41,776	46,125
Consumption taxes refund receivable	-	162,235
Other	6,124	882
Non-current assets	37,882,156	44,337,396
Property, plant and equipment	37,746,444	44,189,725
Buildings	304,181	303,653
Structures	1,768	1,733
Machinery and equipment	10,389	10,187
Tools, furniture and fixtures	18,151	14,947
Land	229,752	230,346
Buildings in trust	8,357,255	9,888,545
Structures in trust	58,118	53,393
Machinery and equipment in trust	-	0
Tools, furniture and fixtures in trust	-	-
Land in trust	28,745,430	33,661,874
Construction in progress in trust	-	33
Investments and other assets	135,711	147,670
Long-term prepaid expenses	54,098	56,133
Deferred tax assets	13	15
Lease and guarantee deposits	22,600	22,600
Other	58,999	68,921
Deferred assets	-	22,494
Investment unit issuance costs	-	22,494
<b>Liabilities</b>		
Current liabilities	4,544,914	3,690,587
Operating accounts payable	90,854	139,620
Short-term loans payable	1,100,000	345,000
Current portion of long-term borrowings	2,796,000	2,796,000
Accounts payable - other	209,246	155,651
Income taxes payable	876	922
Accrued consumption taxes	142,898	-
Advances received	202,992	247,938
Other	2,045	5,454
Non-current liabilities	13,248,202	18,538,775
Long-term loans payable	11,804,000	16,804,000
Tenant leasehold and security deposits	33,349	33,349
Tenant leasehold and security deposits in trust	1,410,853	1,698,290
Derivatives liabilities	-	3,135
<b>Total liabilities</b>	<b>17,793,116</b>	<b>22,229,363</b>
<b>Net assets</b>		
Unitholders' equity	23,456,198	26,443,532
Unitholders' capital	22,585,746	25,440,013
Surplus	870,452	1,003,518
Valuation and translation adjustments	-	-3,135
Deferred gains or losses on hedges	-	-3,135
<b>Total net assets</b>	<b>23,456,198</b>	<b>26,440,396</b>
<b>Total liabilities and net assets</b>	<b>41,249,315</b>	<b>48,669,759</b>

(Unit: thousand yen)

Statement of Income	8th fiscal period (As of Feb. 28, 2022)	9th fiscal period (As of Aug. 31, 2022)
Operating revenue	1,611,865	1,874,817
Leasing business revenue	1,289,778	1,523,202
Other leasing business revenue	102,432	125,327
Gain on sale of real estate property	219,655	226,287
Operating expenses	664,965	752,828
Expenses related to leasing business	490,977	557,144
Asset management fees	113,258	125,416
Asset custody fees	1,056	1,108
Administrative service fees	11,437	12,549
Directors' compensations	2,400	2,400
Other operating expenses	45,834	54,210
Operating income	946,900	1,121,988
Non-operating income	136	129
Interest income	14	20
Interest on refund	65	-
Gain on forfeiture of unclaimed distributions	56	108
Non-operating expenses	75,797	117,761
Interest expenses	42,791	63,457
Borrowing related expenses	33,006	49,879
Amortization of investment unit issuance costs	-	4,425
Ordinary income	871,239	1,004,355
Income before income taxes	871,239	1,004,355
Total income taxes	879	923
Income taxes - current	878	925
Income taxes - deferred	0	-2
Net income	870,360	1,003,432
Retained earnings brought forward	92	86
Unappropriated retained earnings (undisposed loss)	870,452	1,003,518

## Portfolio List (1)

Asset no.	OF-01	OF-02	OF-03	OF-04	OF-05	OF-06
Asset type	Office	Office	Office	Office	Office	Office
Property name	XYMAX Nishi-Shimbashi Building	XYMAX Iwamotocho Building	XYMAX Shinjuku-Gyoen Building	XYMAX Kamiyacho Building	XYMAX Higashi-Azabu Building	XYMAX Higashi-Ueno Building
						
Location	Minato-ku, Tokyo	Chiyoda-ku, Tokyo	Shinjuku-ku, Tokyo	Minato-ku, Tokyo	Minato-ku, Tokyo	Taito-ku, Tokyo
Access	3 minutes on foot from Uchisaiwaicho Station on the Toei Subway Mita Line 6 minutes on foot from Shimbashi Station on the JR Tokyo Metro Ginza Line , and other	3 minutes on foot from Iwamoto-cho Station on the Toei Subway Shinjuku Line	2 minutes on foot from Shinjuku Gyoenmae Station on the Tokyo Metro Marunouchi Line	1 minute on foot from Kamiyacho Station on the Tokyo Metro Hibiya Line	5 minutes on foot from Akabanebashi Station on the Toei Subway Oedo Line 7 minutes on foot from Kamiyacho Station on the Tokyo Metro Hibiya Line	3 minutes on foot from Naka-Okachimachi Station Tokyo Metro Hibiya Line 4 minutes on foot from JR Okachimachi Station, and other
Acquisition price (million yen)	2,500	4,250	5,020	880	1,550	1,150
Land area	402.53㎡	864.83㎡	839.09㎡	228.83㎡	365.05㎡	368.84㎡
Total floor area	2,517.50㎡	6,261.06㎡	6,084.32㎡	1,356.51㎡	2,570.13㎡	1,942.54㎡
Leasable area	1,897.92㎡	4,152.40㎡	4,792.21㎡	1,205.27㎡	2,015.99㎡	1,735.29㎡
Completion	2000	2001	2001	1991	1999	1999
Structure/Number of Floors	Reinforced concrete structure with flat roof 9F	Steel-framed reinforced concrete structure with flat roof B1F/9F	Steel-construction / Reinforced concrete structure with flat roof B1F/9F	Steel-construction with flat roof 8F	Steel-framed reinforced concrete structure with flat roof B1F/9F	Steel-framed reinforced concrete structure with flat roof 8F
Number of tenant (As of the end of 9th FP)	8	14	6	7	6	8
Occupancy rate (As of the end of 9th FP)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Portfolio List (2)

Asset no.	OF-07	OF-08	OF-09	OF-10	RT-01	RT-02
Asset type	Office	Office	Office	Office	Retail	Retail
Property name	XYMAX Hachioji Building	XYMAX Mita Building	XYMAX Sapporo Odori Building	XYMAX Kiba koen Building	Muza Kawasaki	Life Kawasaki Miyuki Store
						
Location	Hachioji-shi, Tokyo	Minato-ku, Tokyo	Sapporo-shi, Hokkaido	Koto-ku, Tokyo	Kawasaki-shi, Kanagawa	Kawasaki-shi, Kanagawa
Access	4 minutes on foot from Keio Hachioji Station on the Keio Electric Railway Keio Line 5 minutes on foot from JR Hachioji Station	5 minutes on foot from Mita Station on the Toei Subway Mita Line, and other 7 minutes on foot from JR Tamachi Station	1 minute on foot from Odori Station on the Sapporo City Subway, Namboku Line, Tozai Line, and Touhou Line	1 minute on foot from Kiba Station on the Tokyo Metro Tozai Line	JR Kawasaki Station Directly Connected	15 minutes on foot from JR Kashimada Station and Yako Station
Acquisition price (million yen)	2,600	668	4,707	2,003	4,100	790
Land area	1,220.58㎡	137.02㎡	499.24㎡	851.46㎡	10,669.34㎡ *1	1,879.15㎡
Total floor area	7,404.81㎡	799.78㎡	4,270.89㎡	2,995.81㎡	108,955.90㎡ *1	2,596.80㎡
Leasable area	5,556.05㎡	741.41㎡	3,106.42㎡	2,587.13㎡	3,703.88㎡	2,677.54㎡
Completion	1993	1991	2020	1992	2003	1997
Structure/Number of Floors	Steel-framed reinforced concrete/ Steel-construction with flat roof B1F/9F	Steel-construction with flat roof 10F	Steel-construction with flat roof B1F/10F	Reinforced concrete structure with flat roof 6F	Steel-framed/Steel-framed reinforced concrete structure with flat roof/stainless steel plate roofing B2F/27F	Steel-construction with flat roof 2F
Number of tenant (As of the end of 9th FP)	23	7	6	5	19	1
Occupancy rate (As of the end of 9th FP)	100.0%	69.2%	100.0%	100.0%	100.0%	100.0%

\*1: Both land area and total floor area above represent land area and total floor area of one building, respectively.

## Portfolio List (3)

Asset no.	RT-03	RT-04	RT-05	RT-06	HT-01	OT-02
Asset type	Retail	Retail	Retail	Retail	Hotel	Other (Residential)
Property name	Vita Seiseki-Sakuragaoka	Life Fukuizumi Store	The Park House Totsuka Front (the Retail Portions of 1 <sup>st</sup> and 2 <sup>nd</sup> Floors)	Valor Kachigawa Store (Leasehold land)	Hotel Vista Sendai	L-Place Nishikasai
						
Location	Tama-shi, Tokyo	Sakai-shi, Osaka	Yokohama-shi, Kanagawa	Kasugai-shi, Aichi	Sendai-shi, Miyagi	Edogawa-ku, Tokyo
Access	Keio Electric Railway Keio Line Seiseki Sakuragaoka Station Directly Connected	12 minutes on foot from Otori Station on the JR Hanwa Line	3 minutes on foot from JR and Yokohama shiei Subway Blue Line Totsuka Station	7 minutes on foot from Kachigawa Station on the JR Chuo Main Line	4 minutes on foot from JR Sendai Station 1 minute on foot from Miyagino Dori Station on the Sendai City Subway Tozai Line	5 minutes on foot from Nishikasai Station on the Tokyo Metro Tozai Line
Acquisition price (million yen)	3,100	1,065	540	3,245	4,400	901
Land area	9,003.26m <sup>2</sup> *1	6,225.21m <sup>2</sup>	1,595.49m <sup>2</sup> *1	20,509.10m <sup>2</sup> *1	1,461.36m <sup>2</sup> *3	854.00m <sup>2</sup>
Total floor area	62,849.56m <sup>2</sup> *1	3,358.26m <sup>2</sup>	12,236.50m <sup>2</sup> *1	-	6,977.47m <sup>2</sup>	2,044.18m <sup>2</sup>
Leasable area	27,610.61m <sup>2</sup>	3,309.29m <sup>2</sup>	861.60m <sup>2</sup>	10,254.55m <sup>2</sup> *2	7,066.25m <sup>2</sup>	2,044.18m <sup>2</sup>
Completion	1999	1996	2018	-	2016	1986
Structure/Number of Floors	Steel-framed reinforced concrete structure/reinforced concrete structure/steel- construction with flat roof B3F/27F	Steel-construction with flat roof 2F	Reinforced concrete structure with flat roof B1F/14F	-	Steel-construction with flat roof 12F	Reinforced concrete structure with flat roof 5F
Number of tenant (As of the end of 9th FP)	1	1	5	1	1	1
Occupancy rate (As of the end of 9th FP)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

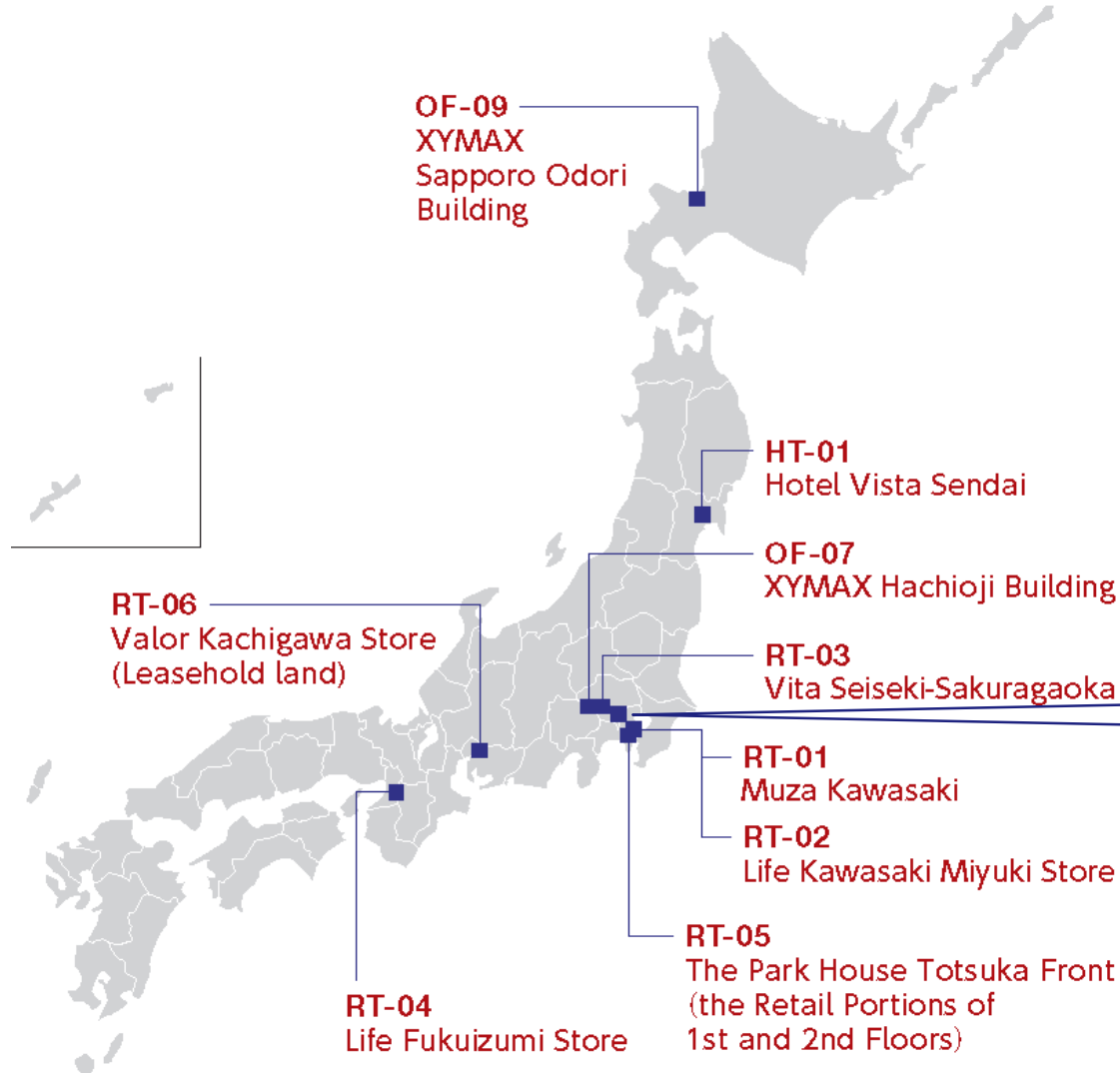
\*1: Both land area and total floor area above represent land area and total floor area of one building, respectively.

\*2: The figures are calculated by multiplying the leased floor area under the lease contract by the quasi co-ownership ratio of the beneficiary rights held by the XYMAX REIT (50%).

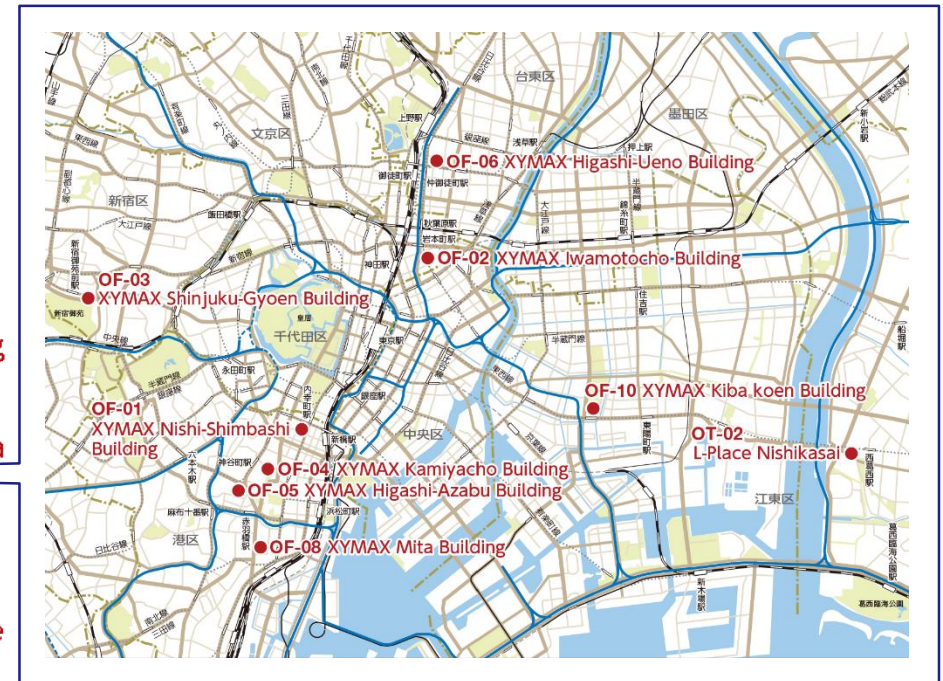
\*3: 1,461.36 m<sup>2</sup> includes surface rights of 524.21 m<sup>2</sup>.



| Country wide area |



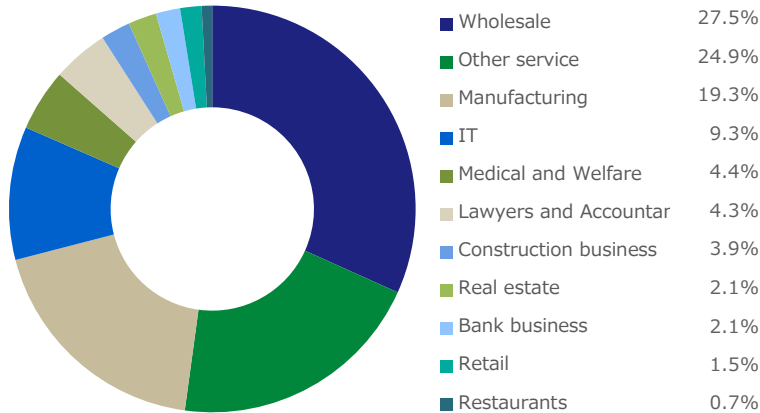
| 23 wards of Tokyo |



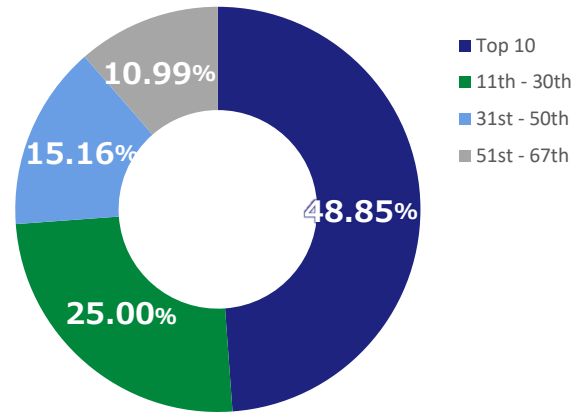


Office tenant diversification <based on rent revenue> (excluding obligated residences) (80 office tenants) | At the end of 9th FP

Based on business type



Leased area based top tenants ratio



**Average tenant lease period of offices owned by XYMAX REIT**

**All tenants:** 10 years, 11 months

**Top ten tenants by leased area:** 12 years, 8 months

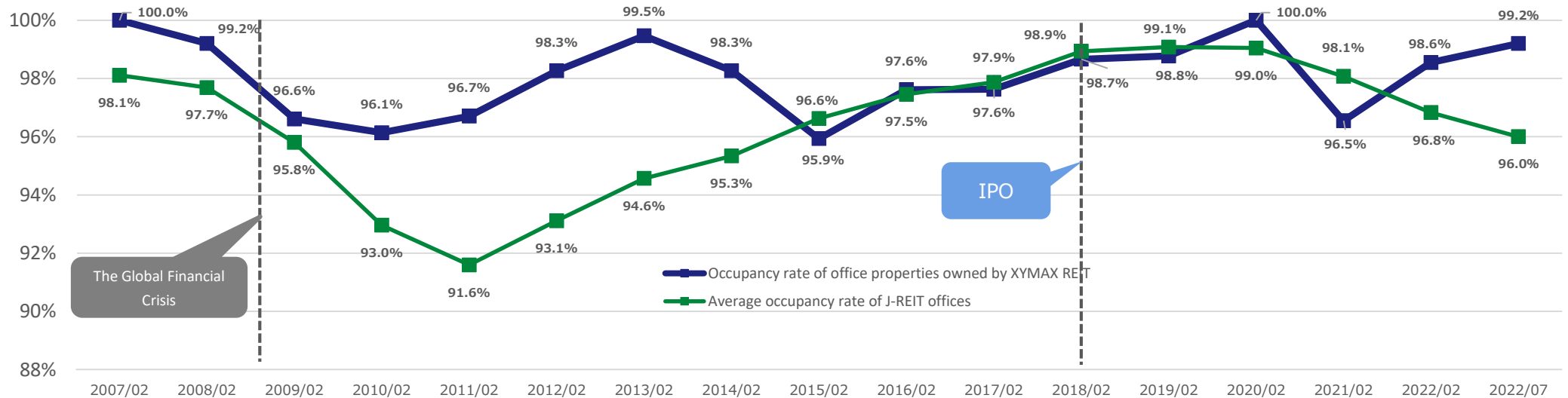
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**Average tenant lease period of office buildings**

**9.6 years\*<sup>1</sup>**

\*1 Source: "Analysis of Lease Periods of Office Tenants in the 23 Wards of Tokyo (2018)" by XYMAX Real Estate Institute

Average Occupancy Rate of office (including obligated residences)



# Operating Income (Loss) from Real Estate Leasing by Asset(1/2)

(Unit: thousand yen)

	Nishi-Shimbashi	Iwamotocho	Shinjuku-Gyoen	Kamiyacho	Higashi-Azabu	Higashi-Ueno	Hachioji	Mita	Sapporo	Kiba
Operating revenue from real estate leasing	84,816	139,164	188,847	45,437	54,159	50,520	131,199	20,831	132,946	60,014
Lease business revenue	76,160	122,126	175,296	38,732	47,516	43,515	114,821	17,317	123,888	52,437
Other lease business revenue	8,655	17,037	13,551	6,705	6,643	7,005	16,377	3,514	9,057	7,576
Operating expenses from real estate leasing (Excluding Depreciation)	21,568	42,044	42,984	15,275	17,026	14,511	45,008	11,162	16,711	13,483
Tax and public dues	7,220	13,722	14,707	4,778	6,646	3,801	8,390	1,345	8	55
Maintenance fees	5,508	9,478	11,660	4,633	5,753	4,361	15,575	2,700	7,671	6,741
Utility expenses	6,303	9,399	10,486	3,241	3,314	4,265	9,032	848	7,633	5,767
Repair expenses	1,961	6,171	4,838	41	604	1,411	9,815	4,405	255	261
Insurance premiums	61	219	210	46	81	59	273	37	303	111
Other expenses related to leasing business	513	3,052	1,080	2,533	625	612	1,921	1,825	840	546
<b>NOI</b>	63,247	97,119	145,862	30,162	37,132	36,008	86,190	9,669	116,235	46,531
Depreciation	2,885	16,956	12,197	1,457	6,002	3,293	11,362	1,203	22,710	5,099
Operating income (loss) from real estate leasing	60,361	80,163	133,664	28,705	31,130	32,715	74,828	8,466	93,524	41,431

## Operating Income (Loss) from Real Estate Leasing by Asset (2/2)

(Unit: thousand yen)

	Muza	Kawasaki Miyuki	Seiseki-Sakuragaoka	Fukuizumi	Totsuka	Kachigawa	Sendai	Nishikasai	Total*
<b>Operating revenue from real estate leasing</b>	177,129	undisclosed	undisclosed	undisclosed	26,476	undisclosed	undisclosed	undisclosed	<b>1,648,530</b>
Lease business revenue	155,294	undisclosed	undisclosed	undisclosed	23,214	undisclosed	undisclosed	undisclosed	<b>1,523,202</b>
Other lease business revenue	21,835	undisclosed	undisclosed	undisclosed	3,261	undisclosed	undisclosed	undisclosed	<b>125,327</b>
<b>Operating expenses from real estate leasing(Excluding Depreciation)</b>	45,482	undisclosed	undisclosed	undisclosed	9,977	undisclosed	undisclosed	undisclosed	<b>398,257</b>
Tax and public dues	10,873	undisclosed	undisclosed	undisclosed	1,839	undisclosed	undisclosed	undisclosed	<b>136,136</b>
Maintenance fees	14,952	undisclosed	undisclosed	undisclosed	5,078	undisclosed	undisclosed	undisclosed	<b>107,084</b>
Utility expenses	18,817	undisclosed	undisclosed	undisclosed	2,960	undisclosed	undisclosed	undisclosed	<b>83,115</b>
Repair expenses	120	undisclosed	undisclosed	undisclosed	-	undisclosed	undisclosed	undisclosed	<b>44,748</b>
Insurance premiums	189	undisclosed	undisclosed	undisclosed	52	undisclosed	undisclosed	undisclosed	<b>3,987</b>
Other expenses related to leasing business	528	undisclosed	undisclosed	undisclosed	45	undisclosed	undisclosed	undisclosed	<b>23,184</b>
<b>NOI</b>	131,647	22,577	166,275	22,902	16,499	68,901	122,702	25,007	<b>1,250,272</b>
Depreciation	18,032	1,654	24,529	2,223	3,767	-	21,367	2,450	<b>158,887</b>
<b>Operating income (loss) from real estate leasing</b>	113,615	20,923	141,745	20,679	12,731	68,901	101,334	22,557	<b>1,091,385</b>

\*Portfolio "Total" includes Renaissance Chihaya of which disposition was completed in 9th FP.

## Overview of Appraisal Report

Asset no	Asset name	Acquisition date	Acquisition price (million yen)	Book value as of the end of 9th FY (million yen)	End of 8th FY (February 28, 2022)		End of 9th FY (August 31, 2022)		Change		Appraiser	Unrealized profit or loss <sup>*3</sup> (million yen)
					Appraisal value (million yen)	Capitalization rate based on direct capitalization method (%)	Appraisal value (million yen)	Capitalization rate based on direct capitalization method (%)	Appraisal value <sup>*1</sup> (million yen)	Capitalization rate based on direct capitalization method <sup>*2</sup> (%)		
OF-01	XYMAX Nishi-Shimbashi Building	February 2018	2,500	2,523	3,290	3.5	3,270	3.4	-20	-0.1	The Tanizawa Sōgō Appraisal Co., Ltd.	746
OF-02	XYMAX Iwamotocho Building	February 2018	4,250	4,420	5,930	3.4	5,920	3.3	-10	-0.1	Japan Real Estate Institute	1,499
OF-03	XYMAX Shinjuku-Gyoen Building	February 2018	5,020	5,070	7,600	3.4	7,340	3.3	-260	-0.1	Japan Real Estate Institute	2,269
OF-04	XYMAX Kamiyacho Building	February 2018	880	889	1,270	3.6	1,290	3.5	20	-0.1	The Tanizawa Sōgō Appraisal Co., Ltd.	400
OF-05	XYMAX Higashi-Azabu Building	February 2018	1,550	1,597	1,990	3.8	1,990	3.8	-	-	Daiwa Real Estate Appraisal Co., Ltd.	392
OF-06	XYMAX Higashi-Ueno Building	February 2018	1,150	1,166	1,660	3.9	1,660	3.9	-	-	Daiwa Real Estate Appraisal Co., Ltd.	493
OF-07	XYMAX Hachioji Building	February 2018	2,600	2,656	3,580	4.7	3,650	4.6	70	-0.1	Japan Real Estate Institute	993
OF-08	XYMAX Mita Building	July 2021	668	684	736	3.8	755	3.7	19	-0.1	Japan Real Estate Institute	70
OF-09	XYMAX Sapporo Odori Building	March 2022	4,707	4,755	-	-	4,920	3.9	-	-	Japan Real Estate Institute	164
OF-10	XYMAX Kiba koen Building	March 2022	2,003	2,095	-	-	2,150	4.3	-	-	Japan Real Estate Institute	54
RT-01	Muza Kawasaki	February 2018	4,100	4,048	5,480	4.1	5,540	4.1	60	-	The Tanizawa Sōgō Appraisal Co., Ltd.	1,491
RT-02	Life Kawasaki Miyuki Store	February 2018	790	792	978	4.2	970	4.2	-8	-	Daiwa Real Estate Appraisal Co., Ltd.	177
RT-03	Vita Seiseki-Sakuragaoka	February 2018	3,100	3,425	3,870	5.0	3,900	5.0	30	-	The Tanizawa Sōgō Appraisal Co., Ltd.	474
RT-04	Life Fukuizumi Store	September 2020	1,065	1,077	1,090	4.5	1,090	4.5	-	-	Daiwa Real Estate Appraisal Co., Ltd.	12
RT-05	The Park House Totsuka Front (the Retail Portions of 1st and 2nd Floors)	July 2021	540	545	624	4.5	631	4.5	7	-	The Tanizawa Sōgō Appraisal Co., Ltd.	85
RT-06	Valor Kachigawa Store (Leasehold land)	January 2022	3,245	3,289	3,330	-	3,400	-	70	-	The Tanizawa Sōgō Appraisal Co., Ltd.	110
HT-01	Hotel Vista Sendai	February 2018	4,400	4,218	5,280	4.9	5,170	4.9	-110	-	The Tanizawa Sōgō Appraisal Co., Ltd.	951
OT-02	L-Place Nishikasai	March 2022	901	932	-	-	1,020	4.5	-	-	The Tanizawa Sōgō Appraisal Co., Ltd.	87
<b>Total / Average</b>			<b>43,469</b>	<b>44,189</b>	<b>46,708<sup>*4</sup></b>	<b>-</b>	<b>54,666</b>	<b>-</b>	<b>7,958</b>	<b>-</b>		<b>10,476</b>

\*1: The difference between the estimated value at the end of the 8th FP and the estimated value at the end of the 9th FP is indicated.

\*2: The difference between the direct capitalization rate adopted in the real estate appraisal report for each portfolio asset in the calculation of estimated value at the end of the 8th FP and the direct capitalization rate adopted in the real estate report for each portfolio asset in the calculation of estimated value at the end of the 9th FP is indicated.

\*3: The difference between the estimated value at the end of the 9th FP and the book value at the end of the 9th FP is indicated.

\*4: Renaissance 21 Chihaya, whose transfer was completed in the 9th FP, has been excluded from the assets held at the end of the 8th FP.

# Change in Investment Unit Price

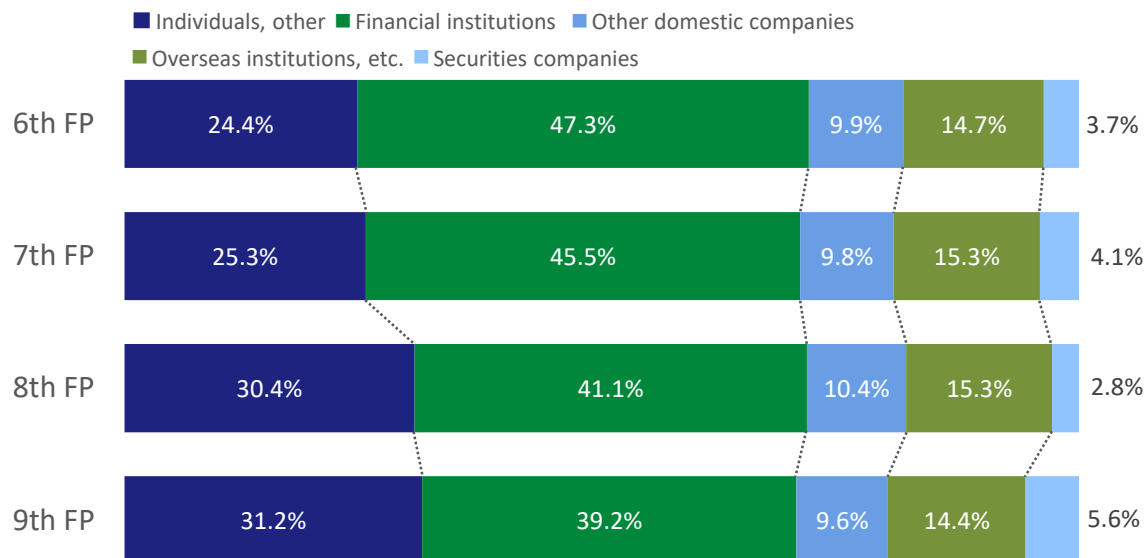
## Change in investment unit price | As of September 30, 2022



\* The starting point of investment unit price is set on April 1, 2020, and the Tokyo Stock Exchange REIT Index is indexed based on the opening price as of April 1, 2020.

# Status of Unitholders

## Share of investment units by owner type



## Number of unitholders by owner type

	6th FP	7th FP	8th FP	9th FP
Individuals, other	6,318	6,604	8,214	9,681
Financial institutions	35	35	33	34
Other domestic companies	121	132	162	184
Overseas institutions, etc.	77	91	110	110
Securities companies	24	24	24	23
<b>Total</b>	<b>6,575</b>	<b>6,886</b>	<b>8,543</b>	<b>10,032</b>

## Major unitholders

(At the end of 9th FP)

Name	Number of investment units (unit)	Ratio* (%)
Custody Bank of Japan, Ltd. (Trust account)	41,926	16.79%
The Master Trust Bank of Japan, Ltd. (Trust account)	28,234	11.30%
XYMAX Corporation	12,500	5.00%
BNP-PARIBAS SECURITIES SERVICES FRANKFURT BRANCH/JASDEC/GERMAN RESIDENTS-AIFM	10,036	4.02%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	9,727	3.89%
SCBHK AC LIECHTENSTEINISCHE LANDESBANK AG	6,641	2.66%
Individual	5,686	2.27%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	4,241	1.69%
JPMorgan Securities Japan Co., Ltd.	3,705	1.48%
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	3,556	1.42%
<b>Total</b>	<b>126,252</b>	<b>50.57%</b>

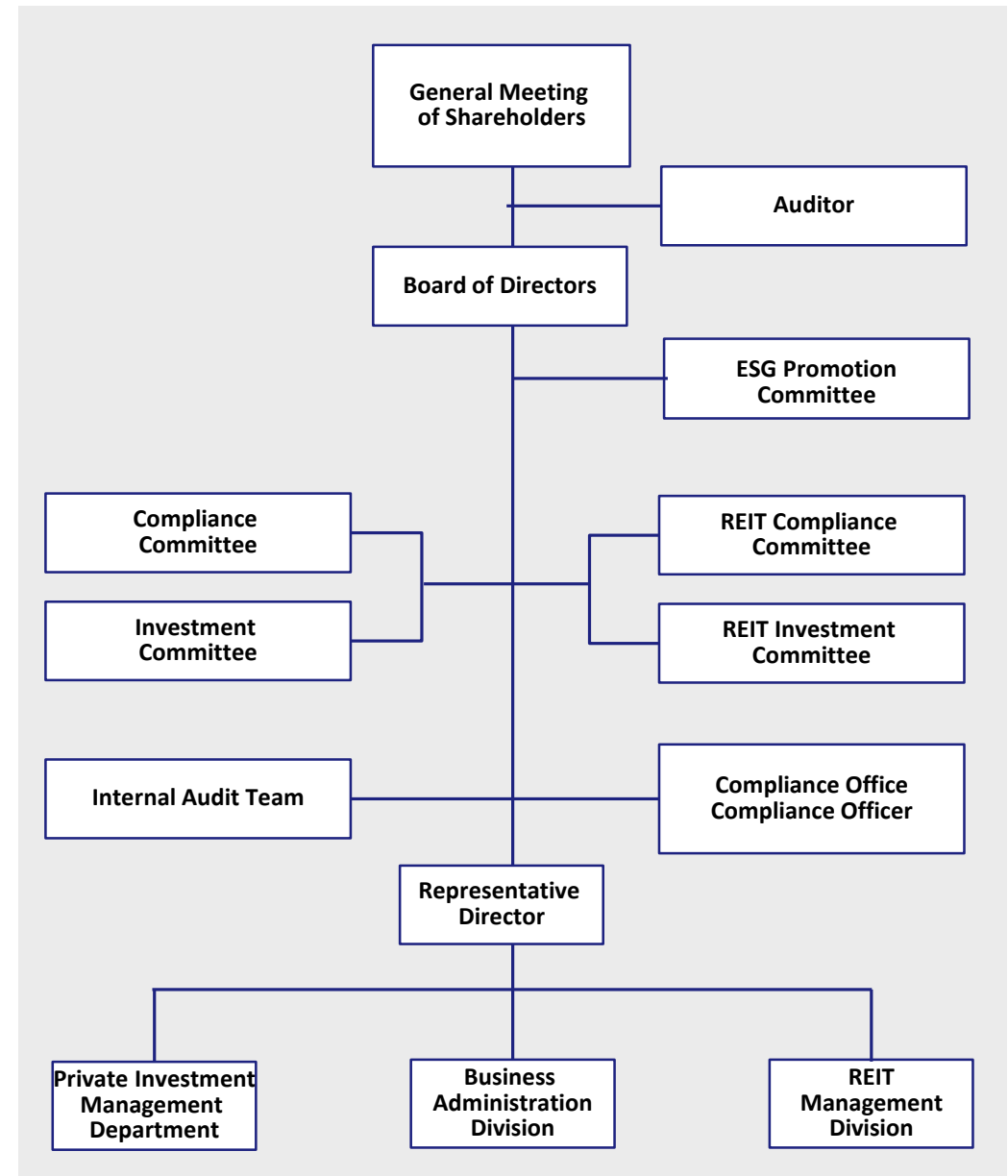
\* The ratio of unitholders is rounded down to the second decimal place.



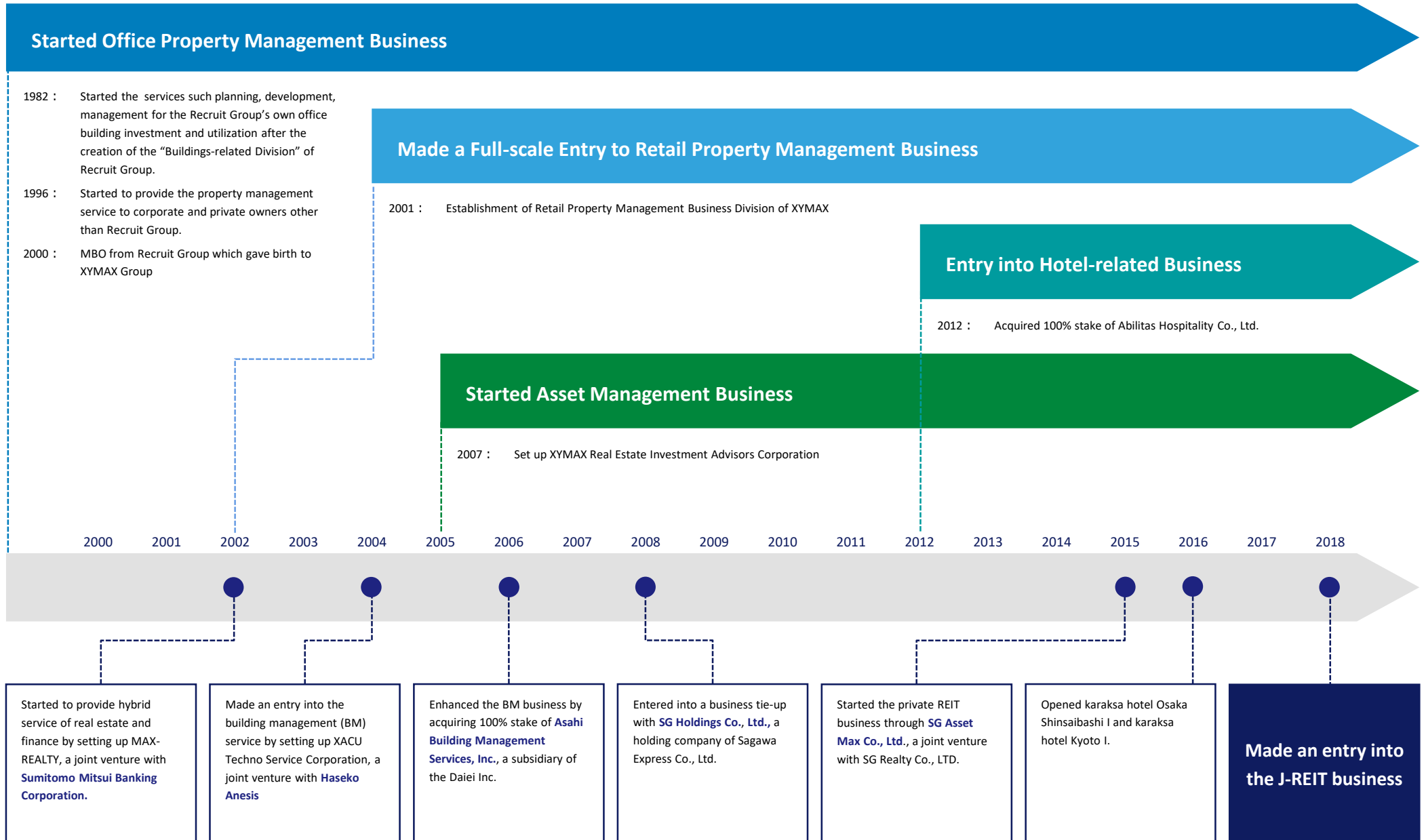
## Overview

Company name	XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation
Location	XYMAX Akasaka 111 Building, 1-1-1 Akasaka, Minato-ku, Tokyo
Establishment	August 6, 2007
Capital	0.2 billion yen
Major shareholders	XYMAX Corporation (100% )
Number of employees	33 (as of October 1, 2022) including directors
Lines of business	(1) Financial instruments business as prescribed in the Financial Instruments and Exchange Act (2) Real estate investment advisory business and discretionary real estate investment business (3) Asset management business for investment corporation
Executives	Shotaro Kanemitsu, Representative Director and President Yasushi Yamaguchi, Director Kazuya Sugimoto, Director Akimitsu Takagi, Auditor
Licenses	Financial instruments business: Director-General of the Kanto Local Finance Bureau Registration (FIBO) No. 1907 (Investment Management Business, Investment Advisory and Agency Business, and Type II Financial Instruments Business) Discretionary transaction agency, etc. business: Minister of Land, Infrastructure, Transport and Tourism Approval No. 118 Real Estate Specified Joint Enterprise: License No. 75 granted by Commissioner of the Financial Services Agency and Minister of Land, Infrastructure, Transport and Tourism (for businesses referred to in items (iii) and (iv)) Real estate investment advisory business: Registration No. Sogo-57 Real estate brokerage business: Governor of Tokyo License (3) No. 88223

## Organization







# Fertile Management Base of the XYMAX Group

The XYMAX Group has been ranked as No. 1 domestic service provider in the PM business in terms of contracting record of real estate management projects for six years in a row since 2010\*.

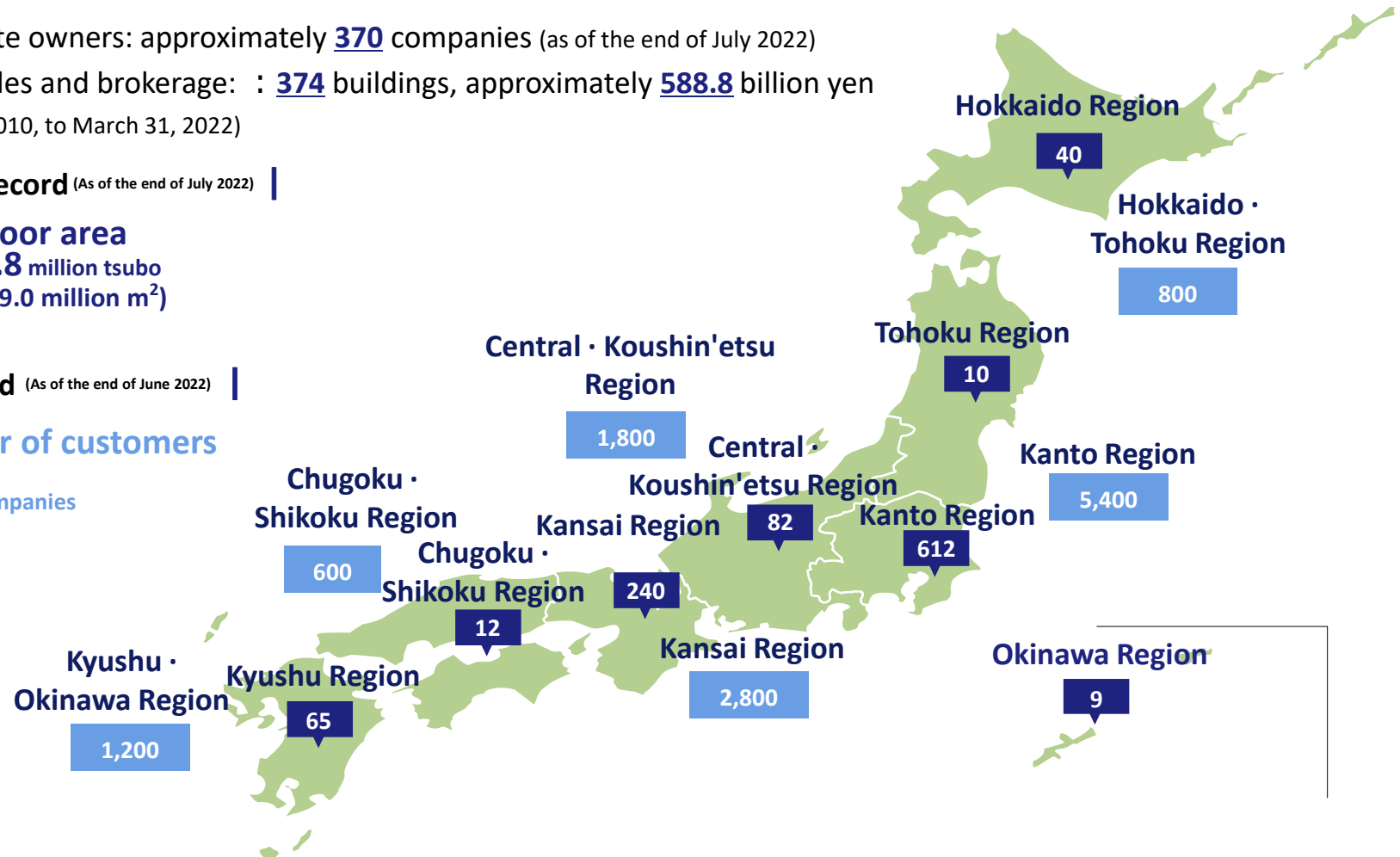
- Human resources: **2,299** people engaged in real estate management, **56** in leasing, and **64** in CRE related business (as of October 1, 2022)
- Relationship with real estate owners: approximately **370** companies (as of the end of July 2022)
- Track record in property sales and brokerage: : **374** buildings, approximately **588.8** billion yen (accumulated total from April 1, 2010, to March 31, 2022)

## Real estate management record (As of the end of July 2022)

Actual number of contracts	<b>Gross floor area</b>
<b>1,070</b> buildings	Approx. <b>5.8</b> million tsubo (Approx. 19.0 million m <sup>2</sup> )

## Facility management record (As of the end of June 2022)

Actual number of contracts	<b>Number of customers</b>
Approx. <b>12,600</b> stores	<b>133</b> companies

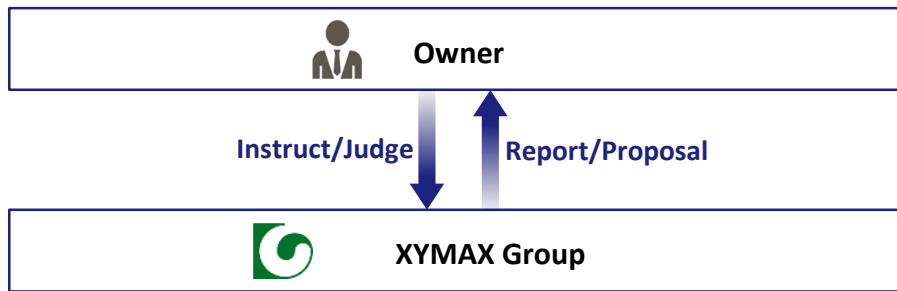


\* According to each November issue of the monthly magazine Property Management from 2010 to 2015, the XYMAX Group was ranked No. 1 in terms of floor area under management for six consecutive years since 2010.

# Property Management

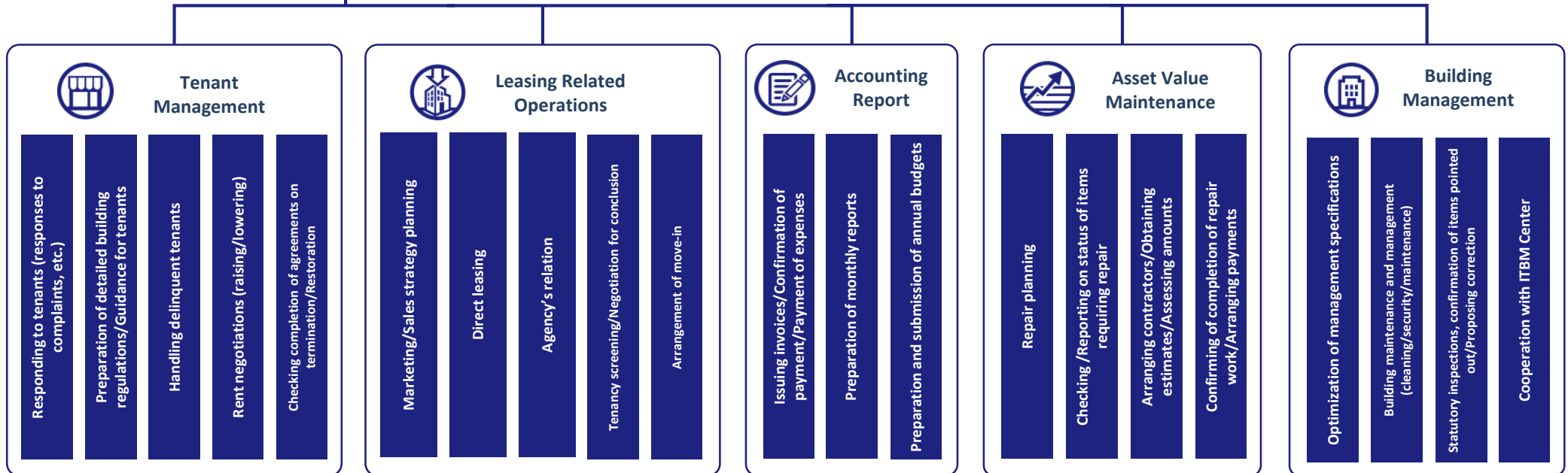
The XYMAX Group provides consistent real estate management and operation services, ranging from Property Management (acting for owners) to Building Maintenance operations. In addition, the XYMAX Group owns all kind of data on real estate management through a track record accumulated over the years.

## Areas of Real Estate Management Operations



## Data Related to Real Estate Management

Contracted rent data	40,807 buildings / 134,677 cases (accumulated total as of March 31, 2022)
Asking rent data	58,619 buildings (accumulated total as of March 31, 2022) 19,239 cases (as of March 31, 2022)
Construction work data	163,895 cases (accumulated total as of February 28, 2022)



The XYMAX Group has built a support system that uses IT to achieve a high-quality building maintenance.

## ITBM CENTER

XYMAX ALPHA introduces information communication technology in building maintenance operations to maintain and provide secure and safe conditions. Creating a more **advanced**, higher **quality**, **safer** and more **secure** building maintenance framework and value. XYMAX ALPHA has introduced an initiative called **ITBM** (Information Technology Building Maintenance) into building management.

### TA (Technical Adviser) Support

#### TAs give backup to all building maintenance sites

While they are stationed at the ITBM Center, TAs use their knowledge, technology, and know-how in building maintenance based on their experiences at various sites to backup all site operations.

### Knowledge Support

#### Desired information can be accessed anytime, anywhere from a dedicated website

Information on managed properties as well as knowledge and information concerning building maintenance operations are aggregated into a database. Information can be accessed anytime, anywhere from devices at all sites.



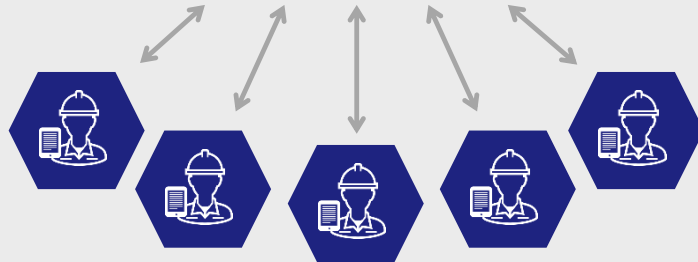
Checking with and giving instructions to the site by the ITBM Center

### Real-Time Information Gathering During of an Emergency or Disaster

In times of fires or natural disasters, information can be shared with the relevant divisions and head office functions on a real-time basis using video from smart devices connected on-site with the ITBM Center. Videos sent from the site can be shown on a large display. The information **can be used for real and accurate status reporting**, as the videos and audio exchanged between the both are recorded automatically.



Video at the time of a fire in a building near a property managed by the Company. The video was linked to the ITBM Center after people in the building were safely evacuated. It was then used in reporting the status to the owner and the head office.

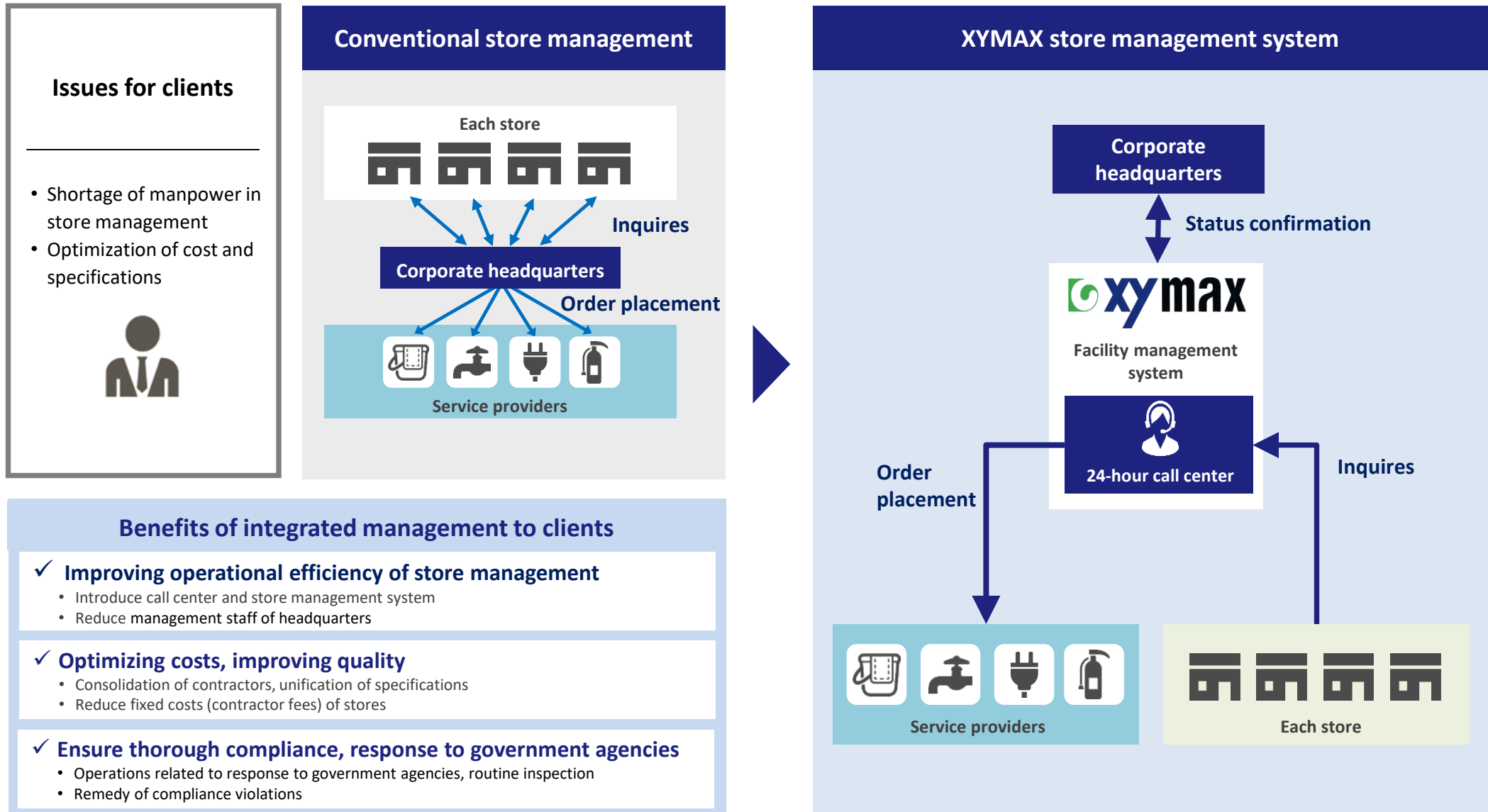


Site facility staff (making the rounds/on-site)





The XYMAX Group conducts integrated management of retail stores of retail chains by providing services that substantially reduce the operational burden on store management.



## Key Points by Asset Type

XYMAX REIT believes that quantity and quality of tenant demand are key factors to assess the profitability of real estate. XYMAX REIT aims for portfolio growth by comprehensively assessing the factors below by asset type.

### Office

Focus on properties with strong attractiveness to tenants

- ✓ Properties located in the **8 central wards of Tokyo, Central Nagoya, Central Osaka and Central Fukuoka**
- ✓ Properties with a unit rent of **10,000** yen to **20,000** yen
- ✓ Properties located within an approximate **5-minute** walk from the nearest station

### Retail

Focus on stability of tenant rent or property price

- ✓ Properties where **revenue of facilities** is available for analysis
- ✓ Properties where **rent burden** on tenants is available for analysis
- ✓ Properties where **sales price is lower** than the market price

### Hotel

Focus on hotels specialized in stay near transportation hubs

- ✓ Hotels **specialized in stay** whose revenue trends can be analyzed based on the operational know-how of the sponsor
- ✓ Properties located in areas offering **excellent access** to transportation hubs
- ✓ Properties located in areas where the **number of overseas visitors is expected to increase**

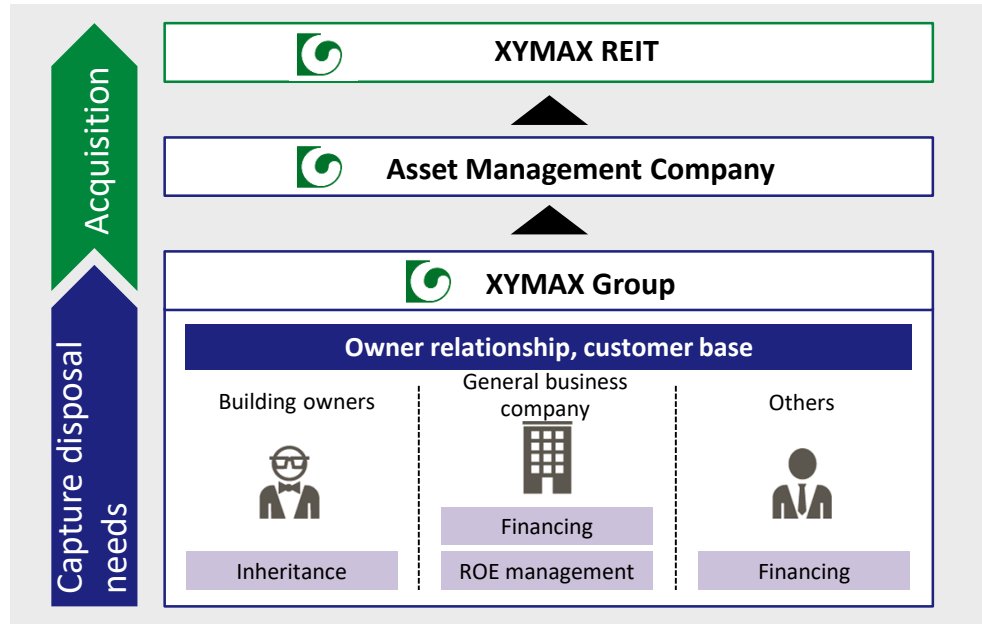


**80% or more** of the portfolio consists of office, retail, and hotel properties

# Original Sourcing Strategy

XYMAX REIT captures the needs for real estate disposal gained from the huge customer base of the XYMAX Group. In addition, XYMAX REIT grasps the trend of real estate owners at an early stage through daily communication, so that opportunities are created for external growth.

## Direct relationship with real estate owners

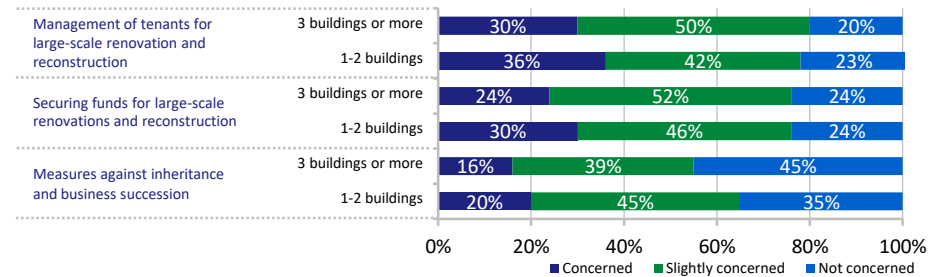


- More than 70% of real estate owners are concerned over about large-scale renovations of owned properties, tenant management, and securing funds for reconstruction  
→ Identifies needs of property disposal arising due to the problem or concern about necessary funds
- Concern for inheritance and business succession tends to increase as real estate owners get older  
→ Identifies needs of property disposal upon business succession and inheritance by building owners

## Realization of external growth

### Survey on building owners' situations by XYMAX Real Estate Institute

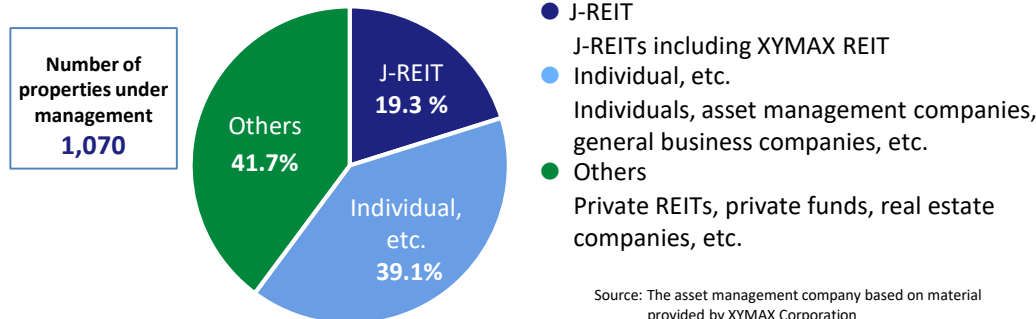
#### Anxiety in future building business (by the number of owned buildings)



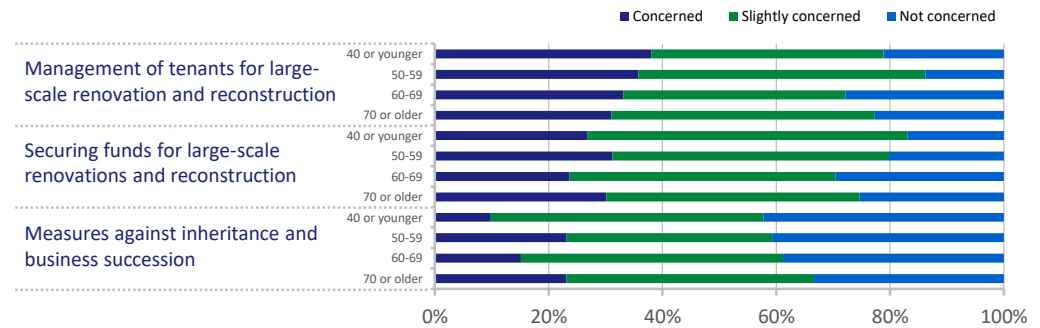
Source: "Building Owner Survey 2017" by XYMAX Real Estate Institute

## Diversity among real estate owners

Percentage of client types for real estate management business (As of the end of July 2022)

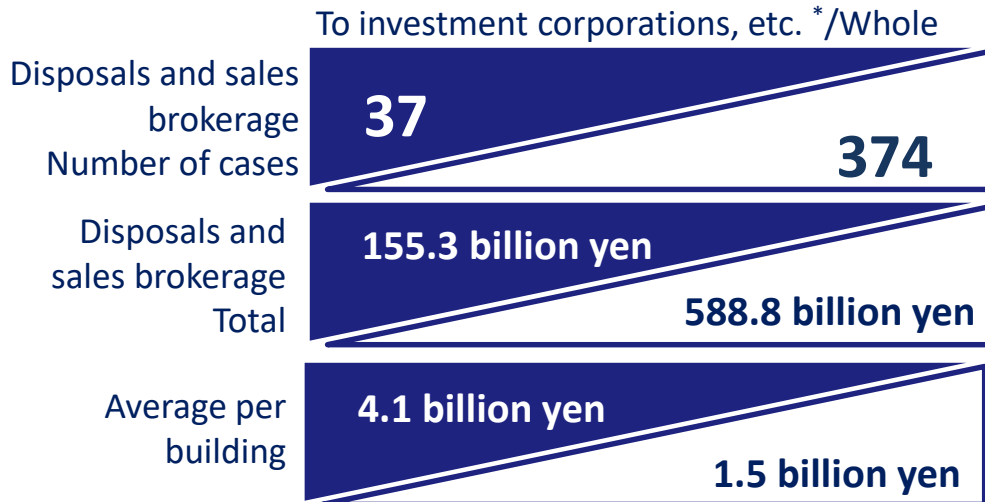


#### Concerns over future building business (By age, multiple answers)

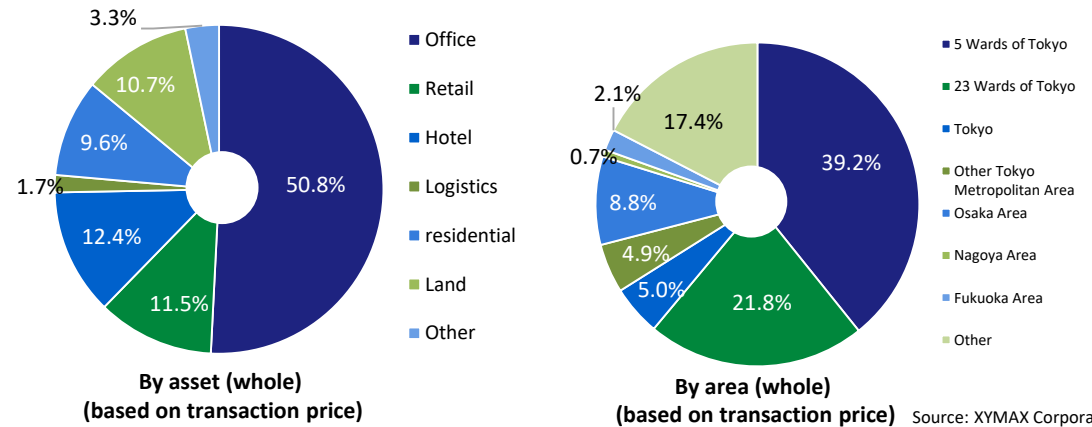


Source: Created by XYMAX Real Estate Institute based on the request from the asset management company

External growth (number of cases, total amount and area) by capitalizing on track record in real estate sales and brokerage.

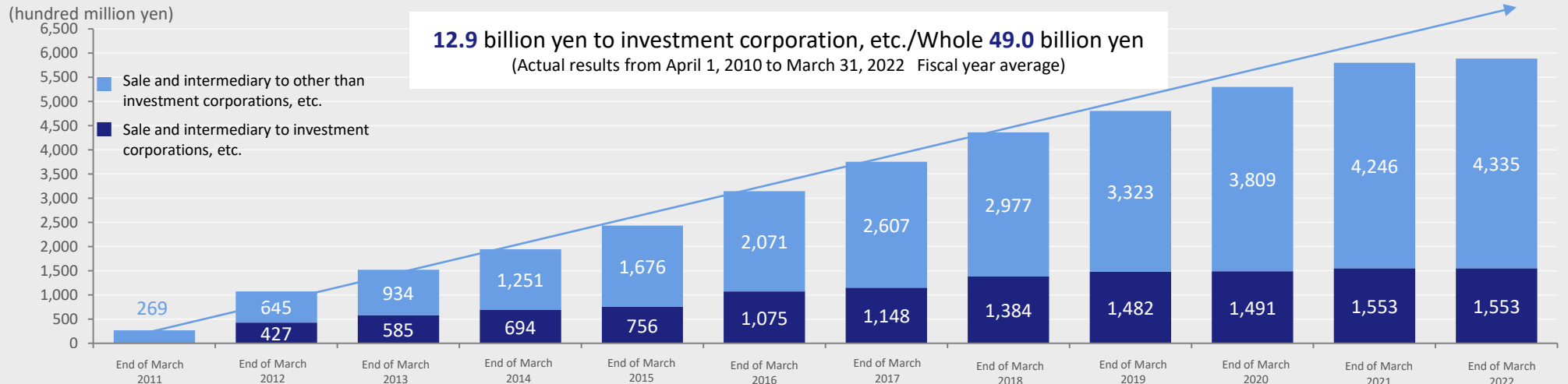


Use and geographical area of real estate in real estate disposals and real estate sales brokerage results



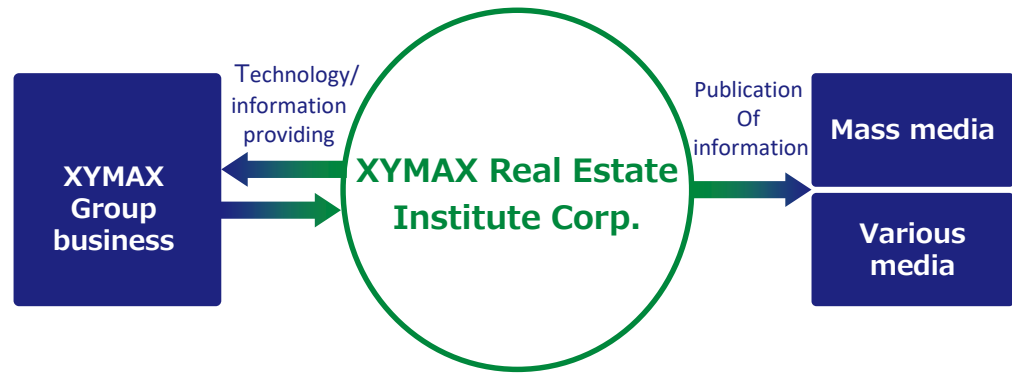
Accumulated track record of real estate disposal and brokerage services

(accumulated total from April 1, 2010, excluding sales to XYMAX REIT)



Source: XYMAX Corporation

\* Vehicle for acquisition and holding of properties with the intent to transfer them to real estate investment corporations



### Details of the information delivered

We are providing the public with the results of analysis and research from a unique perspective based on the data we have gathered.

XYMAX Real Estate  
Institute Website  
(Japanese version only)



#### Survey and analysis of the real estate market

- Quarterly announcement of benchmarks for the rental office market
- Development of new benchmarks/contracted rent DI, new contracted rent index, etc.
- Disclose the Office pyramid
- Announcement of forecasts for the volume of new offices in Tokyo and Osaka
- Fact finding surveys of small and medium-sized building owners
- Fact finding surveys of retail stores (renovations, openings/closings)

#### Survey and analysis of tenants

- Announcement of office floorspace per person and rent per person
- Analysis of lease periods of office tenants and retail tenants
- Tenant opinion surveys regarding offices, office fire prevention, how offices are being used, etc.

#### Survey and analysis of energy

- Survey on energy consumption and costs for office buildings
- Analysis of the economic feasibility of environment management

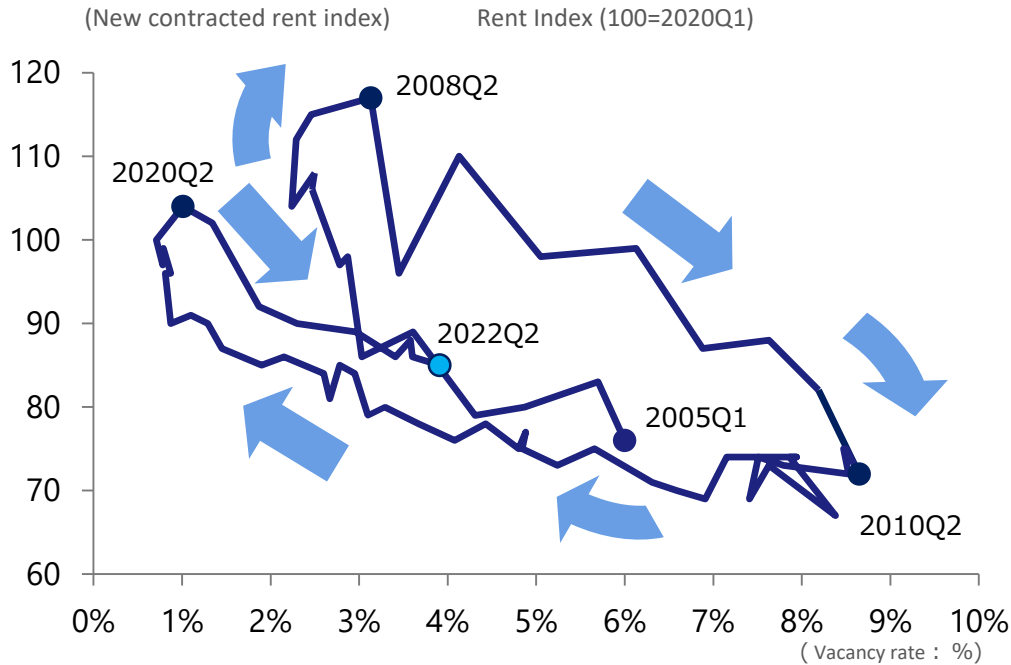
#### Survey and analysis on workstyles and offices

- Survey on office demand in major metropolitan areas
- Survey on office workers in the Tokyo Metropolitan area

### Posting, contribution and lectures to mass media and various media (example)

- Posting Nihon Keizai Shimbun, Nikkei Business Daily, etc.
- Contribution ARES Real Estate Securitization Journal  
The Japanese journal of real estate sciences  
BUILDING TOKYO, etc.
- Lectures Land Economy and Construction and Engineering Industry Bureau, Ministry of Land, Infrastructure, Transport and Tourism  
Institute for Built Environment and Carbon Neutral for SDGs (IBECs)  
at Will Work  
Back Office EXPO  
Japan Building Management Institute
- Joint study Japan Facility Management Association (JFMA), etc. Hitotsubashi Univ., Nihon Univ., Waseda Univ., Univ. of Hyogo, Keio Univ., etc.
- Other WORKTECH  
Participation in CRE at MIT in USA as an Industrial Partner

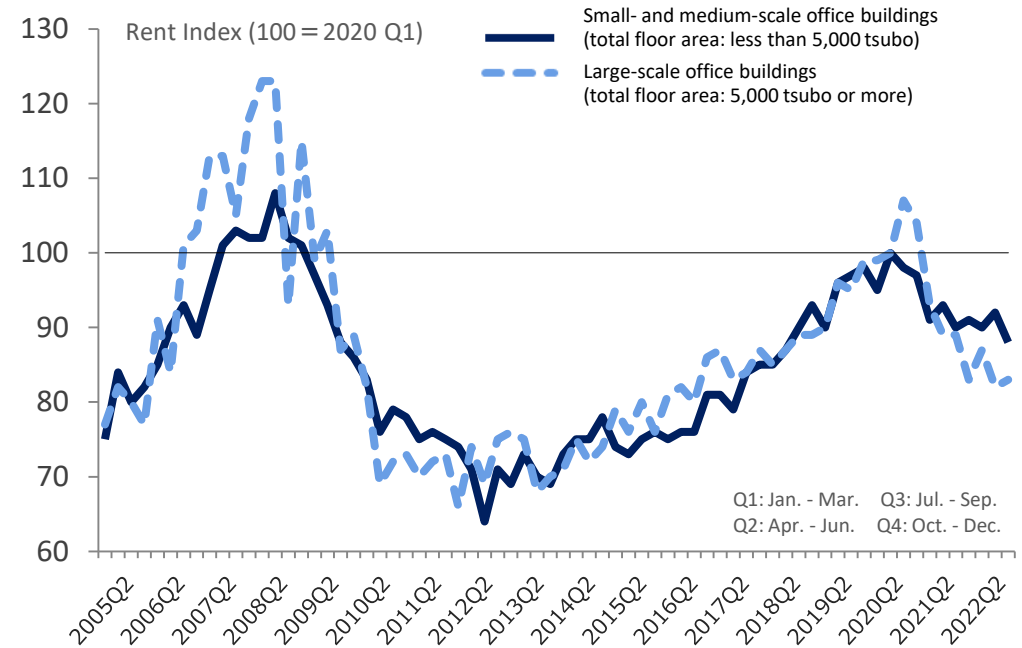
## Office market cycle in the 23 wards of Tokyo



	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
Vacancy rate	2.96%	3.41%	3.58%	3.60%	3.91%
New contracted rent index	89	86	88	86	85

Source: XYMAX Real Estate Institute Corp. (Vacancy rates for March 2011 and before are calculated based on data from a major leasing brokerage company)

## New contracted rent by office building scale



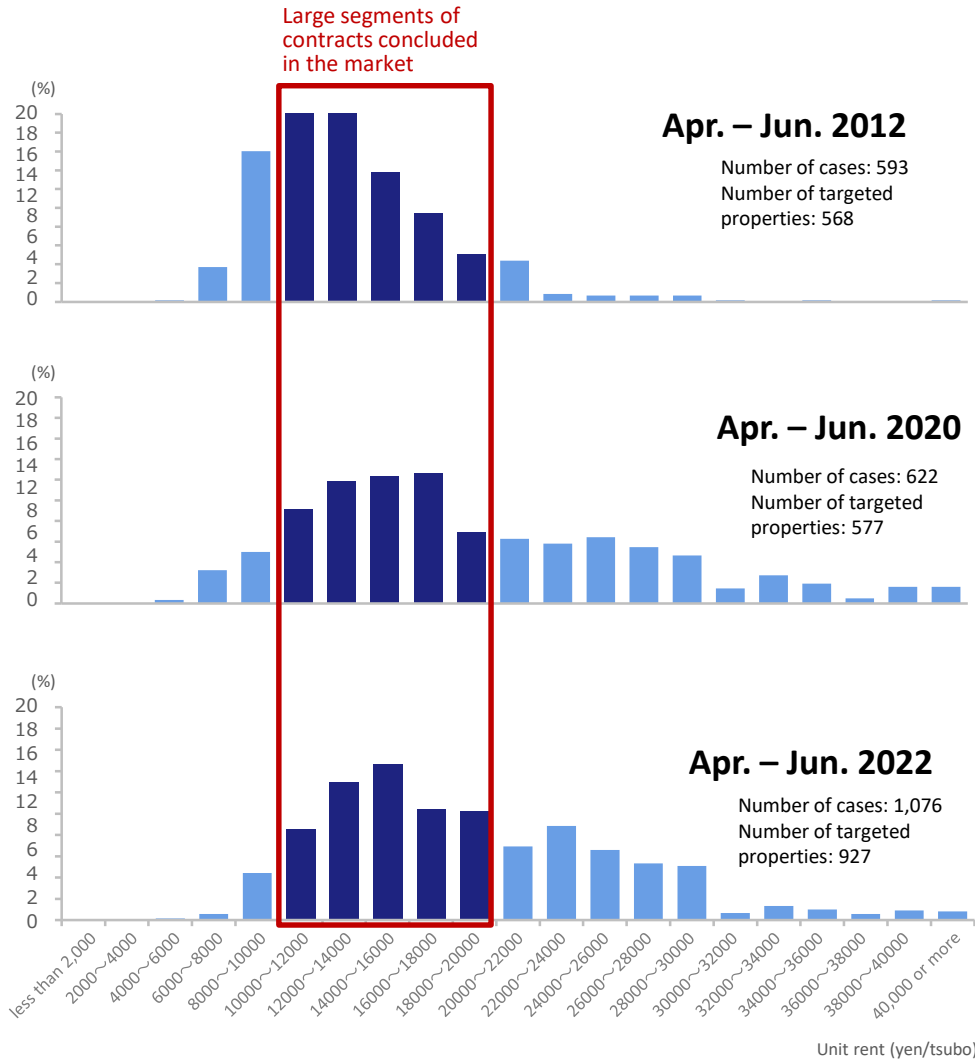
	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
Small- and medium-scale office buildings (total floor area: less than 5,000 tsubo)	90	91	90	92	88
Large-scale office buildings (total floor area: 5,000 tsubo or more)	89	83	87	82	83

Source: Survey Report by XYMAX Real Estate Institute Corp. "Office Market Report Tokyo Q2 2022"



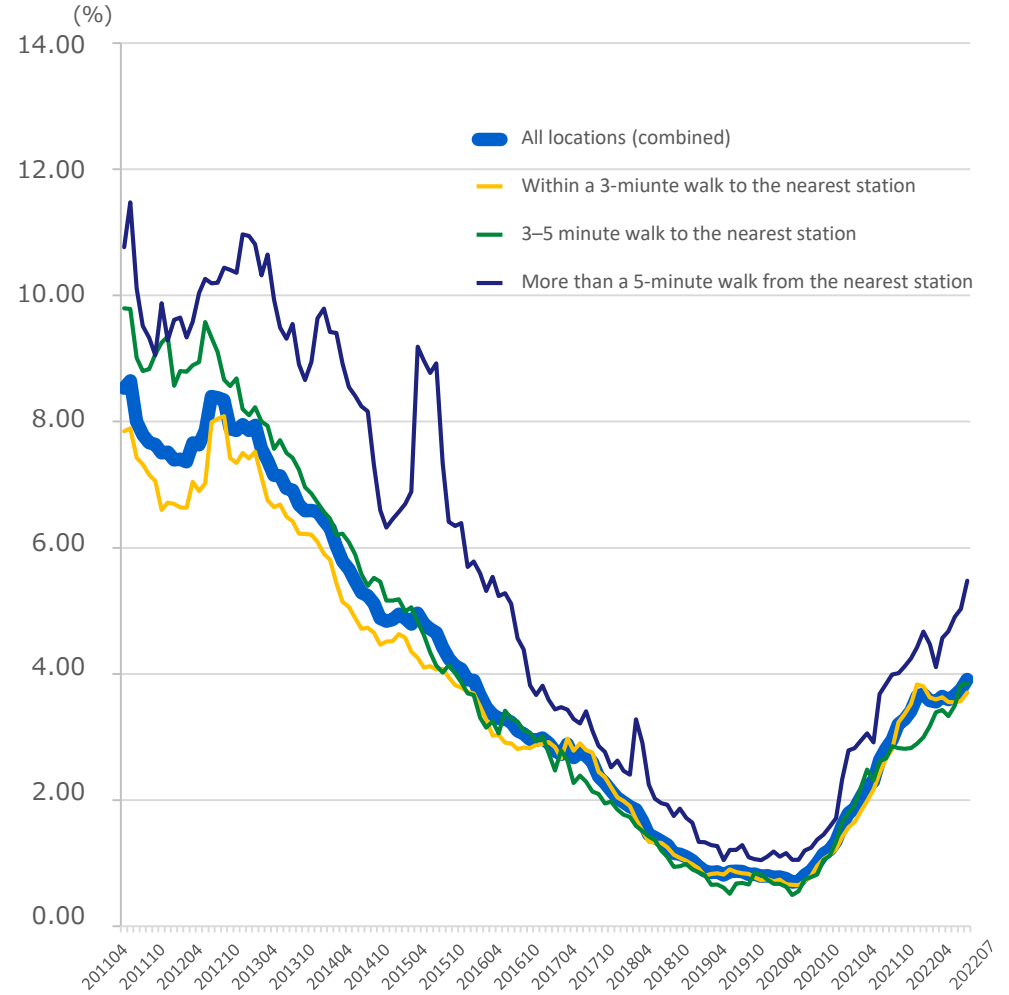
# Office Market Analysis (2)

## Distribution of contracts concluded in the 23 wards of Tokyo (by unit price of contracted rent)



Source: Created by XYMAX Real Estate Institute upon the Management Company request of Asset Management Company

## Vacancy rate by time required to walk to the nearest station in the 23 wards of Tokyo



Source: Created by XYMAX Real Estate Institute upon the request of Asset Management Company

Membership satellite office business “ZXY” leading work-style reform

Workplace service enabling free work-style



Using clean energy

Energy, including electricity and gas at all of ZXY's directly managed locations, is in effect electricity sourced from renewable energy.

\*We have procured and are using J-Credits for renewable energy equivalent to the annual CO2 emissions for FY2022.



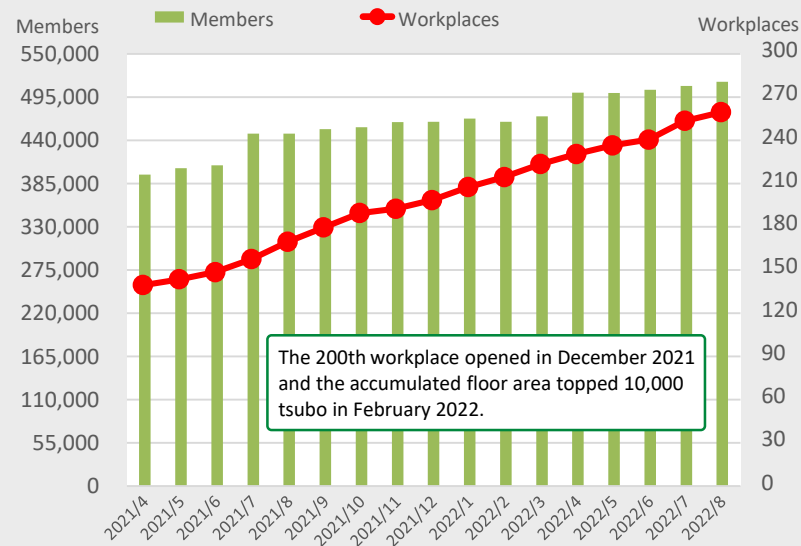
Through our partnerships for services from other companies, members are able to use cooperating locations through the ZXY members' website.

From July, ZXY members can use RoomUs2 locations operated by Keikyu Corporation and KEIO BIZ PLAZA2 locations operated by Keio Corporation. (RoomUs Kanazawa Bunko)

Location of workplaces



Change in number of memberships and workplaces



In July, two additional locations opened in the Kansai area. In August, a new location opened in Sendai, accelerating the openings in major regional cities. They serve not only as an alternative form of workplace, different from working at home, but also meet the requirements for business trips. (ZXY Sendai)

Source: XYMAX Corporation

The XYMAX Group is expanding its own brand, "karaksa hotel" nationwide mainly targeting tourists

Osaka

Nov. 2017 112 rooms karaksa hotel Osaka Namba \*  
 Nov. 2019 396 rooms karaksa hotel grande Shin-Osaka Tower \*



karaksa hotel Osaka Namba



karaksa hotel grande Shin-Osaka Tower

Kyoto

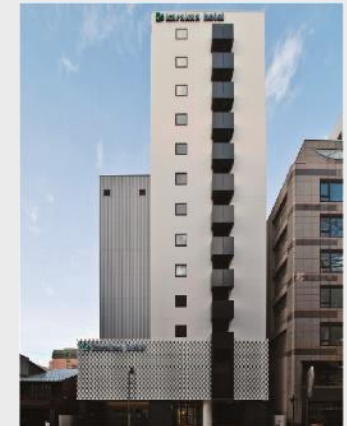
Mar. 2016 36 rooms  
 karaksa hotel Kyoto I \*



karaksa hotel Kyoto I

Hokkaido

Jan. 2018 177 rooms karaksa hotel Sapporo \*



karaksa hotel Sapporo

Tokyo

May 2019 57 rooms karaksa hotel premier Tokyo Ginza \*  
 Jul. 2019 151 rooms karaksa hotel TOKYO STATION \*  
 Spring, 2023 95 rooms



karaksa hotel premier Tokyo Ginza



karaksa hotel TOKYO STATION

 Opened  To be opened

Source: XYMAX Corporation (as of October 2022)

\* As of the date of this material, XYMAX REIT has not determined the acquisition of these properties and there is no guarantee that XYMAX REIT will acquire them in the future.

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