



**XYMAX REIT Investment Corporation**

# Presentation Materials for the 10th Fiscal Period Ended February 2023

**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.

### Contents

#### I . Management Highlights

#### II . Overview of Financial Results and Earnings Forecasts

#### III . Investment Status and Growth Strategy

#### IV . ESG

#### V . APPENDIX

| 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              |                             |                   |
| L-Place Nishikasai   | : Nishikasai          |                             |                   |

### ■ The 10th FP results exceeded most recent forecasts (the “Forecasts”)

- ✓ Operating revenue 1.64 billion yen (down 12.2% from the previous period, up 0.7% from the Forecasts)
- ✓ **DPU 3,262 yen** (down 757 yen from the previous period up 142 yen from the Forecasts)  
(However, the gain of 226 million yen (DPU conversion of 900 yen) from the sale in the previous period was lost in the 10th FP)

### ■ The management of properties has driven steadily

- ✓ Offices: High occupancy rates were maintained through stable management, and the contract occupancy rate was **99.2%** and economic occupancy rate were **98.7%** at the end of 10th FP
- ✓ Retail properties: Maintained 100% occupancy and secured stable revenue backed by fixed-term lease contracts
- ✓ Hotels: Operating results exceeded the Forecasts, and variable rent was **3.45 million yen** (up 1.14 million yen from the Forecasts)

### ■ Execution of refinancing and deepening of ESG initiatives

- ✓ We had been preparing to issue Green Bonds (Investment corporation bonds) as XYMAX REIT’s first ESG finance initiative, while refinancing the entire 2.91 billion yen in January 2023 through borrowings in light of the bond market environment
- ✓ Acquired a CASBEE real estate certification in March 2023, raising the environmental certification rate to **85.2%** based on total floor area
- ✓ The Asset Management Company expressed its support for the TCFD recommendations in March 2023

### Asset

|   |   |
|---|---|
| <b>Number of properties</b>   | 18  |
| <b>Asset size (based on acquisition price)</b>                      | 43.4 billion yen  |
| <b>Appraisal value</b>  | 54.9 billion yen  |
| <b>Unrealized gains (unrealized gain ratio)</b>                     | 10.7 billion yen (+24.2%)   |
| <b>Profitability (based on acquisition price)</b>                   | Appraisal NOI yield: 5.6%<br>Appraisal NOI yield after depreciation: 4.9% |
| <b>Average building age (weighted average of acquisition price)</b> | 19.6 years  |
| <b>Total leasable area</b>  | 85,318.01 m <sup>2</sup>  |
| <b>Occupancy rate (entire portfolio)</b>                            | 99.6%   |
| <b>Asset type (based on acquisition price)</b>                      | Office: 58.3%<br>Retail: 29.5%<br>Hotel: 10.1%<br>Others: 2.1%            |

### Debt

|  |                   |
|--|-------------------|
| <b>Balance of interest-bearing liabilities</b> | 19.7 billion yen  |
| <b>LTV based on total assets</b>               | 40.8%             |
| <b>Appraisal LTV</b>                           | 33.4%             |
| <b>Average borrowing rate<sup>*1</sup></b>     | 0.722%            |
| <b>Average remaining period</b>                | 2 years 10 months |
| <b>Fixed interest rate ratio</b>               | 99.0%             |

### Equity

|                               |  |
|-------------------------------|--|
| <b>Aggregate market value</b> | 28.4 billion yen   |
| <b>Unitholders' capital</b>   | 25.4 billion yen<br>(Total number of investment units issued and outstanding: 249,650) |
| <b>Investment unit price</b>  | 113,900 yen  |
| <b>Net asset per unit</b>     | 101,902 yen  |
| <b>NAV per unit</b>           | 144,793 yen  |
| <b>Distribution per unit</b>  | 3,074 yen (11th FP forecast)   |

\*1: Interest rate for floating rate borrowings is calculated based on the JBA 1-month Japanese Yen TIBOR as of February 28, 2023.



**XYMAX REIT Investment Corporation**

# Overview of Financial Results and Earnings Forecasts

The background of the slide is a collage of images related to modern architecture. The top half shows a low-angle view of a tall glass skyscraper against a cloudy sky. The bottom half shows a similar view of a building with a prominent sign that reads 'MUZZA KAWASAKI'. The sign is in a large, white, sans-serif font. The overall aesthetic is clean and professional, with a color palette dominated by greys, whites, and blues, accented with green from the logo.

**MUZZA  
KAWASAKI**

# Overview of Financial Results

Operating revenue was 1,646 million yen, down 12.2% and net income was 814 million yen, down 18.9% from the previous period, respectively.

Unit: million yen

|   | the 9th FP(A)  | the 10th FP(B) | Difference (B)-(A) | Main factors for difference (B)-(A)  |
|---|----------------|----------------|--------------------|--|
| Leasing business revenue                                      | 1,523          | 1,497          | -26                | Hotel rent (fixed rent +3/variable rent -21)   |
| Other leasing business revenue                                | 125            | 148            | 23                 | Rise in electricity charges invoiced to tenants (+19)  |
| Gain on sale of real estate properties                        | 226            | -              | -226               | Absence of gain on sale for the 9th FP (-226)  |
| <b>Operating revenue</b>                                      | <b>1,874</b>   | <b>1,646</b>   | <b>-228</b>        |  |
| Expenses related to leasing business (Excluding Depreciation) | 398            | 422            | 23                 | Increase in electricity expenses(+25)<br>Increase in BM fees (+1)                              |
| <b>NOI*1</b>  | <b>1,250</b>   | <b>1,224</b>   | <b>-26</b>         |  |
| Depreciation  | 158            | 162            | 3                  |  |
| <b>Leasing business income</b>                                | <b>1,091</b>   | <b>1,061</b>   | <b>-29</b>         |  |
| Other operating expenses                                      | 195            | 152            | -43                | Absence of disposition fees (-33)  |
| <b>Operating income</b>                                       | <b>1,121</b>   | <b>908</b>     | <b>-213</b>        |  |
| Non-operating income  | 0              | 0              | 0                  |  |
| Non-operating expenses  | 117            | 94             | -23                | Interest and borrowing-related expenses on refinance (-23)                                     |
| <b>Ordinary income</b>  | <b>1,004</b>   | <b>815</b>     | <b>-189</b>        |  |
| <b>Net income</b>   | <b>1,003</b>   | <b>814</b>     | <b>-189</b>        |  |
| <b>Distribution per unit (yen)</b>                            | <b>4,019*2</b> | <b>3,262</b>   | <b>-757</b>        | <b>Comparison with the distribution forecast released in October 2022 (3,120 yen) +142 yen</b> |

Days: 9th FP: 184 days, 10th FP: 181 days

\*1: NOI does not include gain on sale of real estate properties.

\*2: Includes a distribution in excess of earnings per unit of 12 yen related to the allowance for temporary differences adjustments.

|                                     |  |   |
|-------------------------------------|--|---|
| <b>Property management related</b>  | <b>Office</b>  | <ul style="list-style-type: none"> <li>Economic occupancy rate<br/>11th: 98.8% (as of the end of 11th FP), 12th: 97.0% (as an average)</li> <li>Utility expenses<br/>Increase billing amount to tenants to respond electricity price increase</li> <li>Maintenance costs<br/>Assumed certain level of increase considering price increase demand in BM costs</li> </ul> |
|                                     | <b>Retail</b>  | <p>Muza: Contracts expire on 10 spaces during the 12th FP<br/>Only one space is expected to have downtime</p>   |
|                                     | <b>Hotel</b>   | <p>Fixed rent: 20.5 million yen/month</p> <p>Variable rent: <math>(\text{GOP for the past one year} \div 12 - 21.5 \text{ million yen}) \times \alpha\%</math></p> <p>Compared with the same period in 2019: GOP is estimated assuming approx. 5% decrease in sales and approx. 8% increase in expenses</p>   |
| <b>Corporate management related</b> | <ul style="list-style-type: none"> <li>SG&amp;A Costs (selling, general and administrative expenses)<br/>Posting general unitholders' meeting related expenses in the 11th FP</li> <li>Non-operating expenses<br/>Posting the expenses related to the refinancing of 4.376 billion yen at the end of January 2024 (during the 12th FP)<br/>Interest rates after the refinancing are also expected to increase</li> </ul> |   |

# Overview of Financial Results and Earnings Forecasts

## Earnings Forecast for the 11th FP ending August 2023

Unit: million yen

|   | the 10th FP(A) | the 11th FP forecast (B) | Difference (B)-(A) | Main factors for difference (B)-(A)  |
|---|----------------|--------------------------|--------------------|--|
| Leasing business revenue                                      | 1,497          | 1,509                    | 12                 | Office rent revenue (+4), Hotel rent (variable rent +13)   |
| Other leasing business revenue                                | 148            | 156                      | 7                  | Increase in electricity charges invoiced to tenants (+8)   |
| Gain on sale of real estate properties                        | -              | -                        | -                  |  |
| <b>Operating revenue</b>                                      | <b>1,646</b>   | <b>1,666</b>             | <b>20</b>          |  |
| Expenses related to leasing business (Excluding Depreciation) | 422            | 473                      | 51                 | Commencement of property tax and city planning tax payments pertaining to assets acquired in 2022 (+16)<br>Increase in repair expenses (+16)<br>Increase in electricity expenses(+7)<br>Increase in BM fees (+1) |
| <b>NOI</b>  | <b>1,224</b>   | <b>1,193</b>             | <b>-30</b>         |  |
| Depreciation  | 162            | 164                      | 2                  |  |
| <b>Leasing business income</b>                                | <b>1,061</b>   | <b>1,028</b>             | <b>-33</b>         |  |
| Other operating expenses                                      | 152            | 165                      | 13                 | General unitholders' meeting related expenses (+6)   |
| <b>Operating income</b>                                       | <b>908</b>     | <b>862</b>               | <b>-46</b>         |  |
| Non-operating income  | 0              | 0                        | -0                 |  |
| Non-operating expenses  | 94             | 93                       | -0                 | Interest increased due to higher base interest rate at refinancing (+8)<br>Absence of Loan-related expenses (-8)   |
| <b>Ordinary income</b>  | <b>815</b>     | <b>768</b>               | <b>-46</b>         |  |
| <b>Net income</b>   | <b>814</b>     | <b>767</b>               | <b>-46</b>         |  |
| <b>Distribution per unit (yen)</b>                            | <b>3,262</b>   | <b>3,074</b>             | <b>-188</b>        | <b>Comparison with the distribution forecast released in October 2022 (3,058 yen) +16 yen</b>  |



Unit: million yen

|   | the 11th FP<br>forecast (A) | the 12th FP<br>forecast (B) | Difference<br>(B)-(A) | Main factors for difference (B)-(A)   |
|---|-----------------------------|-----------------------------|-----------------------|---|
| Leasing business revenue                                      | 1,509                       | 1,493                       | -16                   | Rent revenue (-6)   |
| Other leasing business revenue                                | 156                         | 154                         | -1                    |   |
| Gain on sale of real estate properties                        | -                           | -                           | -                     |   |
| <b>Operating revenue</b>                                      | <b>1,666</b>                | <b>1,648</b>                | <b>-17</b>            |   |
| Expenses related to leasing business (Excluding Depreciation) | 473                         | 456                         | -17                   | Decrease in repair expenses (-13)<br>BM fee (+1)  |
| <b>NOI</b>  | <b>1,193</b>                | <b>1,192</b>                | <b>-0</b>             |   |
| Depreciation  | 164                         | 171                         | 6                     |   |
| <b>Leasing business income</b>                                | <b>1,028</b>                | <b>1,020</b>                | <b>-7</b>             |   |
| Other operating expenses                                      | 165                         | 156                         | -8                    | Absence of general unitholders' meeting related expenses (-6)   |
| <b>Operating income</b>                                       | <b>862</b>                  | <b>863</b>                  | <b>1</b>              |   |
| Non-operating income  | 0                           | 0                           | -                     |   |
| Non-operating expenses  | 93                          | 111                         | 17                    | Loan-related expenses and increase interest increased due to higher base interest rate at refinancing (+17) |
| <b>Ordinary income</b>  | <b>768</b>                  | <b>752</b>                  | <b>-16</b>            |   |
| <b>Net income</b>   | <b>767</b>                  | <b>751</b>                  | <b>-16</b>            |   |
| <b>Distribution per unit (yen)</b>                            | <b>3,074</b>                | <b>3,010</b>                | <b>-64</b>            |   |

Days: 11th FP: 184 days, 12th FP: 182 days



**XYMAX REIT Investment Corporation**

# Investment Status and Growth Strategy

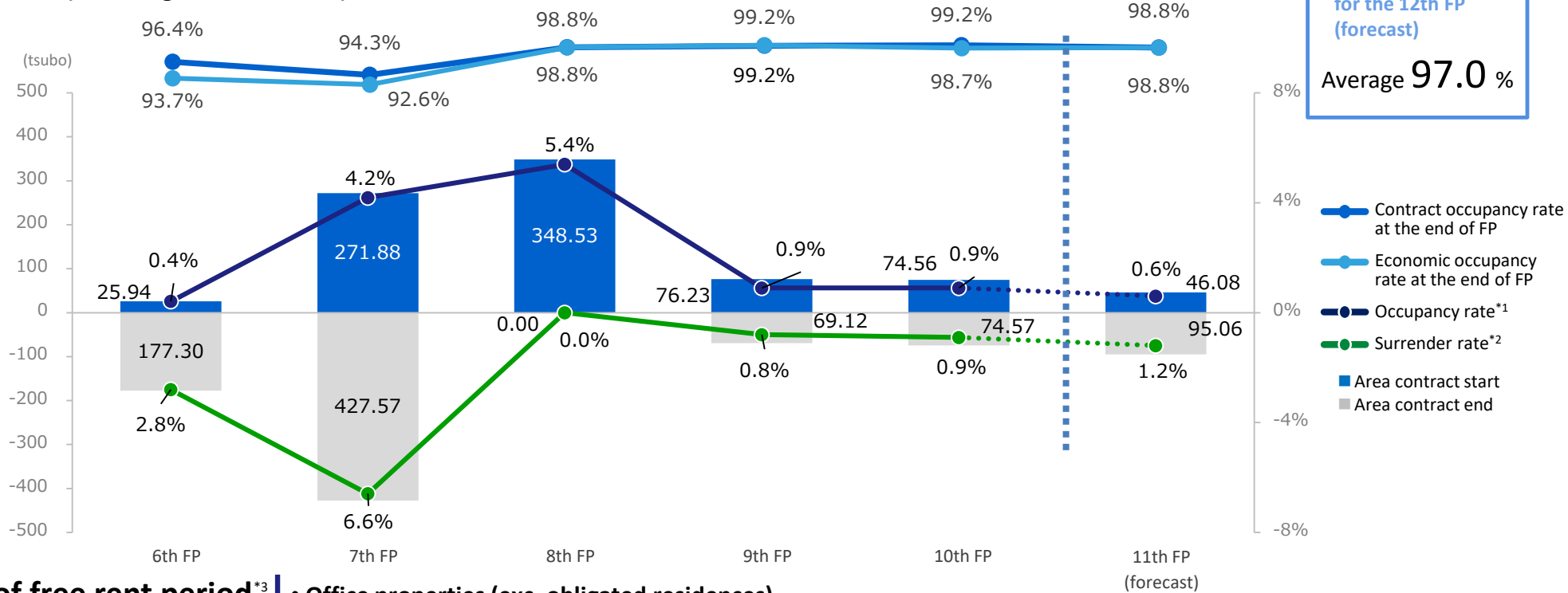
MUZZA  
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Despite the continued downtrend in the office leasing market, sponsor group’s operational capability have enabled it to maintain high occupancy rates

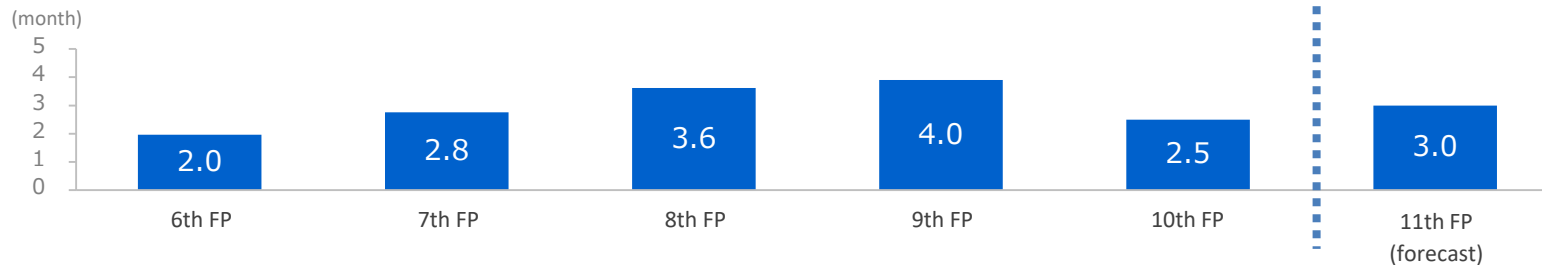
**Status of occupancy rate & tenant replacements**

Scope area for the 10th FP: 8,212.44 tsubo

• Office properties (exc. obligated residences)



**Average of free rent period\*3** • Office properties (exc. obligated residences)

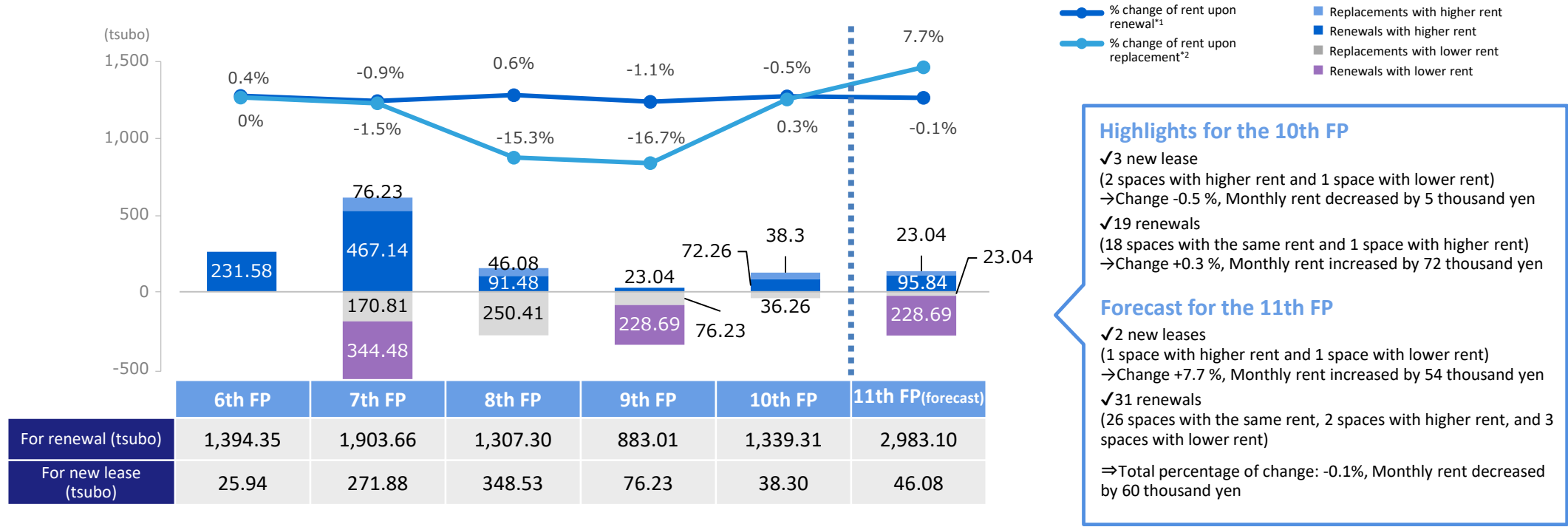


\*1 Occupancy rate: area contract start ÷ Total leasable area

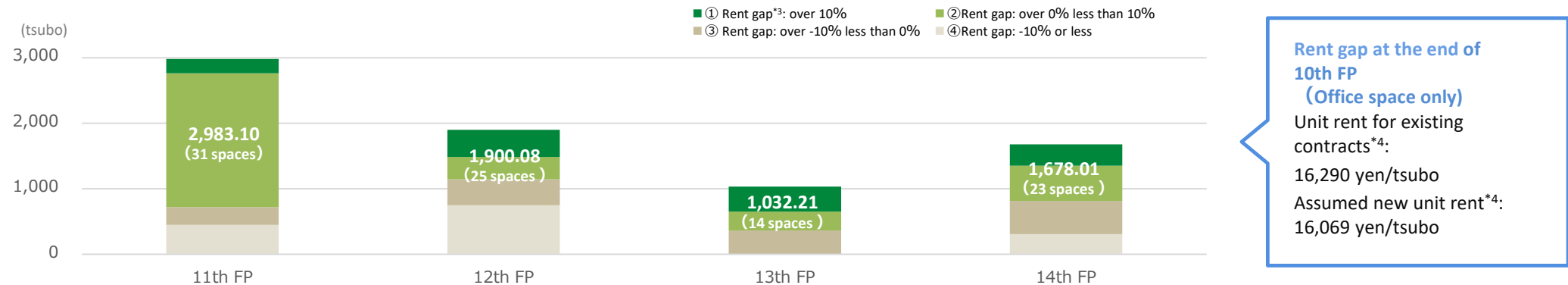
\*2 Surrender rate: area contract end ÷ Total leasable area

\*3 Average of free rent period: free rent period granted in contracts whose contract period start in each FP (new leases) x total contract area of contracts with free rent granted in new leases ÷ total area where new contracts start

**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.

Office Stock Pyramid 2023 covering the 23 wards (net rentable area)

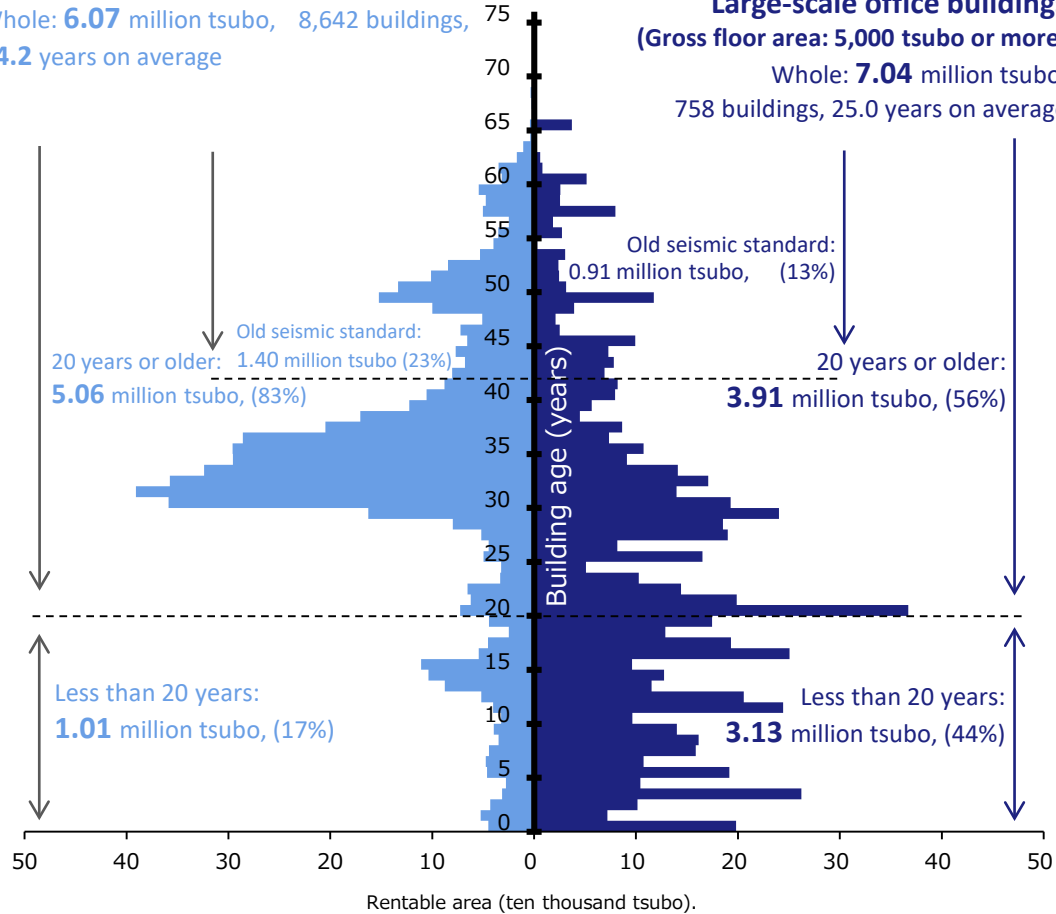
23 Wards of Tokyo: **13.11** million tsubo, 9,400 buildings, average building age: **33.4** years

Small- and medium-scale office buildings (Gross floor area: 300-5,000 tsubo)

Whole: **6.07** million tsubo, 8,642 buildings, **34.2** years on average

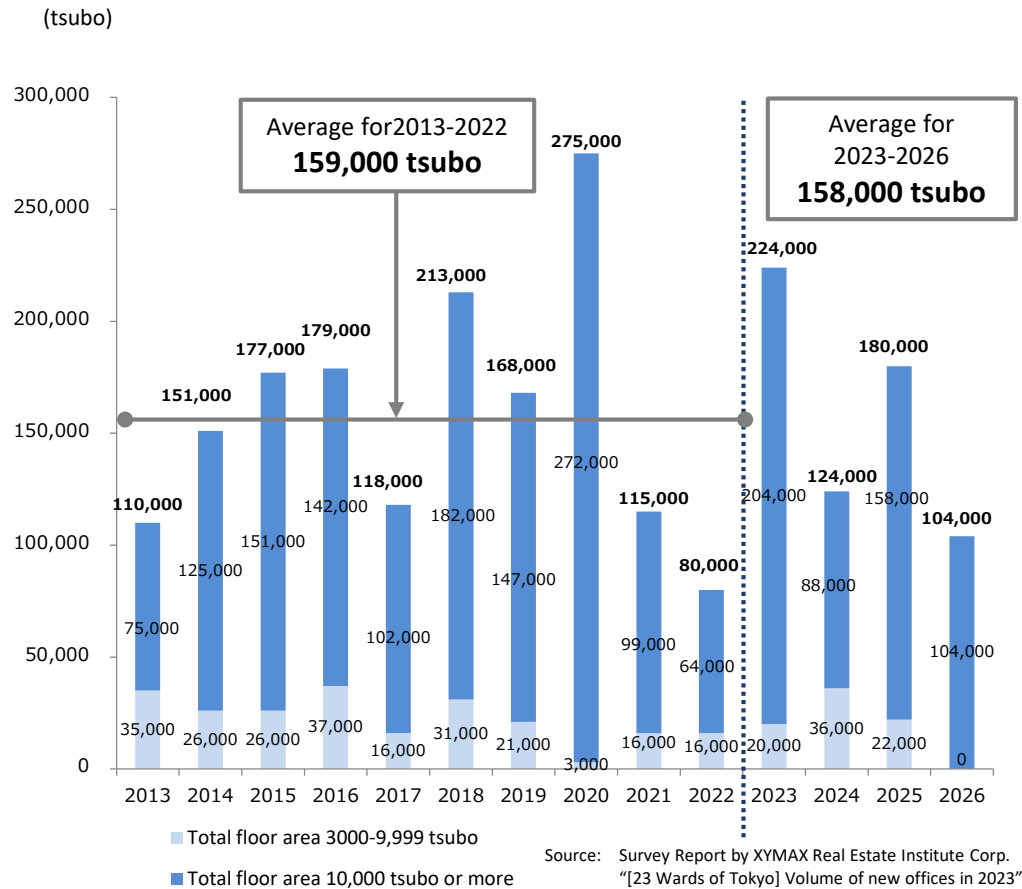
Large-scale office buildings (Gross floor area: 5,000 tsubo or more)

Whole: **7.04** million tsubo, 758 buildings, 25.0 years on average



Source: Survey Report by XYMAX Real Estate Institute Corp. "[23 Wards of Tokyo] Office Stock Pyramid 2023"

Volume of new offices in Tokyo's 23 wards in 2023 (net rentable area)



Source: Survey Report by XYMAX Real Estate Institute Corp. "[23 Wards of Tokyo] Volume of new offices in 2023"

- ✓ Small- and medium-scale 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-scale offices is lower than that of large-scale buildings.

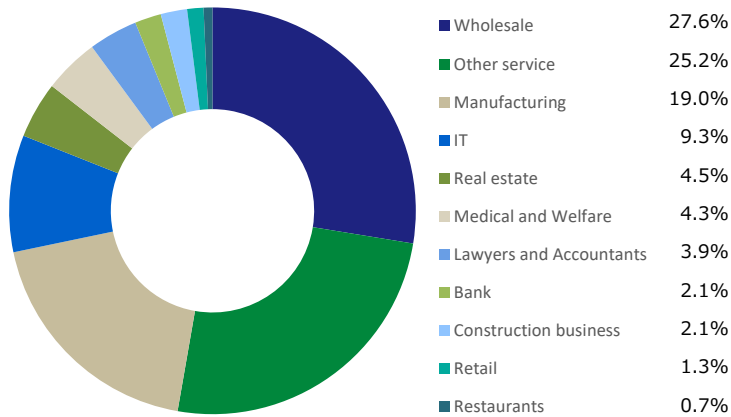
⇒ The average building age of the 10 office properties held by XYMAX REIT Investment Corporation **22.8 years\***

\*The weighted average of the building age of the 10 office properties was calculated using the total floor area. (at the end of the 10th FP)

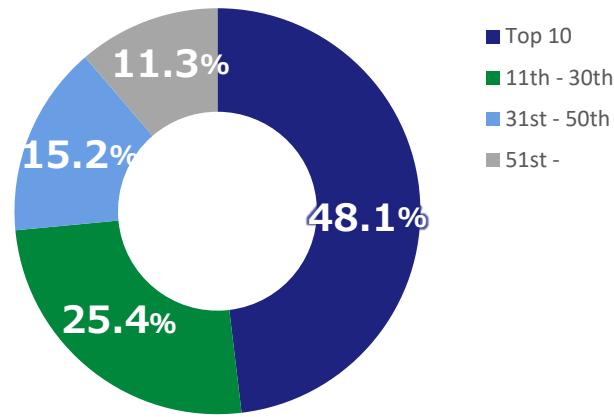
Backed by the sponsor group's management capabilities, we have achieved stable, long-term occupancy by office tenants.

**Office tenant diversification <based on rent revenue>** (excluding obligated residences) (67 office tenants) | At the end of 10th FP

Based on business type



Leased area based top tenants ratio



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

All tenants: 11 years, 4 months

Top ten tenants by leased area: 12 years, 11 months

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**Average tenant lease period of office buildings**

9.6 years\*1

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

**Current workplace trends**

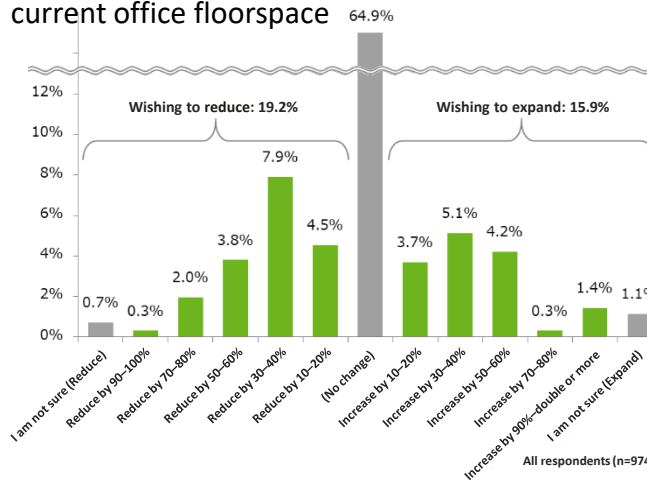
Survey on **Workstyles X Offices**

by XYMAX Real Estate Institute

- ✓ Correlation between the number of employee and floorspace
- ✓ Preference of office floorspace by number 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.

- ✓ Intention to downsize exceeds intention to expand in terms of office space
- ✓ There is variation in intention trends by company size and industry

**Distribution diagram of percentages wishing to change current office floorspace**



**Preference of office floorspace by number of employees and by industry**

|               |                                | Want to expand | Don't want to change | Want to shrink |
|---------------|--------------------------------|----------------|----------------------|----------------|
| Employees     | Less than 100 (n=550)          | 14.9%          | 67.5%                | 17.6%          |
|               | 100 or more than 1,000 (n=309) | 19.1%          | 62.5%                | 18.4%          |
|               | More than 1,000 (n=115)        | 12.2%          | 59.1%                | 28.7%          |
| Business type | Service and others (n=233)     | 16.7%          | 63.1%                | 20.2%          |
|               | IT (n=165)                     | 17.6%          | 55.8%                | 26.7%          |
|               | Wholesale, retail (n=141)      | 19.9%          | 66.0%                | 14.2%          |
|               | Manufacturing (n=114)          | 7.0%           | 68.4%                | 24.6%          |
|               | Academic and technical (n=70)  | 10.0%          | 68.6%                | 21.4%          |
|               | Construction business (n=54)   | 13.0%          | 75.9%                | 11.1%          |
|               | Financial and Welfare (n=33)   | 12.1%          | 81.8%                | 6.1%           |
| Total (n=974) | 15.9%                          | 64.9%          | 19.2%                |                |

\*Other businesses (n=164) is omitted.

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.

Source: "Will Hybrid Work Reduce Office Space? (2022)" by XYMAX Real Estate Institute Corp.

To mitigate seasonal fluctuations, the moving average method is applied for variable rent. From the 11th FP and after, the calculation period for variable rent will mostly be April 2022 onward, and the effects of COVID-19 will be reduced.

## Lease conditions

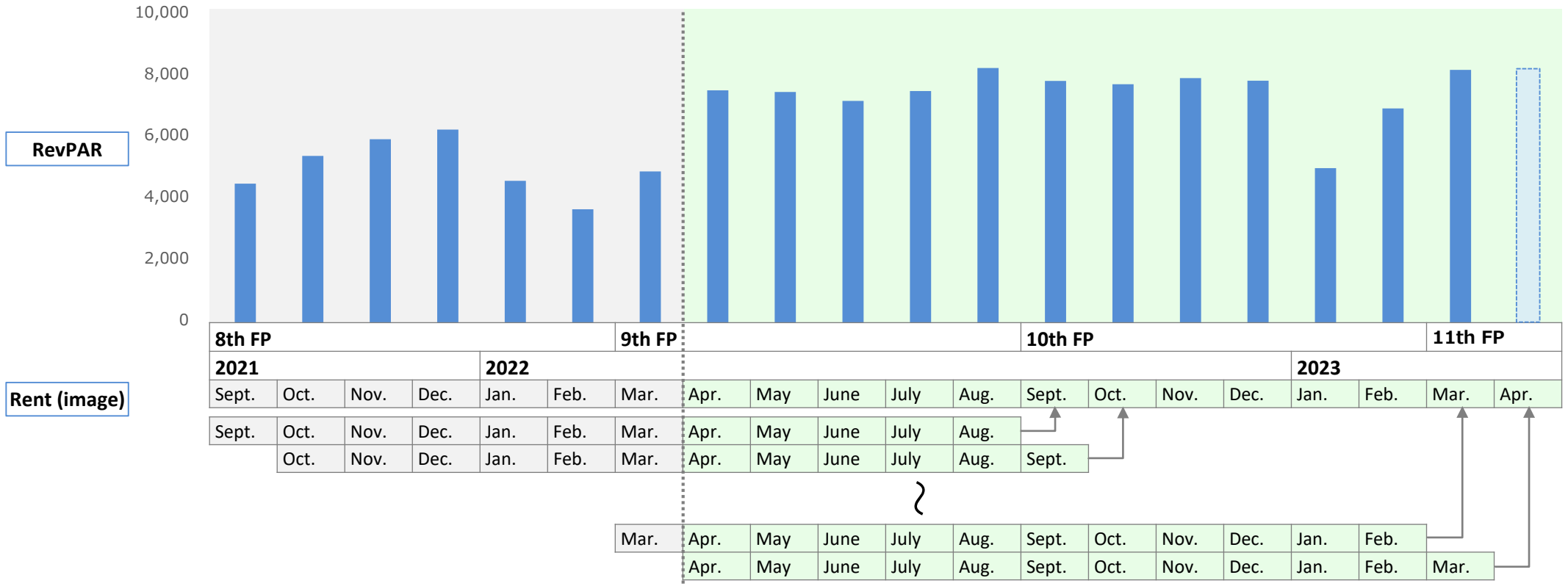
|                  | Fixed rent             | Variable rent   |
|------------------|------------------------|---|
| Lease conditions | 20.5 million yen/month | (GOP for the past 1 year/12 – 21.5 million yen) × α%* |

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

## Variable rent 10th FP result and forecast for 11th and 12th FP

For the year covering the 11th FP and 12th FP, variable rent has been estimated assuming approx. 5% decrease in sales and approx. 8% increase in expenses compared with 2019 (pre-COVID-19).

|                |                            |   |                  |                            |   |                  |                     |
|----------------|----------------------------|---|------------------|----------------------------|---|------------------|---------------------|
| 10th FP result | 3,450 thousand yen         | ▶ | 11th FP forecast | 16,510 thousand yen        | ▶ | 12th FP forecast | 17,510 thousand yen |
|                | *150% of previous forecast |   |                  | *137% of previous forecast |   |                  |                     |

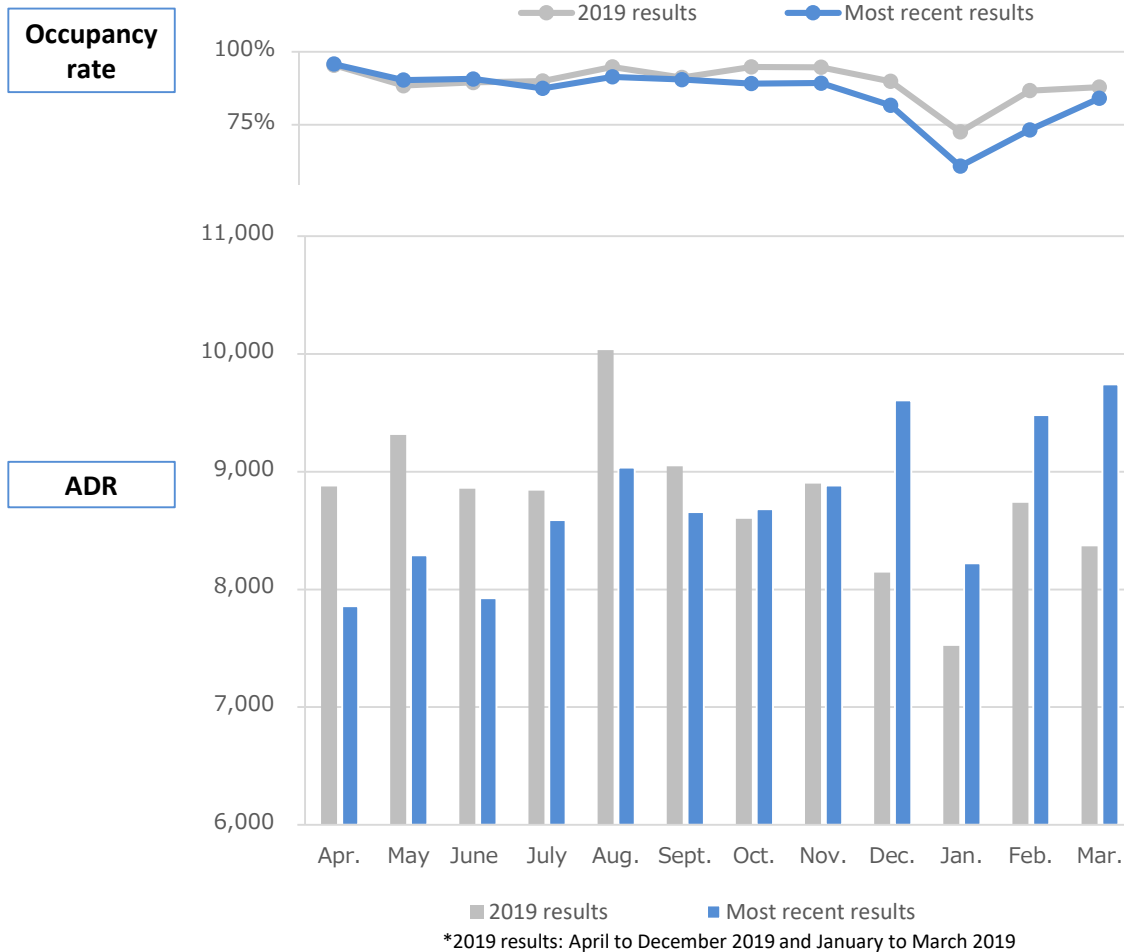


# Current Status of Hotel Vista Sendai

Sales in the 10th FP recovered to 94% compared to the same period in 2019.  
 Expenses in the 10th FP rose to 103% compared to the same period in 2019 due to higher utility expenses, etc., and operating expenses are expected to rise in the 11th and 12th FP as well.

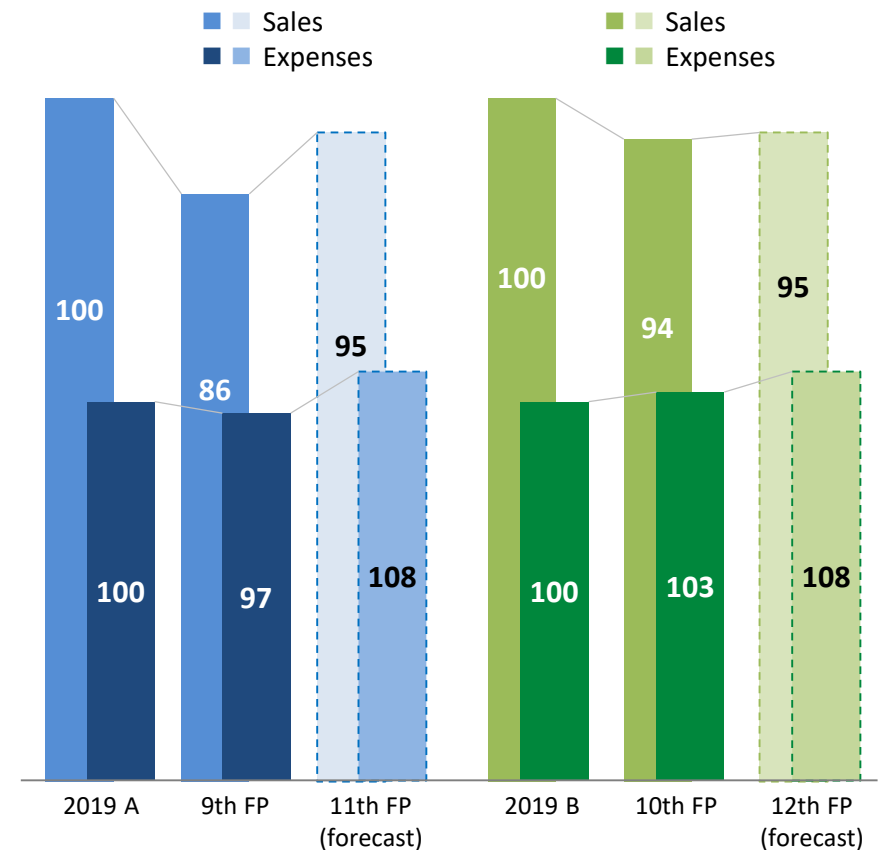
## Occupancy rate vs. ADR

■ Since last December, the occupancy rate has been lower than the same month in 2019, however, the ADR has been on a higher trend.



## Trends in sales and expenses

■ Expenses for the 10th FP exceeded those for the same period in 2019, and we have based our earnings forecast on the assumption that the upward trend in expenses will continue in the 11th and 12th FP.



\*2019 A: March 2019 to August 2019

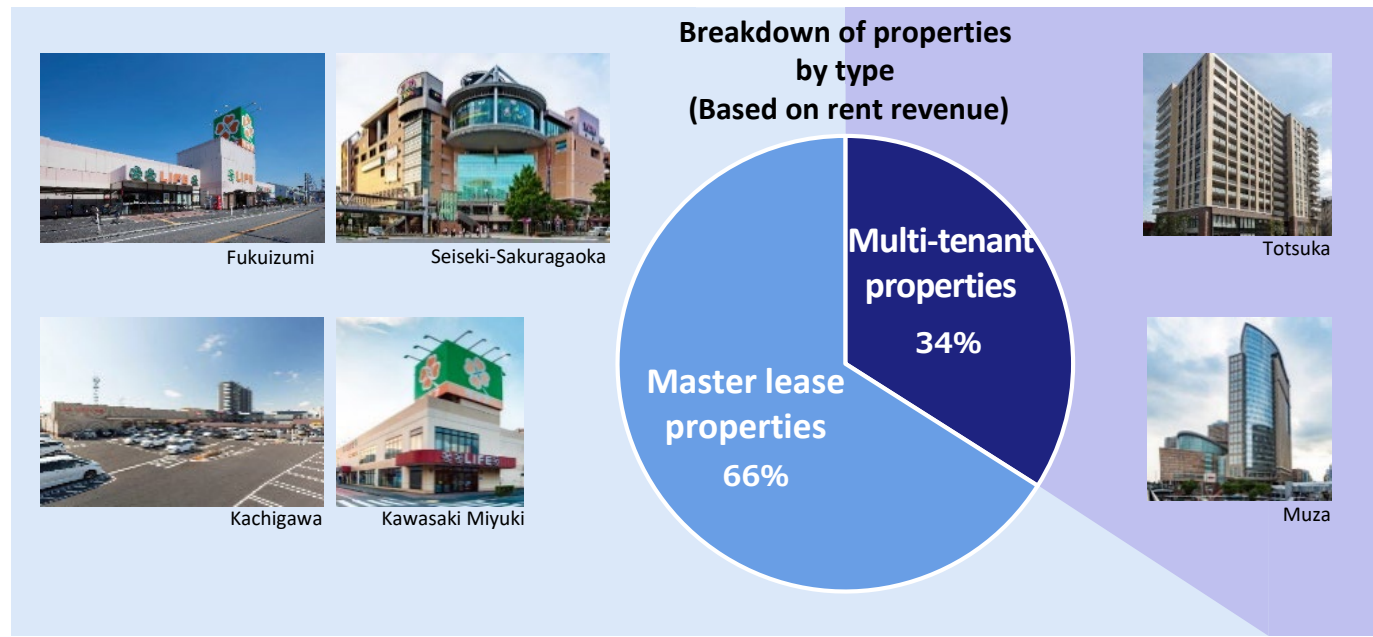
\*2019 B: September to December 2019 and January to February 2019



We have achieved stable revenue backed by the fixed-term lease 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.
- In conjunction with changes in how retail properties 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



**Muza**

- The 12th FP: Leases will be terminated for 10 spaces (428.03 tsubo) out of all 20 spaces.
- 9 spaces out of the 10 above have a clear intention re-contract their lease.
- For each space, negotiations are underway with tenants for the conditions of the re-contract.

# 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.

|   | 8th FP | 9th FP | 10th FP |
|---|--------|--------|---------|
| Number of pieces of information acquired from sponsor group | 767    | 765    | 473     |
| Number of properties under consideration by XYMAX REIT      | 28     | 26     | 18      |

## LTV

At the end of 10th FP

LTV based on total assets: 40.8%, Appraisal LTV : 33.4%

| LTV level vs. total assets | Possible loan amount    | Appraisal LTV |
|----------------------------|-------------------------|---------------|
| 45%                        | Approx. 3.6 billion yen | 37.3%         |
| 50%                        | Approx. 8.8 billion yen | 42.1%         |

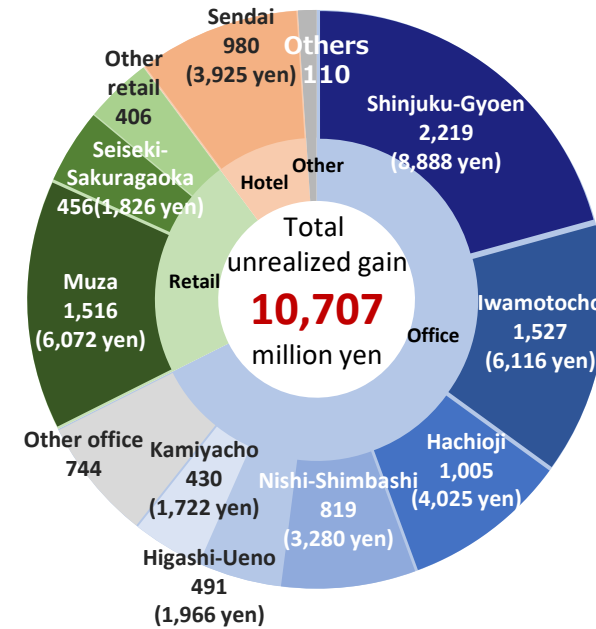
## Properties under consideration

| Location                 | Asset type                       | Source                                  | Focused point  |
|--------------------------|----------------------------------|---|--|
| 8 central wards of Tokyo | Office (planned)                 | CRE client of the XYMAX Group           | Reconstruction needs of CRE clients<br>Offices located in favorable locations near train and subway stations, where high demand is expected from tenants                                   |
| Core regional city       | Retail property (planned)        | CRE client of the XYMAX Group           | A retail development project in a location that is highly desired by CRE clients for opening stores<br>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  |
| Regional city            | Retail property (leasehold land) | the XYMAX Group                         | Leasehold land of retail property<br>Expected daily use type of business with steady sales   |

## Unrealized gain by property owned by XYMAX REIT

At the end of 10th 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.



(unit: million yen)

\*The amounts in parentheses are Unrealized gains per unit for each property.

# Financial Status at the end of 10th FP

XYMAX REIT establishes a financial base that puts emphasis on stability and soundness in the financing, mainly composed of megabanks and regional banks, etc., that have financial business relationships with the sponsor group. In addition, as we assessed that interest rates are likely to rise in the future, we conducted refinancing with a long-term fixed rate in January 2023.

■ Issuer rating from R&I  
**A- (stable)**

■ Green Finance Framework  
Newly established Green Finance Framework and received the best rating from JCR

■ Registration of shelf registration statement\* (Investment Corporation Bonds)  
Investment Corporation Bonds can also be selected as a financing method  
\*Up to 50.0 billion yen can be issued by December 29, 2024

## Financing situation in the 10th FP

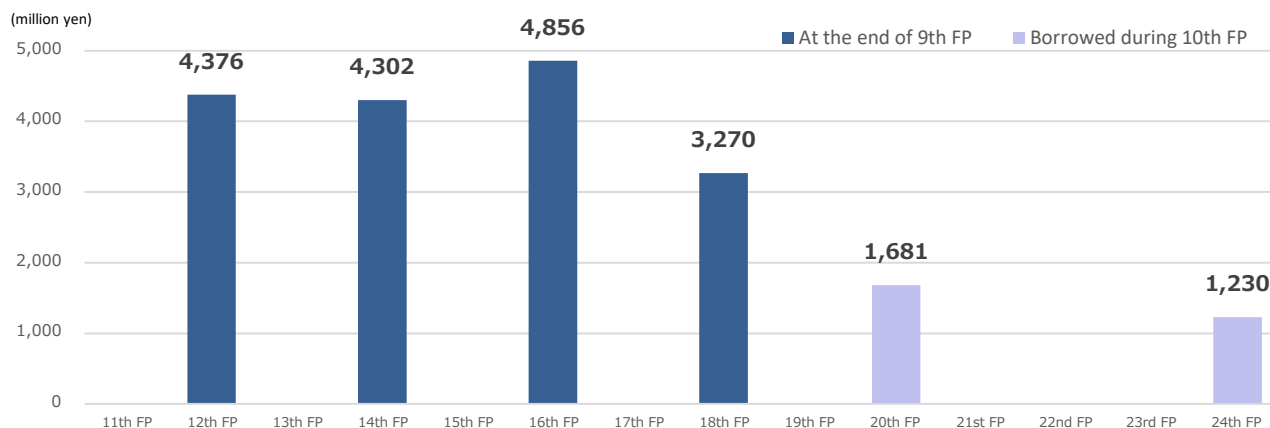
|                                 | Due                 | New                  | Changes             |
|---------------------------------|---------------------|----------------------|---------------------|
| <b>Amount</b>                   | 3.141 bn yen        | 2.911 bn yen         | -0.23 bn yen        |
| <b>Average financing period</b> | 4 years<br>2 months | 5 years<br>10 months | +1 year<br>8 months |
| <b>Average borrowing rate</b>   | 0.732%              | 1.352%               | +0.620%             |

Due to increased base rate and prolonged durations

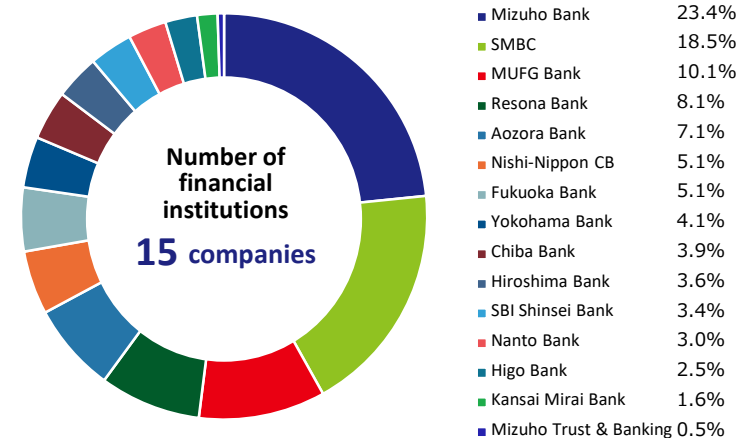
## Borrowing status

|  | at the end of 9th FP | at the end of 10th FP | Compare to previous FP |
|--|----------------------|-----------------------|------------------------|
| <b>Balance of interest-bearing debts</b> | 19.94 bn yen         | 19.71 bn yen          | -0.23 bn yen           |
| <b>LTV based on total assets</b>         | 41.0%                | 40.8%                 | -0.2%                  |
| <b>Average remaining period</b>          | 2 years 5 months     | 2 years 10 months     | +5 months              |
| <b>Average interest rate</b>             | 0.632%               | 0.722%                | +0.090%                |
| <b>Long-term loan ratio</b>              | 98.3%                | 100.0%                | +1.7%                  |
| <b>Fixed interest rate ratio</b>         | 96.5%                | 99.0%                 | +2.5%                  |

## 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 33.4% appraisal LTV
- GRESB 3 Star, 85.2% environmental certification acquisition rate (based on total floor area)

### Future growth drivers

#### Internal growth

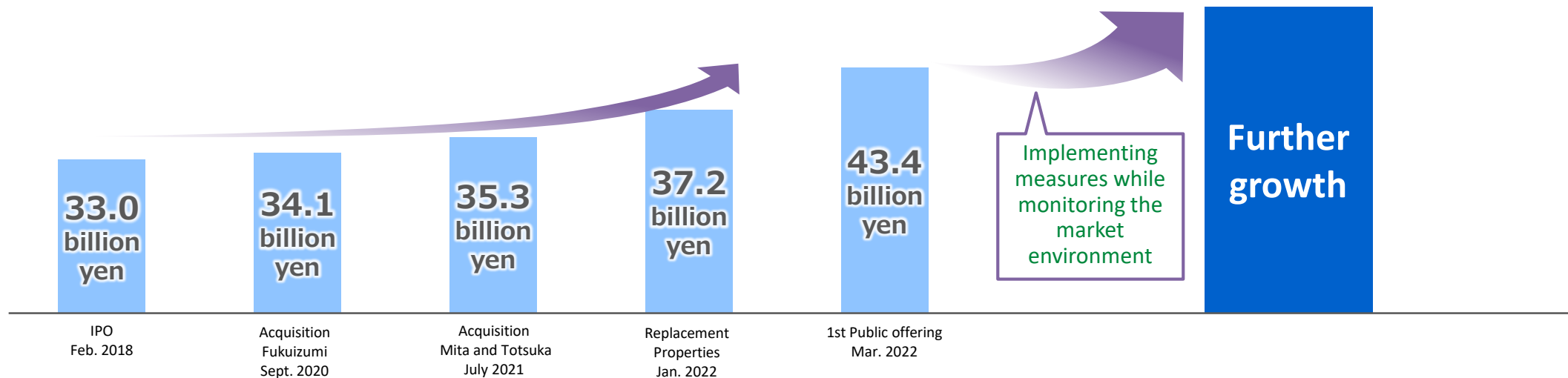
- Offices/retail properties: Maintain occupancy rates and secure stable revenue through cost management
- Hotels: Raise variable rent in conjunction with the recovery of sales

#### External growth

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

#### Financial and ESG

- Regardless of the uncertain outlook, consider diversifying 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

The background of the slide is a collage of images related to modern architecture and interior design. It includes a low-angle shot of a tall glass skyscraper, a view of a modern office interior with desks and chairs, and a close-up of a staircase with a wooden railing. The text 'MUZZA KAWASAKI' is overlaid on the bottom portion of the collage.

MUZZA  
KAWASAKI

# Participated in External Certifications and Initiatives

## Participated in the GRESB Assessment

- Participated 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



## Support of the TCFD Recommendations

- The Asset Management Company has expressed its support for the TCFD recommendations and has also joined the TCFD Consortium, whose members consist of Japanese companies that support the TCFD.



## Signing of Principles for Financial Action for the 21st Century

- The Asset Management Company of XYMAX REIT, has endorsed the ideas of the Principles and became a signatory on December 27, 2013.



## Acquisition of Environmental Certification

(As of March 31, 2023)

- Newly acquired for one property and rose rate to 85.2%



Assessment Rank

**Rank S**  
(Excellent)



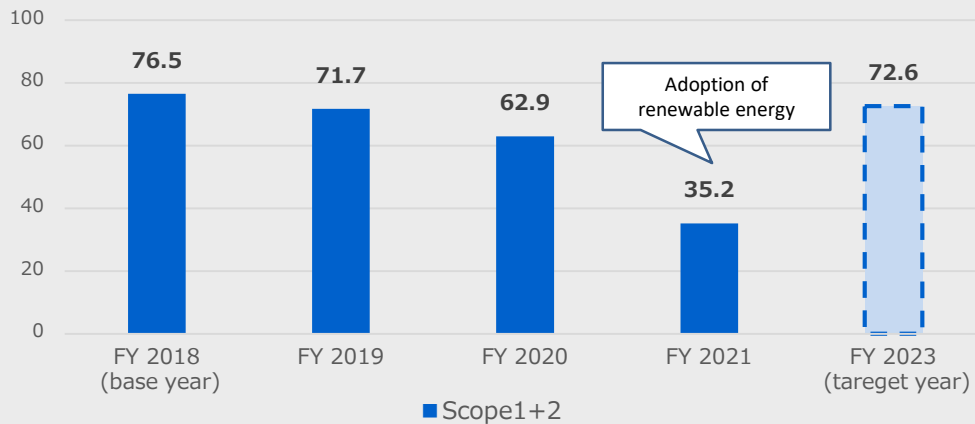
Vita Seiseki-Sakuragaoka

|  |                      |
|--|----------------------|
| Number of Acquisition of Environmental Certification | <b>11 properties</b> |
| Acquisition rate (based on total floor area)         | <b>85.2 %</b>        |

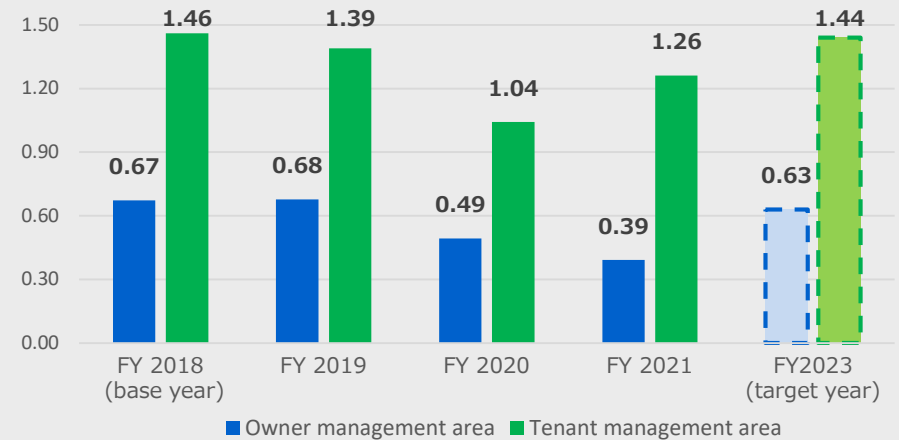
## Results of environmental initiatives

■ Resetting of goals is under consideration due to the high probability of achievement in the target year

### GHG emissions intensity (kg-CO<sub>2</sub>/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 equipment renovation in the 10th FP

|                       |   |   |
|-----------------------|---|---|
| <b>Shinjuku-Gyoen</b> | Renewal for air conditioning system in common area (2 floors) | ▶ <b>approx. 56% Reduction</b> in electricity consumption |
| <b>Higashi Azabu</b>  | LED replacement in exclusive spaces (3 floors)                | ▶ <b>approx. 71% Reduction</b> in electricity consumption |
| <b>Higashi Azabu</b>  | LED replacement in common area                                | ▶ <b>approx. 77% Reduction</b> in electricity consumption |
| <b>Kiba</b>           | LED replacement in exclusive space (1 floor)                  | ▶ <b>approx. 69% Reduction</b> in electricity consumption |
| <b>Shinjuku-Gyoen</b> | Renewal of men's urinals (1 floor)                            | ▶ <b>approx. 73% Reduction</b> of water consumption       |

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

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

**Targeted electricity consumption**

**1.70 million kWh**  
(based on the 10th FP)

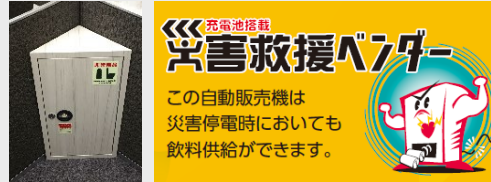
### Future initiatives

- Promote environmental load reduction work for air conditioning renewal and replacement to LED
- Introduce more environment-friendly models when replacing 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 Tenants and Local Communities

### Resilience measures for disasters, etc.

- Introduction of emergency storage boxes
- Introduced disaster-relief vending machines



### Initiatives to improve tenant satisfaction

- Introduction of digital signage in common area (building electricity consumption, evacuation sites, and encouragement of power saving, etc., are posted)



## 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 April 1, 2023)

- Licensed Real Estate Broker 23
- ARES Certified Master 7
- Certified Building Administrator 5

### 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.

### 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 2021 | 15  | 19     | 55.9%                  | 34    | 1                             |
| April 2022 | 14  | 19     | 57.6%                  | 33    | 0                             |
| April 2023 | 15  | 17     | 53.1%                  | 32    | 1                             |

## 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
- Contribution 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

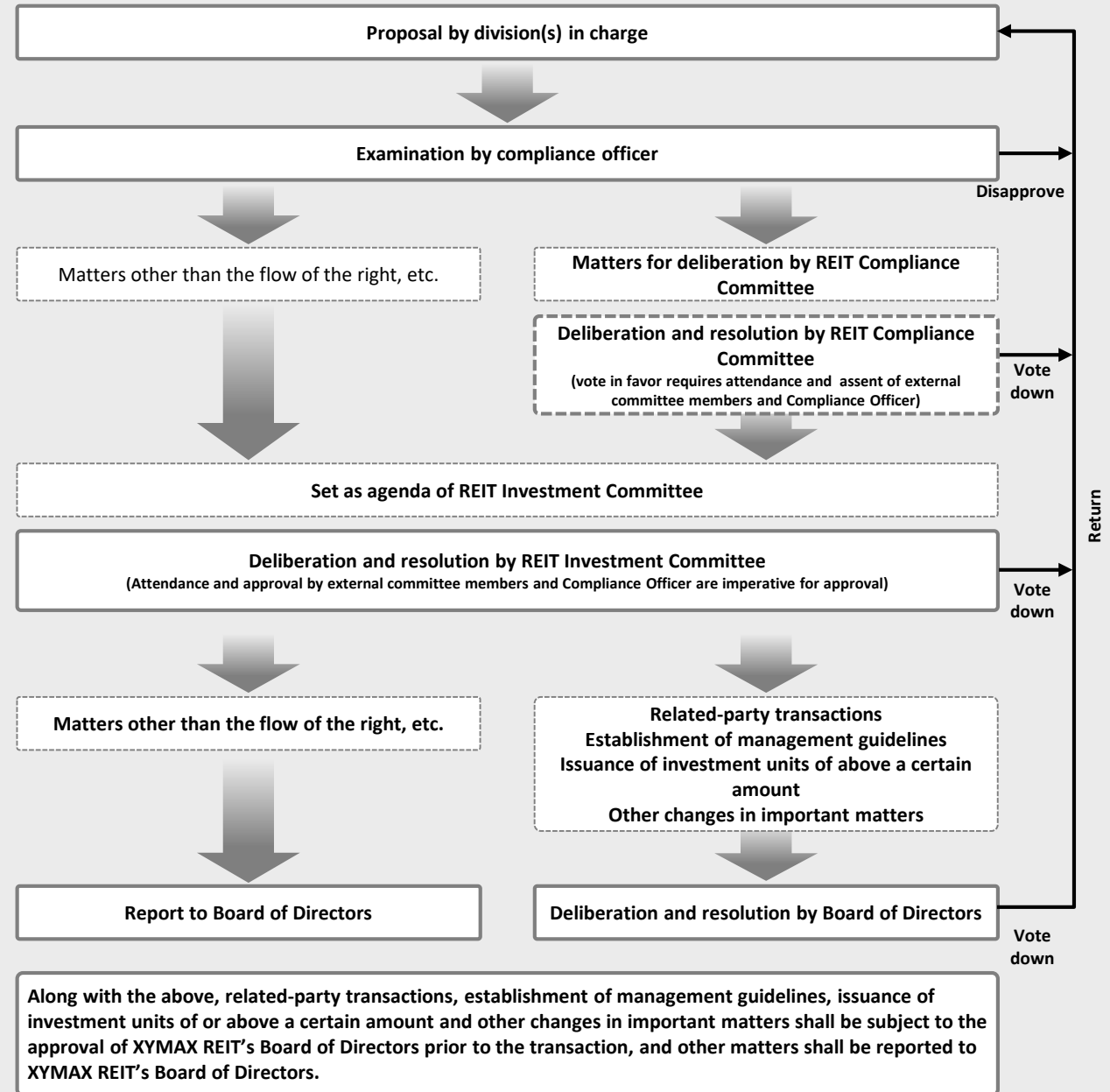
|                 |  |
|-----------------|--|
| Acquisition Fee | Acquisition price × 1.0%* <sup>1</sup>   |
| Disposition Fee | Gain on dispositions at the end of each period (after deduction of loss on dispositions) × 15.0%* <sup>2</sup> |

\*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 10th FP)





**XYMAX REIT Investment Corporation**

# APPENDIX

A black and white photograph of a modern building facade with large glass windows. The name 'MUZZA KAWASAKI' is visible on the building. The image is partially obscured by a white diagonal line.

MUZZA  
KAWASAKI

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: **1,076** buildings/Gross floor area Approx. **5.90** million tsubo (as of January 31, 2023)
- ✓ Entrustment records by J-REIT investment corporation other than XYMAX REIT: **33** companies/**199** properties (as of January 31, 2023)
- ✓ Human resources: **2,360** people engaged in real estate management, **59** people in leasing, and **66** people in CRE related business (as of April 1, 2023)

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

- ✓ Data of Real Estate Management: Contracted rent data **41,718** buildings/**142,373** cases (accumulated total as of March 31, 2023), Asking rent data **59,151** buildings (accumulated total as of March 31, 2023)/**19,254** cases (as of March 31, 2023), Construction work data **173,316** cases (accumulated total as of February 28, 2023)
- ✓ 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 **430** companies (as of January 31, 2023)
- ✓ Track record in property sales and brokerage: **388** buildings, approximately **610.8** billion yen (accumulated total from April 1, 2010 to March 31, 2023)



## 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

(Unit: thousand yen)

(Unit: thousand yen)

| Balance Sheet                          | 9th fiscal period<br>(As of Aug. 31, 2022) | 10th fiscal period<br>(As of Feb. 28, 2023) |
|--|--|---|
| <b>Assets</b>                          |  |   |
| Current assets                         | 4,309,869                                  | 3,943,785                                   |
| Cash and bank deposits                 | 1,540,074                                  | 1,387,993                                   |
| Cash and bank deposits in trust        | 2,523,504                                  | 2,474,091                                   |
| Operating accounts receivable          | 37,046                                     | 31,293                                      |
| Prepaid expenses                       | 46,125                                     | 48,911                                      |
| Consumption taxes refund receivable    | 162,235                                    | -   |
| Other                                  | 882  | 1,496                                       |
| Non-current assets                     | 44,337,396                                 | 44,353,180                                  |
| Property, plant and equipment          | 44,189,725                                 | 44,205,397                                  |
| Buildings                              | 303,653                                    | 300,100                                     |
| Structures                             | 1,733                                      | 1,699                                       |
| Machinery and equipment                | 10,187                                     | 9,984                                       |
| Tools, furniture and fixtures          | 14,947                                     | 11,751                                      |
| Land                                   | 230,346                                    | 230,346                                     |
| Buildings in trust                     | 9,888,545                                  | 9,912,281                                   |
| Structures in trust                    | 53,393                                     | 52,195                                      |
| Machinery and equipment in trust       | 0  | 0   |
| Tools, furniture and fixtures in trust | 25,008                                     | 25,057                                      |
| Land in trust                          | 33,661,874                                 | 33,661,874                                  |
| Construction in progress in trust      | 33   | 104   |
| Investments and other assets           | 147,670                                    | 147,783                                     |
| Long-term prepaid expenses             | 56,133                                     | 61,157                                      |
| Deferred tax assets                    | 15   | 10  |
| Lease and guarantee deposits           | 22,600                                     | 22,600                                      |
| Other                                  | 68,921                                     | 64,014                                      |
| Deferred assets                        | 22,494                                     | 17,995                                      |
| Investment unit issuance costs         | 22,494                                     | 17,995                                      |
| <b>Total assets</b>                    | <b>48,669,759</b>                          | <b>48,314,961</b>                           |


| Balance Sheet                                   | 9th fiscal period<br>(As of Aug. 31, 2022) | 10th fiscal period<br>(As of Feb. 28, 2023) |
|---|--|---|
| <b>Liabilities</b>                              |  |   |
| Current liabilities                             | 3,690,587                                  | 4,974,180                                   |
| Operating accounts payable                      | 139,620                                    | 144,126                                     |
| Short-term loans payable                        | 345,000                                    | -   |
| Current portion of long-term borrowings         | 2,796,000                                  | 4,376,000                                   |
| Accounts payable - other                        | 155,651                                    | 121,245                                     |
| Income taxes payable                            | 922  | 822   |
| Accrued consumption taxes                       | -  | 92,151                                      |
| Advances received                               | 247,938                                    | 238,201                                     |
| Other   | 5,454                                      | 1,633                                       |
| Non-current liabilities                         | 18,538,775                                 | 17,086,617                                  |
| Long-term loans payable                         | 16,804,000                                 | 15,339,000                                  |
| Tenant leasehold and security deposits          | 33,349                                     | 33,349                                      |
| Tenant leasehold and security deposits in trust | 1,698,290                                  | 1,713,997                                   |
| Derivatives liabilities                         | 3,135                                      | 270   |
| <b>Total liabilities</b>                        | <b>22,229,363</b>                          | <b>22,060,798</b>                           |
| <b>Net assets</b>                               |  |   |
| Unitholders' equity                             | 26,443,532                                 | 26,254,434                                  |
| Unitholders' capital                            | 25,440,013                                 | 25,440,013                                  |
| Allowance for temporary difference adjustments  | -  | -2,995                                      |
| Unitholders' capital, net                       | 25,440,013                                 | 25,437,017                                  |
| Surplus   | 1,003,518                                  | 817,416                                     |
| Valuation and translation adjustments           | -3,135                                     | -270  |
| Deferred gains or losses on hedges              | -3,135                                     | -270  |
| <b>Total net assets</b>                         | <b>26,440,396</b>                          | <b>26,254,163</b>                           |
| <b>Total liabilities and net assets</b>         | <b>48,669,759</b>                          | <b>48,314,961</b>                           |

## Statement of Income





(Unit: thousand yen)

| Statement of Income                                   | 9th fiscal period<br>(As of Aug. 31, 2022) | 10th fiscal period<br>(As of Feb. 28, 2023) |
|---|--|---|
| Operating revenue                                     | 1,874,817                                  | 1,646,016                                   |
| Leasing business revenue                              | 1,523,202                                  | 1,497,162                                   |
| Other leasing business revenue                        | 125,327                                    | 148,853                                     |
| Gain on sale of real estate property                  | 226,287                                    | -   |
| Operating expenses                                    | 752,828                                    | 737,209                                     |
| Expenses related to leasing business                  | 557,144                                    | 584,571                                     |
| Asset management fees                                 | 125,416                                    | 97,093                                      |
| Asset custody fees                                    | 1,108                                      | 1,275                                       |
| Administrative service fees                           | 12,549                                     | 14,497                                      |
| Directors' compensations                              | 2,400                                      | 2,400                                       |
| Other operating expenses                              | 54,210                                     | 37,372                                      |
| Operating income                                      | 1,121,988                                  | 908,806                                     |
| Non-operating income                                  | 129  | 493   |
| Interest income                                       | 20   | 19  |
| Interest on refund                                    | -  | 286   |
| Gain on forfeiture of unclaimed distributions         | 108  | 175   |
| Other   | -  | 12  |
| Non-operating expenses                                | 117,761                                    | 94,224                                      |
| Interest expenses                                     | 63,457                                     | 63,741                                      |
| Borrowing related expenses                            | 49,879                                     | 23,194                                      |
| Amortization of investment unit issuance costs        | 4,425                                      | 4,498                                       |
| Other   | -  | 2,789                                       |
| Ordinary income                                       | 1,004,355                                  | 815,075                                     |
| Income before income taxes                            | 1,004,355                                  | 815,075                                     |
| Total income taxes                                    | 923  | 830   |
| Income taxes - current                                | 925  | 825   |
| Income taxes - deferred                               | -2   | 4   |
| Net income  | 1,003,432                                  | 814,245                                     |
| Retained earnings brought forward                     | 86   | 3,171                                       |
| Unappropriated retained earnings<br>(undisposed loss) | 1,003,518                                  | 817,416                                     |

## 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<br>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<br>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<br>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 10th FP) | 8  | 13  | 6   | 7   | 6   | 8   |
| Occupancy rate (As of the end of 10th FP)   | 100.0%   | 98.1%   | 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<br>5 minutes on foot from JR Hachioji Station | 5 minutes on foot from Mita Station on the Toei Subway Mita Line, and other<br>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㎡   | 2,587.15㎡   | 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 10th FP) | 23  | 7  | 6   | 7   | 19   | 1   |
| Occupancy rate (As of the end of 10th 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)

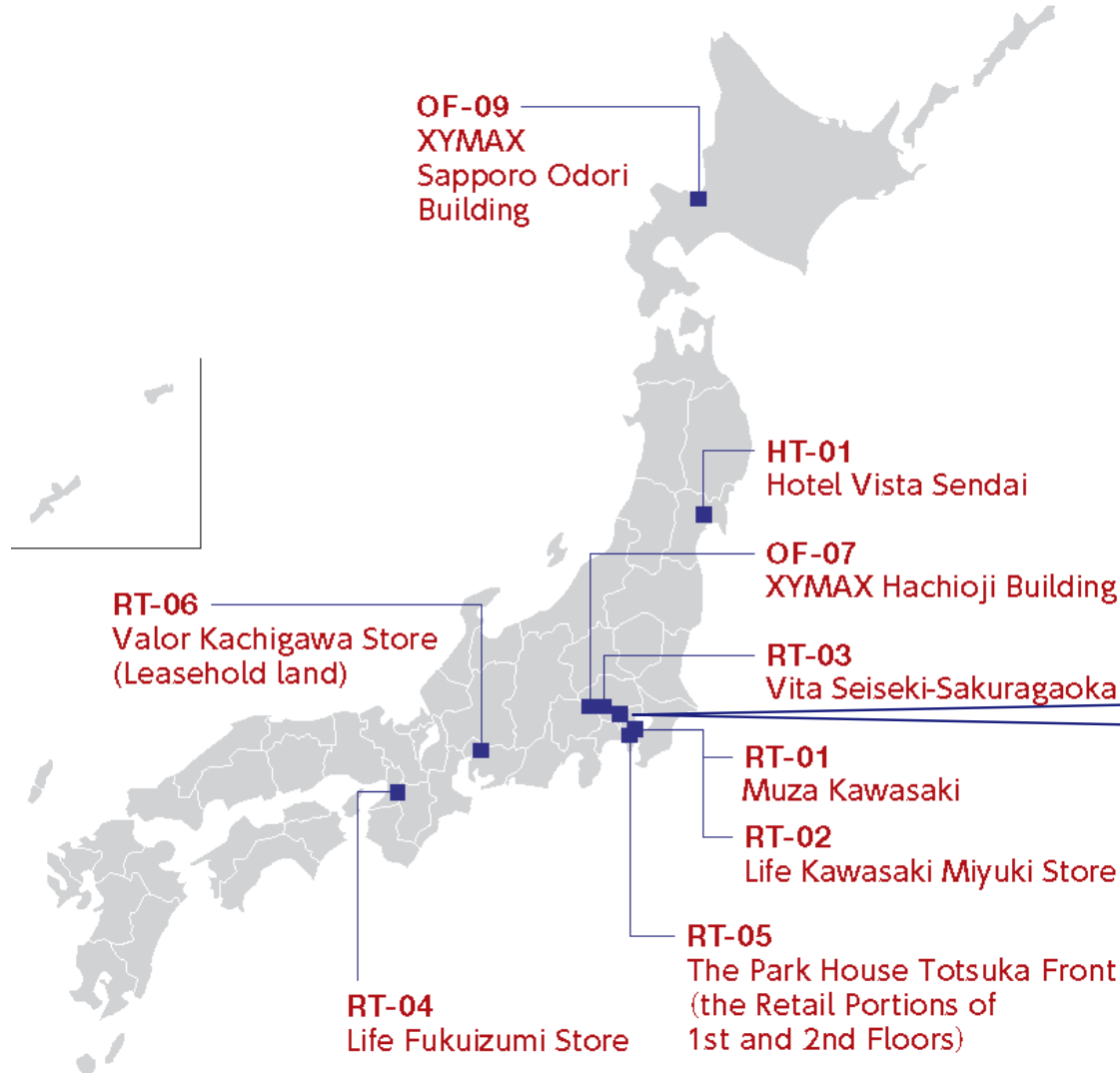
| Asset no.                                      | RT-03   | RT-04   | RT-05   | RT-06   | HT-01   | OT-02   |
|--|---|---|---|---|---|---|
| Asset type                                     | Retail  | Retail  | Retail  | Retail  | Hotel   | Other (Residential)   |
| Property name                                  | Vita Seiseki-Sakuragaoka  | Life Fukuizumi Store  | The Park House Totsuka Front<br>(the Retail Portions of 1 <sup>st</sup> and 2 <sup>nd</sup> Floors) | Valor Kachigawa Store<br>(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<br>Seiseki Sakuragaoka Station<br>Directly Connected  | 12 minutes on foot from Otori<br>Station on the JR Hanwa Line                     | 3 minutes on foot from<br>JR and Yokohama shiei Subway<br>Blue Line Totsuka Station                 | 7 minutes on foot from<br>Kachigawa Station on the JR<br>Chuo Main Line             | 4 minutes on foot from JR<br>Sendai Station<br>1 minute on foot from<br>Miyagino Dori Station on the<br>Sendai City Subway Tozai Line | 5 minutes on foot from<br>Nishikasai Station on the Tokyo<br>Metro Tozai Line       |
| Acquisition price<br>(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<br>Floors                  | Steel-framed reinforced<br>concrete structure/reinforced<br>concrete structure/steel-<br>construction with<br>flat roof B3F/27F | Steel-construction with flat<br>roof 2F   | Reinforced concrete structure<br>with flat roof B1F/14F   | -   | Steel-construction with flat<br>roof 12F  | Reinforced concrete structure<br>with flat roof 5F                                  |
| Number of tenant<br>(As of the end of 10th FP) | 1   | 1   | 5   | 1   | 1   | 1   |
| Occupancy rate<br>(As of the end of 10th 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.

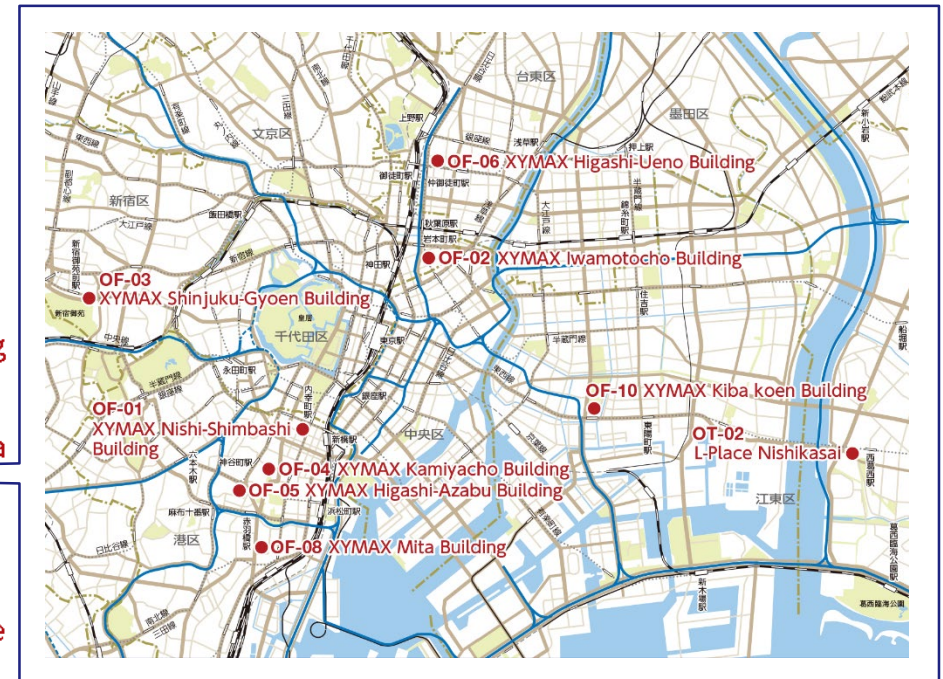
\*2: The figures are calculated by multiplying the leased floor area under the lease contract by the quasi co-ownership ratio of the beneficiary rights held by the XYMAX REIT (50%).

\*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 |



## 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                           | 85,937          | 143,528    | 193,059        | 44,720    | 59,093        | 50,694       | 134,484  | 14,723 | 137,267 | 64,653 |
| Lease business revenue   | 76,160          | 124,443    | 175,296        | 38,732    | 51,171        | 43,583       | 114,850  | 12,648 | 124,558 | 49,822 |
| Other lease business revenue   | 9,777           | 19,084     | 17,763         | 5,987     | 7,921         | 7,111        | 19,634   | 2,074  | 12,709  | 14,831 |
| Operating expenses from real estate leasing (Excluding Depreciation) | 23,711          | 38,756     | 49,093         | 16,960    | 24,671        | 17,176       | 42,502   | 9,163  | 21,944  | 19,991 |
| Tax and public dues  | 7,182           | 13,726     | 14,715         | 4,782     | 6,631         | 3,805        | 8,398    | 1,350  | 4       | 8      |
| Maintenance fees   | 5,482           | 10,370     | 12,342         | 4,672     | 5,904         | 4,419        | 16,377   | 2,730  | 7,767   | 6,741  |
| Utility expenses   | 8,135           | 11,419     | 14,698         | 5,061     | 5,175         | 6,272        | 12,086   | 991    | 12,425  | 6,545  |
| Repair expenses  | 2,243           | 1,345      | 5,755          | 1,834     | 6,261         | 2,061        | 3,760    | 76     | 680     | 132    |
| Insurance premiums   | 60              | 215        | 207            | 45        | 80            | 58           | 269      | 36     | 299     | 110    |
| Other expenses related to leasing business                           | 606             | 1,678      | 1,374          | 564       | 618           | 558          | 1,610    | 3,979  | 766     | 6,454  |
| <b>NOI</b>   | 62,226          | 104,772    | 143,965        | 27,759    | 34,421        | 33,518       | 91,982   | 5,560  | 115,322 | 44,661 |
| Depreciation   | 3,167           | 17,523     | 14,186         | 1,459     | 6,486         | 3,360        | 11,397   | 1,369  | 22,718  | 5,237  |
| Operating income (loss) from real estate leasing                     | 59,059          | 87,249     | 129,779        | 26,300    | 27,934        | 30,158       | 80,585   | 4,190  | 92,603  | 39,424 |

## 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            |
|--|---------|-----------------|---------------------|-------------|---------|-------------|-------------|-------------|------------------|
| Operating revenue from real estate leasing                           | 181,693 | undisclosed     | undisclosed         | undisclosed | 26,572  | undisclosed | undisclosed | undisclosed | <b>1,646,016</b> |
| Lease business revenue   | 156,655 | undisclosed     | undisclosed         | undisclosed | 23,214  | undisclosed | undisclosed | undisclosed | <b>1,497,162</b> |
| Other lease business revenue   | 25,037  | undisclosed     | undisclosed         | undisclosed | 3,357   | undisclosed | undisclosed | undisclosed | <b>148,853</b>   |
| Operating expenses from real estate leasing (Excluding Depreciation) | 51,644  | undisclosed     | undisclosed         | undisclosed | 11,492  | undisclosed | undisclosed | undisclosed | <b>422,003</b>   |
| Tax and public dues  | 10,872  | undisclosed     | undisclosed         | undisclosed | 1,840   | undisclosed | undisclosed | undisclosed | <b>133,961</b>   |
| Maintenance fees   | 15,032  | undisclosed     | undisclosed         | undisclosed | 5,078   | undisclosed | undisclosed | undisclosed | <b>109,286</b>   |
| Utility expenses   | 20,696  | undisclosed     | undisclosed         | undisclosed | 4,462   | undisclosed | undisclosed | undisclosed | <b>108,845</b>   |
| Repair expenses  | 4,325   | undisclosed     | undisclosed         | undisclosed | 24      | undisclosed | undisclosed | undisclosed | <b>39,128</b>    |
| Insurance premiums   | 186     | undisclosed     | undisclosed         | undisclosed | 51      | undisclosed | undisclosed | undisclosed | <b>3,792</b>     |
| Other expenses related to leasing business                           | 530     | undisclosed     | undisclosed         | undisclosed | 34      | undisclosed | undisclosed | undisclosed | <b>26,988</b>    |
| <b>NOI</b>   | 130,049 | 22,662          | 171,056             | 26,037      | 15,080  | 69,049      | 99,573      | 26,314      | <b>1,224,013</b> |
| Depreciation   | 18,068  | 1,669           | 25,902              | 2,223       | 3,790   | -           | 21,558      | 2,450       | <b>162,568</b>   |
| Operating income (loss) from real estate leasing                     | 111,980 | 20,992          | 145,153             | 23,814      | 11,289  | 69,049      | 78,014      | 23,864      | <b>1,061,444</b> |

## Overview of Appraisal Report

| Asset no               | Asset name   | Acquisition date | Acquisition price (million yen) | Book value as of the end of 10th FY (million yen) | End of 9th FP FY (August 31, 2022) |   | End of 10th FY (February 28, 2023) |   | 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                           | 2,520   | 3,270                              | 3.4   | 3,340                              | 3.3   | 70  | -0.1  | The Tanizawa Sōgō Appraisal Co., Ltd. | 819   |
| OF-02                  | XYMAX Iwamotocho Building  | February 2018    | 4,250                           | 4,402   | 5,920                              | 3.3   | 5,930                              | 3.3   | 10  | -   | Japan Real Estate Institute           | 1,527   |
| OF-03                  | XYMAX Shinjuku-Gyoen Building  | February 2018    | 5,020                           | 5,110   | 7,340                              | 3.3   | 7,330                              | 3.3   | -10   | -   | Japan Real Estate Institute           | 2,219   |
| OF-04                  | XYMAX Kamiyacho Building   | February 2018    | 880                             | 889   | 1,290                              | 3.5   | 1,320                              | 3.4   | 30  | -0.1  | The Tanizawa Sōgō Appraisal Co., Ltd. | 430   |
| OF-05                  | XYMAX Higashi-Azabu Building   | February 2018    | 1,550                           | 1,608   | 1,990                              | 3.8   | 1,990                              | 3.8   | -   | -   | Daiwa Real Estate Appraisal Co., Ltd. | 381   |
| OF-06                  | XYMAX Higashi-Ueno Building  | February 2018    | 1,150                           | 1,168   | 1,660                              | 3.9   | 1,660                              | 3.9   | -   | -   | Daiwa Real Estate Appraisal Co., Ltd. | 491   |
| OF-07                  | XYMAX Hachioji Building  | February 2018    | 2,600                           | 2,644   | 3,650                              | 4.6   | 3,650                              | 4.6   | -   | -   | Japan Real Estate Institute           | 1,005   |
| OF-08                  | XYMAX Mita Building  | July 2021        | 668                             | 683   | 755                                | 3.7   | 759                                | 3.7   | 4   | -   | Japan Real Estate Institute           | 75  |
| OF-09                  | XYMAX Sapporo Odori Building   | March 2022       | 4,707                           | 4,732   | 4,920                              | 3.9   | 4,970                              | 3.8   | 50  | -0.1  | Japan Real Estate Institute           | 237   |
| OF-10                  | XYMAX Kiba koen Building   | March 2022       | 2,003                           | 2,100   | 2,150                              | 4.3   | 2,150                              | 4.3   | -   | -   | Japan Real Estate Institute           | 49  |
| RT-01                  | Muza Kawasaki  | February 2018    | 4,100                           | 4,033   | 5,540                              | 4.1   | 5,550                              | 4.1   | 10  | -   | The Tanizawa Sōgō Appraisal Co., Ltd. | 1,516   |
| RT-02                  | Life Kawasaki Miyuki Store   | February 2018    | 790                             | 790   | 970                                | 4.2   | 971                                | 4.2   | 1   | -   | Daiwa Real Estate Appraisal Co., Ltd. | 180   |
| RT-03                  | Vita Seiseki-Sakuragaoka   | February 2018    | 3,100                           | 3,483   | 3,900                              | 5.0   | 3,940                              | 5.0   | 40  | -   | The Tanizawa Sōgō Appraisal Co., Ltd. | 456   |
| RT-04                  | Life Fukuizumi Store   | September 2020   | 1,065                           | 1,074   | 1,090                              | 4.5   | 1,090                              | 4.5   | -   | -   | Daiwa Real Estate Appraisal Co., Ltd. | 15  |
| RT-05                  | The Park House Totsuka Front (the Retail Portions of 1st and 2nd Floors) | July 2021        | 540                             | 542   | 631                                | 4.5   | 633                                | 4.5   | 2   | -   | The Tanizawa Sōgō Appraisal Co., Ltd. | 90  |
| RT-06                  | Valor Kachigawa Store (Leasehold land)                                   | January 2022     | 3,245                           | 3,289   | 3,400                              | -   | 3,410                              | -   | 10  | -   | The Tanizawa Sōgō Appraisal Co., Ltd. | 120   |
| HT-01                  | Hotel Vista Sendai   | February 2018    | 4,400                           | 4,199   | 5,170                              | 4.9   | 5,180                              | 4.7   | 10  | -0.2  | The Tanizawa Sōgō Appraisal Co., Ltd. | 980   |
| OT-02                  | L-Place Nishikasai   | March 2022       | 901                             | 929   | 1,020                              | 4.5   | 1,040                              | 4.4   | 20  | -0.1  | The Tanizawa Sōgō Appraisal Co., Ltd. | 110   |
| <b>Total / Average</b> |  |                  | <b>43,469</b>                   | <b>44,205</b>                                     | <b>54,666</b>                      | <b>-</b>  | <b>54,913</b>                      | <b>-</b>  | <b>247</b>                                  | <b>-</b>  |                                       | <b>10,707</b>   |

\*1: The difference between the estimated value at the end of the 9th FP and the estimated value at the end of the 10th 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 9th 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 10th FP is indicated.

\*3: The difference between the estimated value at the end of the 10th FP and the book value at the end of the 10th FP is indicated.

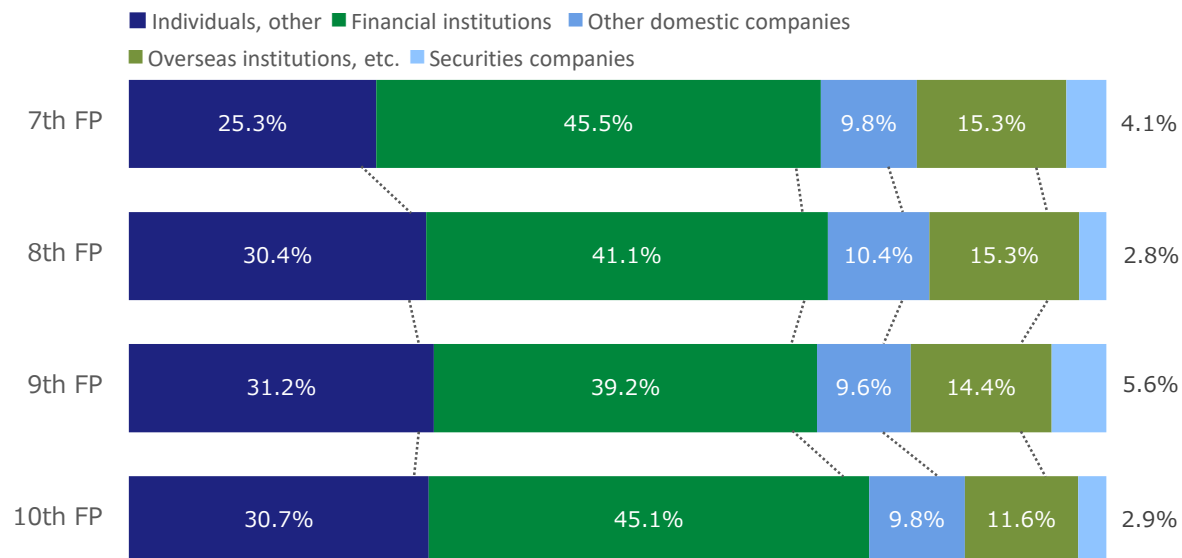
# Change in Investment Unit Price

## Change in investment unit price | As of March 31, 2023



\* 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.

### Share of investment units by owner type



### Number of unitholders by owner type

|                             | 7th FP       | 8th FP       | 9th FP        | 10th FP       |
|-----------------------------|--------------|--------------|---------------|---------------|
| Individuals, other          | 6,604        | 8,214        | 9,681         | 9,916         |
| Financial institutions      | 35           | 33           | 34            | 34            |
| Other domestic companies    | 132          | 162          | 184           | 193           |
| Overseas institutions, etc. | 91           | 110          | 110           | 129           |
| Securities companies        | 24           | 24           | 23            | 19            |
| <b>Total</b>                | <b>6,886</b> | <b>8,543</b> | <b>10,032</b> | <b>10,291</b> |

### Major unitholders

(At the end of 10th FP)

| Name  | Number of investment units (unit) | Ratio* (%)    |
|---|-----------------------------------|---------------|
| Custody Bank of Japan, Ltd. (Trust account)                       | 43,334                            | 17.35%        |
| The Master Trust Bank of Japan, Ltd. (Trust account)              | 39,804                            | 15.94%        |
| XYMAX Corporation   | 12,500                            | 5.00%         |
| The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 10,131                            | 4.05%         |
| SCBHK AC LIECHTENSTEINISCHE LANDESBANK AG                         | 6,341                             | 2.53%         |
| BNP-PARIBAS FRANKFURT/2S/JASDEC/GERMAN RESIDENTS-AIFM             | 5,176                             | 2.07%         |
| Individual  | 4,734                             | 1.89%         |
| JDC CORPORATION   | 3,000                             | 1.20%         |
| Osaka-Shoko Shinkin Bank  | 2,526                             | 1.01%         |
| BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCTS M ILM FE             | 2,123                             | 0.85%         |
| <b>Total</b>  | <b>129,669</b>                    | <b>51.94%</b> |

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

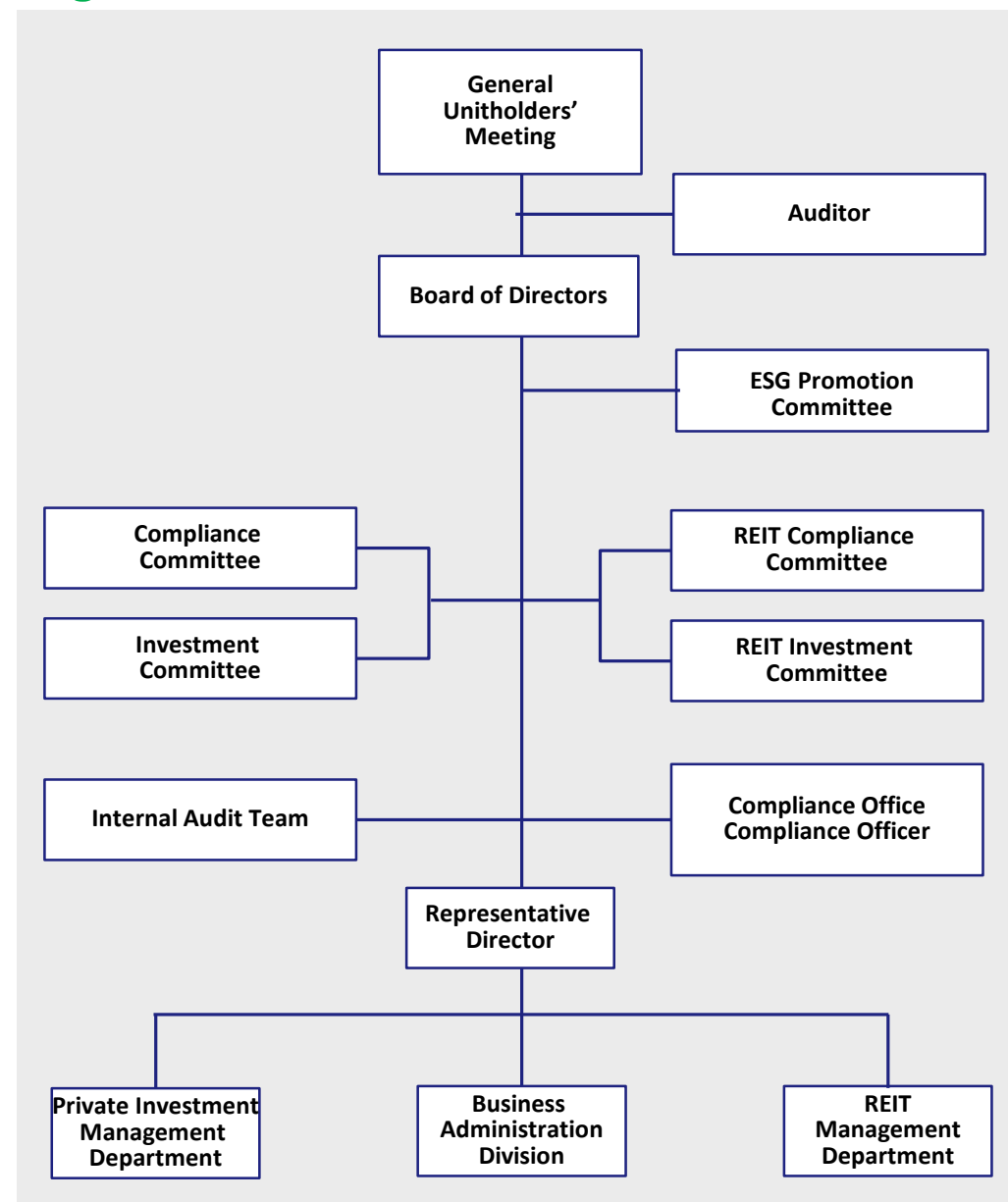
# Overview of Asset Management Company



## 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 | 32 (as of April 1, 2023) including directors  |
| Lines of business   | (1) Financial instruments business as prescribed in the Financial Instruments and Exchange Act<br>(2) Real estate investment advisory business and discretionary real estate investment business<br>(3) Asset management business for investment corporation  |
| Executives          | Shotaro Kanemitsu, Representative Director and President<br>Yasushi Yamaguchi, Director<br>Kazuya Sugimoto, Director<br>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)<br>Discretionary transaction agency, etc. business: Minister of Land, Infrastructure, Transport and Tourism Approval No. 118<br>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))<br>Real estate investment advisory business: Registration No. Sogo-57<br>Real estate brokerage business: Governor of Tokyo License (4) No. 88223 |

## Organization

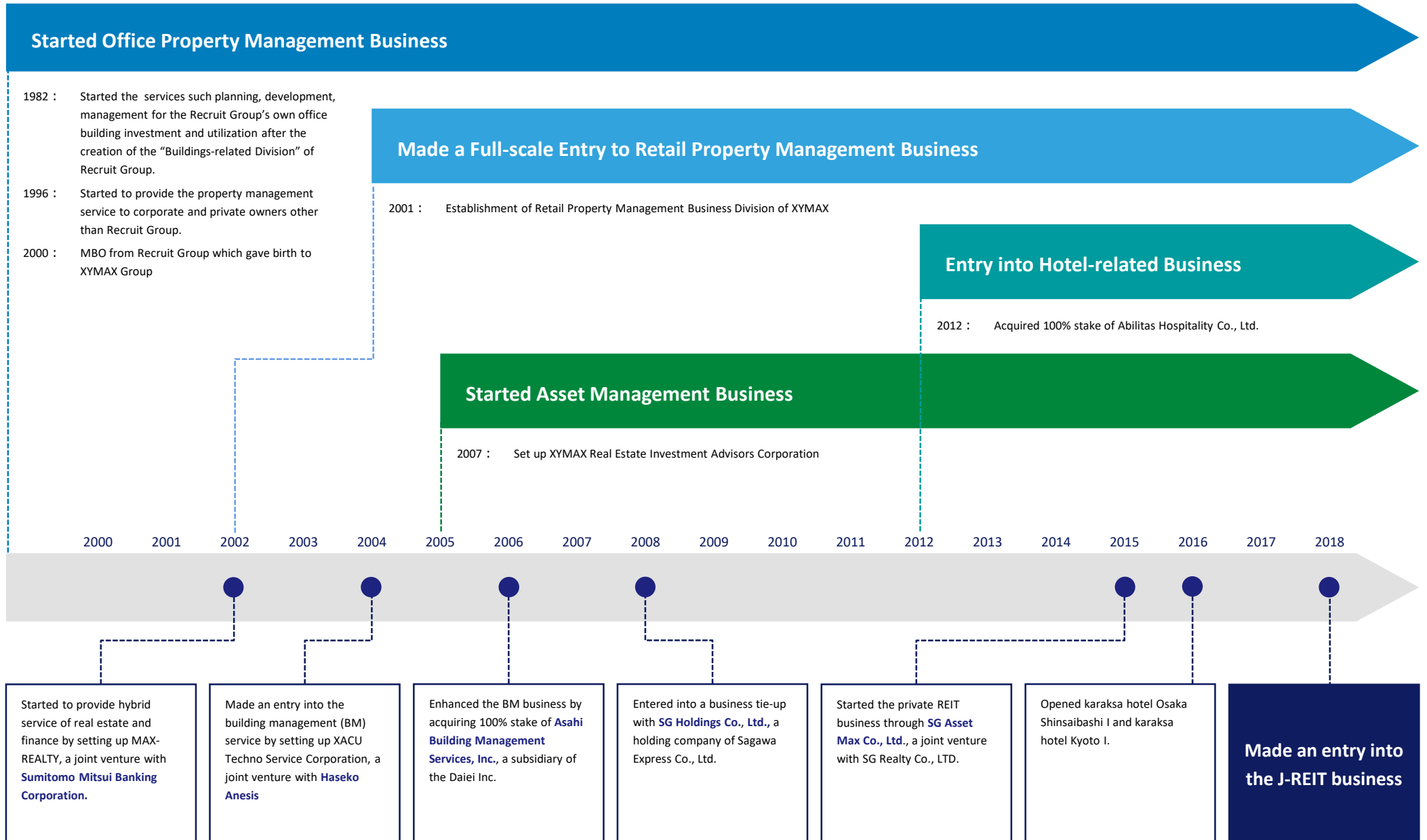




# Overview of XYMAX Group

|                          |  |  |   |   |  |                          |  |          |                |            |       |       |             |        |              |        |
|--------------------------|--|--|---|---|--|--------------------------|--|----------|----------------|------------|-------|-------|-------------|--------|--------------|--------|
| Company name             | XYMAX Corporation (unlisted)   |  | Office  | Retail/Store  | Logistics  | Hotel                    |  |          |                |            |       |       |             |        |              |        |
| Establishment            | March 1, 1990<br>* Spin-off from Recruit Co., Ltd. through employee participatory MBO in 2000                                  | Real estate consulting and management services | XYMAX<br>XYMAX TRUST  |   |  |                          |  |          |                |            |       |       |             |        |              |        |
| Location of headquarters | 1-1-1 Akasaka, Minato-ku, Tokyo  |  | XYMAX REAL ESTATE INVESTMENT ADVISORS/MAX-REALTY  |   |  |                          |  |          |                |            |       |       |             |        |              |        |
| Capital                  | 3,321,365,000 yen  |  | Valormax  |   | SG Asset Max   |                          |  |          |                |            |       |       |             |        |              |        |
| Sales                    | 100,538 million yen<br>(actual results for the fiscal year ended March 2022)<br>* Consolidated figures of the Group            |  | Real estate consulting<br>CRE strategy, effective utilization, development/design<br>Consulting and planning on inheritance, fund procurement, etc.<br>Real estate appraisal, real estate evaluation and research | <table border="0"> <tr> <td>Hokkaido</td> <td>XYMAX HOKKAIDO</td> </tr> <tr> <td>East Japan</td> <td>XYMAX</td> </tr> <tr> <td>Tokai</td> <td>XYMAX TOKAI</td> </tr> <tr> <td>Kansai</td> <td>XYMAX KANSAI</td> </tr> <tr> <td>Kyushu</td> <td>XYMAX KYUSHU</td> </tr> </table> |  |                          |  | Hokkaido | XYMAX HOKKAIDO | East Japan | XYMAX | Tokai | XYMAX TOKAI | Kansai | XYMAX KANSAI | Kyushu |
| Hokkaido                 | XYMAX HOKKAIDO   |  |   |   |  |                          |  |          |                |            |       |       |             |        |              |        |
| East Japan               | XYMAX  |  |   |   |  |                          |  |          |                |            |       |       |             |        |              |        |
| Tokai                    | XYMAX TOKAI  |  |   |   |  |                          |  |          |                |            |       |       |             |        |              |        |
| Kansai                   | XYMAX KANSAI   |  |   |   |  |                          |  |          |                |            |       |       |             |        |              |        |
| Kyushu                   | XYMAX KYUSHU   |  |   |   |  |                          |  |          |                |            |       |       |             |        |              |        |
| Representative           | Representative Director, Chairman & CEO: Masafumi Shimada<br>Representative Director Kenji Yoshimoto                           | Other specialized services                     | Real estate management<br>Asset management<br>Asset strategy, etc.  | Real estate management<br>Property management<br>Building maintenance   | Integrated management of store facilities<br>Facility management |                          |  |          |                |            |       |       |             |        |              |        |
| Major shareholders       | XYMAX Shareholding Association, directors & employees, clients and financial institutions<br>Total: 351 (as of March 31, 2023) |  | Leasing brokerage   | Market survey/analysis<br>Research/planning on management and repair  | Hotel business   | Linen Supply & Cleaning  |  |          |                |            |       |       |             |        |              |        |
| Number of employees      | 6,721 (as of April 1, 2022)<br>* Consolidated figures of the Group   |  | XYMAX INFONISTA   | XYMAX REAL ESTATE INSTITUTE   | KARAKSA HOTELS   | XYMAX careSS Corporation |  |          |                |            |       |       |             |        |              |        |
|                          |  |  | Cleaning  | Security  | Satellite office   | Risk management          |  |          |                |            |       |       |             |        |              |        |
|                          |  | XYMAX SALA                                     | MAX SECURITY SERVICE  | XYMAX ZXY Department  | Safety Organization for Urban Renewal                            |                          |  |          |                |            |       |       |             |        |              |        |

**Realize growth of XYMAX REIT by drawing on all of the XYMAX Group's expertise and workforce**



# 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\*.

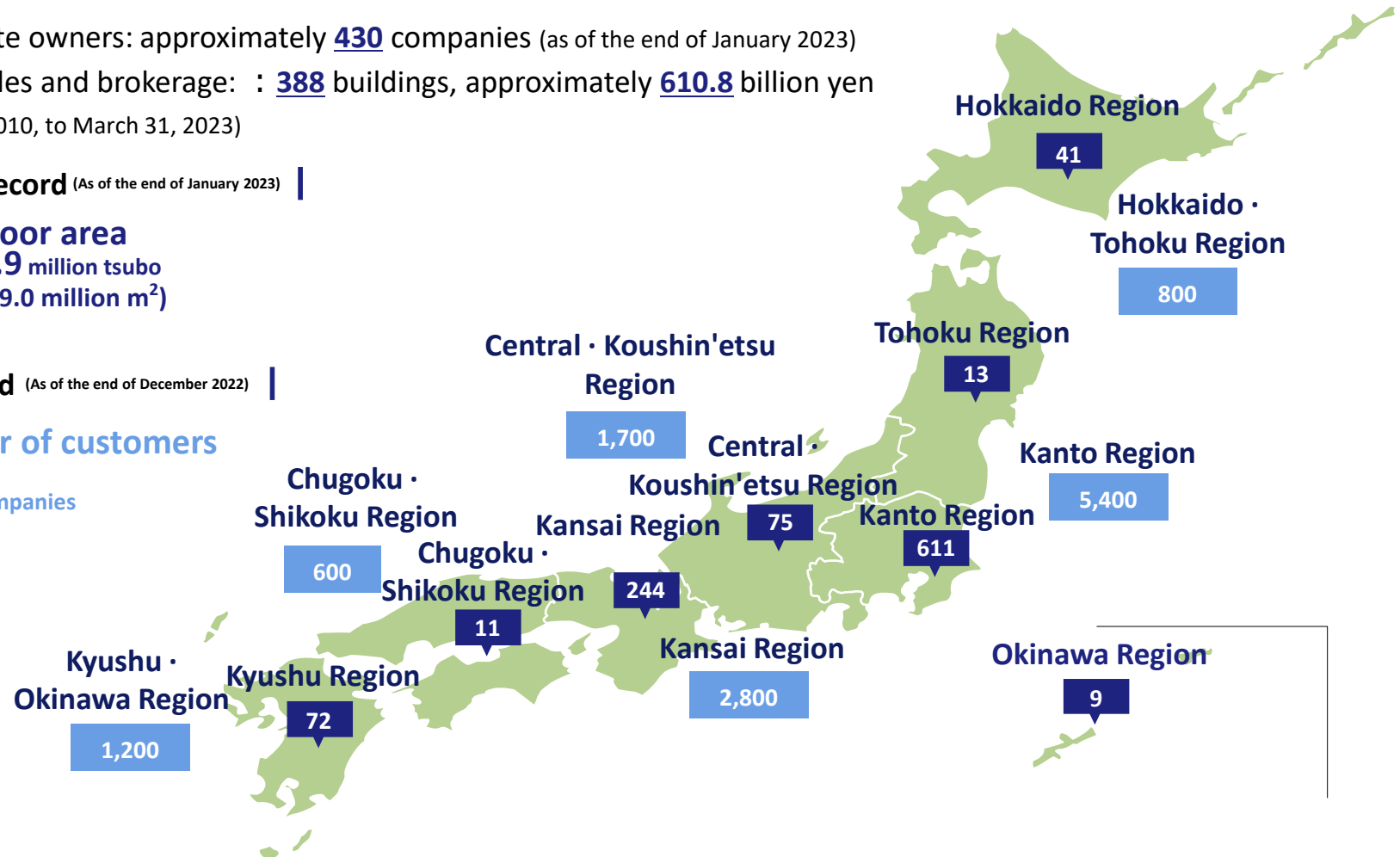
- Human resources: **2,360** people engaged in real estate management, **59** in leasing, and **66** in CRE related business (as of April 1, 2023)
- Relationship with real estate owners: approximately **430** companies (as of the end of January 2023)
- Track record in property sales and brokerage: : **388** buildings, approximately **610.8** billion yen (accumulated total from April 1, 2010, to March 31, 2023)

## Real estate management record (As of the end of January 2023)

|                            |   |
|----------------------------|---|
| Actual number of contracts | <b>Gross floor area</b>   |
| <b>1,076</b> buildings     | Approx. <b>5.9</b> million tsubo (Approx. 19.0 million m <sup>2</sup> ) |

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

|                              |                            |
|------------------------------|----------------------------|
| Actual number of contracts   | <b>Number of customers</b> |
| Approx. <b>12,500</b> stores | <b>130</b> companies       |

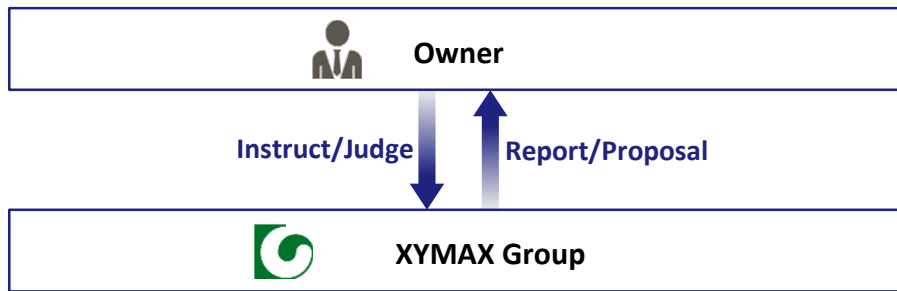


\* According to each November issue of the monthly magazine Property Management from 2010 to 2015, the XYMAX Group was ranked No. 1 in terms of floor area under management for six consecutive years since 2010.

# Property Management

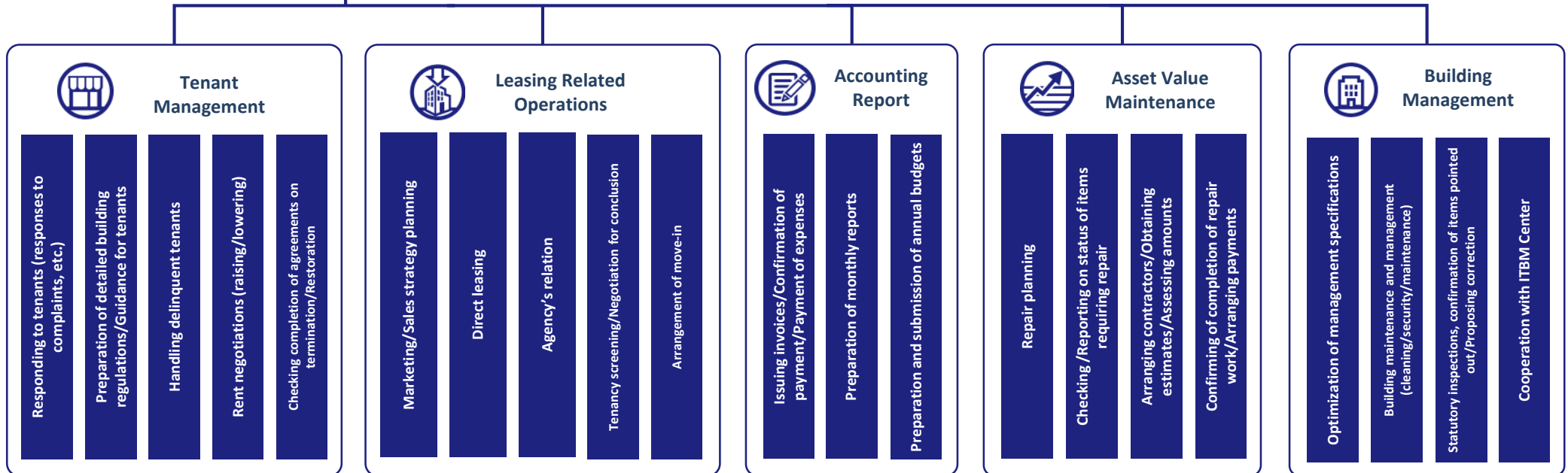
The XYMAX Group provides consistent real estate management and operation services, ranging from Property Management (acting for owners) to Building Maintenance operations. In addition, the XYMAX Group owns all kind of data on real estate management through a track record accumulated over the years.

## Areas of Real Estate Management Operations



## Data Related to Real Estate Management

|                        |  |
|------------------------|--|
| Contracted rent data   | 41,718 buildings / 142,373 cases<br>(accumulated total as of March 31, 2023)                     |
| Asking rent data       | 59,151 buildings (accumulated total as of March 31, 2023)<br>19,254 cases (as of March 31, 2023) |
| Construction work data | 173,316 cases (accumulated total as of February 28, 2023)  |



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.



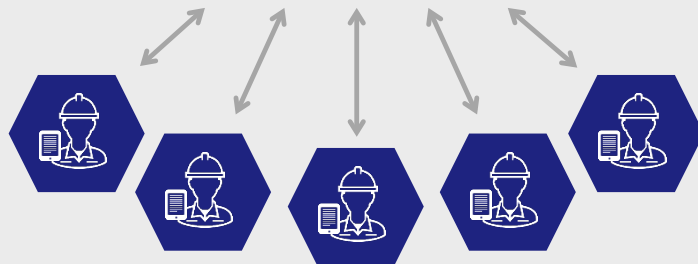
Checking with and giving instructions to the site by the ITBM Center

### 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.



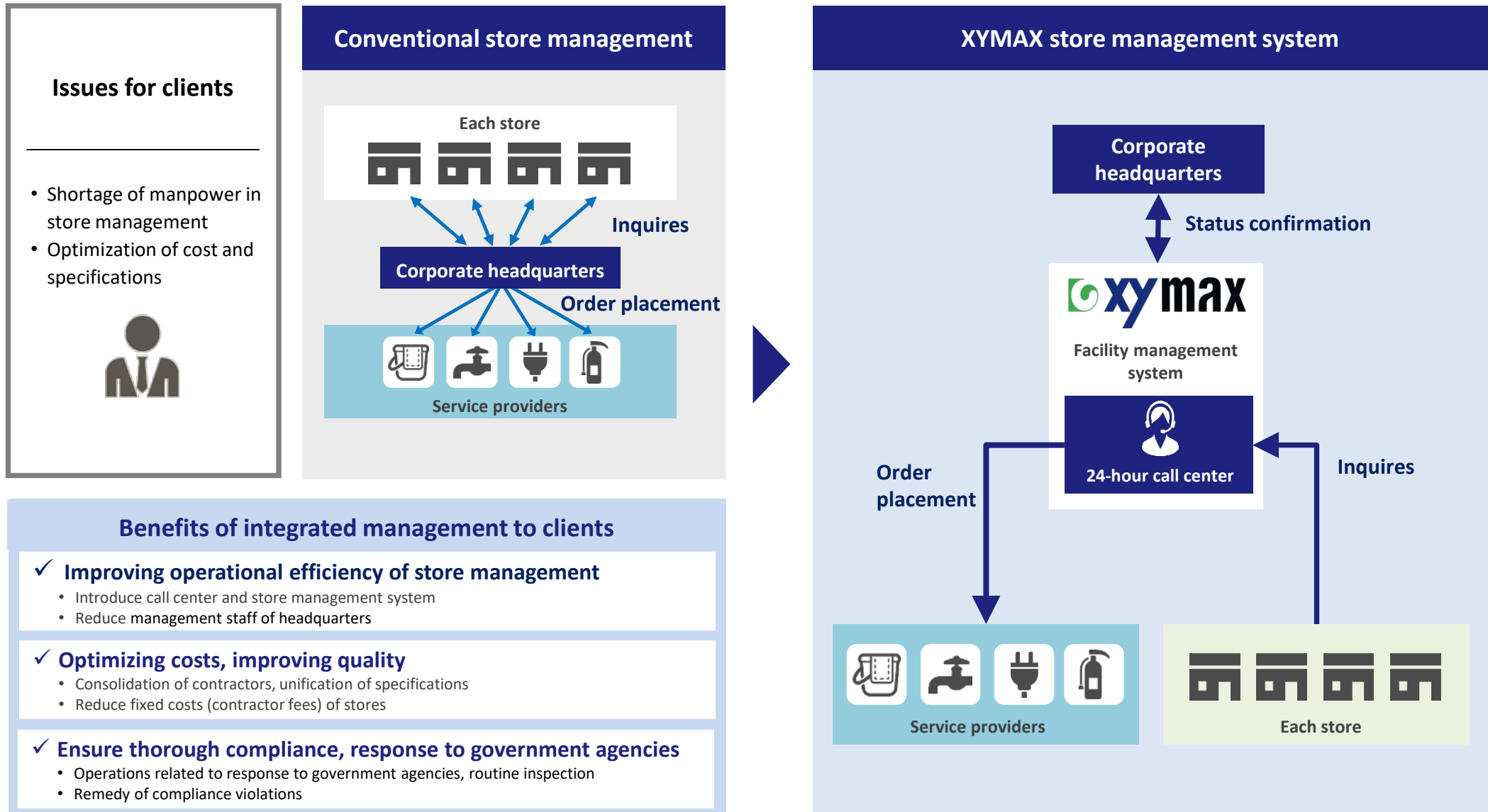
Video at the time of a fire in a building near a property managed by the Company. The video was linked to the ITBM Center after people in the building were safely evacuated. It was then used in reporting the status to the owner and the head office.



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**

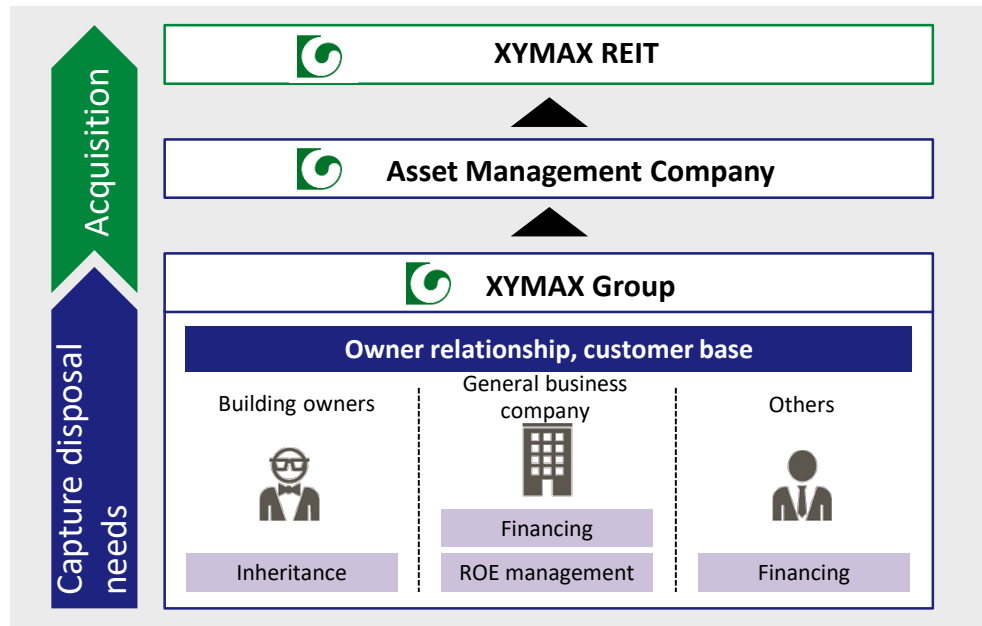


**80% or more** of the portfolio consists of office, retail, and hotel properties

# 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

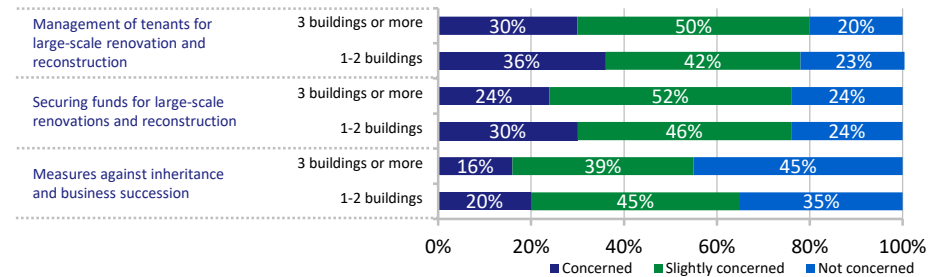


- More than 70% of real estate owners are concerned over about large-scale renovations of owned properties, tenant management, and securing funds for reconstruction  
→ Identifies needs of property disposal arising due to the problem or concern about necessary funds
- Concern for inheritance and business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

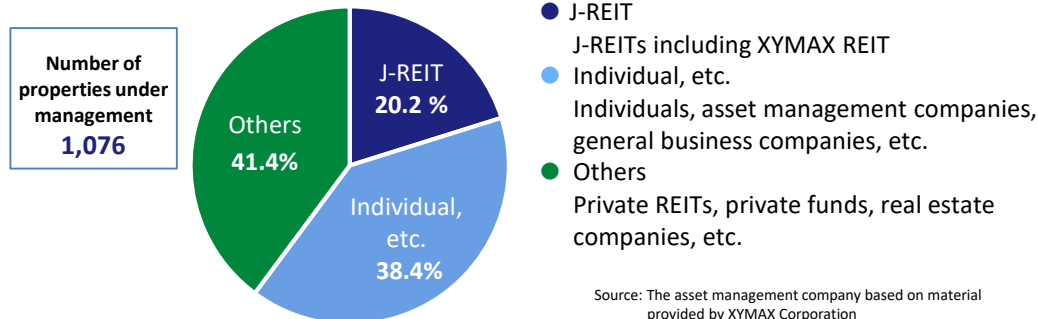
#### Anxiety in future building business (by the number of owned buildings)



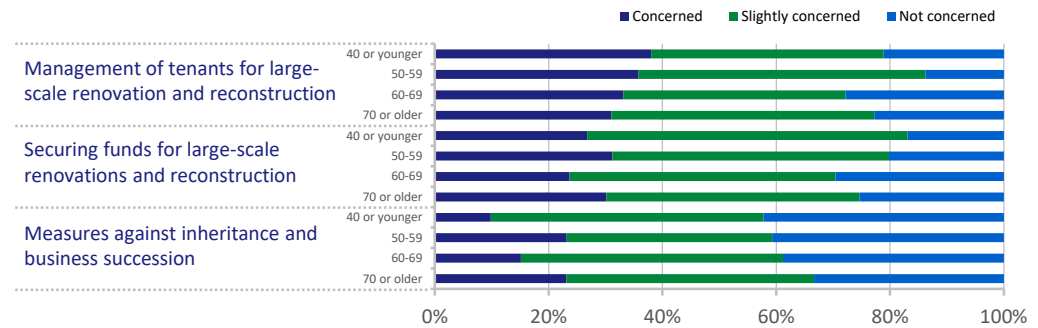
Source: "Building Owner Survey 2017" by XYMAX Real Estate Institute

## Diversity among real estate owners

Percentage of client types for real estate management business (As of the end of January 2023)



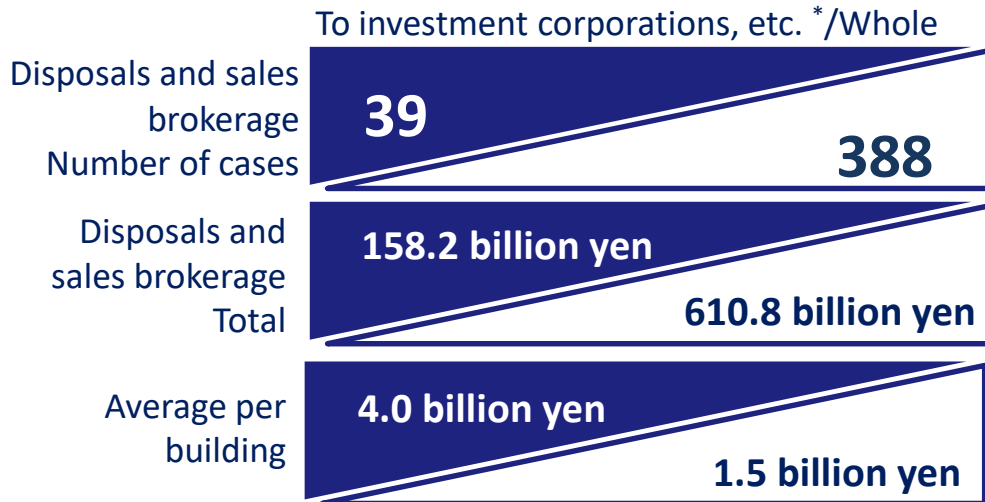
#### Concerns over future building business (By age, multiple answers)



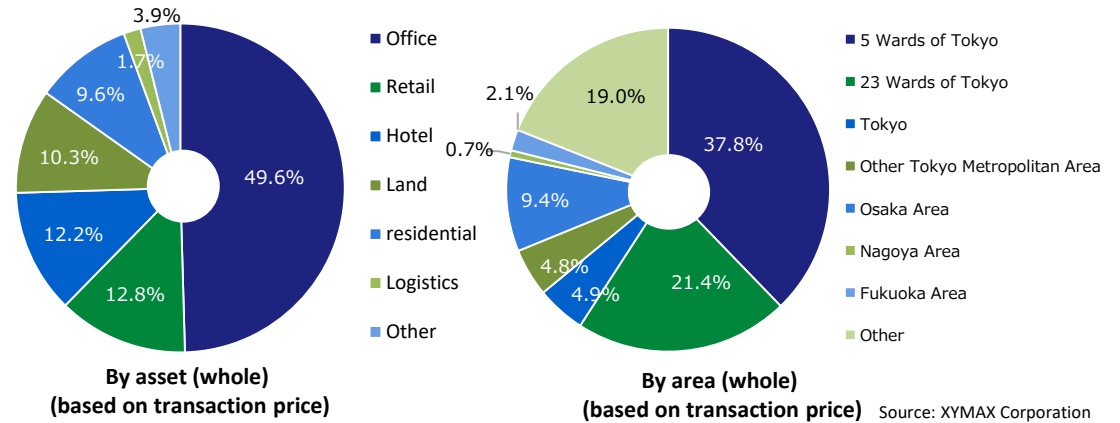
Source: Created by XYMAX Real Estate Institute based on the request from the asset management company



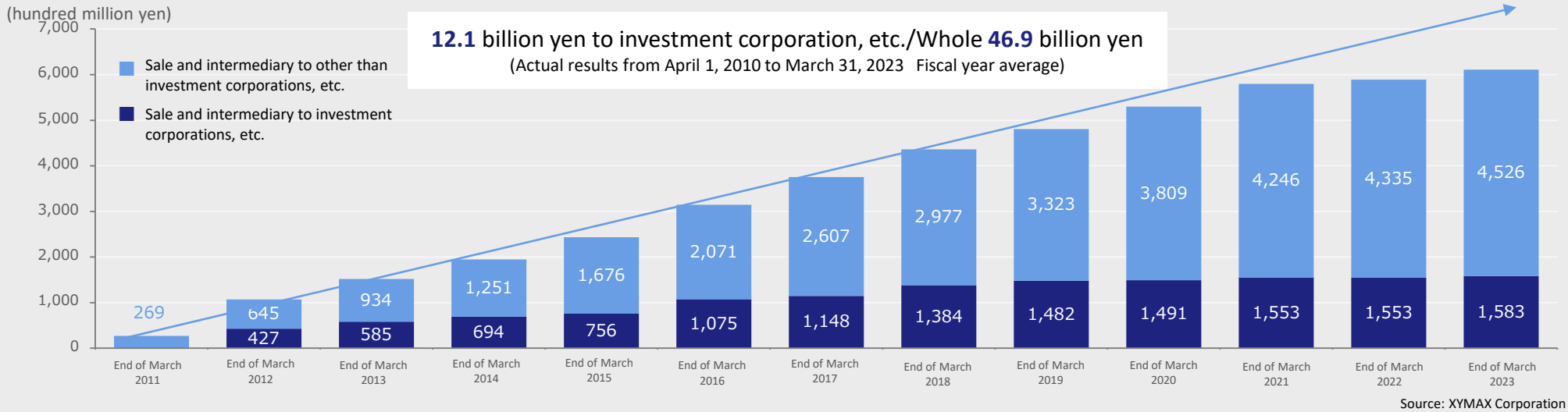
External growth (number of cases, total amount and area) by capitalizing on track record in real estate sales and brokerage.



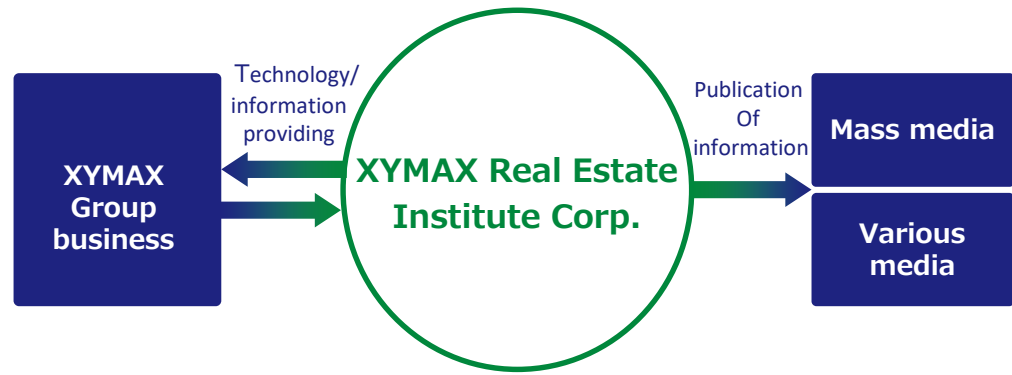
Use and geographical area of real estate in real estate disposals and real estate sales brokerage results



Accumulated track record of real estate disposal and brokerage services (accumulated total from April 1, 2010, excluding sales to XYMAX REIT)



\* 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

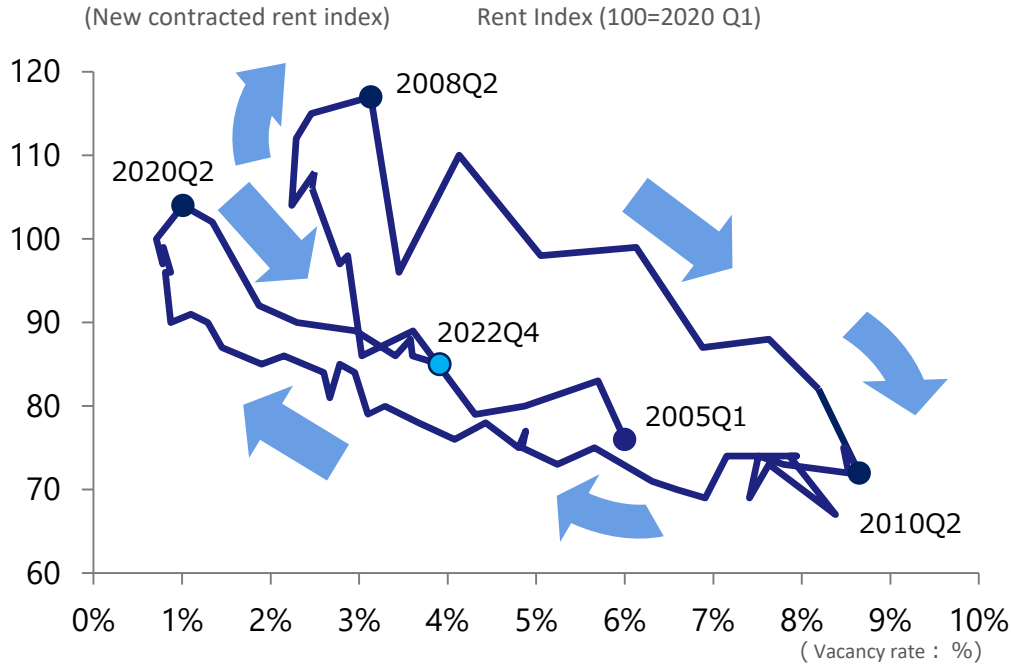
**Survey and analysis on workstyles and offices**

- 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  
Real Estate Fund Review, etc.
- Lectures Ministry of Land, Infrastructure, Transport and Tourism  
The Real Estate Companies Association of Japan (RECAJ)  
Institute for Built Environment and Carbon Neutral for SDGs (IBECs)  
at Will Work  
Japan Building Management Institute, etc.
- Joint study Hitotsubashi Univ., Nihon Univ.,  
Waseda Univ., Univ. of Hyogo, Keio Univ.,  
etc.
- Other WORKTECH

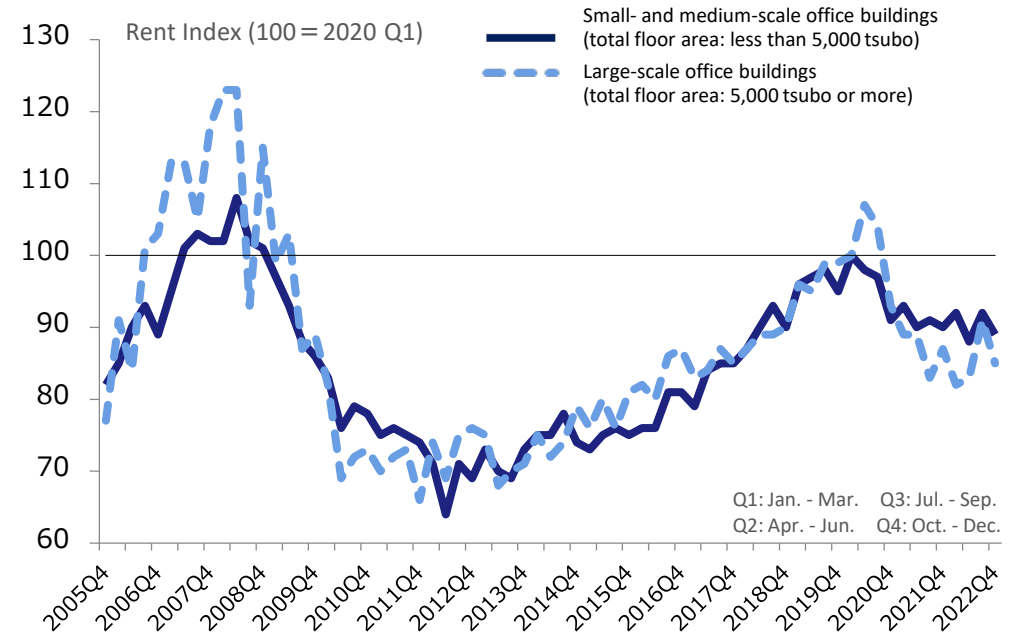
## Office market cycle in the 23 wards of Tokyo



|                           | 2021 Q4 | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 |
|---------------------------|---------|---------|---------|---------|---------|
| Vacancy rate              | 3.58%   | 3.60%   | 3.91%   | 4.02%   | 3.88%   |
| New contracted rent index | 88      | 86      | 85      | 91      | 87      |

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

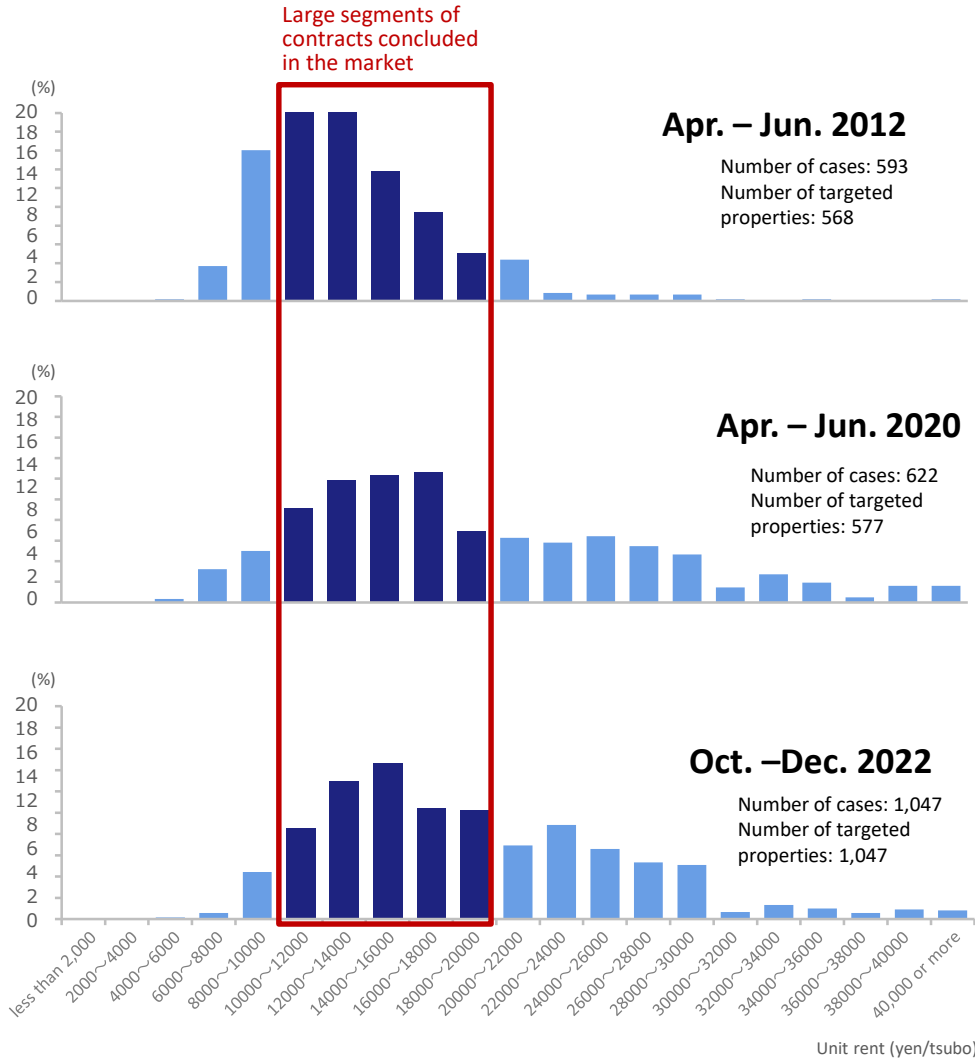


|  | 2021 Q4 | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 |
|--|---------|---------|---------|---------|---------|
| Small- and medium-scale office buildings (total floor area: less than 5,000 tsubo) | 90      | 92      | 88      | 92      | 89      |
| Large-scale office buildings (total floor area: 5,000 tsubo or more)               | 87      | 82      | 83      | 91      | 85      |

Source: Survey Report by XYMAX Real Estate Institute Corp. "Office Market Report Tokyo Q4 2022"

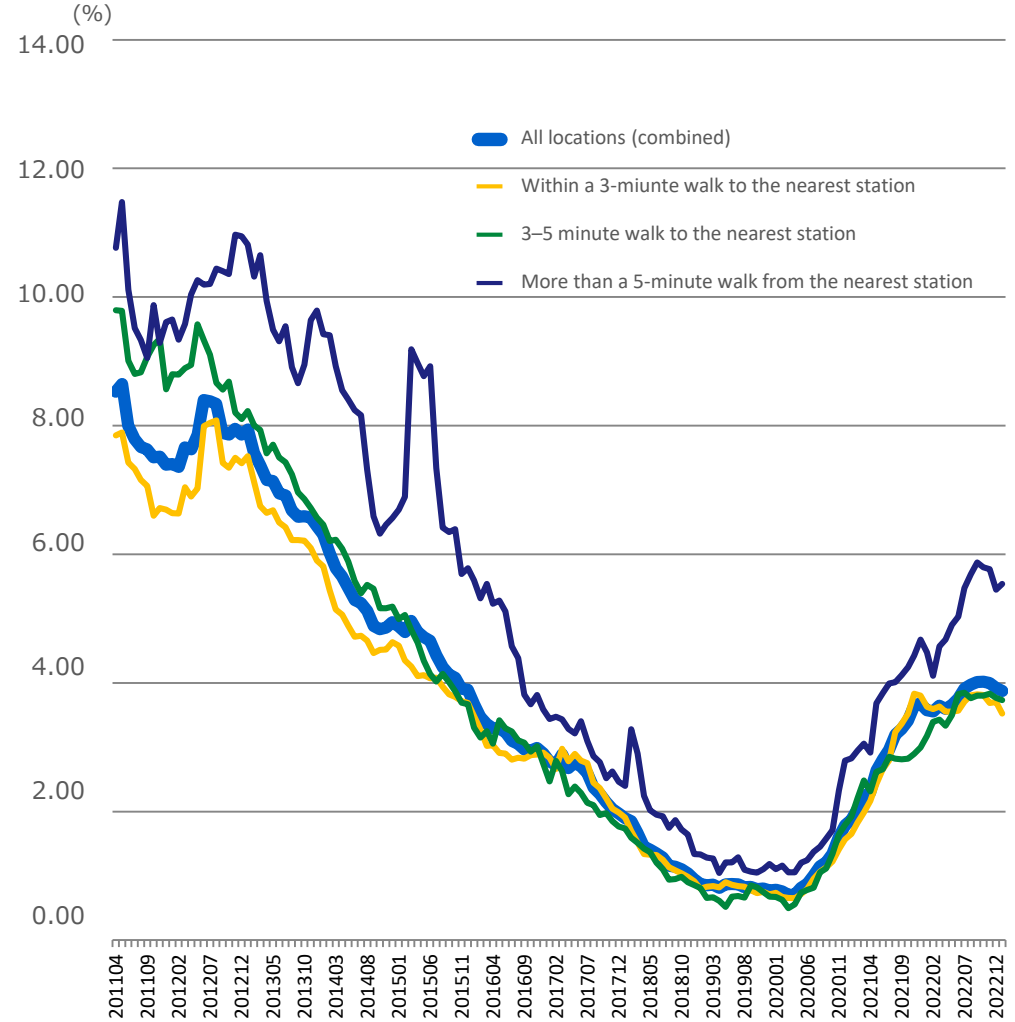
# Office Market Analysis (2)

## 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

## 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)

#### Entrusted Office Properties

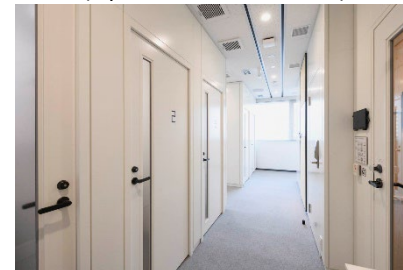
Number of offices entrusted 606 buildings  
Gross floor area 1,750,000 tsubo

ZXY Totsuka



### ZXY business

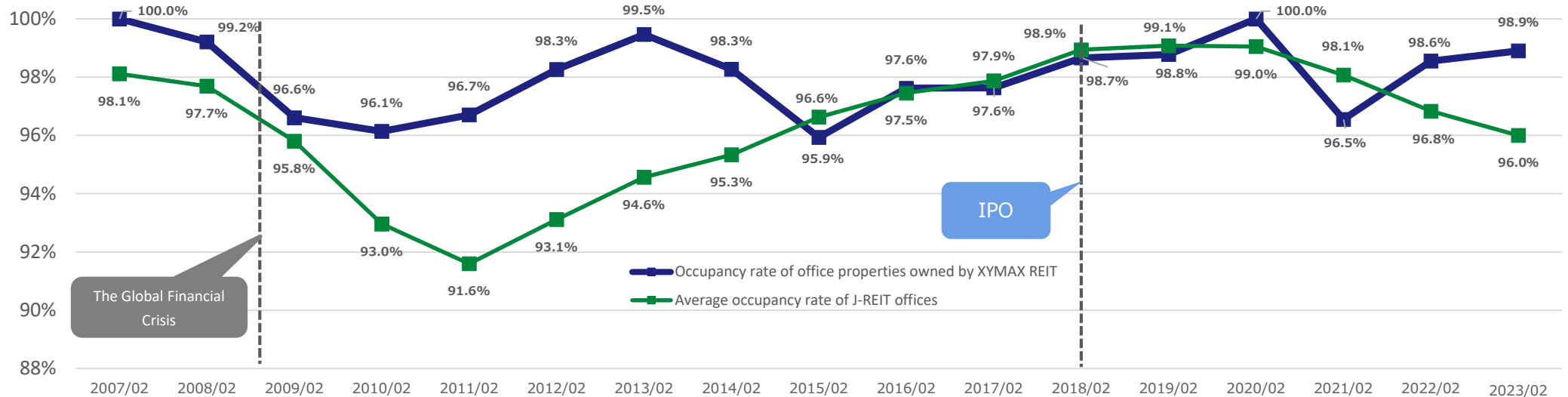
ZXY Kiba (new)  
(Opened in March 2023)



### XYMAX REAL ESTATE INSTITUTE Corporation



## Average Occupancy Rate of office (including obligated residences)



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

| New work-place for “ZXY-Work(free work-style)” |



Using clean energy

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

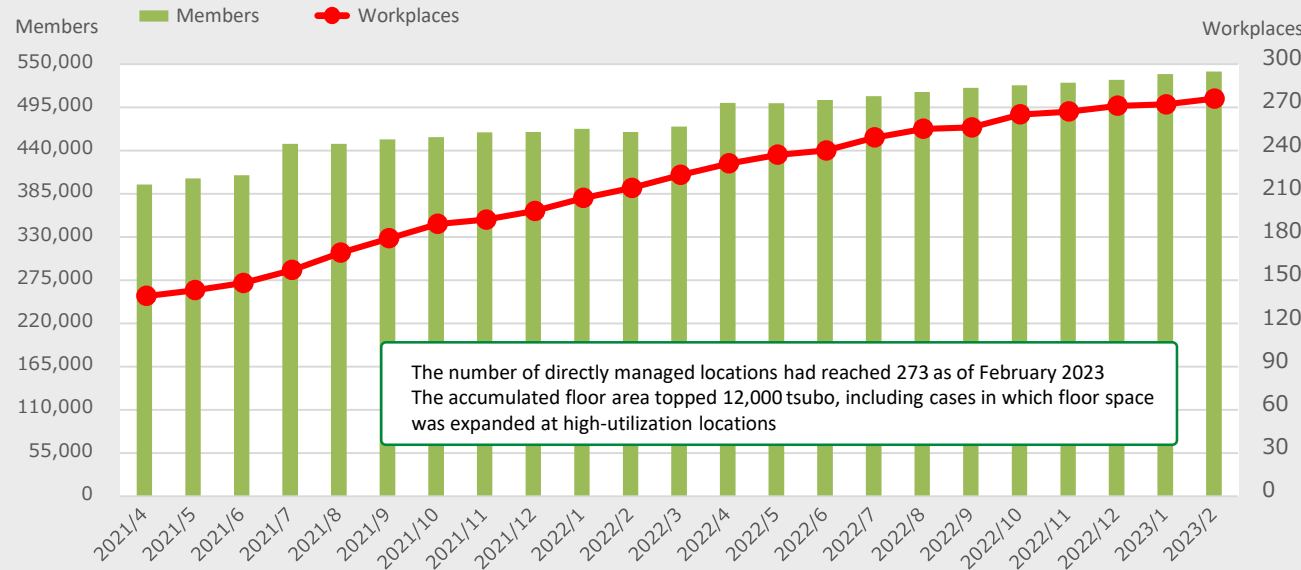
\*We have procured and are using J-Credits for renewable energy equivalent to the annual CO<sub>2</sub> emissions for FY2022.



Starting in December 2022, we began a partnership with CocoDesk, which is operated by FUJIFILM Business Innovation Corp.

A total of 100 CocoDesks installed mainly in Tokyo Metro stations became available for use via ZXY members' website.

Change in number of memberships and workplaces



New stores were opened in major regional cities Sapporo in December 2022 and Hakata in January 2023, following the Kansai and Sendai areas.

Accelerated responses to business trip use and response to remote work needs in areas outside the Tokyo metropolitan area.

Source: XYMAX Corporation

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



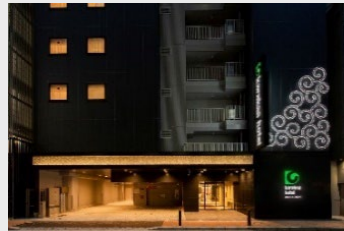
karaksa hotel colors Tokyo Yaesu

**Tokyo**

- May 2019 57 rooms karaksa hotel premier Tokyo Ginza \*
- July 2019 151 rooms karaksa hotel TOKYO STATION \*
- Mar. 2023 95 rooms karaksa hotel colors Tokyo Yaesu \*



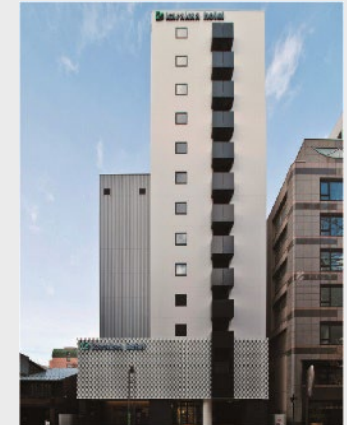
karaksa hotel premier Tokyo Ginza



karaksa hotel TOKYO STATION

**Hokkaido**

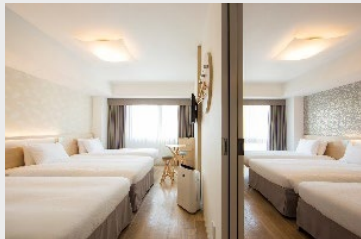
- Jan. 2018 177 rooms karaksa hotel Sapporo \*



karaksa hotel Sapporo

**Osaka**

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



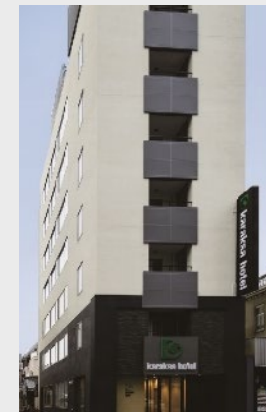
karaksa hotel Osaka Namba



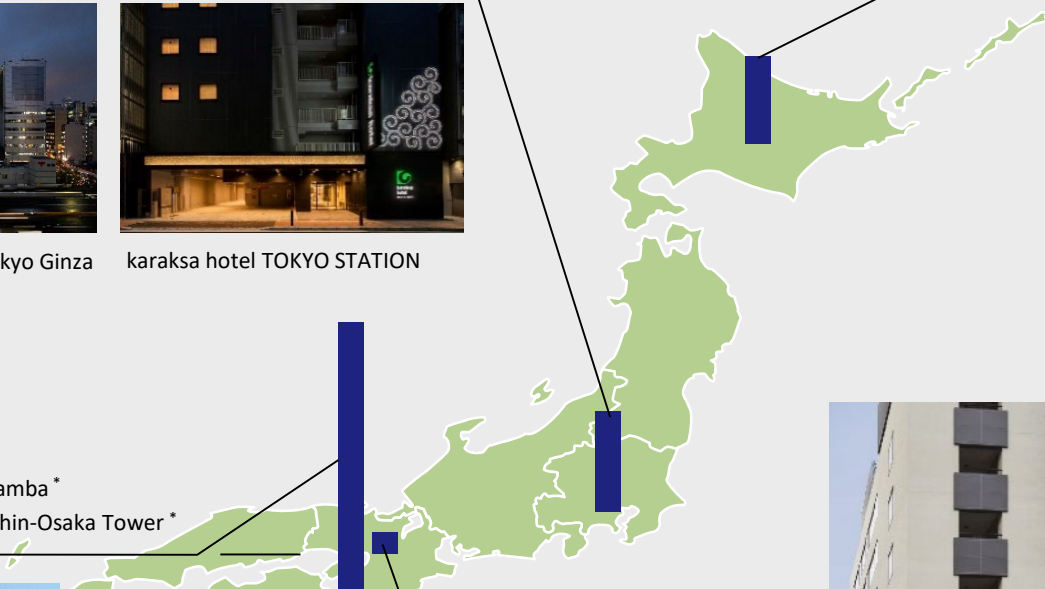
karaksa hotel grande Shin-Osaka Tower

**Kyoto**

- Mar. 2016 36 rooms karaksa hotel Kyoto I \*



karaksa hotel Kyoto I



Source: XYMAX Corporation (as of April 2023)

\* 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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