



XYMAX REIT Investment Corporation

Presentation Materials

for the 12th Fiscal Period
Ended February 2024

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 sponsor group, which has Japan's leading track record in property management.

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Terms	Definition
Estimated value at the end of period	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
Unrealized gain	Estimated value of real estate, etc. at the end of period – book value at the end of period
LTV based on total assets	Balance of interest-bearing liabilities / total assets
Appraisal LTV	Balance of interest-bearing liabilities / (total assets + unrealized gain)
Net asset per unit	(Net asset - total distribution) / total number of investment units issued and outstanding
NAV per unit	(Net asset + unrealized gain - total distribution) / total number of investment units issued and outstanding
Acquisition price	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 12th FP results exceeded most recent forecasts (the “Forecasts”)
 - ✓ Net income 820 million yen (4.2% up from the previous period, 5.9% up from the Forecasts)
 - ✓ DPU 3,300 yen (134 yen up from the previous period, 185 yen up from the Forecasts)
- The management of properties has driven steadily
 - ✓ Offices: High occupancy rates were maintained through stable management, and the contract occupancy rate and economic occupancy rate were both 97.7% at the end of 12th FP
 - ✓ Retail properties: Occupancy rate was maintained at 100% for stable management
 - ✓ Hotels: In accordance with the recovery of the hotel market, rents recovered to 98.1% compared to the same period in 2019
- Diversification of fund procurement methods and deepening of ESG initiatives
 - ✓ Implemented our first investment corporation bonds (Green Bonds) and Green Loans for refinancing
 - ✓ Upon reacquisition of CASBEE real estate certification, two properties were upgraded from Rank A to Rank S.

Key Factors (at the end of 12th FP)

Asset

Number of properties	18
Asset size (based on acquisition price)	43.4 billion yen
Appraisal value	55.2 billion yen
Unrealized gains (unrealized gain ratio)	11.1 billion yen (+25.3%)
Profitability (based on acquisition price)	Appraisal NOI yield: 5.7% Appraisal NOI yield after depreciation: 5.0%
Average building age (weighted average of acquisition price)	20.6 years
Total leasable area	85,334.25 m ² (25,813.55 tsubo)
Occupancy rate (entire portfolio)	99.2%
Asset type (based on acquisition price)	Office: 58.3% Retail: 29.5% Hotel: 10.1% Other: 2.1%

Debt

Balance of interest-bearing debts	19.7 billion yen
LTV based on total assets	40.9%
Appraisal LTV	33.2%
Average borrowing rate*1	0.807%
Average remaining period	2 years 9 months
Fixed interest rate ratio	95.0%

Equity

Aggregate market value	28.4 billion yen
Unitholders' capital	25.4 billion yen (Total number of investment units issued and outstanding: 249,650)
Investment unit price	114,000 yen
Net asset per unit	101,903 yen
NAV per unit	146,665 yen
Distribution per unit	3,190 yen (13th FP forecast)

*1: Interest rate for floating rate borrowings is calculated based on the JBA 1-month Japanese Yen TIBOR as of February 29, 2024.



Overview of Financial Results and Earnings Forecasts

Overview of Financial Results

Overview of Financial Results for the 12th FP (Ended February 2024)

(million yen)

	11th FP results (A)	12th FP forecast (B)	12th FP results (C)	12th FP results 11th FP results Comparison (C) - (A)	12th FP results 12th FP forecast Comparison (C) - (B)
Lease business revenue	1,517	1,520	1,528	+11	+8
Other leasing business revenue	147	149	134	-13	-15
Operating revenue	1,665	1,670	1,662	-2	-7
Expenses related to leasing business (Excluding Depreciation)	453	457	414	-38	-43
NOI	1,211	1,212	1,248	+36	+35
Depreciation	168	169	170	+2	+1
Leasing business income	1,043	1,043	1,078	+34	+34
Other operating expenses	161	157	155	-5	-2
Operating income	882	885	922	+40	+37
Non-operating income	2	0	0	-1	+0
Non-operating expenses	93	107	98	+4	-8
Ordinary income	791	778	824	+33	+45
Net income	790	777	823	+33	+46
Distribution per unit (yen)	3,166*1	3,115	3,300	+134	+185

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

*1 Includes a distribution in excess of earnings per unit of 7 yen related to the allowance for temporary differences adjustments.

Comparison with results for the 11th FP (ended August 2023)

Main factors for difference	(million yen)
Operating revenue	
Office rent revenue	-4.0
Hotel variable rent	+15.0
Decrease in utility revenues	-12.7
Operating expenses	
Decrease in utility expenses	-17.0
Decrease in repair expenses	-26.2
Increase in leasing cost	+4.9
Other operating expenses	
Absence of general unitholders' meeting related expenses	-5.8
Non-operating expenses	
Increase in loan-related costs	+4.9

Comparison with forecast for the 12th FP (ended February 2024)

Main factors for difference	(million yen)
Operating revenue	
Hotel variable rent	+3.8
Decrease in utility revenues	-17.7
Operating expenses	
Decrease in utility expenses	-16.9
Decrease in repair expenses	-14.1
Non-occurrence and carried forward of leasing costs	-13.5
Non-operating expenses	
Decrease in interest expenses and loan-related costs	-8.7

Overview of Financial Results and Earnings Forecasts

Earnings Forecast for the 13th FP and 14th FP

Overview of Earnings Forecasts for the 13th FP (Ending August 2024) and 14th FP (Ending February 2025)

	12th FP results (A)	13th FP forecast (B)	14th FP forecast (C)	13th FP forecast 12th FP results Comparison (B) - (A)	14th FP forecast 13th FP forecast Comparison (C) - (B)
Lease business revenue	1,528	1,547	1,534	+18	-12
Other leasing business revenue	134	134	134	+0	+0
Operating revenue	1,662	1,681	1,669	+18	-12
Expenses related to leasing business (Excluding Depreciation)	414	447	442	+33	-4
NOI	1,248	1,234	1,226	-14	-7
Depreciation	170	172	180	+2	+8
Leasing business income	1,078	1,061	1,045	-16	-16
Other operating expenses	155	159	157	+3	-1
Operating income	922	902	887	-20	-14
Non-operating income	0	0	0	-0	-
Non-operating expenses	98	105	109	+6	+4
Ordinary income	824	797	778	-27	-19
Net income	823	796	777	-27	-19
Distribution per unit (yen)	3,300	3,190	3,114	-110	-76

(million yen)

Comparison of Financial Results for the 12th FP (Ended February 2024) and Earnings Forecasts for the 13th FP (Ending August 2024)

Main factors for difference		(million yen)
Operating revenue		
Office rent revenue		+7.5
Hotel variable rent		+10.4
Increase in utility revenues		+4.6
Operating expenses		
Increase in utility expenses		+5.2
Increase in repair expenses		+9.9
Increase in tax and public dues due to revaluation		+4.1
Increase in leasing cost		+9.7
Non-operating expenses		
Increase in interest expenses and decrease in loan-related costs		+6.7

Comparison of Earnings Forecasts for the 13th FP (Ending August 2024) and 14th FP (Ending February 2025)

Main factors for difference		(million yen)
Operating revenue		
Office rent revenue		-11.8
Hotel variable rent		+4.3
Increase in utility revenues		+2.0
Operating expenses		
Increase in utility expenses		+3.3
Decrease in repair expenses		+4.1
increase in fire insurance premiums		+1.8
Decrease in leasing cost		-12.6
Depreciation		+8.4
Non-operating expenses		
Increase in loan-related costs		+4.5

• Days: 12th FP: 182 days, 13th FP: 184 days, 14th FP: 181 days



Investment Status and Growth Strategy

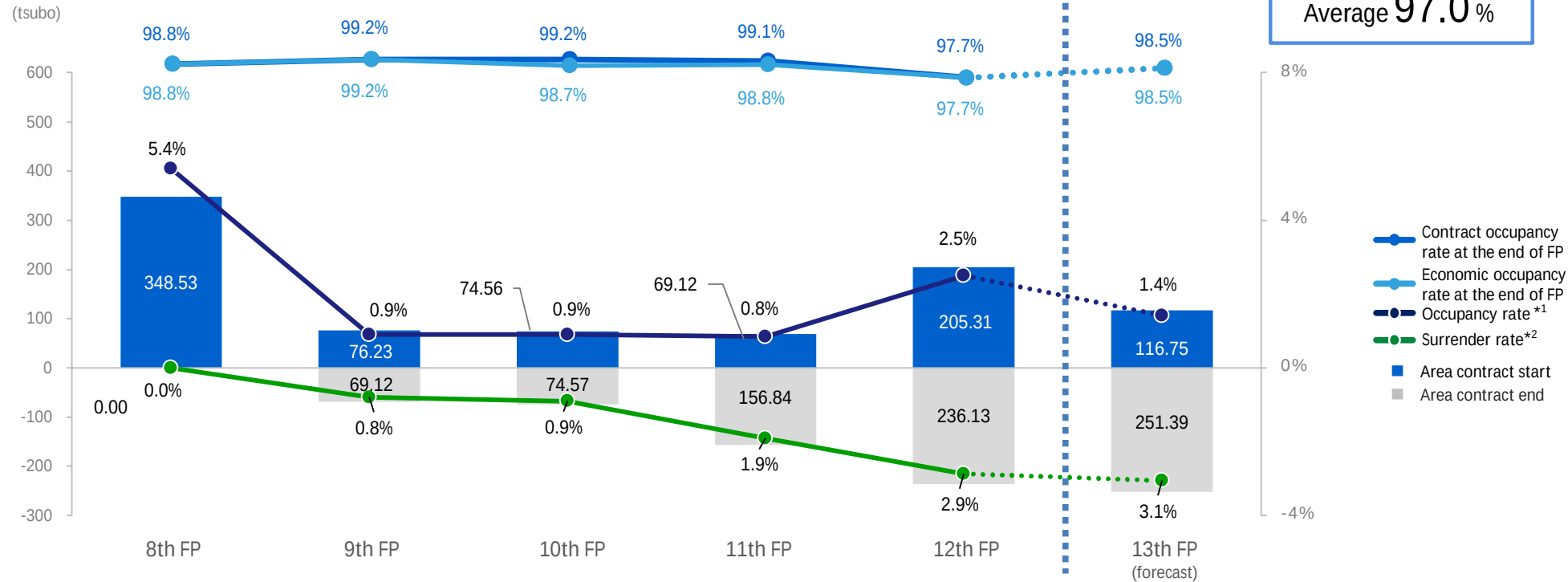
Status of occupancy rate & tenant replacements

• Office properties (exc. obligated residences)

Scope area for the 12th FP and 13th FP: 8,217.61 tsubo

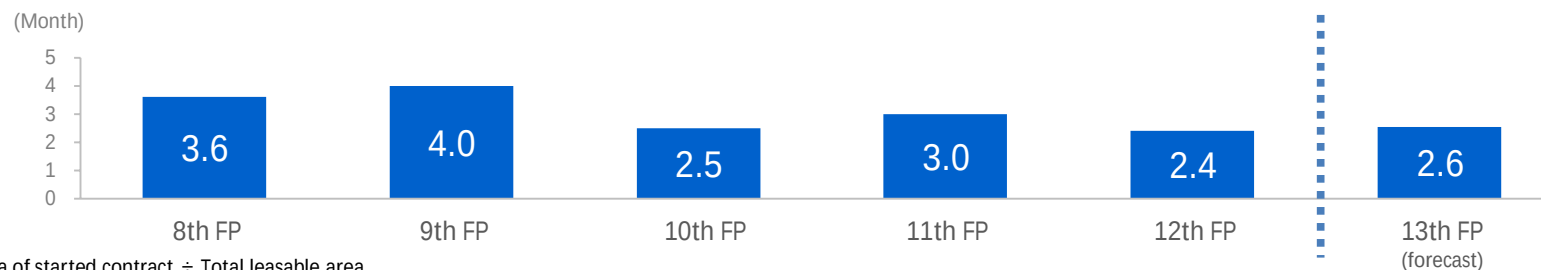
Economic occupancy rate for the 14th FP (forecast)

Average 97.0 %



Average free rent period

*³ • Office properties (exc. obligated residences)

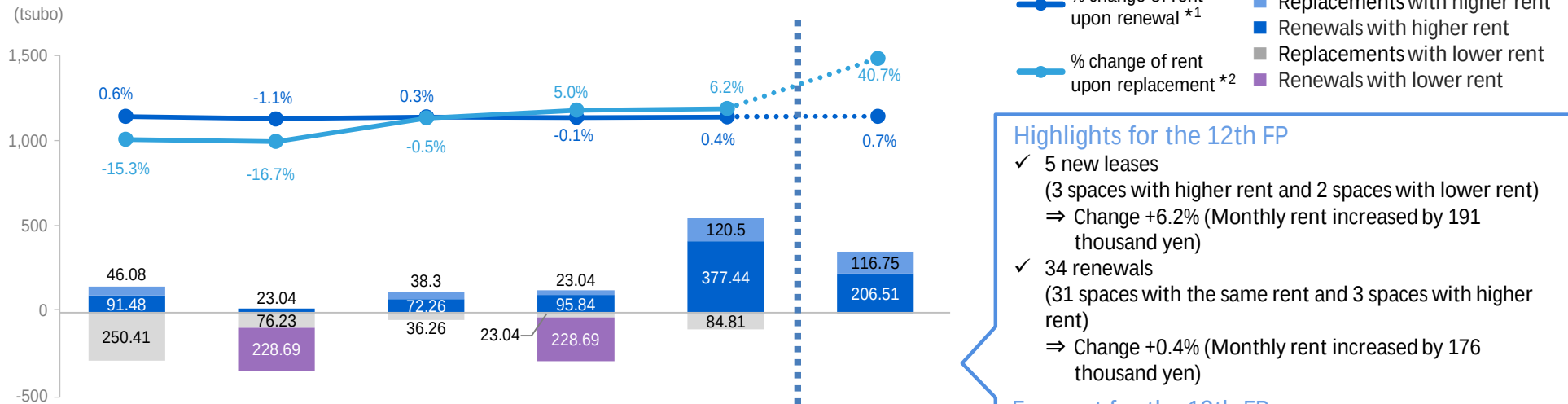


*¹ Occupancy rate: Area of started contract ÷ Total leasable area

*² Surrender rate: Area of ended contract ÷ Total leasable area

*³ Average free rent period: Total of free rent periods granted in new contracts that commenced during each period × Total contracted area of new contracts granted free rent ÷ Total contracted area of new contracts

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



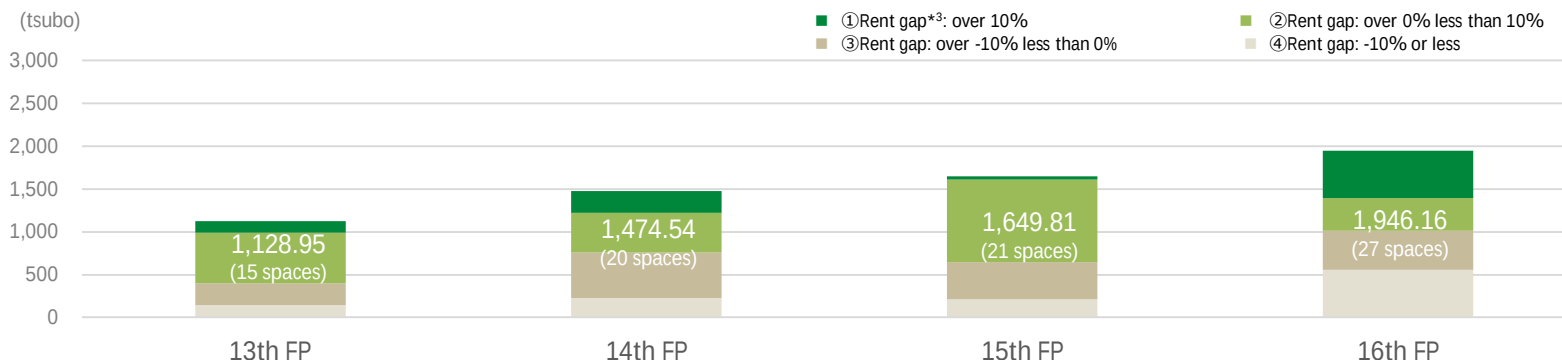
Highlights for the 12th FP

- ✓ 5 new leases
(3 spaces with higher rent and 2 spaces with lower rent)
⇒ Change +6.2% (Monthly rent increased by 191 thousand yen)
- ✓ 34 renewals
(31 spaces with the same rent and 3 spaces with higher rent)
⇒ Change +0.4% (Monthly rent increased by 176 thousand yen)

Forecast for the 13th FP

- ✓ 3 new leases (3 spaces with higher rent)
⇒ Change +40.7% (Monthly rent increased by 526 thousand yen)
- ✓ 15 renewals (12 spaces with the same rent and 3 spaces with higher rent)
⇒ Change +0.7% (Monthly rent increased by 108 thousand yen)

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



At the end of 12th FP

(Office space only)

Unit rent for existing contracts*4

: 16,458 yen/tsubo

Assumed new unit rent*4

: 16,261 yen/tsubo

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

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

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

*4 The various unit rents: Weighted average of monthly rent including CAM for 10 office properties, adjusted for leased floor area.

Rent is expected to increase in the 13 FP and onward due to the improvement of GOP, which is the source of variable rent.

Trends in operating results | Sales Expenses GOP

(100 = March 2018 to February 2019)



Actual and forecasted rent |

12th FP results
Sept. 2023 to Feb. 2024

+2.5% of forecast

12th FP forecast
RevPAR 7,503 yen

13th FP forecast
Mar. 2024 to Aug. 2024

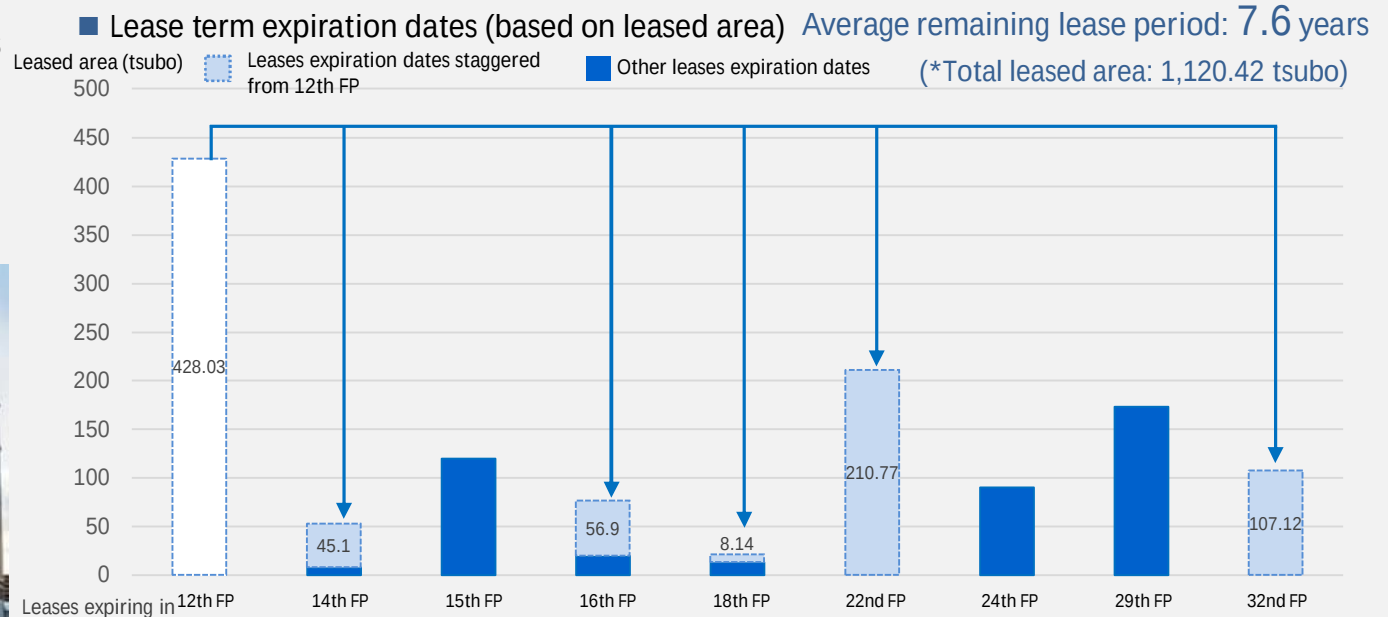
+6.6% of 12th FP results

14th FP forecast
Sept. 2024 to Feb. 2025

+9.4% of 12th FP results

Muza Kawasaki

- In the 12th FP, leases expired for 10 spaces (428.03 tsubo) out of all 20 spaces.
- No rent reduction or downtime for all 10 spaces, and 2 spaces were leased with higher rent.
- Focused on **staggering the lease expiration dates, etc.** when re-contracting



XYMAX Mita Building

- Renovation work completed on 9 out of 10 floors
- As a result of the renovation work, leases were concluded with higher rent than before the renovation work.
- Operating at full occupancy since April 2024

<Percentage increase in average unit rent>

Compared with when the first refusal right was acquired

+39%

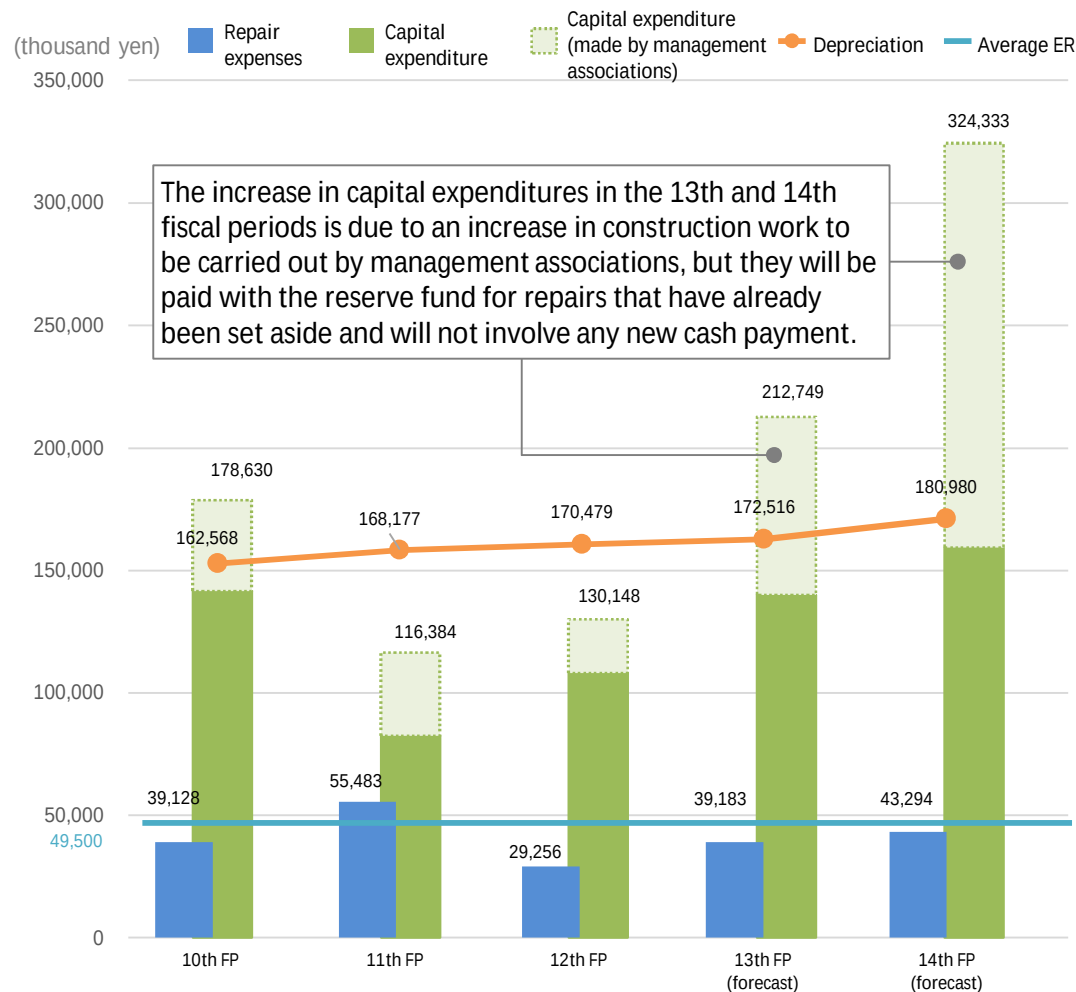


Renovated unit for rent

Status of Repair and Capital Expenditure

Repair expenses are annually controlled with reference to long-term repair plan adopted in the ER, and environmental burden is reduced through equipment construction works described in lower right of this page.

Trend of repair expenses and capital expenditure



* Number of properties as of the end of each FP: 18

* Average ER: FP average of repair expenses required over 12 years for the purpose of long-term repair expenses for ER

Major environmental equipment renovations in the 12th FP

Property name	Description of construction work	Estimated reduction (rate of reduction ^{*1})
Shinjuku-Gyoen	Renewal for air conditioning systems (1 floor)	31,511 kWh/year (51.5%)
Shinjuku-Gyoen	LED replacement in exclusive spaces (2 floors)	45,850 kWh/year (73.3%)
Hachioji	LED replacement in exclusive spaces (partials of the spaces)	15,525 kWh/year (69.0%)
Sendai	LED replacement in hotel backyard, etc.	8,828 kWh/year (55.1%)

Major environmental equipment renovations for the 13th FP (planned)

Property name	Description of construction work	Estimated reduction (rate of reduction ^{*1})
Kamiyacho	LED replacement in exclusive spaces (1 floor)	8,175 kWh/year (71.5%)
Shinjuku-Gyoen	LED replacement in exclusive spaces (3 floors)	50,273 kWh/year (73.2%)
Shinjuku-Gyoen	Renewal for air conditioning systems (1 floor)	20,385 kWh/year (66.1%)
Hachioji	LED replacement in exclusive spaces (partials of the spaces)	15,300 kWh/year (74.7%)

*1 Rate of reduction: Reduction in annual power usage ÷ Annual power usage before renovation

Implemented our first Green Bonds and Green Loans for refinancing

Overview of refinancing in the 12th FP

Green Bonds (1 billion yen)

- Strengthened its funding base by expanding the investor base (8 investors declared investment)
- Achieved a lower interest rate than loans with the same maturity
Five-year loans at 1.23%, while investment corporation bonds were procured at 1.00%

Green Loans (3.37 billion yen)

- First green loan procurement based on the Green Finance Framework*
- Combined with the Green Bonds, the balance of green finance is 4.3 billion yen (22.2% of the interest-bearing debt)
- Reduce average interest rate increases by partly incorporating floating-rate loans

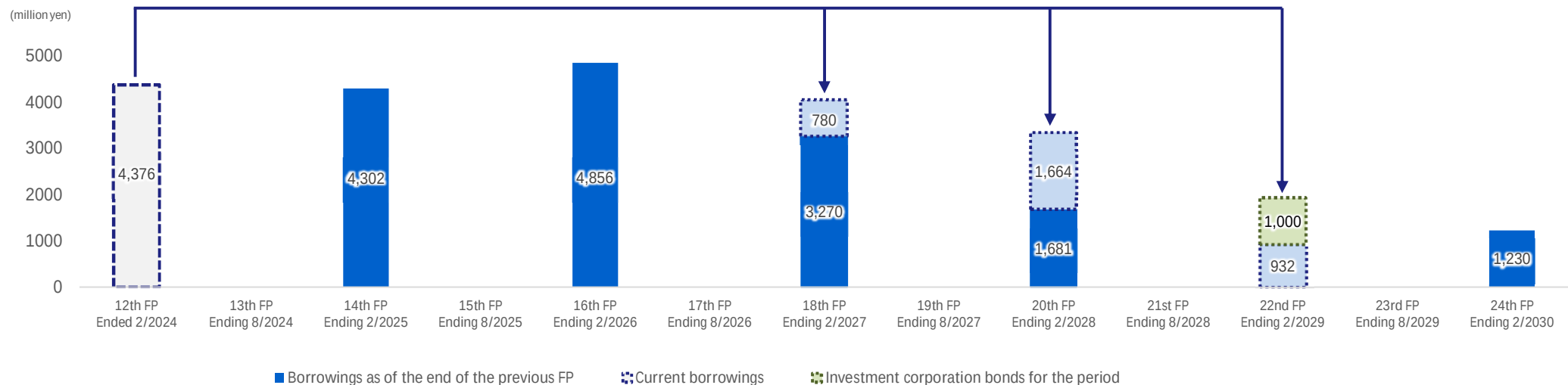
Investors who declared investment

Iizuka Shinkin Bank	Echizen Shinkin Bank	Osaka Kyoei Shinkumi Bank	Odawara Daiichi Shinyoukumiai Bank
Takigun Nougyoukyodoukumiai	Danyo Shinkumi Bank	Choshi Shinkin Bank	Ryoubi Shinkumi

* Learn more about the Green Finance Framework.



Maturity ladder



Financial Status at the end of 12th FP (2)

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.

Interest-bearing liabilities and the external rating

	At the end of 11th FP	At the end of 12th FP
Balance of interest-bearing debts	19.71 billion yen	19.71 billion yen
LTV based on total assets/Appraisal LTV	40.9%/33.3%	40.9%/33.2%
Average remaining period	2 years 4 months	2 years 9 months
Average interest rate	0.722%	0.807%
Long-term loan ratio	100.0%	100.0%
Fixed interest rate ratio	99.0%	95.0%
External rating	R&I: A – (Stable)	R&I: A – (Stable)
Net proceeds from green financing	–	4.37 billion yen
Maximum amount procured through green financing	13.11 billion yen	13.11 billion yen

Financing capacity

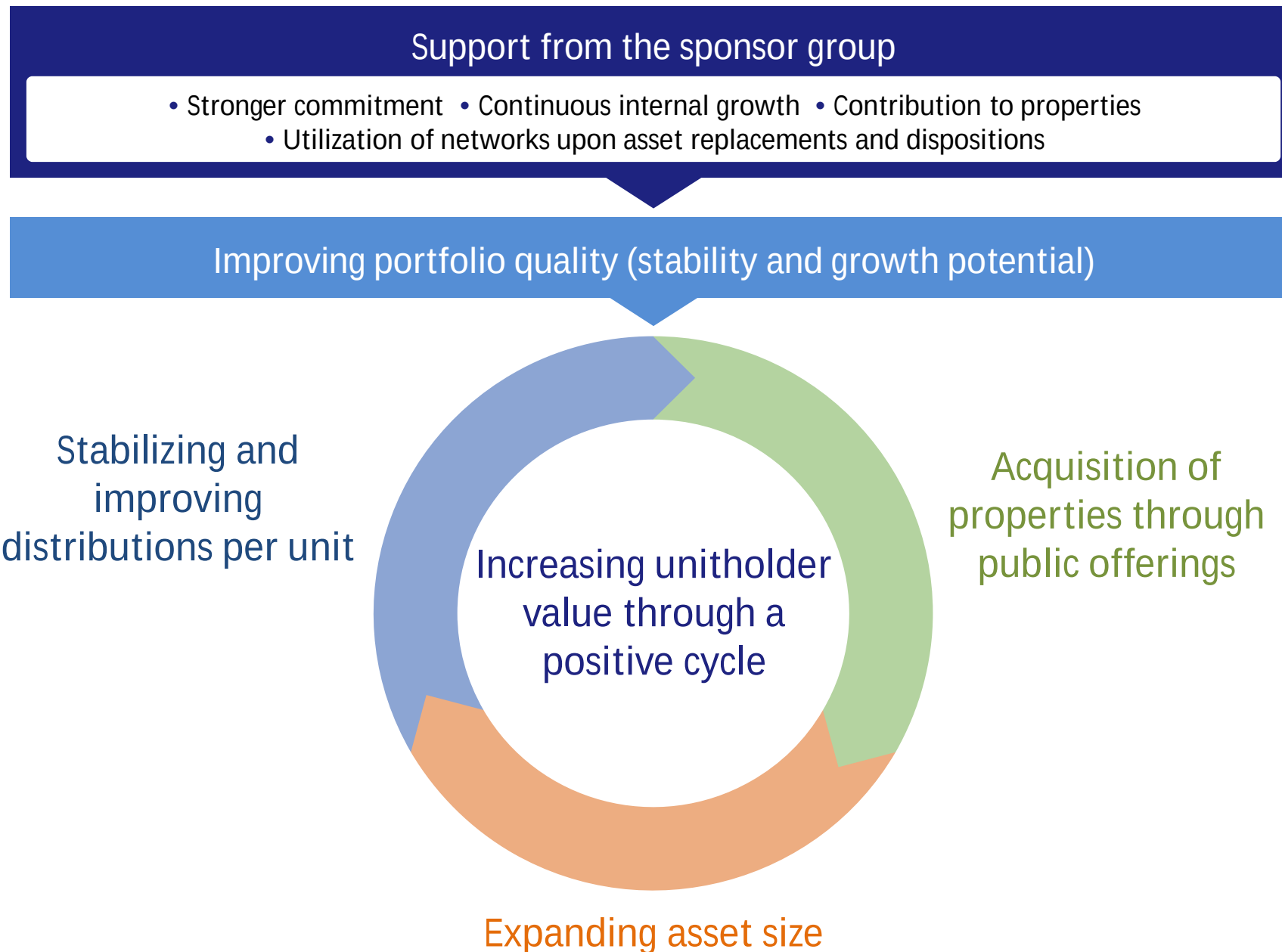
LTV level vs. total assets	Possible loan amount	Appraisal LTV
45%	Approx. 3.6 billion yen	37.0%
50%	Approx. 8.8 billion yen	41.8%

Lender formation



Mizuho Bank	20.6%	Nishi-Nippon CB	5.1%	SBI Shinsei Bank	3.4%
SMBC	16.2%	Fukuoka Bank	5.1%	Nanto Bank	3.0%
MUFG Bank	10.1%	Yokohama Bank	4.1%	Higo Bank	2.5%
Resona Bank	8.1%	Chiba Bank	3.9%	Kansai Mirai Bank	1.6%
Aozora Bank	7.1%	Hiroshima Bank	3.6%	Mizuho Trust & Banking	0.5%
				Investment corporation bonds	5.1%

XYMAX REIT will strengthen cooperation with the sponsor group to spur further growth.



External Growth: Asset Types to Focus on

In an external environment that is becoming more and more inflated, we will consider properties for acquisition with an eye to the future upside and stability based on our focus points by asset type.

| Focus points by asset type |

	External environment	Future focus
Office	✓ Higher costs due to inflation (maintenance, repair work, and utility expenses) ✓ Rental demand varies by area and property characteristics ✓ Transaction yields remain low in metropolitan areas	✓ Focus on the investment profitability of properties located in suburban areas of regional cities and the Tokyo economic area ✓ Utilize the management capability of the sponsor group in leasing, maintenance, and repair work to achieve CF stability and growth
Retail	✓ Stability of daily use commercial facilities remains unchanged after the COVID-19 pandemic ✓ Possibility to benefit from inflation effects through sales percentage rent	✓ Continue to focus on daily use commercial facilities with stable sales trends
Hotel	✓ Tourism demand, including inbound demand, has recovered ✓ Some hotels are performing better than before the COVID-19 pandemic, partly due to the effect of yen depreciation	✓ Actively consider properties that have revenue upside potential by tapping into tourism demand, including inbound

| Properties under consideration |

Location	Asset type	Source	Focused point
8 central wards of Tokyo	Office (planned)	CRE client of the sponsor group	Reconstruction needs of CRE clients Located in favorable locations near train and subway stations, where high demand is expected from tenants
Hirakata, Osaka	Retail property (planned)	CRE client of the sponsor group	Development projects launched after identifying the needs of CRE clients Tenants are expected to include daily necessities selling tenants (XYMAX REIT has already acquired preferred investment securities)
Core regional city	Hotel (specialized in stay)	Private fund managed by the sponsor group	Located in a regional economic hub and also with a high level of tourism resources, there is solid demand for accommodation Hotels for rent including those with variable rent
Regional city	Retail property (leasehold land)	Sponsor group	Leasehold land of retail property Expected daily use type of business with steady sales
Tokyo economic area	Office	The Asset Management Company's own route	Located in work-dwelling areas near train and subway stations, where high demand is expected from tenants
New Regional ordinance-designated cities	Hotel (specialized in stay)	Sponsor group	Hotels located in regional ordinance-designated cities Hotels with rent system, including variable rent that offer spacious guest rooms to satisfy tourism demand including inbound demand



ESG



Participation in the GRESB Assessment

- Real estate assessment 2023: 3 Star and Green Star for two consecutive years
- Disclosure assessment in 2023: “Level A” for two consecutive years



Signing of Principles for Financial Action for the 21st Century

- The Asset Management Company of XYMAX REIT, has endorsed the ideas of the PFA21 and became a signatory on December 27, 2013.



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.



Acquisition of Environmental Certification (As of February 29, 2024)

- Acquisition rate is 85.2% on a total floor area basis
- Reacquired CASBEE real estate certification for Higashi-Azabu and Hachioji. Both properties were upgraded from Rank A to Rank S.

Assessment Rank

Rank S
(Excellent)



Number of Acquisition of Environmental Certification	11 properties*	CASBEE real estate certification	Rank S: 5 properties Rank A: 4 properties
Acquisition rate (based on total floor area)	85.2%	BELS certification	★★★★ : 1 property ★★★ : 1 property ★★ : 1 property

* We have acquired both CASBEE real estate certification and BELS certification for the XYMAX Higashi-Azabu Building.



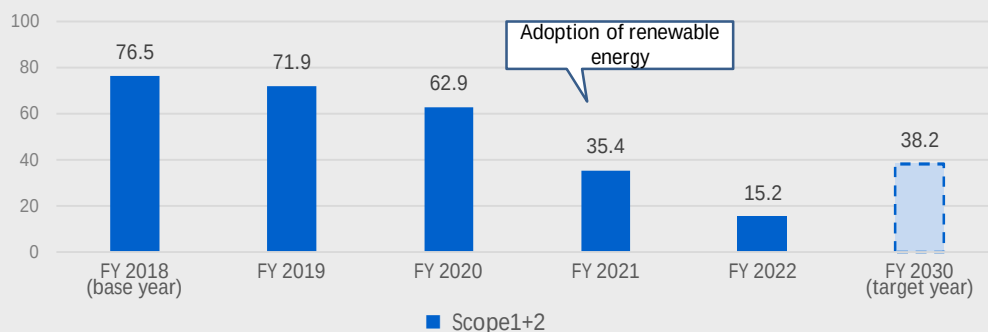
Results of environmental initiatives

Environmental targets

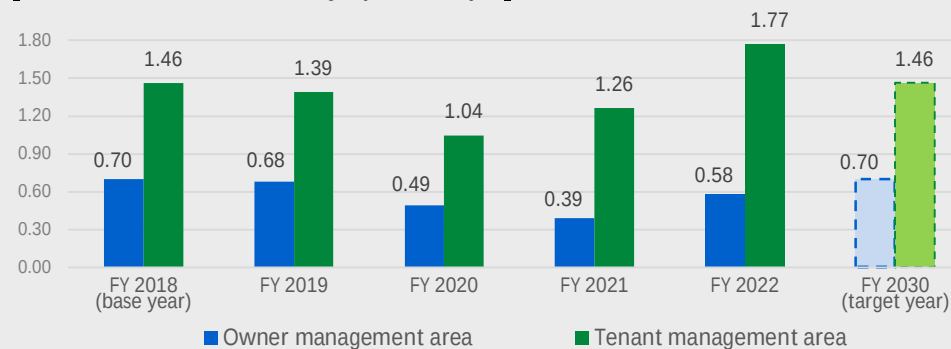
Revised environmental targets with more medium- and long-term initiatives in mind

- GHG emissions: 50% reduction in annual Scope 1+2 GHG emissions intensity (market basis) (t-CO₂e) derived from energy consumption of properties in our portfolio from the FY2018 (base year) level by FY2030 (target year)
- Water use: No increase in annual water use intensity in the owner/tenant management area from the FY2018 (base year) level until FY2030 (target year)

GHG emissions intensity (kg-CO₂/m²)



Water use intensity (m³/m²)



Initiatives for reducing environmental burden

Adoption of electricity generated from 100% renewable energy sources

- Promoting the adoption of electricity generated from 100% renewable energy sources, such as switching from electricity supply and demand contracts for properties we own to electricity plans with virtually zero CO₂ emissions

Green Lease initiative

- Aiming to improve the environmental performance of properties through a collaborative effort with tenants, XYMAX REIT is promoting Green Leases

Targeted electricity
consumption

1,646 thousand kWh
(based on the 12th FP)

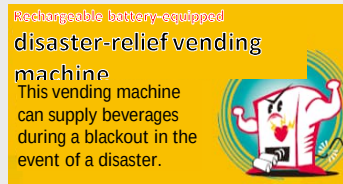
Number of tenants
covered by Green
Leases

32 tenants
(based on the 12th FP)

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 for 8 office properties in Tokyo (building electricity consumption, evacuation sites, and encouragement of power saving, etc., are posted)
- The PM company conducted a customer satisfaction survey over the tenants at 9 office properties



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 March 31, 2024)
 - Licensed Real Estate Broker 27
 - ARES Certified Master 9
 - Certified Building Administrator 6

Flextime system and diversification of working places

- We have introduced a flextime system to support flexible working styles according to work demands.
- Employees can also work remotely from home or at any of our satellite offices scattered throughout the Tokyo metropolitan area.

Respect for diversity

- Female employees are succeeding in a wide range of fields, regardless of being in the front or back office.
- We prohibit discrimination and harassment in our compliance manual to create a comfortable working environment for all employees.

	Number of executives and employees(excluding dispatched employees)				Maternity leave
	Male	Female	(Percentage of female)	Total	
March 2022	15	18	54.5%	33	0
March 2023	12	18	60.0%	30	1
March 2024	18	20	52.6%	38	0

ESG initiatives at the 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 Fudosan Mirai Juku (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
- Participation in the United Nations Global Compact (UNGC)
- Contribution to regional revitalization through MEQQE
- Accepting technical trainees from overseas
- Supporting for the development of young athletes

Initiatives (3)

Decision-making flow at asset management company

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

Asset management fee system

Fees for a fiscal period

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

Acquisition and disposition fees

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

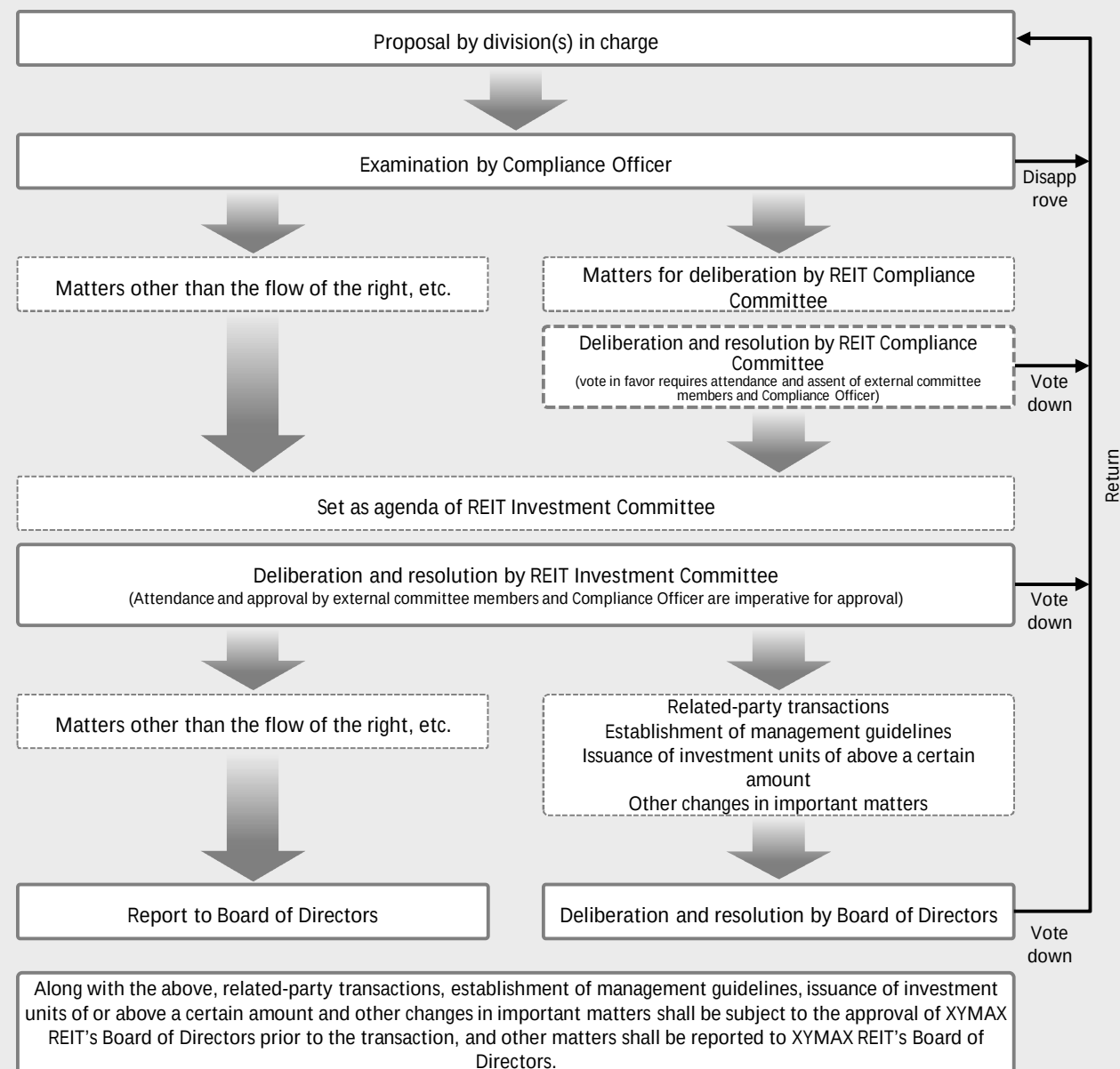
*1 0.5%, in the case of acquisition from interested parties

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

Investment ratio in
XYMAX REIT by
sponsor

5.0%

(At the end of 12th FP)





APPENDIX



XYMAX REIT realizes the full potential of owned properties and maximizes the unitholders' value through relevant portfolio management utilizing expertise and know-how accumulated in and by the sponsor group.

Characteristics of the sponsor group

- Japan's prominent real estate management record
 - ✓ Real estate management record: [1,142](#) buildings/Gross floor area Approx. [6.50](#) million tsubo (as of January 31, 2024)
 - ✓ Entrustment records by J-REIT investment corporation other than XYMAX REIT: [31](#) companies/[240](#) properties (as of January 31, 2024)
 - ✓ Human resources: [2,385](#) people engaged in real estate management, [51](#) people in leasing, and [67](#) people in CRE related business (as of April 1, 2024)
- Real estate management utilizing accumulated various data & development of new businesses applying expertise and know-how
 - ✓ Data of Real Estate Management: Contracted rent data [42,464](#) buildings/[148,692](#) cases (accumulated total as of March 31, 2024), Asking rent data [61,644](#) buildings (accumulated total as of March 31, 2024)/[18,817](#) cases (as of March 31, 2024), Construction work data [183,385](#) cases (accumulated total as of February 29, 2024)
 - ✓ 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 [450](#) companies (as of January 31, 2024)
 - ✓ Track record in property sales and brokerage: [407](#) buildings, approximately [628.5](#) billion yen (accumulated total from April 1, 2010 to March 31, 2024)



Utilizing the sponsor group's expertise and know-how as "3 strengths"



Assessment



Management



Sourcing

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)

	11th fiscal period (As of Aug. 31, 2023)	12th fiscal period (As of Feb. 29, 2024)		11th fiscal period (As of Aug. 31, 2023)	12th fiscal period (As of Feb. 29, 2024)
Assets			Liabilities		
Current assets			Current liabilities		
Cash and bank deposits	1,251,963	1,279,845	Operating accounts payable	100,624	113,032
Cash and bank deposits in trust	2,537,366	2,521,848	Current portion of long-term borrowings	4,376,000	4,302,000
Operating accounts receivable	38,436	33,564	Accounts payable - other	124,195	125,418
Prepaid expenses	50,679	51,063	Income taxes payable	940	873
Other	810	741	Accrued consumption taxes	40,835	32,566
Total current assets	3,879,257	3,887,064	Advances received	247,897	236,715
Non-current assets			Other	4,722	1,648
Property, plant and equipment			Total current liabilities	4,895,216	4,812,254
Buildings, net	296,547	292,994	Non-current liabilities		
Structures, net	1,665	1,630	Investment corporation bonds	-	1,000,000
Machinery and equipment, net	9,782	9,579	Long-term loans payable	15,339,000	14,413,000
Tools, furniture and fixtures, net	8,748	6,261	Tenant leasehold and security deposits	33,349	33,972
Land	230,346	230,346	Tenant leasehold and security deposits in trust	1,729,418	1,733,561
Buildings in trust, net	9,871,828	9,839,788	Derivatives liabilities	2,091	1,095
Structures in trust, net	50,996	49,798	Total non-current liabilities	17,103,859	17,181,629
Machinery and equipment in trust, net	0	0	Total liabilities	21,999,075	21,993,884
Tools, furniture and fixtures in trust, net	21,709	20,894			
Land in trust	33,661,874	33,661,874	Net assets		
Construction in progress in trust	154	352	Unitholders' equity		
Total property, plant and equipment	44,153,654	44,113,521	Unitholders' capital	25,440,013	25,440,013
Investments and other assets			Deduction from unitholders' capital		
Investment Securities	28,996	28,996	Allowance for temporary difference adjustments	-249	-1,997
Long-term prepaid expenses	45,654	49,731	Total deduction from unitholders' capital	-249	-1,997
Deferred tax assets	16	12	Unitholders' capital, net	25,439,763	25,438,016
Lease and guarantee deposits	22,600	22,600	Surplus		
Other	83,895	132,182	Unappropriated retained earnings (undisposed loss)	790,823	826,018
Total investments and other assets	181,163	233,523	Total surplus	790,823	826,018
Total non-current assets	44,334,817	44,347,045	Total unitholders' equity	26,230,587	26,264,034
Deferred assets			Valuation and translation adjustments		
Investment unit issuance costs	13,496	8,997	Deferred gains or losses on hedges	-2,091	-1,095
Investment corporation bond issuance costs	-	13,715	Total valuation and translation adjustments	-2,091	-1,095
Total deferred assets	13,496	22,713	Total net assets	26,228,495	26,262,938
Total assets	48,227,571	48,256,823	Total liabilities and net assets	48,227,571	48,256,823

Statement of Income



(Unit: thousand yen)

	11th fiscal period (From Mar. 1, 2023 to Aug. 31, 2023)	12th fiscal period (From Sep. 1, 2023 to Feb. 29, 2024)
Operating revenue		
Leasing business revenue	1,517,636	1,528,816
Other leasing business revenue	147,425	134,099
Total operating revenue	1,665,062	1,662,915
Operating expenses		
Expenses related to leasing business	621,274	584,799
Asset management fees	97,082	97,932
Asset custody fees	1,267	1,265
Administrative service fees	14,554	14,528
Directors' compensations	2,400	2,400
Other operating expenses	45,753	39,083
Total operating expenses	782,332	740,008
Operating income	882,729	922,906
Non-operating income		
Interest income	18	18
Compensation received (Water charge refund)	2,125	-
Gain on forfeiture of unclaimed distributions	40	204
Total non-operating income	2,184	222
Non-operating expenses		
Interest expenses	71,729	71,507
Borrowing related expenses	17,236	21,939
Amortization of investment unit issuance costs	4,498	4,498
Amortization of investment corporation bond issuance costs	-	464
Total non-operating expenses	93,465	98,411
Ordinary income	791,448	824,718
Income before income taxes	791,448	824,718
Income taxes - current	942	875
Income taxes - deferred	-5	3
Total income taxes	937	879
Net income	790,511	823,839
Retained earnings brought forward	312	2,179
Unappropriated retained earnings (undisposed loss)	790,823	826,018

Portfolio List (1)

Asset no.	OF-01	OF-02	OF-03	OF-04	OF-05	OF-06
Asset type	Office	Office	Office	Office	Office	Office
Property name	XYMAX Nishi-Shimbashi Building	XYMAX Iwamotocho Building	XYMAX Shinjuku-Gyoen Building	XYMAX Kamiyacho Building	XYMAX Higashi-Azabu Building	XYMAX Higashi-Ueno Building
						
Location	Minato-ku, Tokyo	Chiyoda-ku, Tokyo	Shinjuku-ku, Tokyo	Minato-ku, Tokyo	Minato-ku, Tokyo	Taito-ku, Tokyo
Access	3 minutes on foot from Uchisaiwaicho Station on the Toei Subway Mita Line 6 minutes on foot from Shimbashi Station on the JR Tokyo Metro Ginza Line, and other	3 minutes on foot from Iwamoto-cho Station on the Toei Subway Shinjuku Line	2 minutes on foot from Shinjuku Gyoenmae Station on the Tokyo Metro Marunouchi Line	1 minute on foot from Kamiyacho Station on the Tokyo Metro Hibiya Line	5 minutes on foot from Akabanebashi Station on the Toei Subway Oedo Line 7 minutes on foot from Kamiyacho Station on the Tokyo Metro Hibiya Line	3 minutes on foot from Naka-Okachimachi Station Tokyo Metro Hibiya Line 4 minutes on foot from JR Okachimachi Station, and other
Acquisition price	2,500 million yen	4,250 million yen	5,020 million yen	880 million yen	1,550 million yen	1,150 million yen
Land area	402.53 m ²	864.83 m ²	839.09 m ²	228.83 m ²	365.05 m ²	368.84 m ²
Total floor area	2,517.50 m ²	6,261.06 m ²	6,084.32 m ²	1,356.51 m ²	2,570.13 m ²	1,942.54 m ²
Leasable area	1,897.92 m ²	4,152.40 m ²	4,791.23 m ²	1,205.27 m ²	2,015.51 m ²	1,750.17 m ²
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 tenants (As of the end of 12th FP)	8	13	6	7	5	7
Occupancy rate (As of the end of 12th FP)	100.0%	98.5%	100.0%	100.0%	87.5%	86.6%

Portfolio List (2)

Asset no.	OF-07	OF-08	OF-09	OF-10	RT-01	RT-02
Asset type	Office	Office	Office	Office	Retail	Retail
Property name	XYMAX Hachioji Building	XYMAX Mita Building	XYMAX Sapporo Odori Building	XYMAX Kiba koen Building	Muza Kawasaki	Life Kawasaki Miyuki Store
						
Location	Hachioji-shi, Tokyo	Minato-ku, Tokyo	Sapporo-shi, Hokkaido	Koto-ku, Tokyo	Kawasaki-shi, Kanagawa	Kawasaki-shi, Kanagawa
Access	4 minutes on foot from Keio Hachioji Station on the Keio Electric Railway Keio Line 5 minutes on foot from JR Hachioji Station	5 minutes on foot from Mita Station on the Toei Subway Mita Line, and other 7 minutes on foot from JR Tamachi Station	1 minute on foot from Odori Station on the Sapporo City Subway, Namboku Line, Tozai Line, and Touhou Line	1 minute on foot from Kiba Station on the Tokyo Metro Tozai Line	JR Kawasaki Station Directly Connected	15 minutes on foot from JR Kashimada Station and Yako Station
Acquisition price	2,600 million yen	668 million yen	4,707 million yen	2,003 million yen	4,100 million yen	790 million yen
Land area	1,220.58 m ²	137.02 m ²	499.24 m ²	851.46 m ²	10,669.34 m ² *1	1,879.15 m ²
Total floor area	7,404.81 m ²	799.78 m ²	4,270.89 m ²	2,995.81 m ²	108,955.90 m ² *1	2,596.80 m ²
Leasable area	5,558.87 m ²	741.41 m ²	3,106.42 m ²	2,587.15 m ²	3,703.88 m ²	2,677.54 m ²
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 tenants (As of the end of 12th FP)	23	7	7	7	19	1
Occupancy rate (As of the end of 12th FP)	100.0%	79.4%	100.0%	100.0%	100.0%	100.0%

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

Portfolio List (3)

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

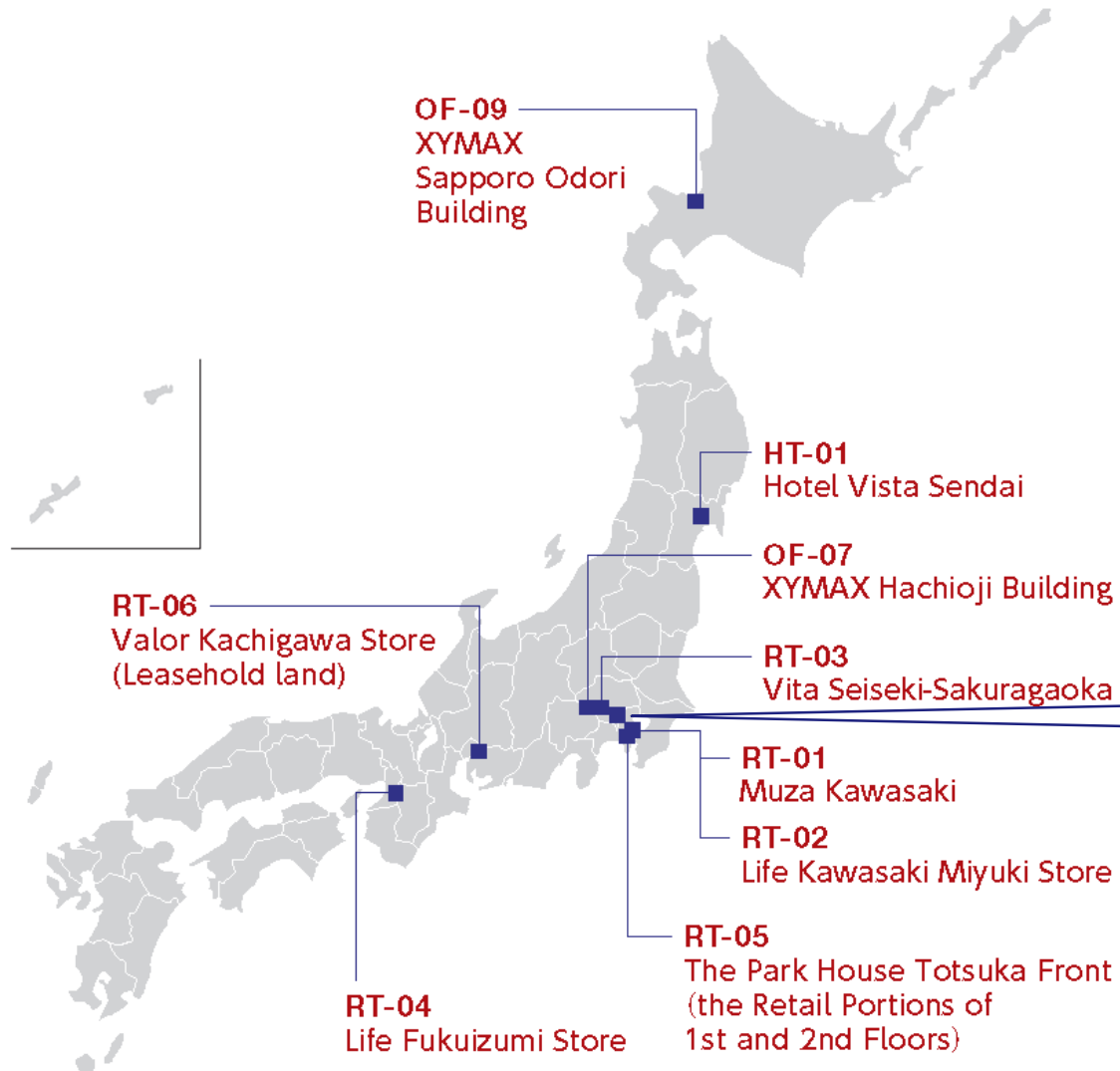
*1 Both land area and total floor area above represent land area and total floor area of one building, respectively.

*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 m² includes surface rights of 524.21 m².

Portfolio Map

| Country wide area |



| 23 wards of Tokyo |

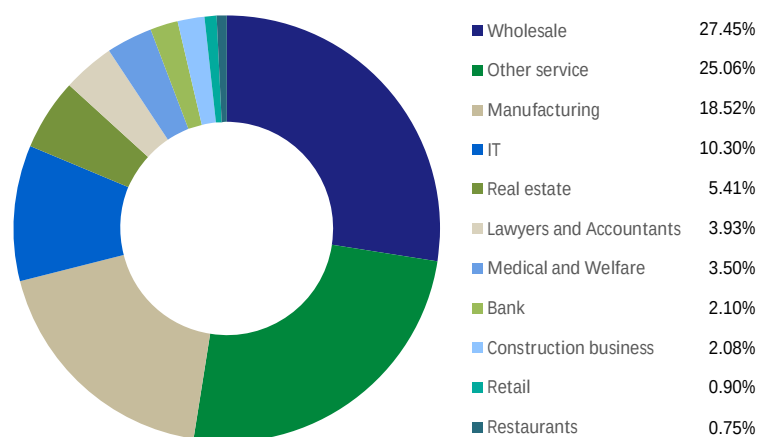


Characteristic of Current Office Tenants and the Trends of Occupancy Rate

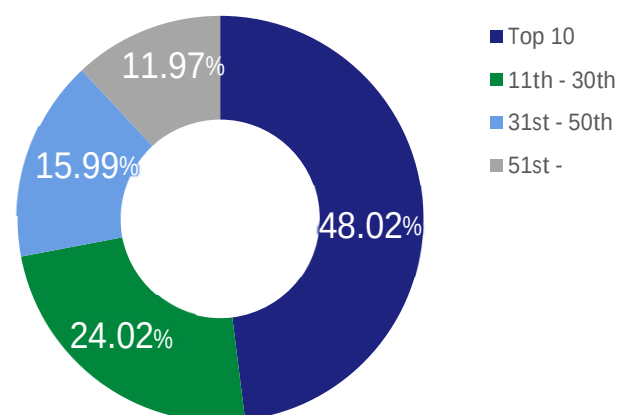
Backed by the sponsor group's management capabilities, we have achieved stable, long-term occupancy by office tenants.

Office tenant diversification <based on rent revenue> (excluding obligated residences) (81 office tenants) | At the end of 12th FP

Based on business type



Leased area based on top tenant ratio



Average tenant lease period
of offices owned by XYMAX
REIT

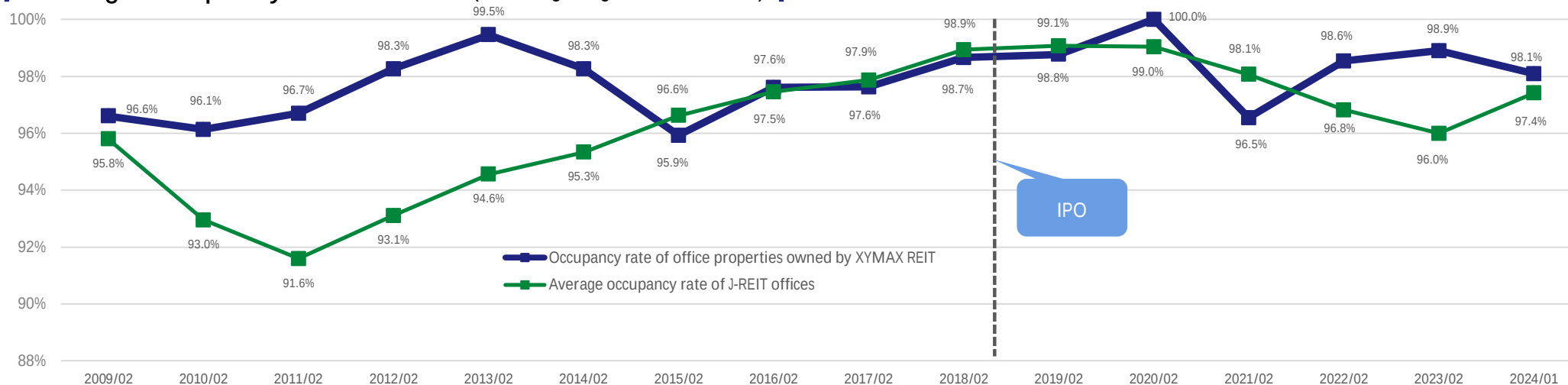
All tenants : 11 years, 11 months
Top ten tenants by leased area:
13 years, 8 months

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

Average occupancy rate of office (including obligated residences)



Sendai: Rent Conditions and Monthly Track Record

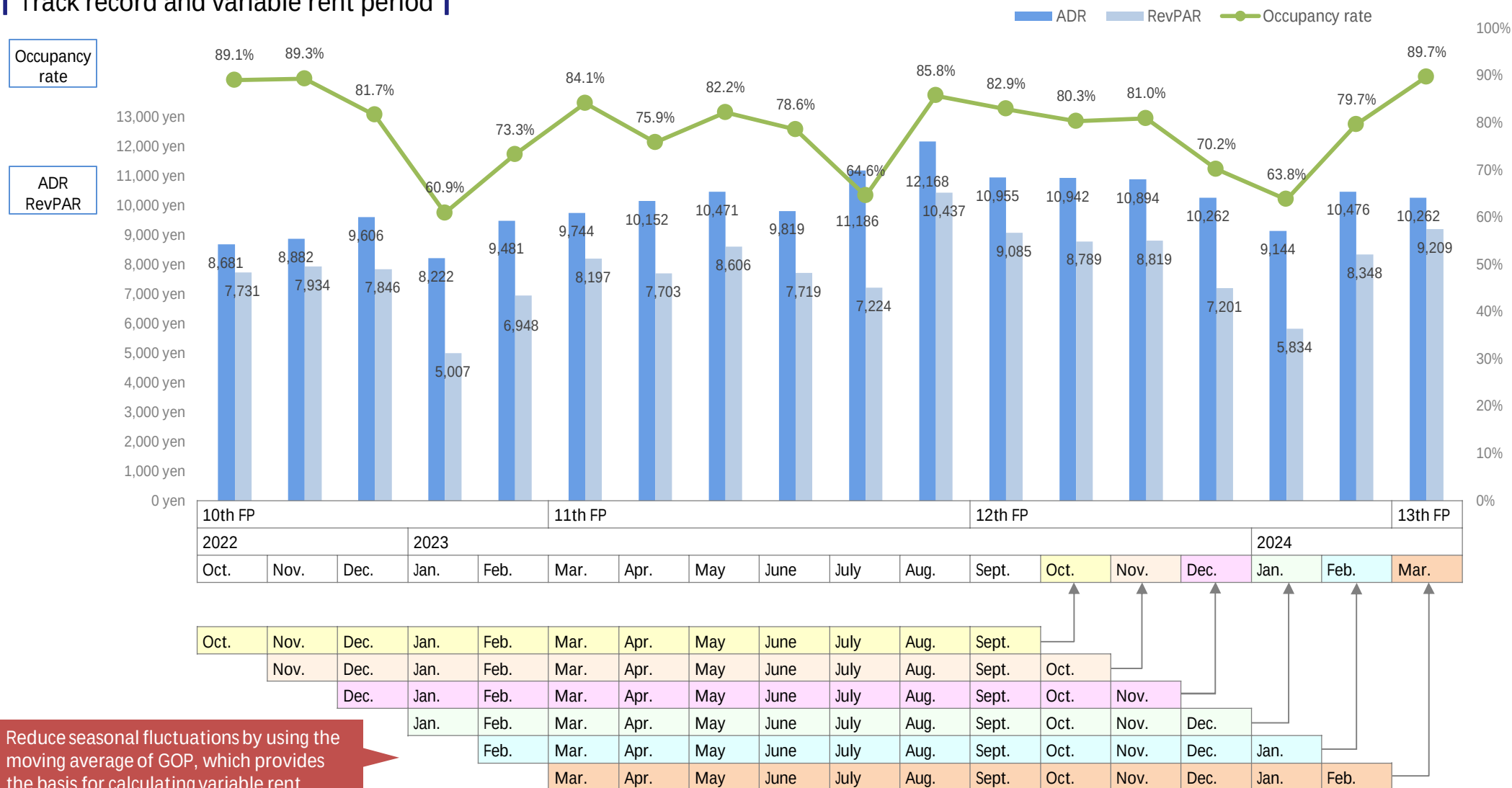


Conditions for rent (monthly)

Fixed rent	Variable rent
20.5 million yen	$(\text{GOP for the last year} / 12 - 21.5 \text{ million yen}) \times \alpha\%*$

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

Track record and variable rent period



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	86,078	146,548	188,576	43,743	58,501	46,463	134,471	17,747	131,069	60,921
Lease business revenue	76,160	127,233	174,456	39,307	49,396	41,121	113,642	15,348	120,200	52,917
Other lease business revenue	9,918	19,315	14,119	4,436	9,105	5,342	20,828	2,398	10,869	8,003
Operating expenses from real estate leasing (Excluding Depreciation)	22,449	40,062	45,385	14,923	17,505	20,007	43,081	11,804	26,553	17,214
Tax and public dues	7,647	14,252	15,421	5,089	6,991	4,024	8,388	1,396	8,093	4,007
Maintenance fees	5,471	10,269	12,518	4,638	5,995	4,320	16,392	2,700	7,707	6,820
Utility expenses	7,928	11,520	9,774	3,725	3,591	4,528	12,363	1,059	9,454	5,094
Repair expenses	702	2,596	4,510	790	193	2,907	3,885	2,676	245	586
Insurance premiums	60	215	205	45	79	58	267	36	300	109
Other expenses related to leasing business	639	1,208	2,953	634	653	4,167	1,783	3,935	753	595
NOI	63,628	106,486	143,191	28,820	40,996	26,456	91,389	5,942	104,516	43,707
Depreciation	3,177	17,635	16,420	1,571	7,047	3,567	11,745	1,844	22,773	5,547
Operating income (loss) from real estate leasing	60,451	88,850	126,771	27,249	33,949	22,888	79,644	4,098	81,743	38,159

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	179,672	undisclosed	undisclosed	undisclosed	27,745	undisclosed	undisclosed	undisclosed	1,662,915
Lease business revenue	157,626	undisclosed	undisclosed	undisclosed	23,593	undisclosed	undisclosed	undisclosed	1,528,816
Other lease business revenue	22,046	undisclosed	undisclosed	undisclosed	4,151	undisclosed	undisclosed	undisclosed	134,099
Operating expenses from real estate leasing (Excluding Depreciation)	48,918	undisclosed	undisclosed	undisclosed	9,608	undisclosed	undisclosed	undisclosed	414,320
Tax and public dues	11,491	undisclosed	undisclosed	undisclosed	1,836	undisclosed	undisclosed	undisclosed	153,992
Maintenance fees	15,008	undisclosed	undisclosed	undisclosed	5,087	undisclosed	undisclosed	undisclosed	109,298
Utility expenses	17,236	undisclosed	undisclosed	undisclosed	2,592	undisclosed	undisclosed	undisclosed	89,659
Repair expenses	3,354	undisclosed	undisclosed	undisclosed	-	undisclosed	undisclosed	undisclosed	29,256
Insurance premiums	185	undisclosed	undisclosed	undisclosed	51	undisclosed	undisclosed	undisclosed	3,778
Other expenses related to leasing business	1,641	undisclosed	undisclosed	undisclosed	41	undisclosed	undisclosed	undisclosed	28,334
NOI	130,754	18,420	172,623	26,108	18,137	65,691	136,275	25,448	1,248,595
Depreciation	17,989	1,669	29,938	2,223	3,790	-	20,960	2,578	170,479
Operating income (loss) from real estate leasing	112,764	16,750	142,684	23,885	14,347	65,691	115,315	22,870	1,078,115

Overview of Appraisal Report



Asset no.	Asset name	Acquisition date	Acquisition price (million yen)	Book value as of the end of 12th FP (million yen)	End of 11th FP (August 31, 2023)		End of 12th FP (February 29, 2024)		Change		Appraiser	Unrealized profit or loss*3 (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*1 (million yen)	Capitalization rate based on direct capitalization method*2 (%)		
OF-01	XYMAX Nishi-Shimbashi Building	February 2018	2,500	2,514	3,420	3.2	3,410	3.2	-10	-	The Tanizawa Sōgō Appraisal Co., Ltd.	895
OF-02	XYMAX Iwamotocho Building	February 2018	4,250	4,374	5,900	3.3	5,880	3.3	-20	-	Japan Real Estate Institute	1,505
OF-03	XYMAX Shinjuku-Gyoen Building	February 2018	5,020	5,149	7,290	3.3	7,290	3.3	-	-	Japan Real Estate Institute	2,140
OF-04	XYMAX Kamiyacho Building	February 2018	880	889	1,350	3.3	1,360	3.3	+10	-	The Tanizawa Sōgō Appraisal Co., Ltd.	470
OF-05	XYMAX Higashi-Azabu Building	February 2018	1,550	1,594	2,000	3.8	2,000	3.7	-	-0.1	Daiwa Real Estate Appraisal Co., Ltd.	405
OF-06	XYMAX Higashi-Ueno Building	February 2018	1,150	1,165	1,660	3.9	1,720	3.8	+60	-0.1	Daiwa Real Estate Appraisal Co., Ltd.	554
OF-07	XYMAX Hachioji Building	February 2018	2,600	2,635	3,630	4.6	3,630	4.5	-	-0.1	Japan Real Estate Institute	994
OF-08	XYMAX Mita Building	July 2021	668	704	748	3.7	771	3.6	+23	-0.1	Japan Real Estate Institute	66
OF-09	XYMAX Sapporo Odori Building	March 2022	4,707	4,689	4,980	3.7	5,050	3.6	+70	-0.1	Japan Real Estate Institute	360
OF-10	XYMAX Kiba koen Building	March 2022	2,003	2,091	2,150	4.3	2,190	4.2	+40	-0.1	Japan Real Estate Institute	98
RT-01	Muza Kawasaki	February 2018	4,100	4,005	5,550	4.1	5,550	4.1	-	-	The Tanizawa Sōgō Appraisal Co., Ltd.	1,544
RT-02	Life Kawasaki Miyuki Store	February 2018	790	787	971	4.2	971	4.2	-	-	Daiwa Real Estate Appraisal Co., Ltd.	183
RT-03	Vita Seiseki-Sakuragaoka	February 2018	3,100	3,529	3,940	5.0	3,890	5.0	-50	-	The Tanizawa Sōgō Appraisal Co., Ltd.	360
RT-04	Life Fukuizumi Store	September 2020	1,065	1,070	1,090	4.5	1,090	4.5	-	-	Daiwa Real Estate Appraisal Co., Ltd.	19
RT-05	The Park House Totsuka Front (the Retail Portions of 1st and 2nd Floors)	July 2021	540	534	649	4.5	666	4.5	+17	-	The Tanizawa Sōgō Appraisal Co., Ltd.	131
RT-06	Valor Kachigawa Store (Leasehold land)	January 2022	3,245	3,289	3,410	-	3,410	-	-	-	The Tanizawa Sōgō Appraisal Co., Ltd.	120
HT-01	Hotel Vista Sendai	February 2018	4,400	4,163	5,290	4.6	5,340	4.6	+50	-	The Tanizawa Sōgō Appraisal Co., Ltd.	1,176
OT-02	L-Place Nishikasai	March 2022	901	926	1,070	4.3	1,070	4.3	-	-	The Tanizawa Sōgō Appraisal Co., Ltd.	143
Total / Average			43,469	44,113	55,098	-	55,288	-	+190	-		11,174

*1 The difference between the estimated value at the end of the 11th FP and the estimated value at the end of the 12th FP is indicated.

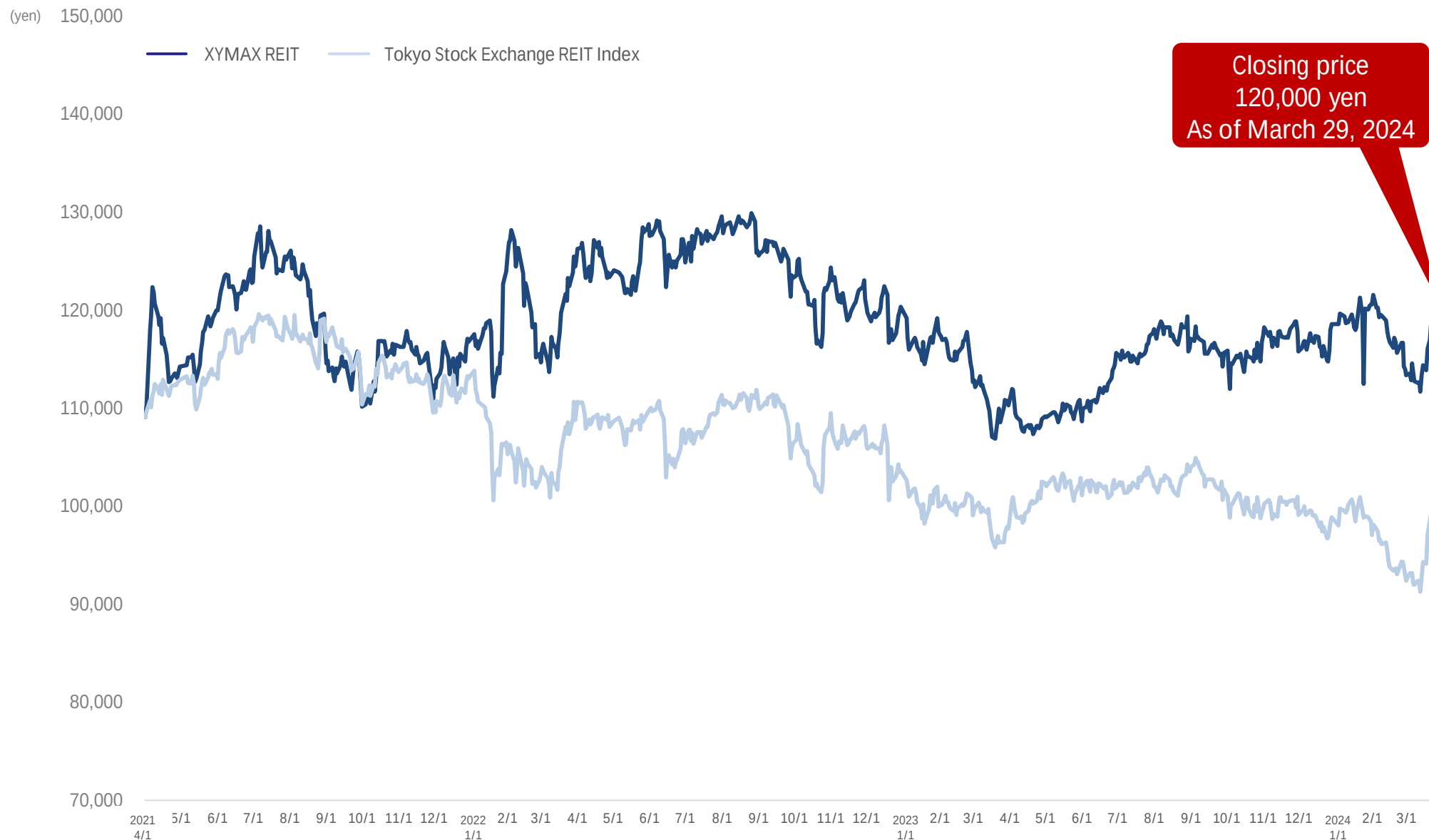
*2 The difference between the direct capitalization rate adopted in the real estate appraisal report for each portfolio asset in the calculation of estimated value at the end of the 11th FP and the direct capitalization rate adopted in the real estate report for each portfolio asset in the calculation of estimated value at the end of the 12th FP is indicated.

*3 The difference between the estimated value at the end of the 12th FP and the book value at the end of the 12th FP is indicated.

Change in Investment Unit Price



| Change in investment unit price | As of March 29, 2024



* The starting point of investment unit price is set on April 1, 2021, and the Tokyo Stock Exchange REIT Index is indexed based on the opening price as of April 1, 2021.

Status of Unitholders

Share of investment units by owner type



Number of unitholders by owner type

	9th FP	10th FP	11th FP	12th FP
Individuals, other	9,681	9,916	10,306	10,926
Financial institutions	34	34	33	33
Other domestic companies	184	193	193	198
Overseas institutions, etc.	110	129	124	121
Securities companies	23	19	19	22
Total	10,032	10,291	10,675	11,300

Major unitholders

At the end of 12th FP

Name	Number of investment units(unit)	Ratio*1 (%)
Custody Bank of Japan, Ltd. (Trust account)	45,709	18.30%
The Master Trust Bank of Japan, Ltd. (Trust account)	38,952	15.60%
XYMAX Corporation*2	12,500	5.00%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	11,158	4.46%
Individual	3,497	1.40%
SCBHK AC LIECHTENSTEINISCHE LANDESBANK AG	3,109	1.24%
JDC CORPORATION	3,000	1.20%
Osaka Shoko Shinkin Bank	2,526	1.01%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2,473	0.99%
Fukoku Mutual Life Insurance Company	2,055	0.82%
Total	124,979	50.06%

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

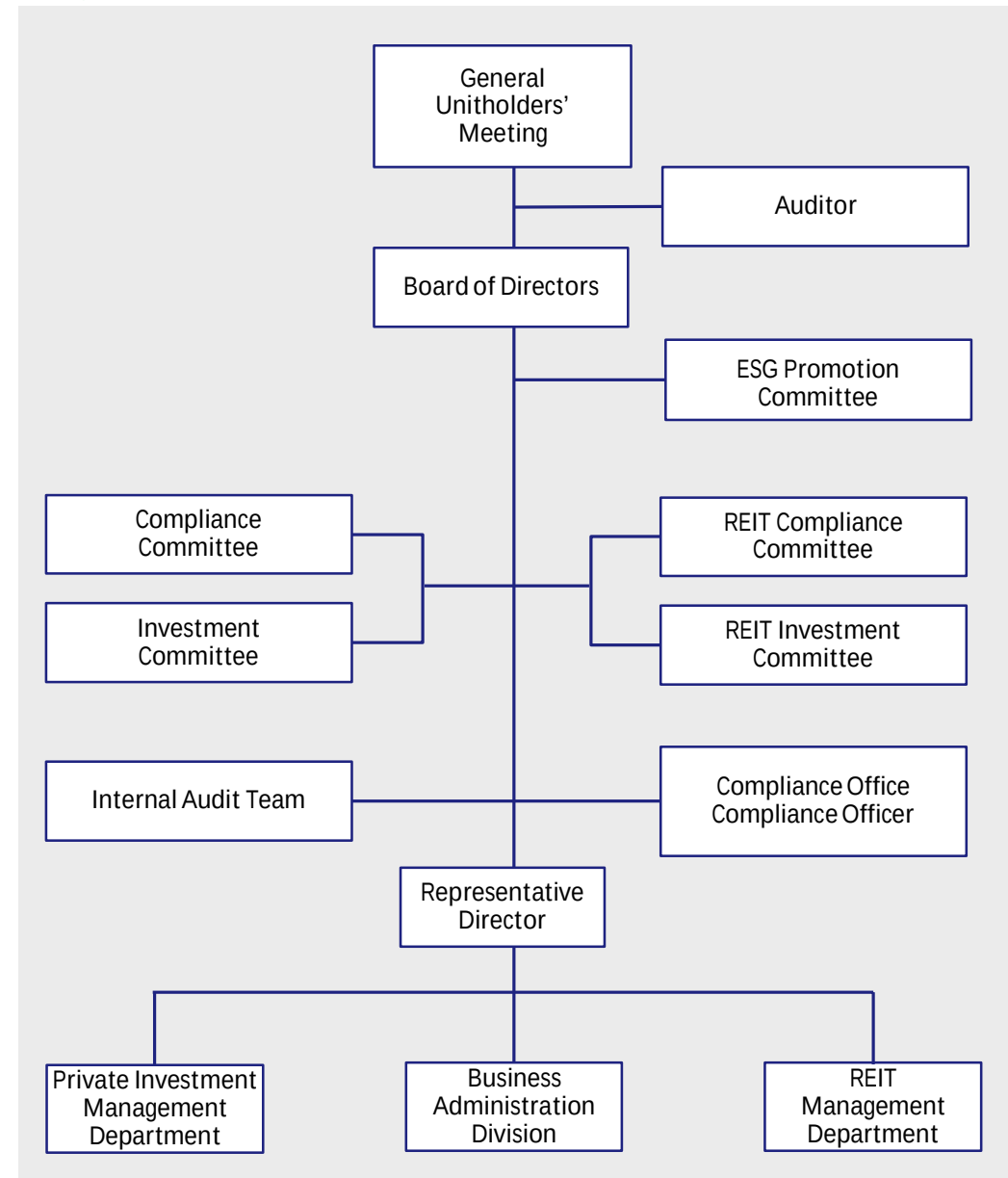
*2 The company was renamed XYMAX GROUP Corporation on April 1, 2024.

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 Group Corporation (100%)
Number of employees	38 (as of March 31, 2024) including directors
Lines of business	(1) Financial instruments business as prescribed in the Financial Instruments and Exchange Act (2) Real estate investment advisory business and discretionary real estate investment business (3) Asset management business for investment corporation
Executives	Hideki Fukae, Representative Director and President Yasushi Yamaguchi, Director Kazuya Sugimoto, Director Akimitsu Takagi, Auditor
Licenses	Financial instruments business: Director-General of the Kanto Local Finance Bureau Registration (FIBO) No. 1907 (Investment Management Business, Investment Advisory and Agency Business, and Type II Financial Instruments Business) Discretionary transaction agency, etc. business: Minister of Land, Infrastructure, Transport and Tourism Approval No. 118 Real Estate Specified Joint Enterprise: License No. 75 granted by Commissioner of the Financial Services Agency and Minister of Land, Infrastructure, Transport and Tourism (for businesses referred to in items (iii) and (iv)) Real estate investment advisory business: Registration No. Sogo-57 Real estate brokerage business: Governor of Tokyo License (4) No. 88223

Organization



Overview of the Sponsor Group

Company name	XYMAX Group Corporation (unlisted)
Establishment	March 1, 1990 *Spin-off from Recruit Co., Ltd. through employee participatory MBO in 2000
Location of headquarters	1-1-1 Akasaka, Minato-ku, Tokyo
Capital	3,493,365,000 yen
Sales	109,049 million yen (actual results for the fiscal year ended March 2023) *Consolidated figures of the Group
Representative	Representative Director, Chairman & CEO: Masafumi Shimada Representative Director: Kenji Yoshimoto
Major shareholders	XYMAX Group Shareholding Association, directors & employees, clients and financial institutions Total: 388 (as of March 31, 2024)
Number of employees	366 (as of April 1, 2024)

Real estate consulting and management services

Real estate consulting

- CRE strategy, effective utilization, development/design
- Consulting and planning on inheritance, fund procurement, etc.
- Real estate appraisal, real estate evaluation and research

Asset Management

- Asset management Asset strategy, etc.

Real estate management

- Property management Building maintenance

Integrated management of store facilities

- Facility management

Office

Retail/Store

Logistics

Hotel

XYMAX
XYMAX TRUST

XYMAX REAL ESTATE INVESTMENT ADVISORS/MAX-REALTY

Valormax

SG Asset Max

Hokkaido XYMAX HOKKAIDO

East Japan XYMAX

Tokai XYMAX TOKAI

Kansai XYMAX KANSAI

Kyushu XYMAX KYUSHU

Other specialized services

Leasing brokerage

Market survey/analysis
Research/planning on
management and repair

Hotel business

Linen Supply & Cleaning

XYMAX INFONISTA

XYMAX REAL ESTATE
INSTITUTE

KARAKSA HOTELS

XYMAX careSS
Corporation

Cleaning

Security

Satellite office

Risk management

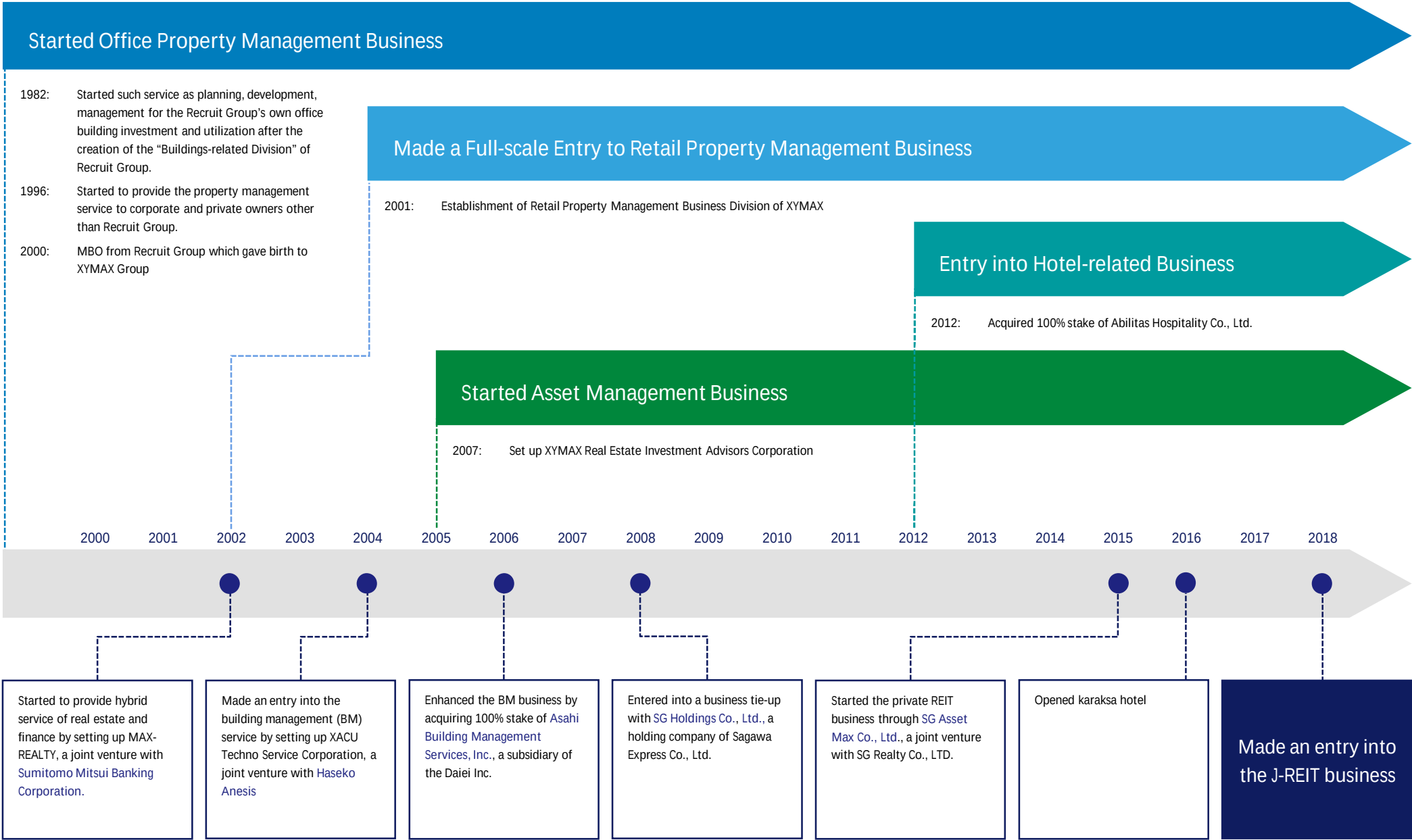
XYMAX SALA

MAX SECURITY SERVICE

XYMAX Group
ZXY Department

Safety Organization for
Urban Renewal

Realize growth of XYMAX REIT by drawing on all of the sponsor group's expertise and workforce



Fertile Management Base of the Sponsor Group

The sponsor group has been ranked as No. 1 domestic service provider in the PM business.

- Human resources: **2,385** people engaged in real estate management, **51** people in leasing, and **67** people in CRE related business (as of April 1, 2024)
- Relationship with real estate owners: approximately **450** companies (as of January 31, 2024)
- Track record in property sales and brokerage: **407** buildings, approximately **628.5** billion yen (accumulated total from April 1, 2010, to March 31, 2024)

Real estate management record (As of January 31, 2024)

Actual number of contracts
1,142 buildings

Total floor area

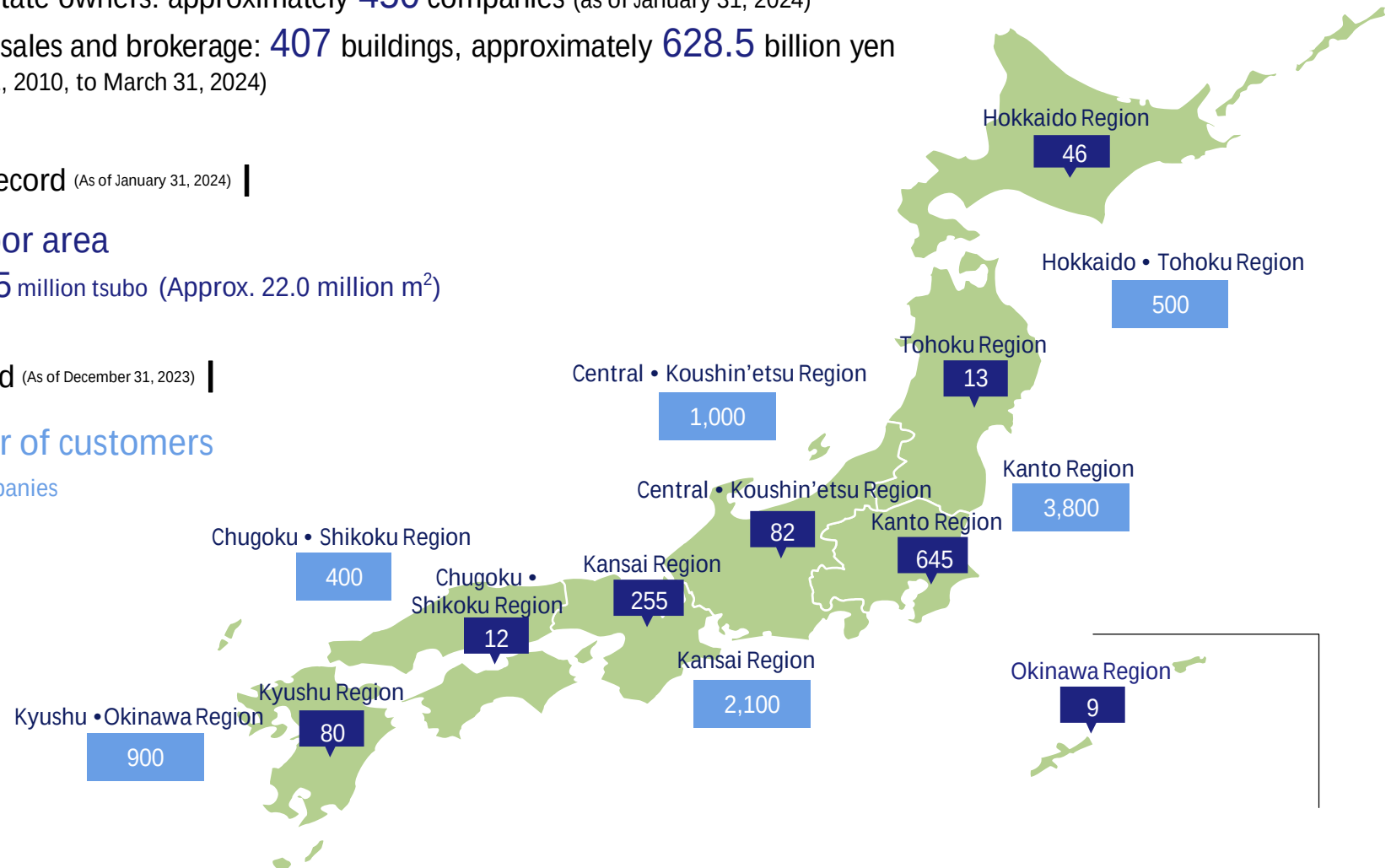
Approx. **6.5** million tsubo (Approx. 22.0 million m²)

Facility management record (As of December 31, 2023)

Actual number of contracts
Approx. **8,700** stores

Number of customers

116 companies

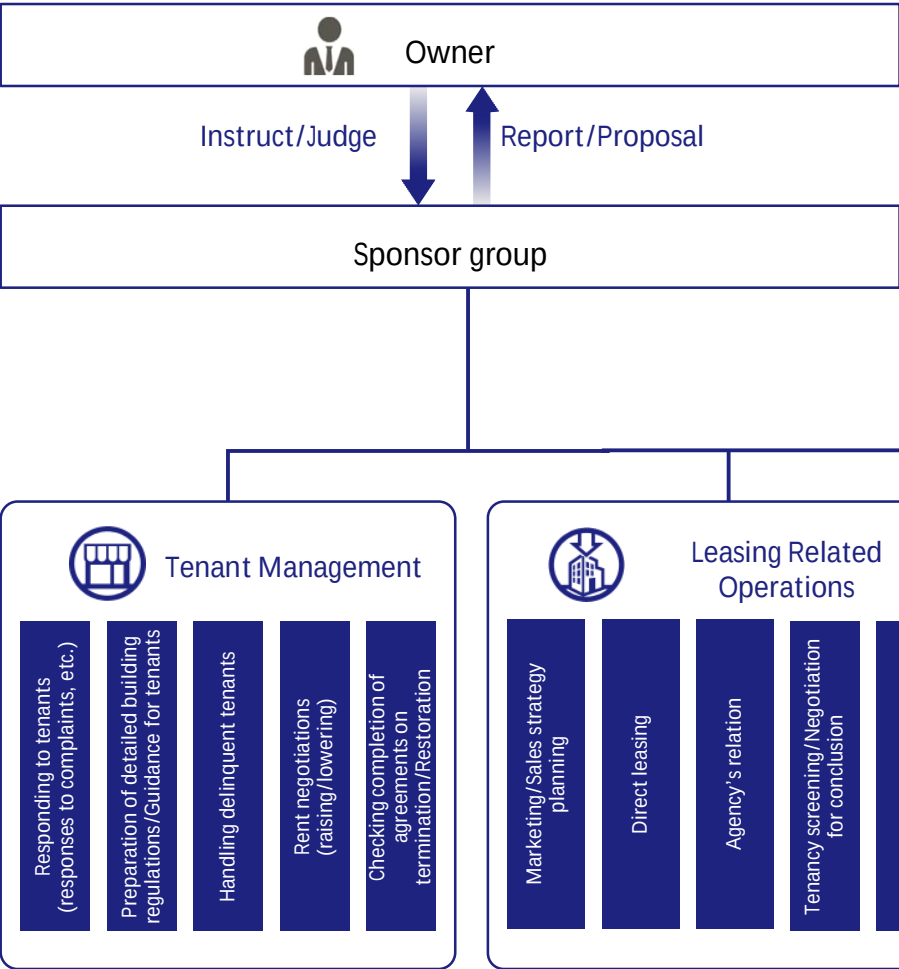


Property Management

The sponsor group provides consistent real estate management and operation services, ranging from Property Management (acting for owners) to Building Maintenance operations.

In addition, the sponsor 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	42,464 buildings / 148,692 cases (accumulated total as of March 31, 2024)
Asking rent data	61,644 buildings (accumulated total as of March 31, 2024) 18,817 cases (as of March 31, 2024)
Construction work data	183,385 cases (accumulated total as of February 29, 2024)

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

| ITBM CENTER |

Introducing information and communication technology in building maintenance operations to maintain and provide safe and secure services.
Creation of **advanced**, high-quality, **safe** and **secure** building maintenance framework and value.
Introducing 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 to backup all site operations.

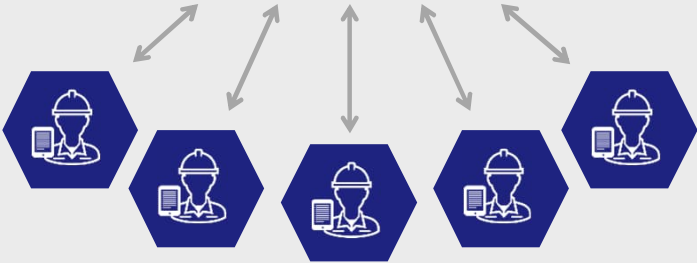
Knowledge Support

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.



Checks and instructions to the site by the ITBM Center



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



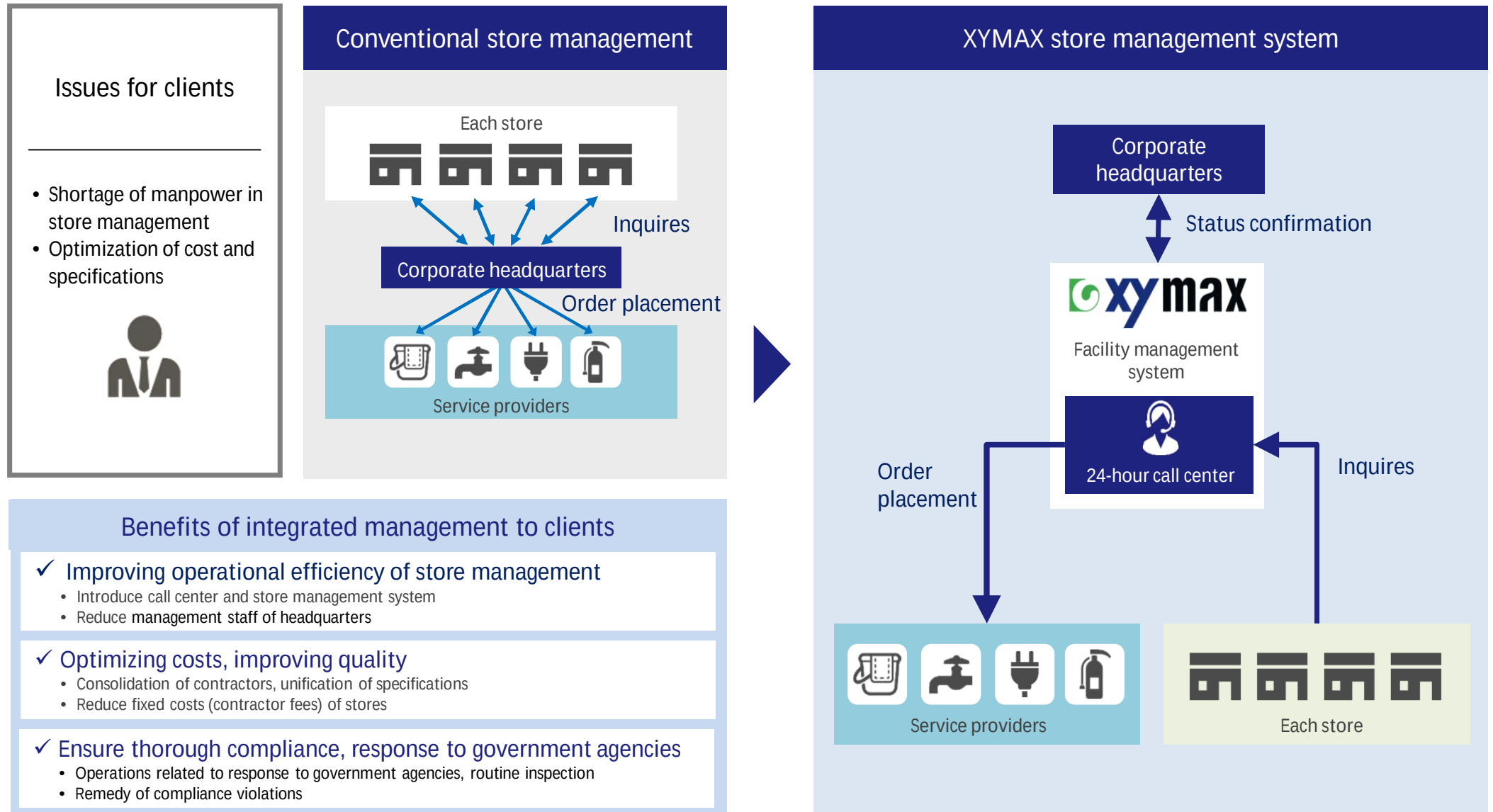
Real-Time Information Gathering During Emergency or Disaster

In the event of a fire or natural disaster, information can be shared in real time via video with related departments and head office by connecting smart devices in the field to the ITBM Center. Videos sent from the site can be shown on a large display. Those videos and audio exchanged between the parties are automatically recorded for realistic and accurate information.



<A clip from a video of a fire at a neighboring building of a property under management>
After safely evacuating the people in the building, this video was sent to the ITBM Center. It was used to report the incident to the owner and the head office.

The sponsor 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

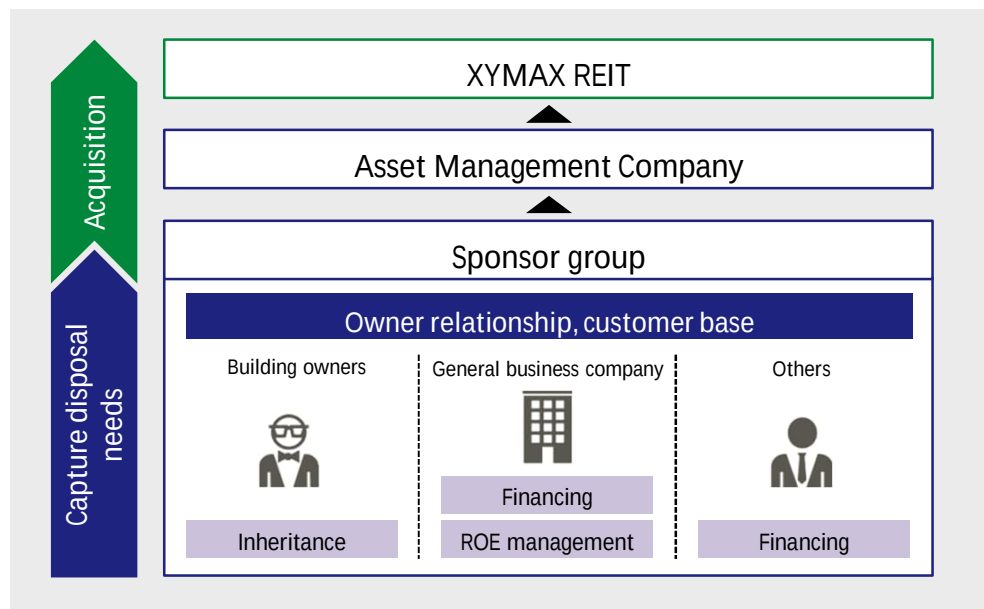
- ✓ Hotels specialized in stay whose revenue trends can be analyzed based on the operational know-how of the sponsor
- ✓ Properties located in areas offering excellent access to transportation hubs
- ✓ Properties located in areas where the number of overseas visitors is expected to increase

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

Original Sourcing Strategy

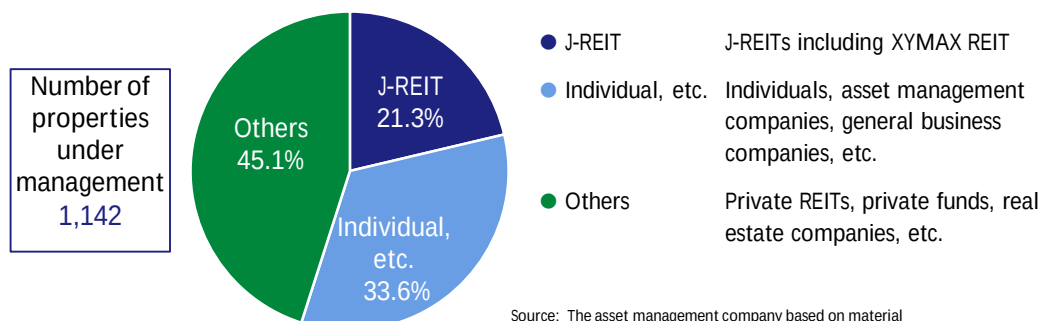
XYMAX REIT captures the needs for real estate disposal gained from the huge customer base of the sponsor group. In addition, XYMAX REIT grasps the trend of real estate owners at an early stage through daily communication, so that opportunities are created for external growth.

Direct relationship with real estate owners



Diversity among real estate owners

Percentage of client types for real estate management business (As of the end of January 2024)

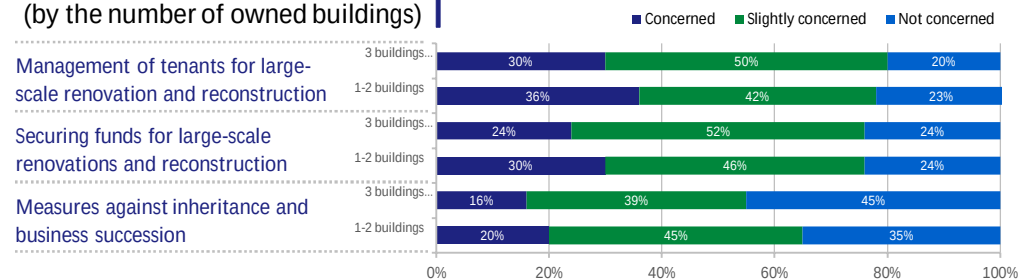


- More than 70% of real estate owners are concerned about large-scale renovations of owned properties, tenant management, and securing funds for reconstruction → Identifies needs of property disposal arising due to the problem or concern about necessary funds
- Concern for inheritance and business succession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

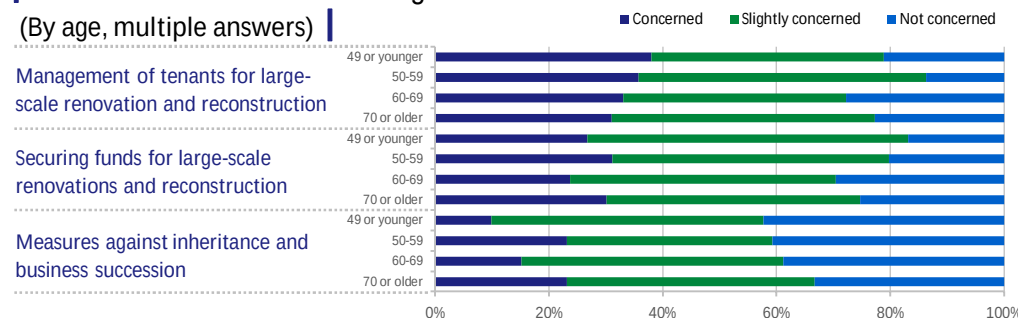
Survey on building owners' situations by XYMAX Real Estate Institute

Concerns over future building business (by the number of owned buildings)



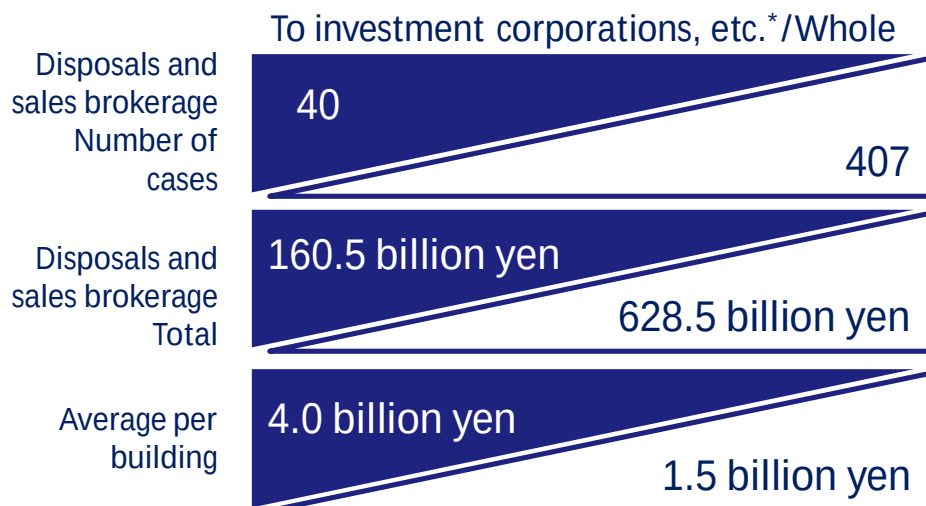
Source: "Building Owner Survey 2017" by XYMAX Real Estate Institute

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

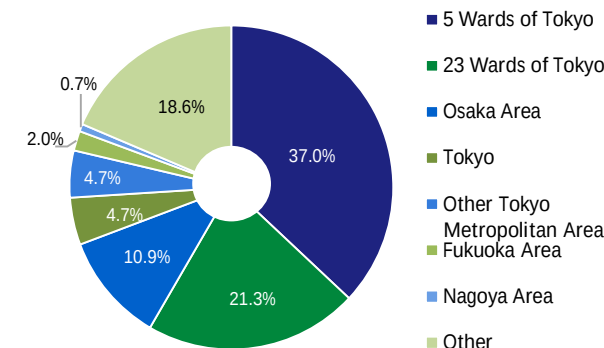
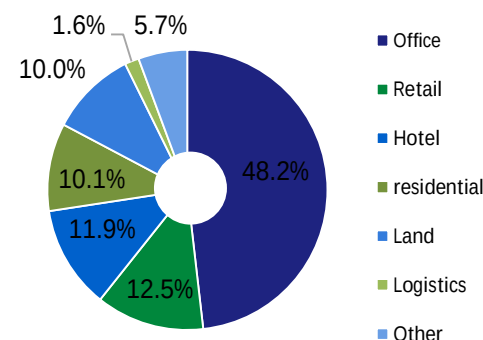


Source: Created by XYMAX Real Estate Institute based on the request from the asset management company

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

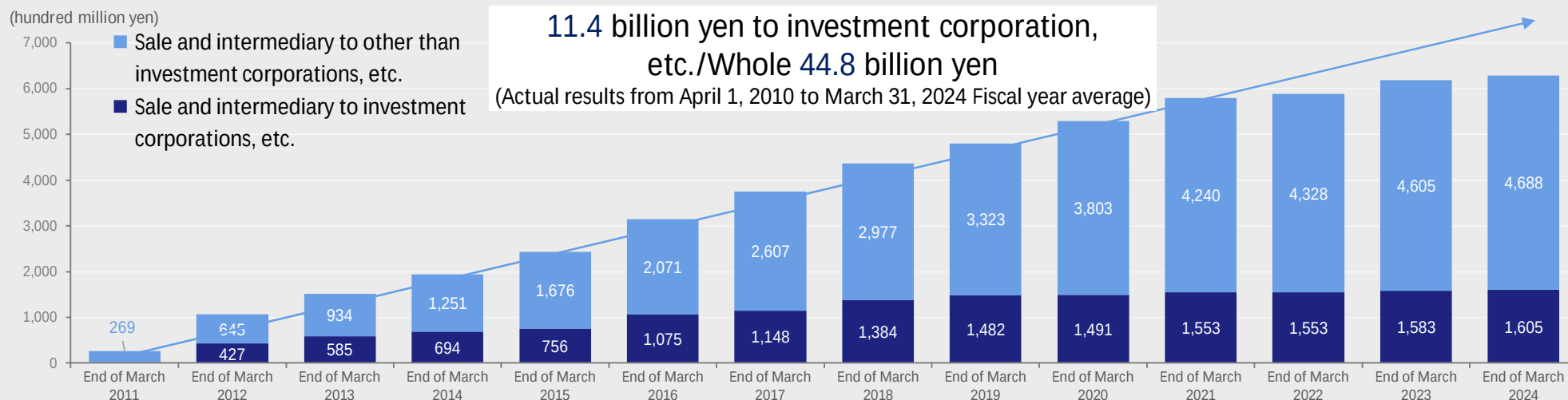


Use and geographical area of real estate in real estate disposals and real estate sales brokerage results



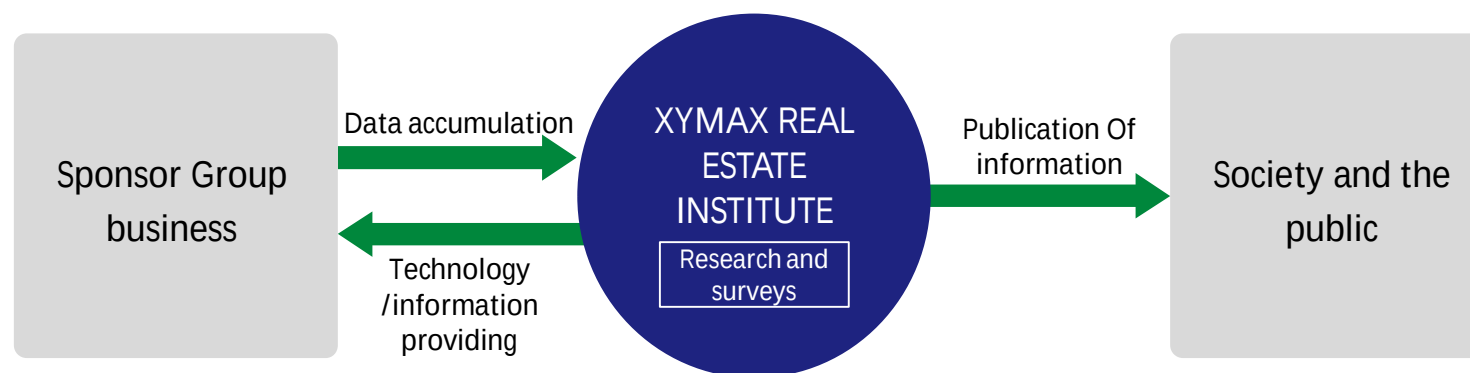
Source: XYMAX Group Corporation

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



Source: XYMAX Group Corporation

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



Details of the information delivered

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

XYMAX Real Estate
Institute Website
(Japanese version
only)



Survey and analysis of the real estate market

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

Survey and analysis of tenants

- Survey on floorspace per person
- Analysis of lease periods of office tenants and retail tenants
- Office tenant opinion surveys, 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

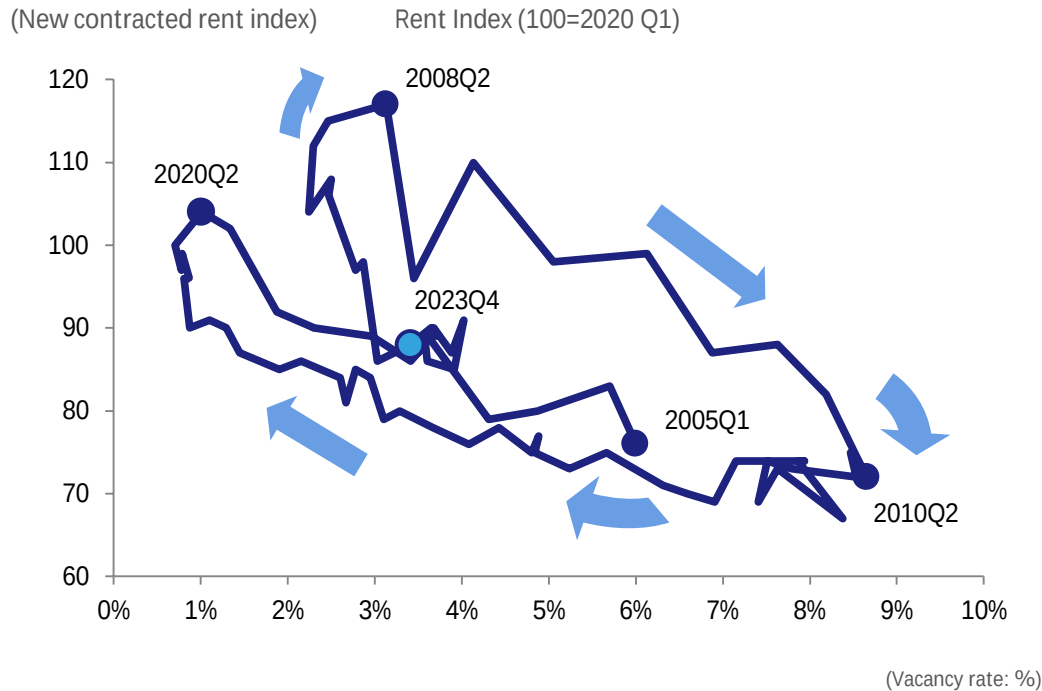
- Survey on office demand in major metropolitan areas
- Survey on office workers in the Tokyo Metropolitan Area
- Research on the flexible office market

Posting, contribution and lectures to mass media and various media (examples)

- Posting Various newspapers, magazines, TV, and others
- Contribution
 - ARES Real Estate Securitization Journal
 - Real Estate Fund Review
 - The Japanese journal of real estate sciences, Economic Analysis (Cabinet Office), etc.
- Lectures
 - Ministry of Land, Infrastructure, Transport and Tourism
 - Tokyo Metropolitan Government
 - The Real Estate Companies Association of Japan (RECAJ)
 - Japan Building Management Institute
 - Japan Telework Society, etc.
- Joint study
 - Hitotsubashi Univ., Waseda Univ., Keio Univ., Nihon Univ., Univ. of Hyogo, Chiba Univ., etc.

Office Market Analysis

Office market cycle in the 23 wards of Tokyo

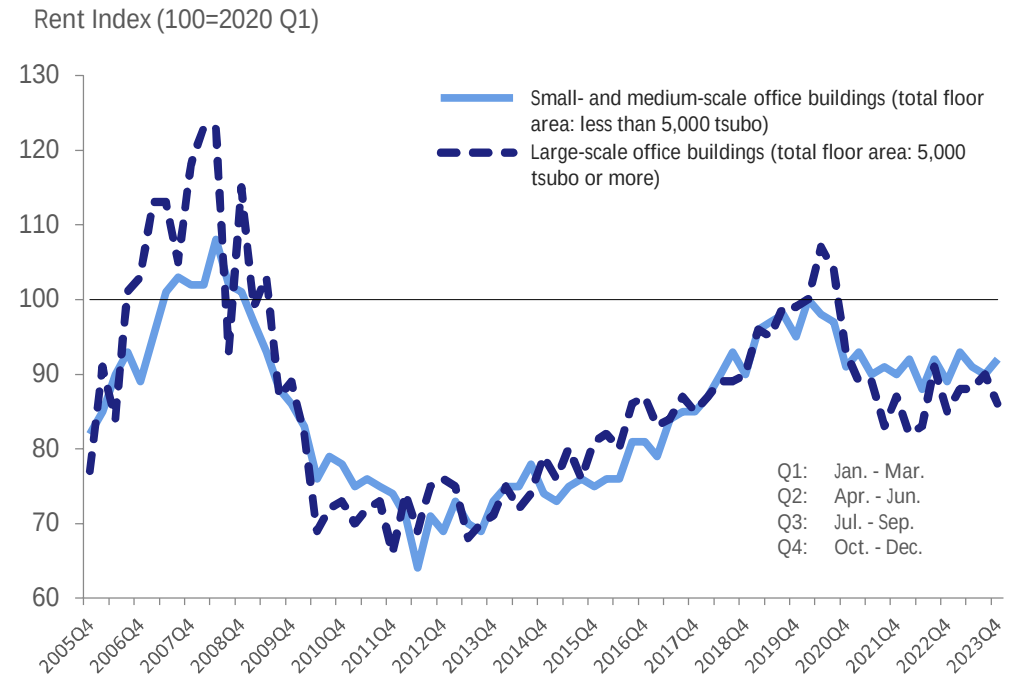


	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Vacancy rate	3.88%	3.68%	3.71%	3.65%	3.41%
New contracted rent index	87	90	89	90	88

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



	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Large-scale office buildings (total floor area: 5,000 tsubo or more)	85	88	88	90	86
Small- and medium-scale office buildings (total floor area: less than 5,000 tsubo)	89	93	91	90	92

Source: Survey Report by XYMAX Real Estate Institute Corp.
"Office Market Report Tokyo Q4 2023"

Trends in Office Market and Advantages of XYMAX REIT (1)



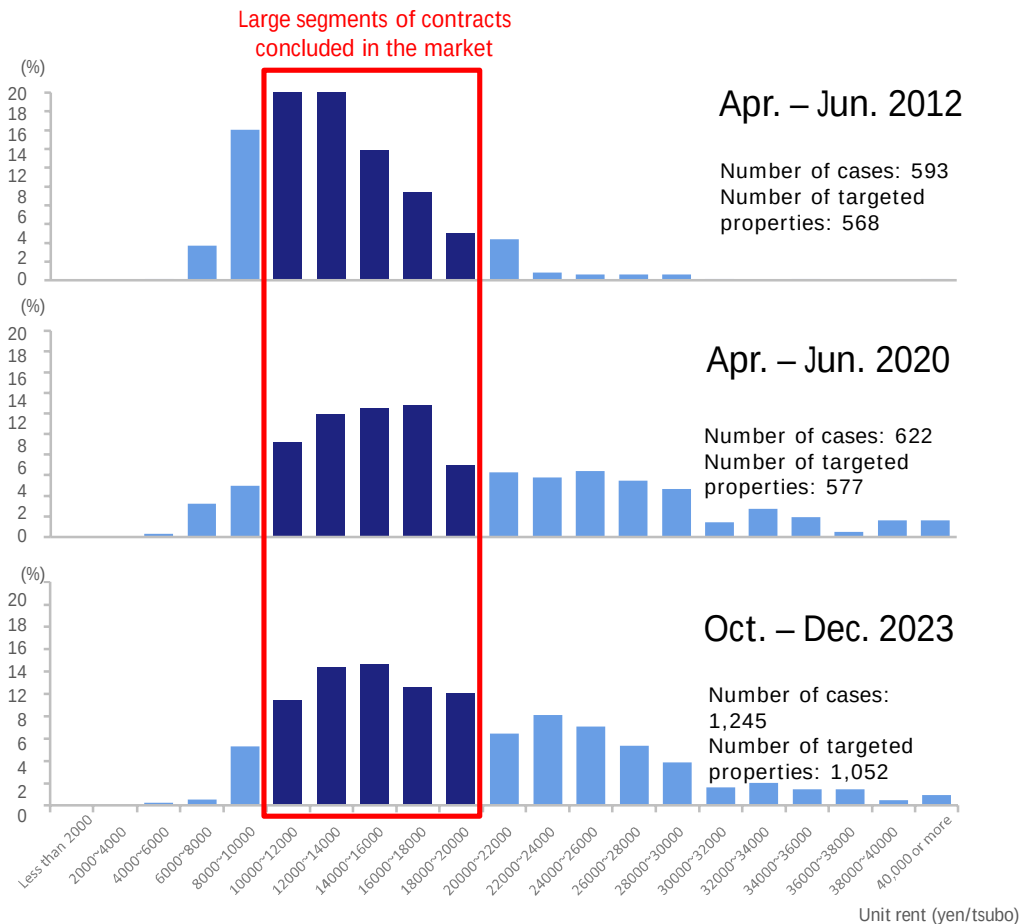
The 10 office properties held by XYMAX REIT Investment Corporation

Unit rent for existing contracts: 16,458 yen/tsubo; average minutes from the nearest station*¹: 2.7 minutes; average building age*²: 21.6 years; average floor area: 1,095 tsubo

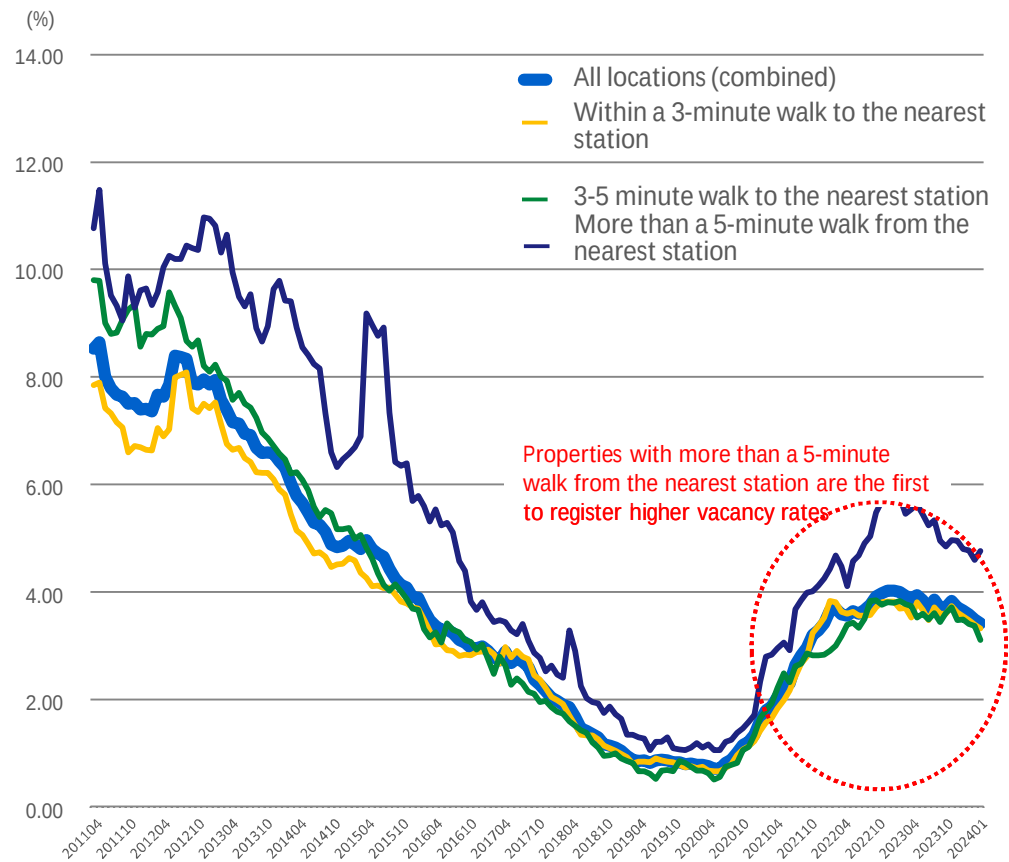
*¹ Simple average of the time required to walk to the nearest station at the 10 office properties *² The weighted average of the building age of the 10 office properties was calculated using the acquisition price (at the end of the 12th FP).

- For the majority of the office contracts concluded, unit rents are in the range from 10,000 yen and 20,000 yen, indicating a substantial demand for this range
- A gap in the vacancy rate has arisen between properties with more than a 5-minute walk from the nearest station and those within a 5-minute walk

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



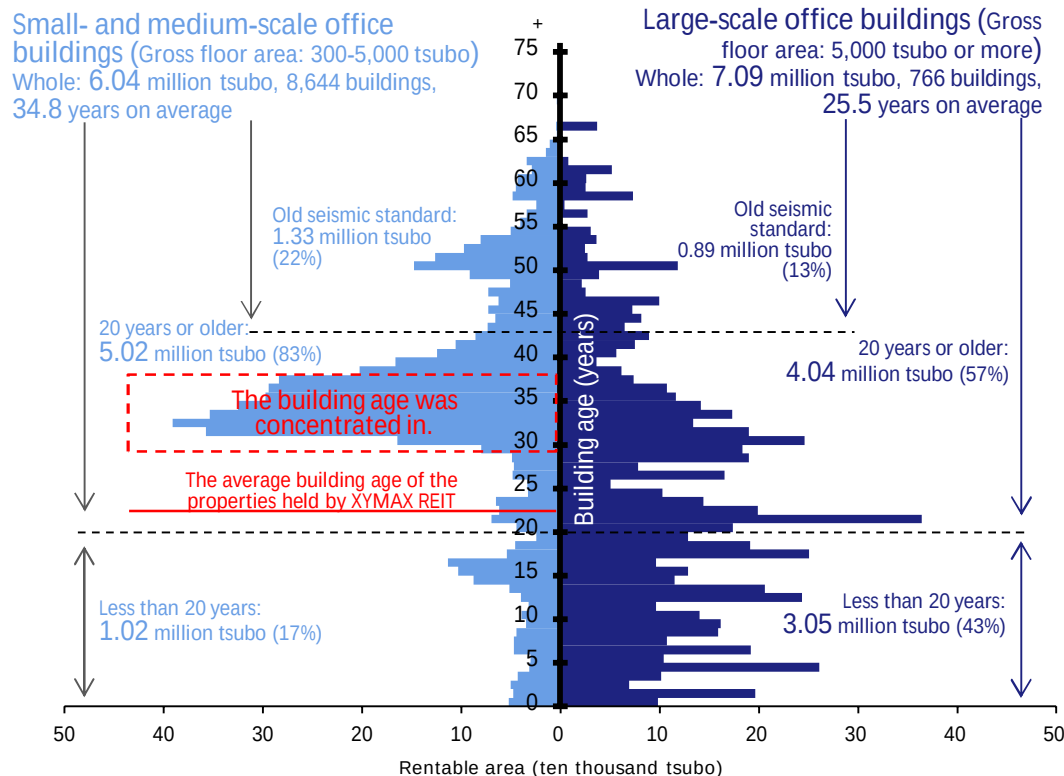
Vacancy rate by time required to walk to the nearest station in the 23 wards of Tokyo



- In both existing stock and new supply in the future, small- and medium-scale office buildings are limited compared with large-scale office buildings
- XYMAX REIT maintains high occupancy rates at office properties due to the superior characteristics of the properties it owns, as well as utilization of the sponsor group's management strength

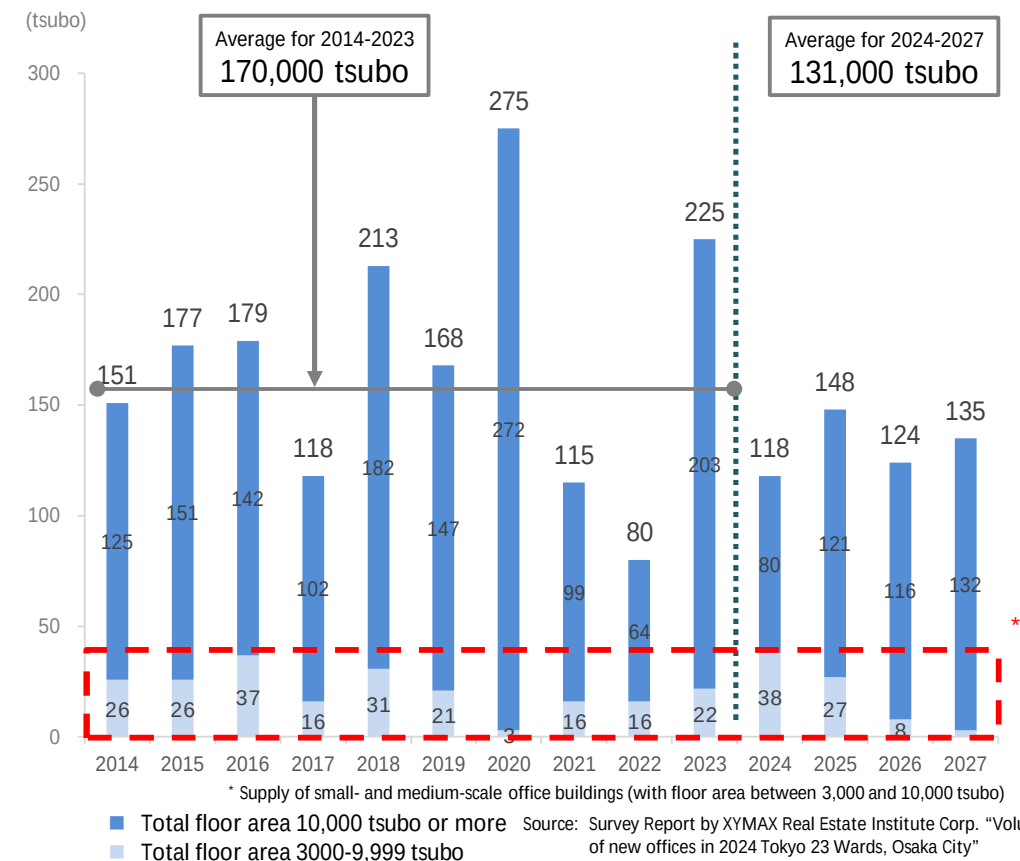
Office Stock Pyramid 2024 covering the 23 wards (net rentable area)

23 Wards of Tokyo: 13.13 million tsubo, 9,410 buildings,
average building age: 34.0 years



Source: Survey Report by XYMAX Real Estate Institute Corp.
"Office Stock Pyramid 2024 Tokyo 23 Wards, Osaka City"

Volume of new offices in Tokyo's 23 wards in 2024 (net rentable area)

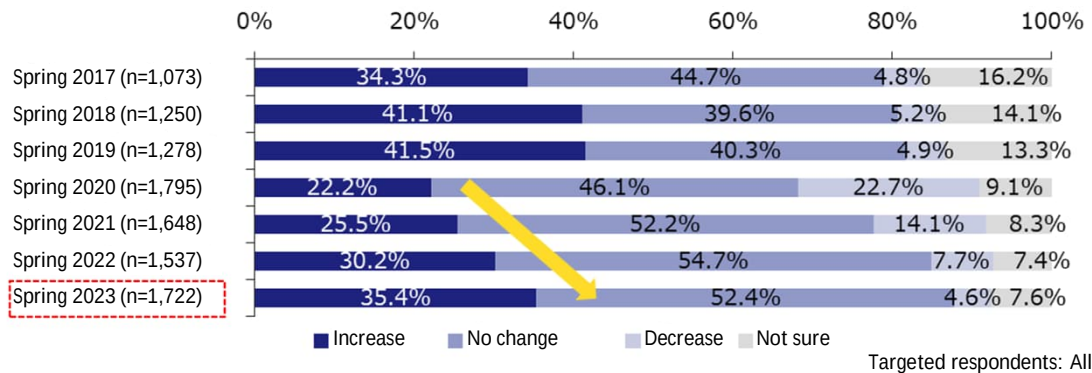


Trends of Office Demand and Workplace

More companies are expecting an increase in the number of employees in their offices, with an increasing preference for expanding their floorspace.

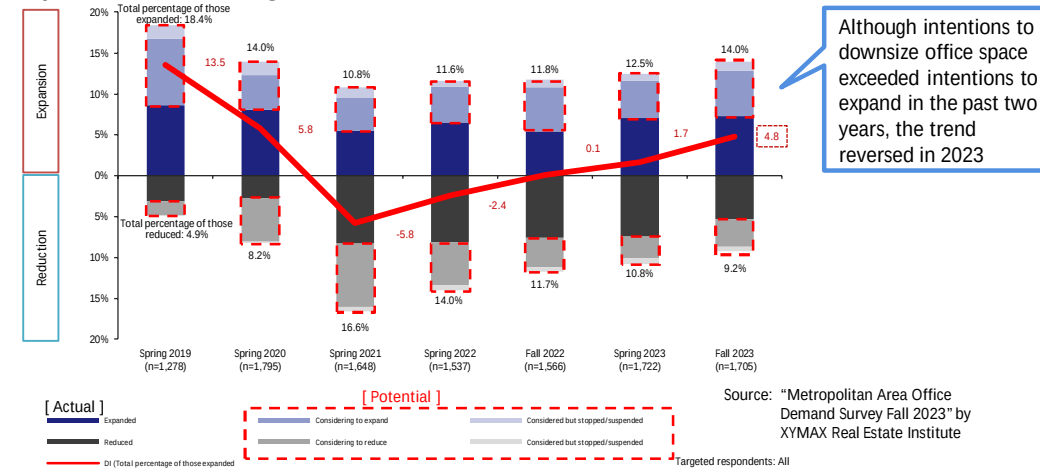
Meanwhile, the need for satellite offices is expanding outside of urban centers, in line with growing demand.

Expected trend in the number of employees at the office

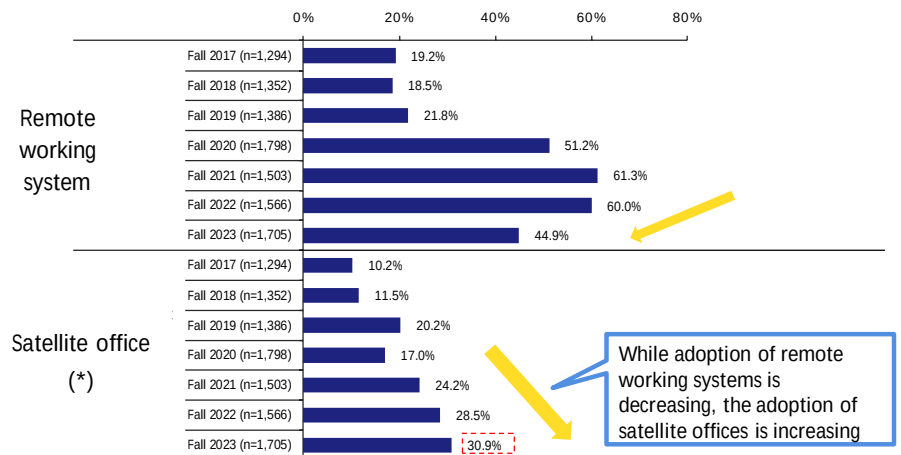


Source: "Metropolitan Area Office Demand Survey Spring 2023" by XYMAX Real Estate Institute

Actual changes in office space in the past one year and potential changes in the future



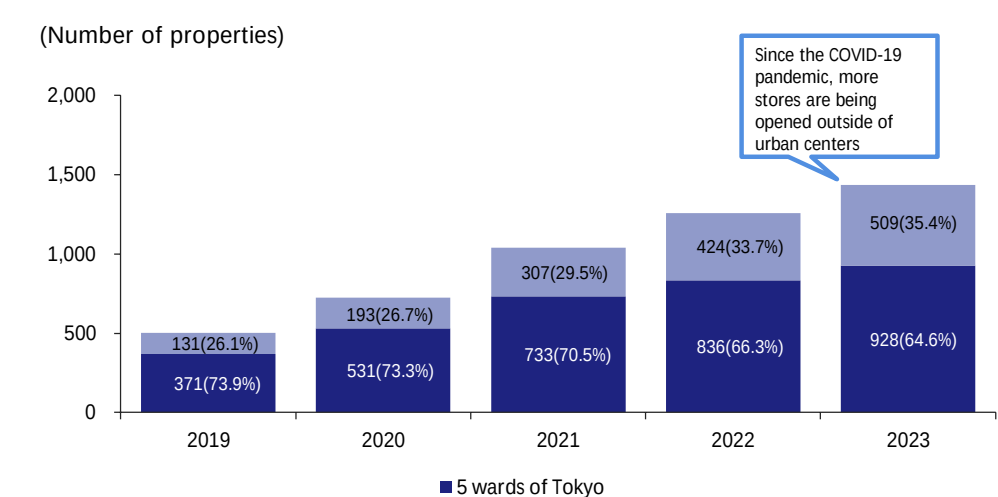
Adoption rate of remote working systems and satellite offices



* Respondents who selected either "Use satellite offices, etc. provided by specialized business operators, etc." or "Have our own or leased satellite offices, etc."

Source: "Metropolitan Area Office Demand Survey Fall 2023" by XYMAX Real Estate Institute

Number of flexible office locations (five wards of Tokyo/18 peripheral wards)



Membership satellite office business “ZXY” making diverse ways of working possible

| 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.

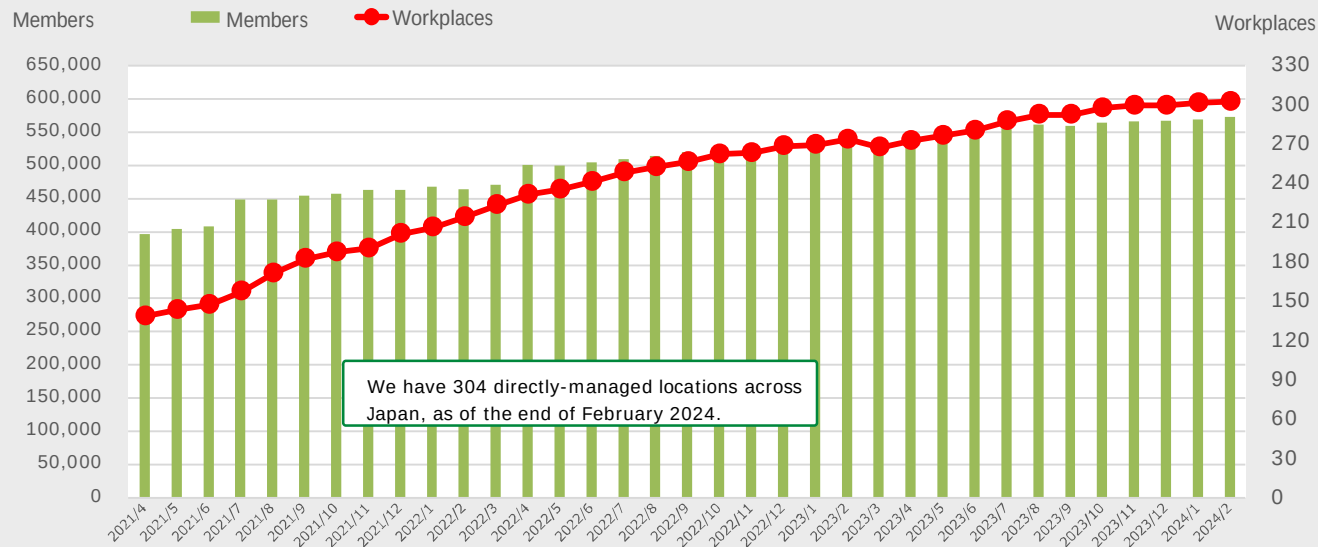
* We have procured and are using J-Credits for renewable energy equivalent to the annual CO2 emissions for FY2022.



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



We opened ZXY Kyoto in January 2024.

Apart from the Tokyo Metropolitan Area, our location network has expanded to include major local cities, i.e., Sapporo, Sendai, Nagoya, Kyoto, Osaka, and Hakata.

Source: XYMAX Group Corporation

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

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



karaksa hotel colors
Tokyo Yaesu

Hokkaido

Jan. 2018	177 rooms	karaksa hotel Sapporo*
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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

Source: KARAKSA HOTELS Corporation

* 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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