



XYMAX REIT Investment Corporation

Presentation Materials

for the 4th Fiscal Period Ended February 2020

Securities Code: 3488

Basic Principles and Characteristics of XYMAX REIT

XYMAX REIT determines 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. Overview of the Financial Results	3
II. Management Highlights for the 4th FP	9
III. Earnings Forecasts and the Growth Strategy	13
IV. ESG	25
Appendix	31

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 each trust beneficiary right indicated in the trust beneficiary rights sales agreement, and does not include consumption taxes, local consumption taxes and brokerage fees, etc.

Notes

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

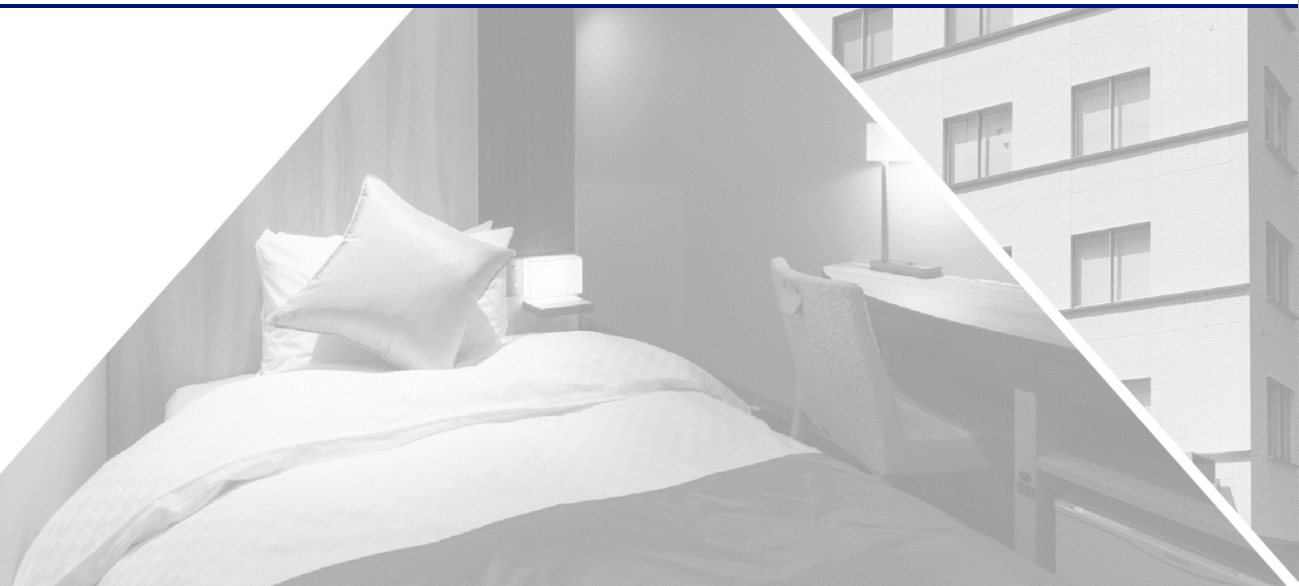
XYMAX Nishi-Shimbashi Building	: Nishi-Shimbashi	XYMAX Iwamotocho Building	: Iwamotocho
XYMAX Shinjuku-Gyoen Building	: Shinjuku-Gyoen	XYMAX Kamiyacho Building	: Kamiyacho
XYMAX Higashi-Azabu Building	: Higashi-Azabu	XYMAX Higashi-Ueno Building	: Higashi-Ueno
XYMAX Hachioji Building	: Hachioji	Muza Kawasaki	: Muza
Life Kawasaki Miyuki Store	: Kawasaki Miyuki	Vita Seiseki-Sakuragaoka	: Seiseki-Sakuragaoka
Hotel Vista Sendai	: Sendai	Renaissance 21 Chihaya	: Chihaya



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Overview of the Financial Results



Overview of Financial Results (1)

Operating revenue was 1,343 million yen, up 1.0% from the latest forecast; profit was 671 million yen, up 2.2%.

Unit: million yen

	Forecast for the 4th FP	Actual results for the 4th FP	Difference
Operating revenue	1,329	1,343	13
Operating expenses	614	619	4
Operating income	715	724	8
Ordinary income	658	672	14
Net income	657	671	14
Distribution per unit (yen)	2,943	3,007	64

Main factors for difference		Convert to DPU
Operating revenue		
Increase in rent revenue	+3.1 million yen	+14 yen
Increase in lump sum income such as key money	+6.6 million yen	+29 yen
Unrealized budgeted stress	+8 million yen	+35 yen
Operating expenses		
Increase in repair cost	-19.3 million yen	-86 yen
Unrealized budgeted leasing costs	+6.7 million yen	+30 yen
Reduction in SG&A (sales, general and administrative) expenses	+1.5million yen	+6 yen
Non-operating income and expenses		
Occurrence of insurance payment received	+4.6million yen	+20yen

* Days of 4th FP: 182 days

Overview of Financial Results (2) and Occupancy rates by Asset Type

Portfolio

Asset size	12 properties 33,040 million yen
Estimated value at the end of period	43,465 million yen
Unrealized gain	9,988 million yen (Unrealized gain ratio 29.8%)
NOI yield*	5.9%

Financial Status

Interest-bearing liabilities at the end of period	11,680 million yen
LTV based on total assets	31.9% (Appraisal LTV 25.1%)
Net asset per unit	101,100 yen
NAV per unit	145,812 yen

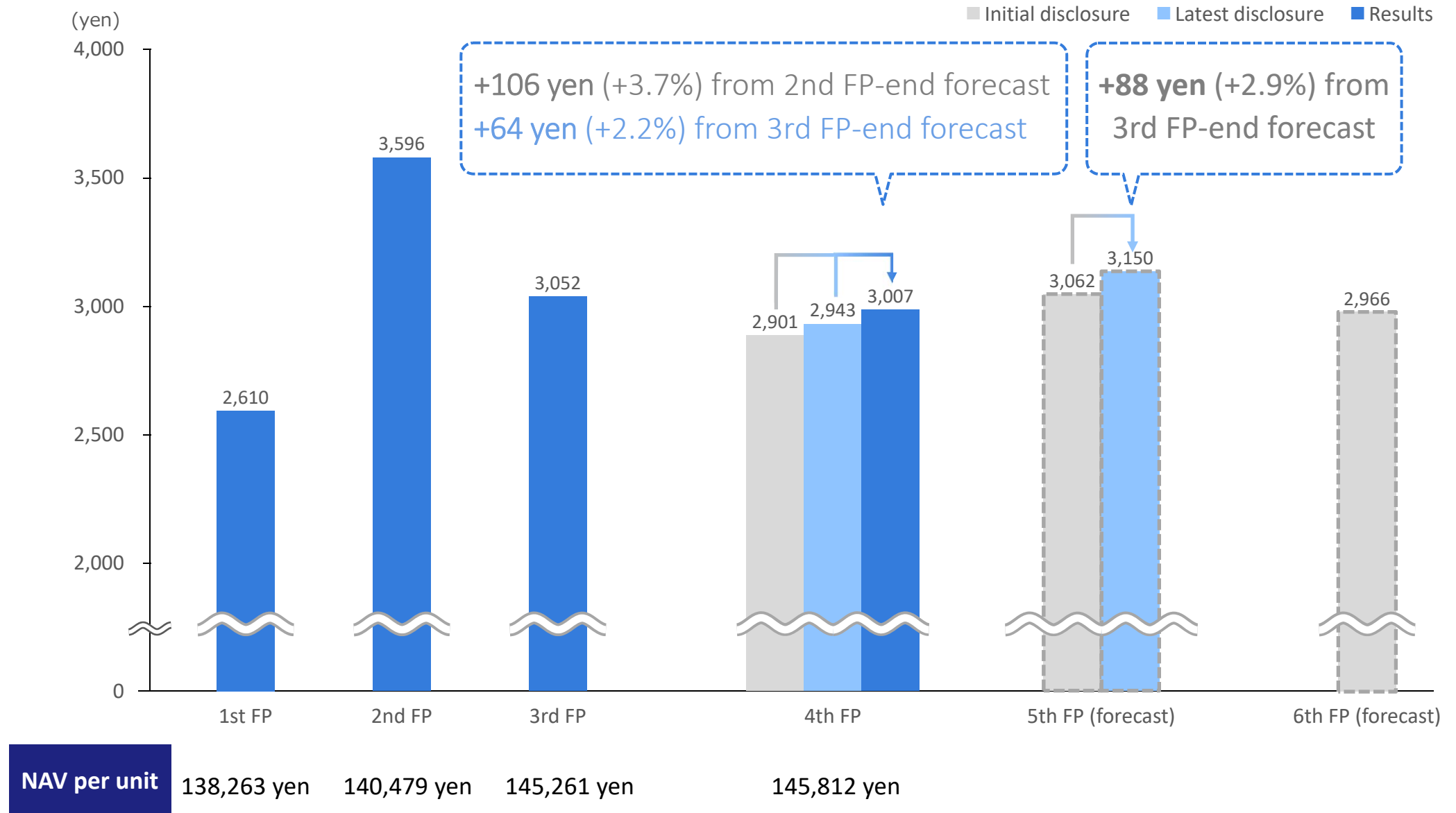
Occupancy Rates by Asset Type

	As of the end of 1st FP	As of the end of 2nd FP	As of the end of 3rd FP	As of the end of 4th FP	VS. previous FP
Entire portfolio	99.0%	98.9%	98.8%	98.7%	-0.1%
Office (exc. retail spaces and obligated residences)	99.3% 99.2%	98.8% 99.1%	99.5% 99.5%	100.0% 100.0%	+0.5% +0.5%
Retail	100.0%	100.0%	100.0%	100.0%	-
Hotel	100.0%	100.0%	100.0%	100.0%	-
Others (Residential)	94.3%	95.1%	92.7%	91.0%	-1.7%

* NOI yield: annualized actual NOI for the 4th FP ÷ total acquisition price

Results of Distributions per Unit

Continuing steady growth since IPO. The result for the 4th FP was 3,007 yen per unit, achieved an increase of 64 yen from the latest forecast.



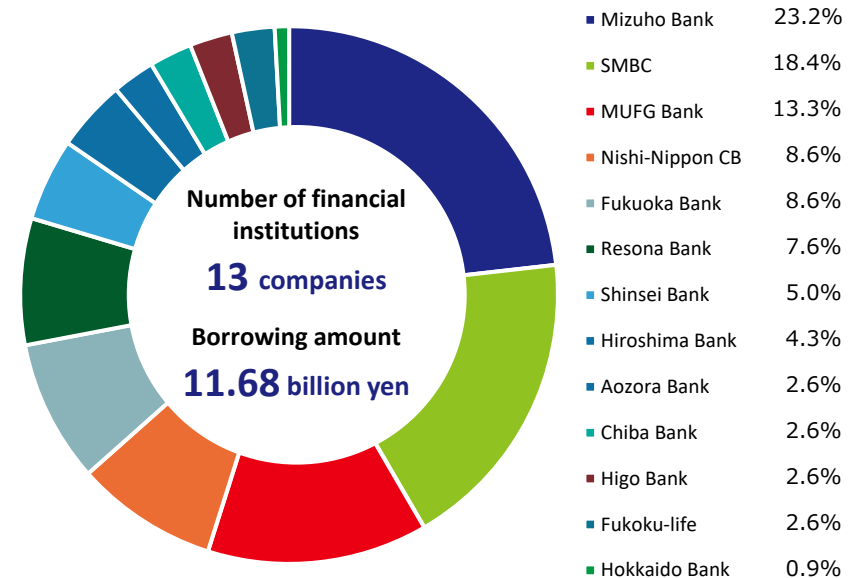
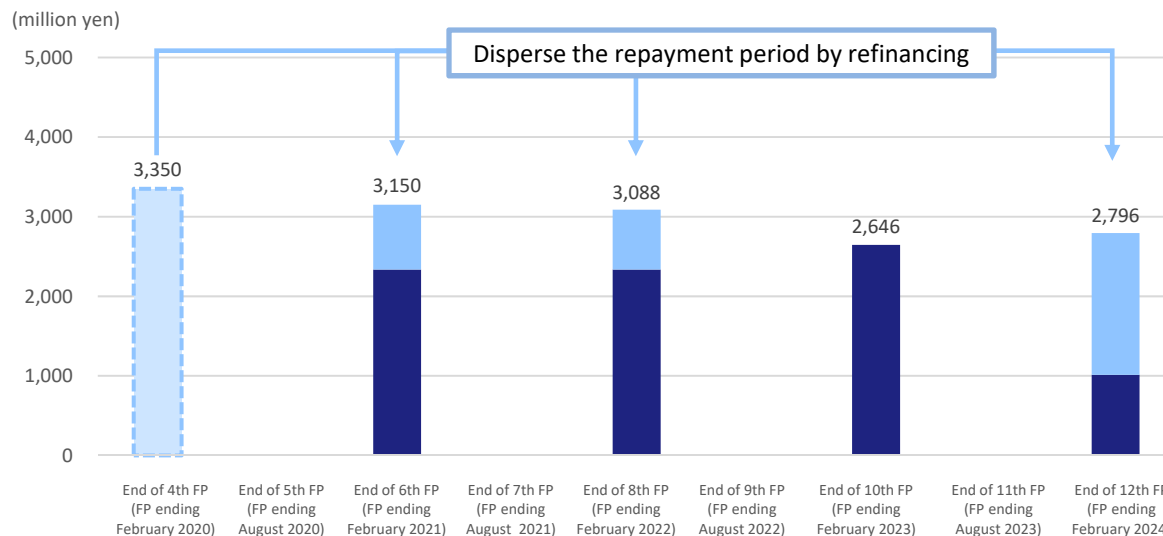
XYMAX REIT establishes a financial base that puts emphasis on stability and soundness and provides flexibility in financing.

Borrowing status

- Constructing a wide range of and stable lender formation mainly with mega banks and local banks that have a financial and business relationship with sponsors

Balance of interest-bearing debts	Average remaining period	Average interest rate
11.68 billion yen	2 years 4 months	0.585%
Fixed interest rate ratio	Long-term loan ratio	LTV based on total assets
86.6%	93.0%	31.9%

Maturity dates of interest-bearing debts



Borrowing capacity by LTV level

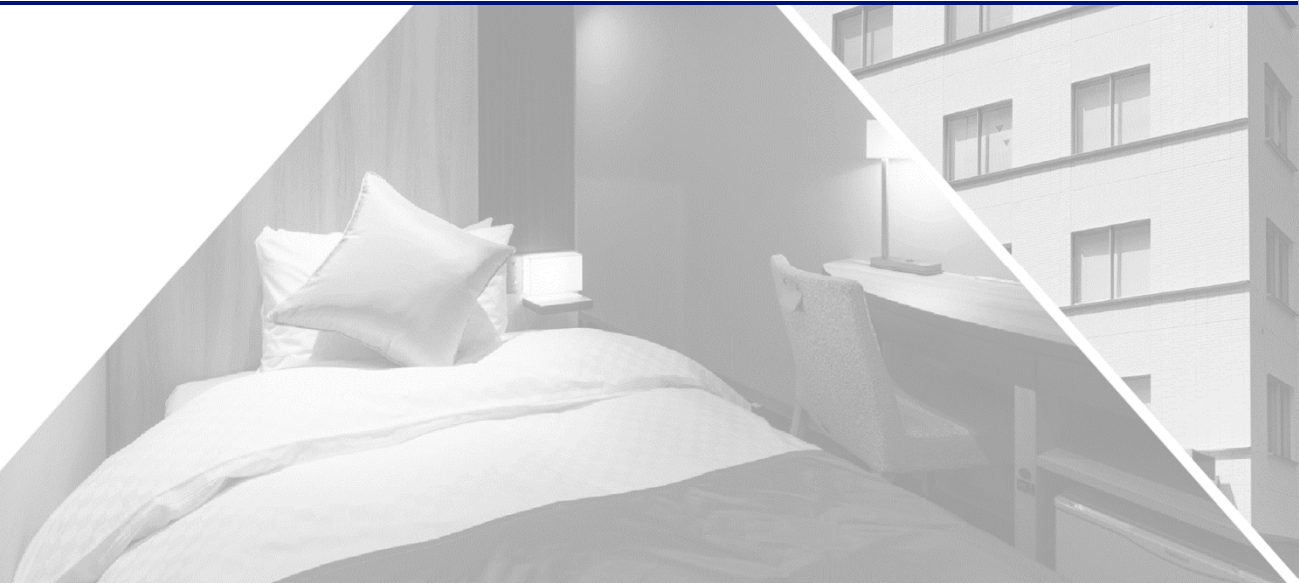
LTV level vs. total assets	Possible loan amount	Appraisal LTV
35.0%	Approx. 1.7 billion yen	27.8%
40.0%	Approx. 4.9 billion yen	32.3%
45.0%	Approx. 8.6 billion yen	36.9%



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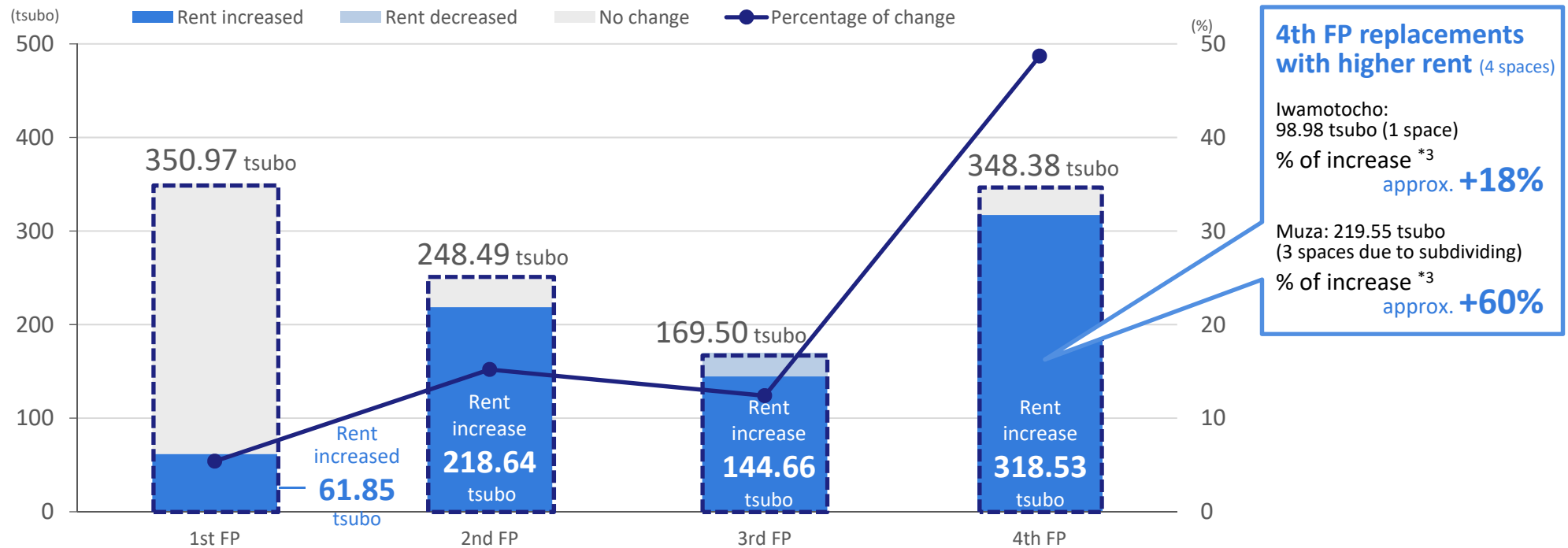
Management Highlights for the 4th FP



Actual results of rent increase through tenant replacements

We have achieved a 2,672,000 yen increase in monthly revenue through 4th FP tenant replacements.

Status of tenant replacement | Seven office properties (exc. obligated residences) and Muza



	1st FP	2nd FP	3rd FP	4th FP	Accumulated track record of 4 FPs
Total rent increased /month	30,925 yen (+5.4%)	561,548 yen (+15.2%)	266,055 yen (+12.4%)	2,672,905 yen (+45.1%)	3,531,433 yen (+28.6%)
% of replacements with higher rent ^{*1}	17.6%	88.0%	85.3%	91.4%	66.6%
Surrender rate ^{*2}	4.2%	3.5%	2.0%	4.3%	—

^{*1} % of replacements with higher rent: area with higher rent replacement of seven office properties (exc. obligated residences) and Muza ÷ total replaced area of each property

^{*2} Surrender rate: surrendered area of seven office properties (exc. obligated residences) and Muza for each FP ÷ total leasable area of each property.

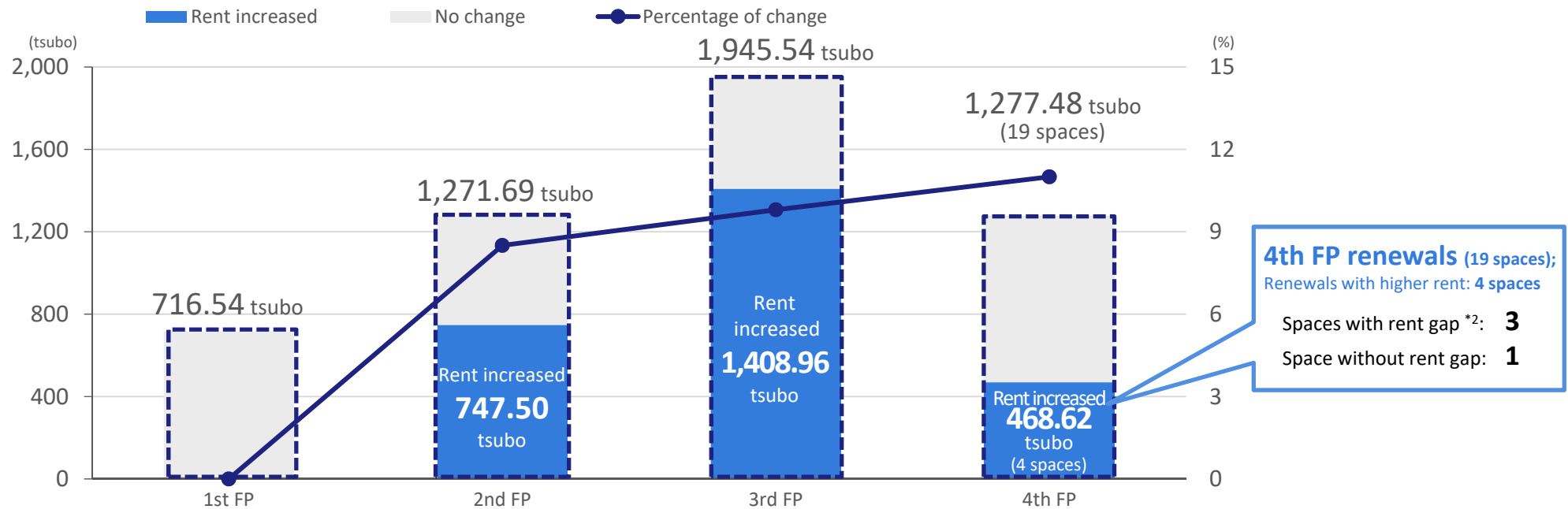
^{*3} % of increase: (monthly unit rent that includes common area maintenance revenue after tenant replacement or after renewal – monthly unit rent that includes common area maintenance revenue before tenant replacement or before renewal) ÷ monthly unit rent that includes common area maintenance revenue before tenant replacement or before renewal

Actual results of rent increase through contract renewals

We have achieved an approximately 633,000 yen increase in monthly revenue through 4th FP contract renewal upward rent revisions.

Status of contract renewal

Seven office properties (exc. obligated residences) and Muza



	1st FP	2nd FP	3rd FP	4th FP	Accumulated track record of 4 FPs
Total rent increased/month	0 yen (0%)	909,380 yen (+8.5%)	2,255,763 yen (+9.8%)	633,769 yen (+11.0%)	3,798,912 yen (+9.7%)
% of renewals with higher rent ^{*1}	0%	58.8%	72.4%	36.7%	50.4%

Rent increase through 4th FP replacement/contract renewal

Approx. **3,300,000** yen/month

Cumulative rent increase through replacement/contract renewal until 4th FP

Approx. **7,330,000** yen/month
14.2% increase from beginning of 1st FP

^{*1} % of renewals with higher rent: renewed area with higher rent of seven office properties (exc. obligated residences) and Muza ÷ renewed area of each property.

^{*2} Spaces with rent gap: The spaces whose rent unit price adopted in ongoing appraisals at the point of the end of 3rd FP is more than 10% higher than the contract rent with the current tenant

Actual Results of the Hotel

We achieved a higher occupancy rate than the previous fiscal period and are receiving stable variable rent.

Occupancy rate, ADR, and RevPAR

4th FP (September 1, 2019 – February 29, 2020)

Occupancy rate

88.0%

Y-o-Y
+2.3%

ADR
8,427
yen

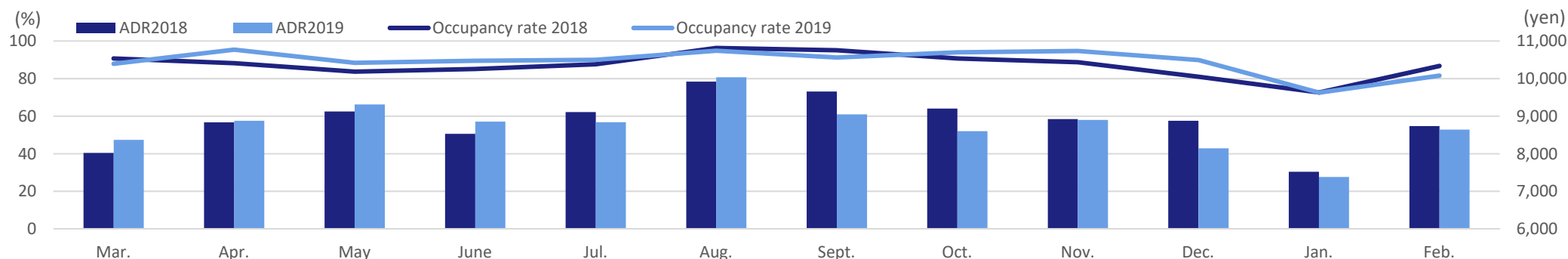
Y-o-Y
-391yen
(-4.4%)

RevPAR
7,453
yen

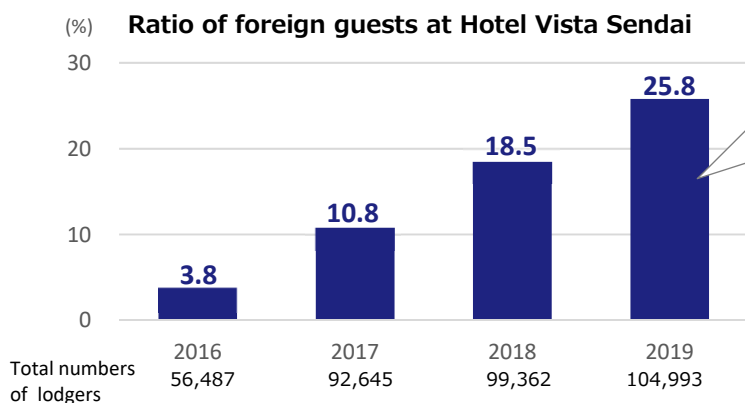
Y-o-Y
-159yen
(-2.1%)

■ Adopted variable rent using moving average

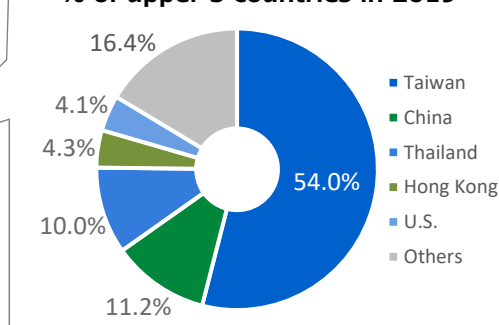
Ensured stable rent revenue by adopting variable rent that uses moving averages of the latest 12 months GOP, which are little affected by seasonal changes



Overseas lodgers ratio



% of upper 5 countries in 2019



Topics of Sendai Airport

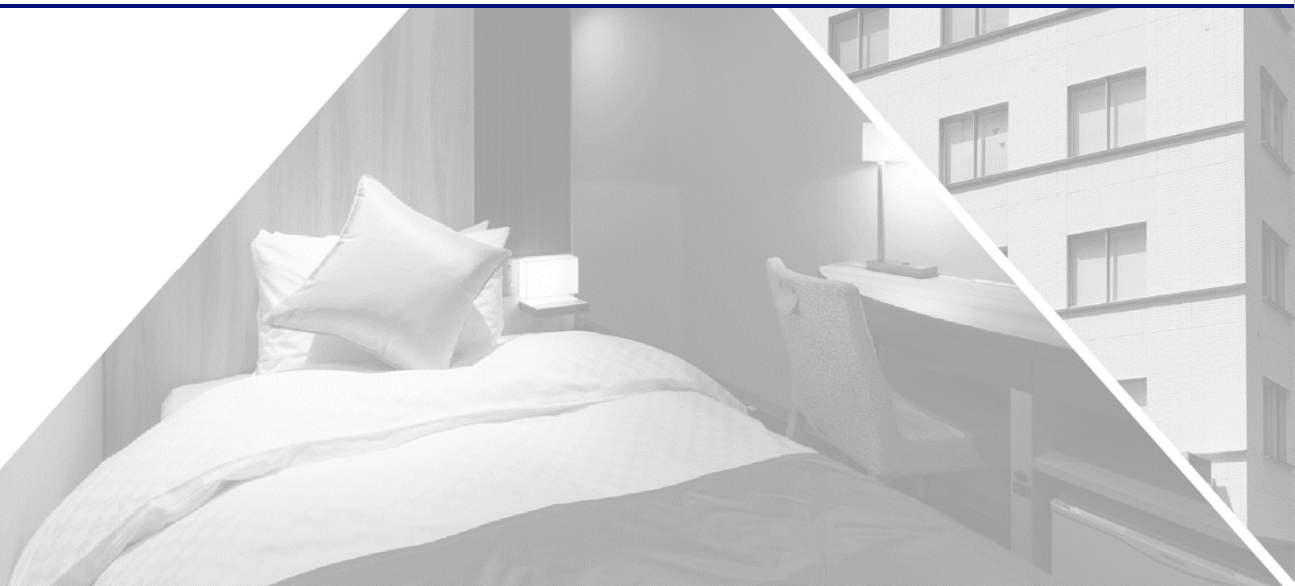
		Numbers of flights (round trip)	Total flights (per week)
Jul. 2016	Privatization	—	—
Apr. 2018	To Izumo line	7 flights per week (commissioned)	7
Jul. 2019	To Narita line	Increased 7 flights per week	21
Aug. 2019	To Nagoya line	14 flights per week (commissioned)	56
Oct. 2019	To Bangkok line	3 flights per week (commissioned)	3
Nov. 2019	To Dalian – Beijing line To Shanghai	Increased 3 flights per week	5



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Earnings Forecasts and the Growth Strategy



Unit: million yen

	Actual results for the 4th FP (A)	Forecast for the 5th FP(B)	Difference (B)-(A)	Forecast for the 6th FP	Main factors for differences in the result for the 4th FP and forecasts for the 5th FP	Convert to DPU
Operating revenue	1,343	1,368	25	1,323	Operating revenue	
Operating expenses	619	615	-3	599	Increases in rent revenue of seven office properties and Muza	+31.5 million yen +141 yen
Operating income	724	752	28	723	Decreases of variable rent of the hotel	-13.0 million yen -58 yen
Ordinary income	672	704	31	663	Conservatively budgeted lump sum revenues such as key money	-5.1 million yen -23 yen
Net income	671	703	31	662	Operating expenses	
Distribution per unit (yen)	3,007	3,150	143	2,966	Decreases in repair expenses	+31.4 million yen +140 yen
Days	182	184	2	181	Non-operating revenues and expenses	
					Not budgeted in 5 th FP: insurance payment received	-4.6 million yen -20 yen
					Not budgeted in 5 th FP: expenses related to finance	+11.8 million yen +53 yen

XYMAX REIT will maintain a management approach that leverages its 3 strengths, and pursue revenue expansion.

| Management that leverages our 3 strengths |



Assessment
for building portfolios



Management
for internal growth



Sourcing
for external growth

| Management policies |

Internal growth

- Achieve higher revenue by eliminating rent gap in 6 office* properties located in Tokyo 23 wards
- Consider cutting expenses to the extent that it does not damage tenant satisfaction
- Maintain asset value through executing appropriate repairs and CAPEX

External growth

- Accurately discern the potential of properties with scope for internal growth, and build pipeline
- Maintain unique sourcing, leveraging sponsor group customer base
- Adhere to a certain level of yields even under challenging acquisition environment

Financial policy

- Strategic use of remaining borrowing capability, against the backdrop of a low LTV level (31.9%)
- Cooperate with sponsor groups and deepen lender relationships

* Collective term for Nishi-Shimbashi, Iwamotocho, Shinjuku-Gyoen, Kamiyacho, Higashi-Azabu and Higashi-Ueno

Internal Growth Strategy(1) —Management Policy for Each Properties

XYMAX REIT aims to improve the profitability of the portfolio by growing and stabilizing revenue, monitoring the impact of the new coronavirus infection, and by assessing the characteristics and advantages of each property.

	Classification of profitability		NOI Composition	Features / Potentials	Basic management policy
	OF-01 OF-02 OF-03 OF-04 OF-05 OF-06	Nishi-Shimbashi Iwamotocho Shinjuku-Gyoen Kamiyacho Higashi-Azabu Higashi-Ueno			
Growth of Revenue ↑	RT-01	Muza	12%	Located in the West Exit of Kawasaki Station area, where the number of work, home and leisure facilities is growing Stable and increased revenues can be expected from a tenant configuration and development of the area	Aim to maintain and improve revenue by judging whether to renew a contract or invite new tenants by analyzing the characteristics of tenants and spaces
	OT-01	Chihaya	7%	Possesses stable housing needs due to good access to Hakata and excellent living environment	Aim to realize opportunities to improve revenue discovered through expertise and know-how of management, while maintaining stable revenue as a principle
	OF-07	Hachioji	10%	Possesses stable rental needs due to top-class building grades and variety of unit size	
	HT-01	Sendai	14%	Located in the Sendai Station area, a transportation hub, capable of capturing stable demand for domestic guests The number of foreign lodgers is also on an increasing trend	We will pay close attention especially to the impact of the new coronavirus infection for the time being, while maintaining stable revenues through fixed rents.
Stability of Revenue ↓	RT-02 RT-03	Kawasaki Miyuki Seiseki-Sakuragaoka	18%	(Kawasaki Miyuki) Appropriate rent burden ratio level, as well as a stable trade region (Seiseki-Sakuragaoka) Connected to a main station on the Keio Line with a strong ability to attract customers	Maintain stable revenue as the base of entire portfolio by receiving fixed rents from credible tenants

Internal Growth Strategy (2) — Future Scope

The average rent unit price for the 6 office properties, which are internal growth drivers, is rising steadily.

Trend in rent gap for the 6 office properties ^{*1} | (exc. retail spaces and obligated residences)

- 1. Assumed new unit rent:** Assumed unit rent for new lease contracts at change of tenant, based on XYMAX's own market analysis, etc.
- 2. Appraisal unit rent:** Rent unit price adopted in ongoing regular appraisals

	As of the end of 1st FP	As of the end of 2nd FP	As of the end of 3rd FP	As of the end of 4th FP
Contracted unit rent	16,277 yen	16,524 yen	17,059 yen	17,246 yen
vs. previous FP	-	+247 yen	+535 yen	+187 yen
(vs. previous FP ratio)	-	(+1.5%)	(+3.2%)	(+1.1%)
Assumed new unit rent	-	-	19,732 yen	19,810 yen
vs. previous FP	-	-	-	+78 yen
(% change vs. previous FP)	-	-	-	(+0.4%)
Rent gap vs. Assumed new unit rent	-	-	15.7%	14.9%
(% change vs. previous FP)	-	-	-	-0.8%
Appraisal unit rent	17,526 yen	17,526 yen	17,831 yen	17,948 yen
vs. previous FP	-	0 yen	+305 yen	+117 yen
(% change vs. previous FP)	-	-	-	(+0.7%)
Rent gap vs. Appraisal unit rent	7.7%	6.1%	4.5%	4.1%
% change vs. previous FP	-	-1.6%	-1.6%	-0.4%

^{*1} Collective term for Nishi-Shimbashi, Iwamotocho, Shinjuku-Gyoen, Kamiyacho, Higashi-Azabu and Higashi-Ueno.

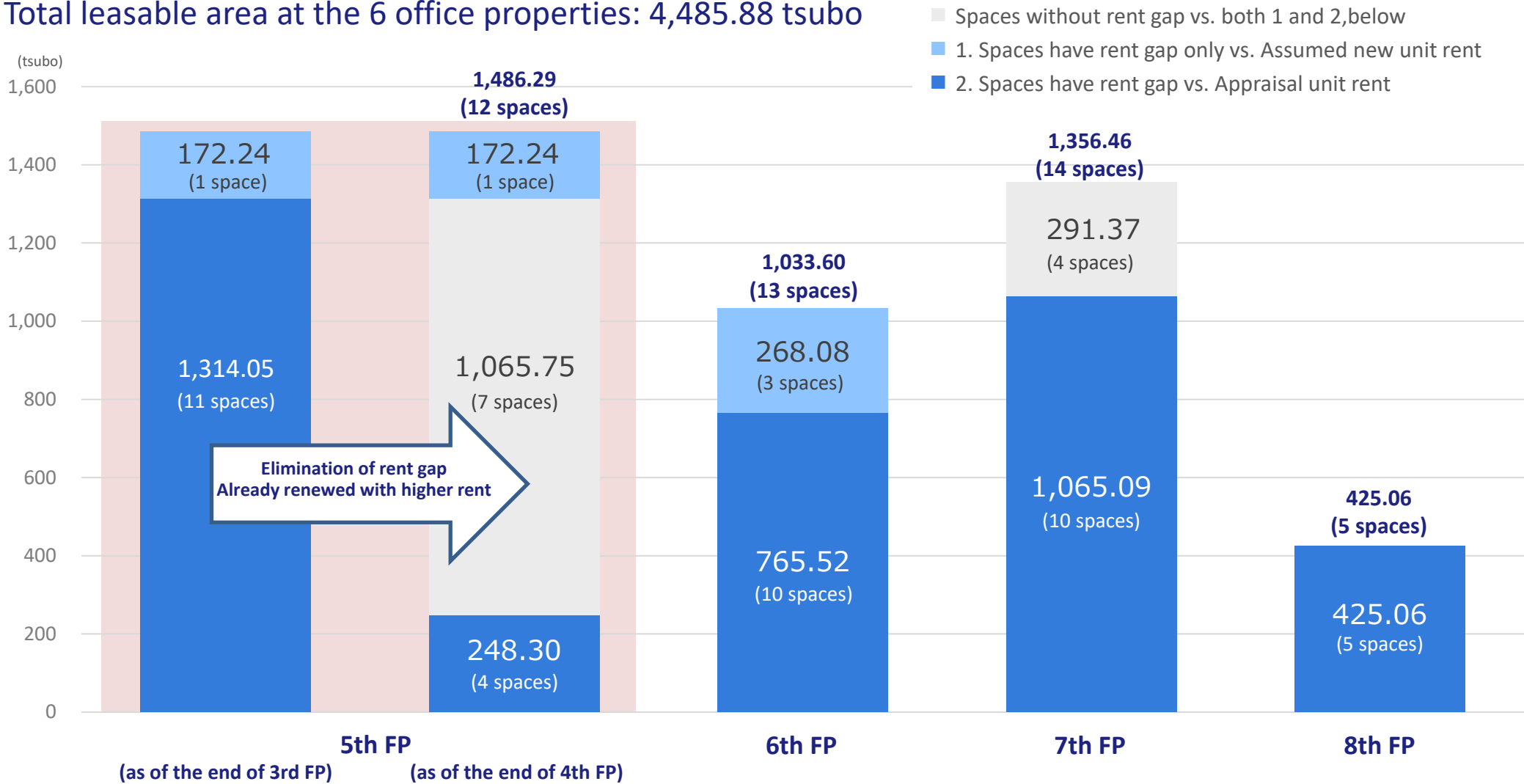
^{*2} The various unit rents: using a monthly unit rent that includes common area maintenance revenue, to which is applied a weighted average in proportion to the leased floor area

Internal Growth Strategy(3) — Future Scope

We will make an effort to realize the internal growth potential after 5th FP through eliminate the rent gap.

Floor area scheduled for contract renewal at the 6 office properties | (exc. retail spaces and obligated residences)

Total leasable area at the 6 office properties: 4,485.88 tsubo



Internal Growth for the 5th FP (1)

Achieved improvement of profitability towards the 5th FP, through the maximum use of management strength of the sponsor group.

Tenant Replacement

XYMAX Kamiyacho Building

Successful replacement at high unit rent by making two adjoining spaces available at the same time and consolidating them



- ✓ Through meticulous communication with tenants to catch **potential availability** of adjacent space soon to be vacated
- ✓ Analyzing the market needs led to the result that the contract at higher unit rent was expected **after consolidating the two adjoining spaces**.
- ✓ Successfully vacated the **two adjoining spaces at the same time by offering early termination of contracts**

Rate of rent increase of this replacement
approx. 25.0% *

Tenant Replacement

XYMAX Iwamotocho Building

Successful replacement at high unit rent by catching the special needs using the wide range of network of the sponsor group



- ✓ **Successfully catching special needs** that are more rent-bearing than office use by **gathering information using the wide range of network of the sponsor groups**
- ✓ **Swift coordinating** of the schedule according to the potential tenants' needs for earlier occupation
- ✓ **Successfully make a good deal** by satisfy the requirements of potential tenants

Rate of rent increase of this replacement
approx. 18.1% *

* Rate of rent increase: (monthly unit rent that includes common area maintenance revenue after tenant replacement or after renewal – monthly unit rent that includes common area maintenance revenue before tenant replacement or before renewal)/monthly unit rent that includes common area maintenance revenue before tenant replacement or before renewal

Internal Growth for the 5th FP (2)

Contract Renewal

XYMAX Shinjuku-Gyoen Building

Realized a rent increase of a major tenant by building strong relationships with tenants through long-term management



- ✓ The sponsor group has built up **good relationships** with tenants **through 12 years of management**
- ✓ **Responding sincerely** to the various requirements of the tenants
- ✓ **Successfully negotiated a rent increase** thanks to high tenant satisfaction

Rate of rent increase by this renewal
approx. 16.7% *

Use of Surplus Space

Installed rooftop antenna station

Nishi-Shimbashi and Higashi-Azabu:

- ✓ Installed rooftop antenna stations for mobile phones at two office properties
- ✓ Realized **increase in continuous property revenue** by this installation fees

Installed new motorcycle and bicycle parking lot

Higashi-Azabu:

- ✓ **This is also a good example of increase in continuous property revenue** by installation of new motorcycle and bicycle parking lot and leased in bulk to a certain management company
- ✓ Contributes to maintaining the exterior appearance of the property, helping to prevent bicycles from being abandoned

Increased rental revenue of approx.
220,000 yen per month

* Rate of rent increase: (monthly unit rent that includes common area maintenance revenue after tenant replacement or after renewal – monthly unit rent that includes common area maintenance revenue before tenant replacement or before renewal)/monthly unit rent that includes common area maintenance revenue before tenant replacement or before renewal

External Growth (1) – 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 specializing in “lodging” 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

External Growth (2) – Status of acquisition studies–

We are considering the acquisition of properties by firmly maintaining acquisition policy by asset type.

We will continue our **acquisition activities to determine the fundamental value of the target properties**, with an awareness of the balance between distribution growth and financial soundness.

| Acquisition policy |

- Maintain a price lines firmly with an awareness of the balance between distribution growth and financial soundness
- Maximize use of the XYMAX Group strengths of assessment and sourcing
- Assume the investment that is made after assessing the inherent profitability of the property
- Flexible acquisition through borrowings can also be selected, depends on investment unit price trends, due to our low LTV level

| Borrowing capacity by LTV level |

Current LTV level: 31.9%

LTV level vs. total assets	Possible loan amount	Appraisal LTV
35.0%	Approx. 1.7 billion yen	27.8%
40.0%	Approx. 4.9 billion yen	32.3%
45.0%	Approx. 8.6 billion yen	36.9%

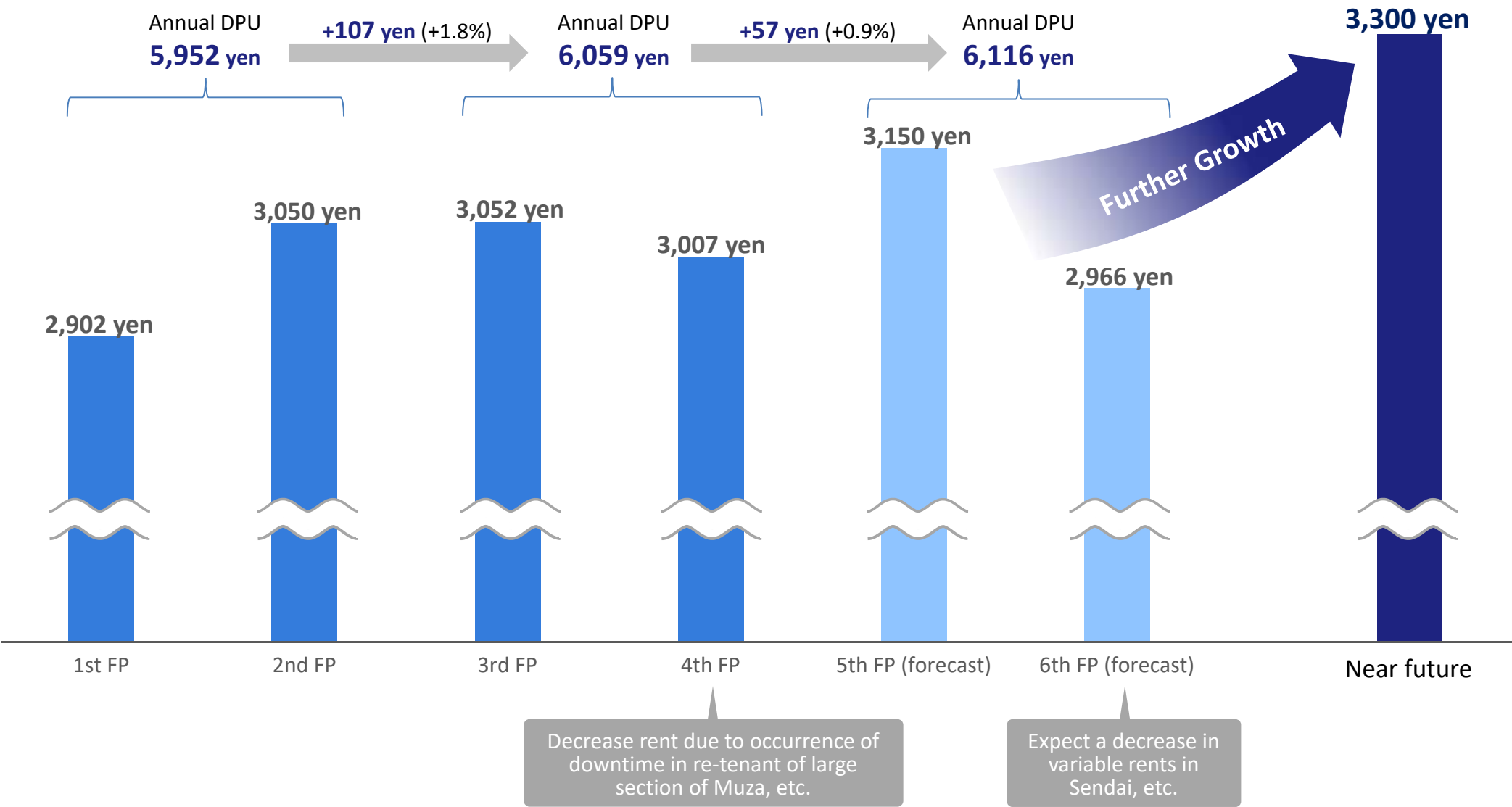
| Properties under consideration |

Location	Asset type	Source	Focused point
5 central wards of Tokyo	Office	Property management business relation	With a large rent gap in this market, significant internal growth is able to expect at the time of lease contract renewal and tenant replacement
Ordinance city	Retail (Supermarket)	CRE client	Stable rent can be obtained due to the expected stability of tenant sales, and assumed relatively low rent burden
Core regional city	Hotel (specialized in stay) (scheduled to complete at November 2020)	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
23 wards of Tokyo	Others (Corporate dormitory) (100% leased to a single tenant)	CRE client	A stable long-term contract has been concluded with a highly credit-worthy tenant, for which a certain yield is expected

Growth image in DPU

DPU has continued to trend upward steadily since the IPO, and our aim is to raise this further going forward.

Stabilized DPU | Trend in DPU since IPO, excluding special factors *

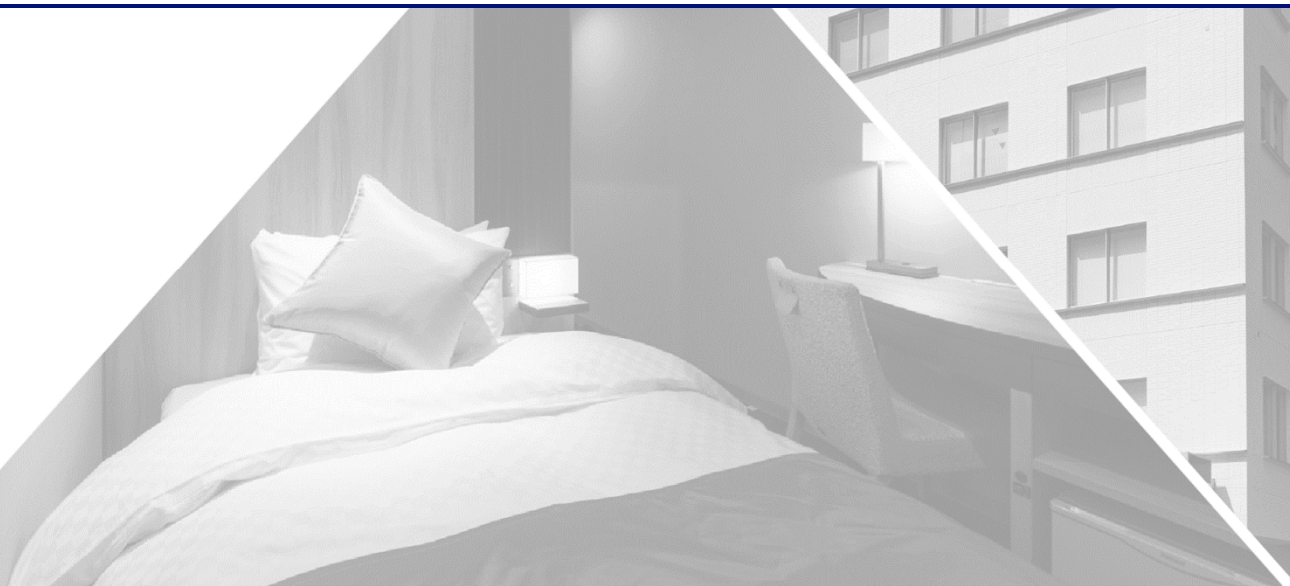


* Calculated with stabilized DPU that takes into account excluding special factors such as the cost of IPO in the 1st and 2nd FP and taxes and public dues.



XYMAX REIT Investment Corporation

ESG



Acquisition of Environmental Certification

Acquired environmental certification for the following properties. XYMAX REIT will continue to promote environmental and energy-saving measures of owned properties and improve efficiency of energy use.

CASBEE – Real estate



Newly
acquisition
of 4th FP



XYMAX Higashi-
Ueno Building

Assessment Rank

Rank A
(Very good)

XYMAX
Iwamotocho
Building

Assessment Rank

Rank A
(Very good)

XYMAX
Shinjuku-Gyoen
Building

Assessment Rank

Rank A
(Very good)

XYMAX
Hachioji
Building

Assessment Rank

Rank A
(Very good)

XYMAX
Higashi-Azabu
Building

Assessment Rank

Rank A
(Very good)

BELS



Hotel Vista
Sendai

Assessment Rank

★ ★ ★

Acquisition status up to 4th FP

Number of Acquisition of
Environmental Certification

6

Acquisition rate
(based on total floor area)

39.3%

Improvement of environmental performance through building/facility renovation

- Implementing renovation work for air conditioning in tenant exclusive area, we are working towards saving energy and reducing environmental burden, in addition to enhancing tenant satisfaction.

Renewal of air conditioning system at Higashi-Ueno ▶



- Electricity consumption at Seiseki Sakuragaoka was reduced by 8.6% compared to the previous year. For this achievement, the Vita Commune Management Association was awarded the Chairman's Award of the Kanto District Electricity Rationalization Committee in 2019.



Promotion of paperless asset management

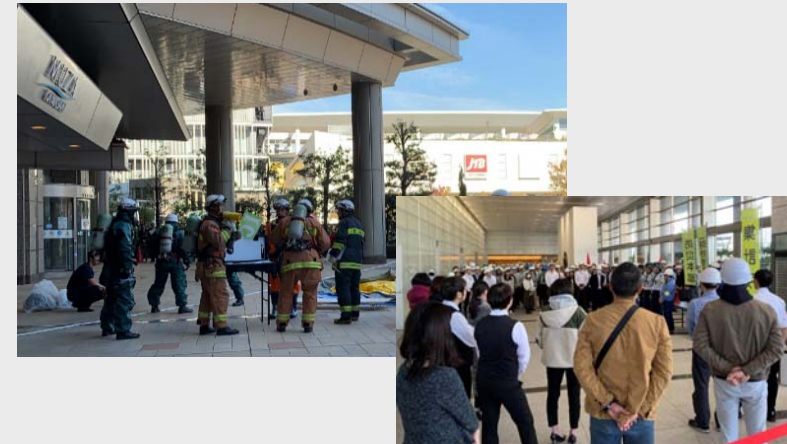
- Working toward to realize paperless workflow at Asset Management Company and promoting resource saving
 - Introduction of electronic approval system at Asset Management Company
 - Creating paperless instructions circulation system between the trustee the asset management property

ESG Initiatives (2) Social (1)

Initiatives for Tenants and Local Communities

Implementing Counter-NBC Terrorism Training

- Began drills in November 2019 to deal with special circumstances caused by nuclear, biological, and chemical substance disasters at Muza
- Full-fledged training under the initiative of local police and firefighters, with participation of not only Muza tenants but also many local residents
- Regular disaster prevention drills (earthquake evacuation drills) are conducted at the same time, with approximately 600 tenants participating



Introduction of emergency storage boxes in elevators

- Emergency storage boxes have been installed in elevators in six properties as confinement measures with concern for earthquakes.

Installed properties:

Nishi-Shimbashi, Iwamotocho, Shinjuku-Gyoen, Kamiyacho, Higashi-Azabu, Higashi-Ueno and Hachioji



Introduction of Disaster-Relief Vending Machines

- Introduced disaster-relief vending machines to provide drinks for free (by remote control) during emergencies

Installed properties:

Higashi-Ueno, Higashi-Azabu and Hachioji



Initiatives for a Sustainable Society

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

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



ESG Initiatives (3) Social (2)

Initiatives for Employees of the 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, 2020)

- Licensed Real Estate Broker 27 - ARES Certified Master 7 - Certified Building Administrator 7	- Real Estate Appraiser 1 - Real Estate Consulting Master 2
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Introduced flextime system

- 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 2018	16	21	56.8%	37	0
April 2019	15	23	60.5%	38	1
April 2020	13	23	63.9%	36	1

IR Activities at 4th FP

IR activities for individuals

- Sept. 2019: J-REIT Lady's Meeting (Tokyo)
- Nov. 2019: J-REIT Fair 2019 (Tokyo)
- Dec. 2019: Nikkei J-REIT Infrastructure Fund Forum (Tokyo)
- Jan. 2020: SMBC Nikko J-REIT Seminar (Fukuoka)
- Feb. 2020: SMBC Nikko J-REIT Seminar (Sapporo)
- Nomura Securities Nagoya Branch Seminar (Nagoya)



J-REIT Fair 2019

IR activities for institutional investors

- Domestic: Visited 19 companies in urban areas and 13 companies in local areas
- Overseas: Visited 9 companies in Hong Kong and Singapore and other locations
- Mizuho Investment Conference Tokyo (Sponsored by Mizuho Securities)
- Property Conference Tokyo 2019 (Sponsored by SMBC Nikko)
- Property Tour at Muza (for institutional investors)

ESG initiatives at Sponsor Group

- Nurturing real estate business personnel through *Karakusa Fudosanjuku* (real estate business seminar) at Sponsor Group

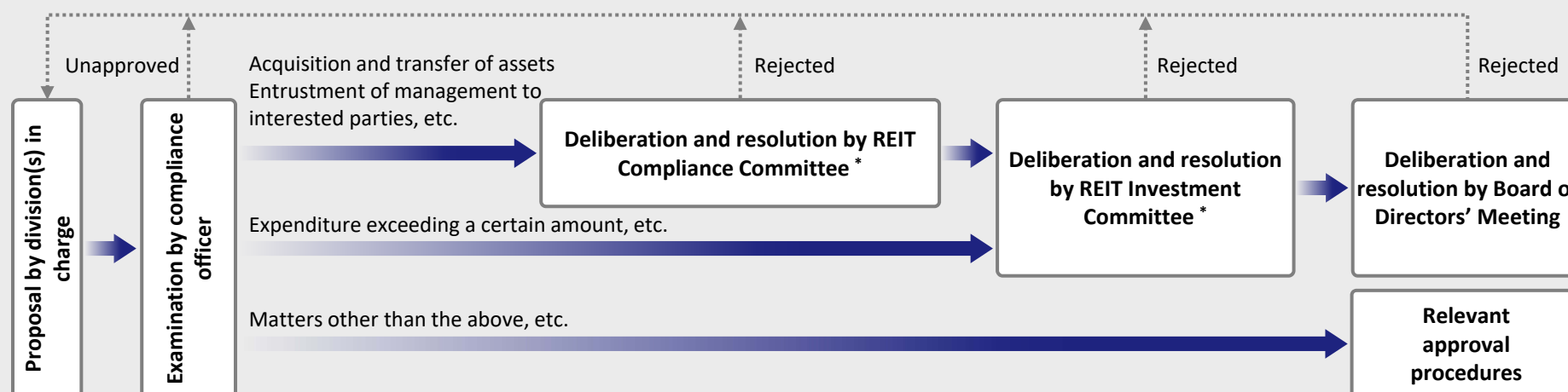


- Holding lectures at Real Estate Sustainability & Energy-Efficiency Diffusion Review Committee, Ministry of Land, Infrastructure, Transport and Tourism
- Holding lectures at Land Economy and Construction Industry Bureau, Ministry of Land, Infrastructure, Transport and Tourism
- Contributing to ARES Real Estate Securitization Journal
- Serving as lecturer of ARES Real Estate Securitization Master training course
- Promoting of teleworking
- Granting of scholarships to Yangon Technological University students
- Neighborhood exchange event held at Karaksa Spring Hotel Kansai Air Gate.

ESG Initiatives (4) Governance

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.



* Attendance and approval by external committee members and compliance officer are imperative for approval

Compliance Education at Asset Management Company

- Conducting a study session on compliance hosted by the compliance officer once a quarter or more
- Intending to maintain and improve the knowledge on compliance as well as fostering awareness on compliance of the employees of Asset Management Company

Investment Ratio in XYMAX REIT by Sponsor

- Through the holding of XYMAX REIT's investment units by the sponsor, improvement in unitholder value is realized by matching the interests of investors.
 - Holding ratio of XYMAX REIT's investment units by sponsor

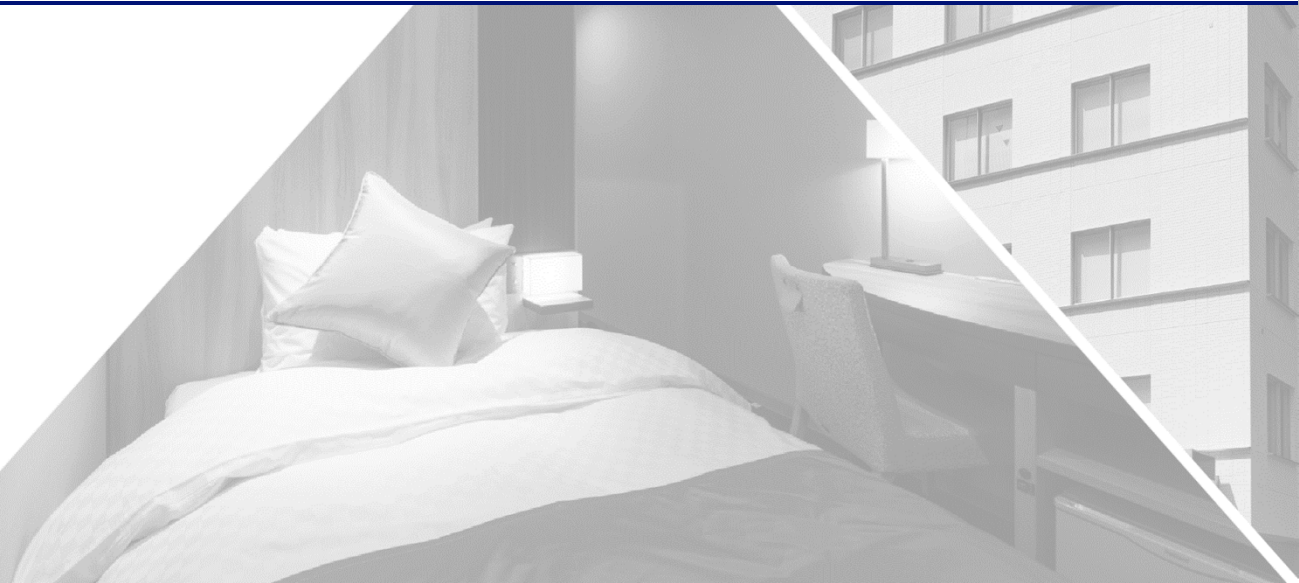
5.6 % (as of February 29, 2020)



XYMAX REIT Investment Corporation



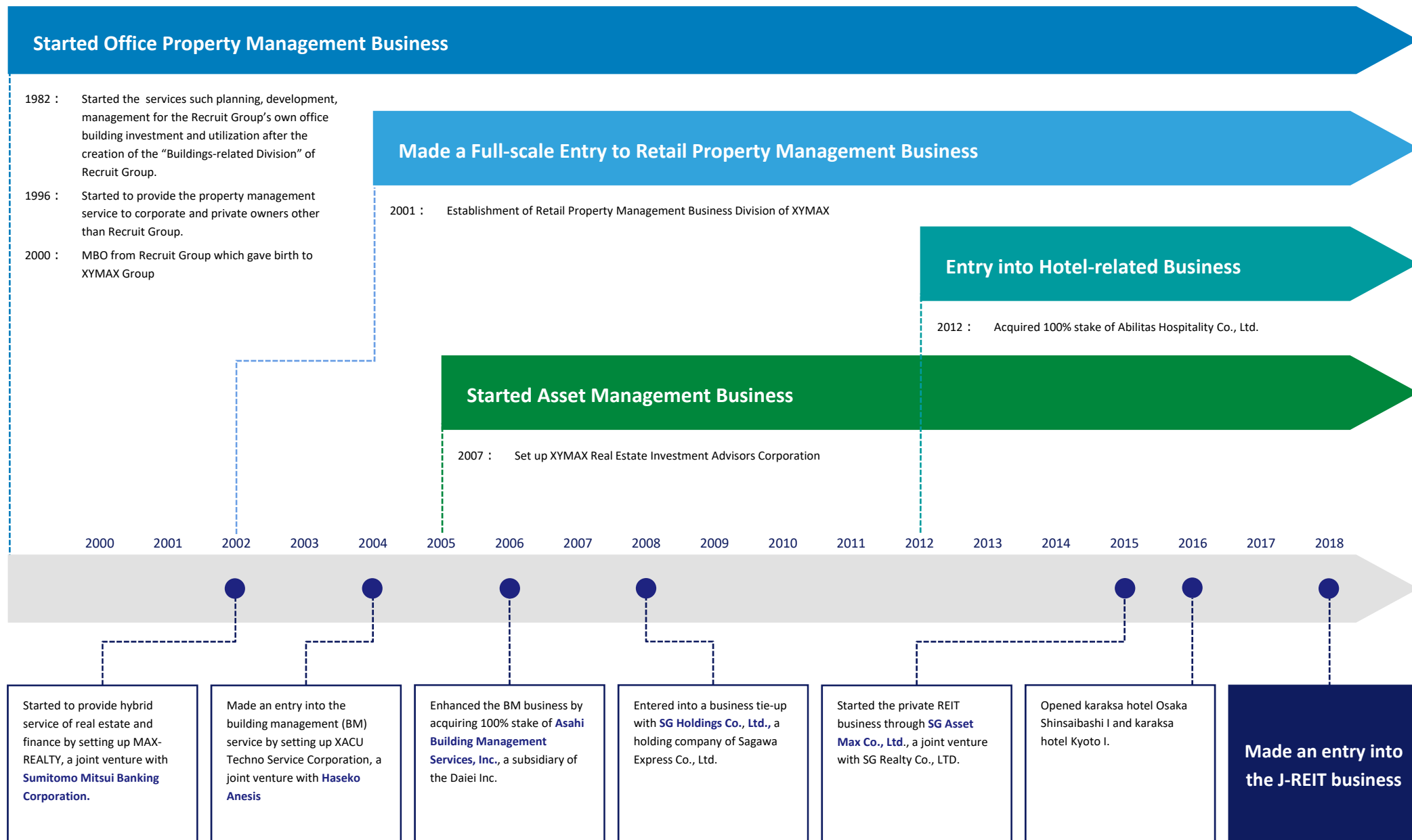
APPENDIX



Overview of XYMAX Group

Company name	XYMAX Corporation (unlisted)	Real estate consulting and management services		Office	Retail/Store	Logistics	Hotel
Establishment	March 1, 1990 * Spin-off from Recruit Co., Ltd. through employee participatory MBO in 2000		Real estate consulting CRE strategy, effective utilization, development/design Consulting and planning on inheritance, fund procurement, etc.	XYMAX XYMAX TRUST			
Location of headquarters	1-1-1 Akasaka, Minato-ku, Tokyo		Asset Management Asset management Asset strategy, etc.	XYMAX REAL ESTATE INVESTMENT ADVISORS/MAX-REALTY			
Capital	2,892.865 million yen (as of March 31, 2020)		Real estate management Property management Building maintenance	Hokkaido XYMAX HOKKAIDO East Japan XYMAX ALPHA Kansai XYMAX KANSAI Kyushu XYMAX KYUSHU			
Sales	88.488 billion yen (actual results for the fiscal year ended March 2019) * Consolidated figures of the Group		Integrated management of store facilities Facility management				
Representative	Representative Director, Chairman & CEO: Masafumi Shimada Representative Director Kenji Yoshimoto		Other specialized services	Leasing brokerage	Market survey/analysis Research/planning on management and repair	Hotel business	Real estate appraisal Real estate assessment/survey
Major shareholders	XYMAX Shareholding Association, directors & employees, clients and financial institutions Total: 315 (as of March 31, 2020)	XYMAX INFONISTA		XYMAX REAL ESTATE INSTITUTE	KARAKSA HOTELS	XYMAX ASSET CONSULTING	
Number of employees	5,322 (as of April 1, 2019) * Consolidated figures of the Group	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 : **1,967** people engaged in real estate management, **86** in leasing, and **86** in CRE related business
(as of March 1, 2020)
- Relationship with real estate owners : approximately **300** companies
- Track record in property sales and brokerage: : **306** buildings, approximately **530** billion yen
(accumulated total from April 1, 2010 to March 31, 2020)

Real estate management record (As of the end of January 2020)

Actual number of
contracts

906 buildings

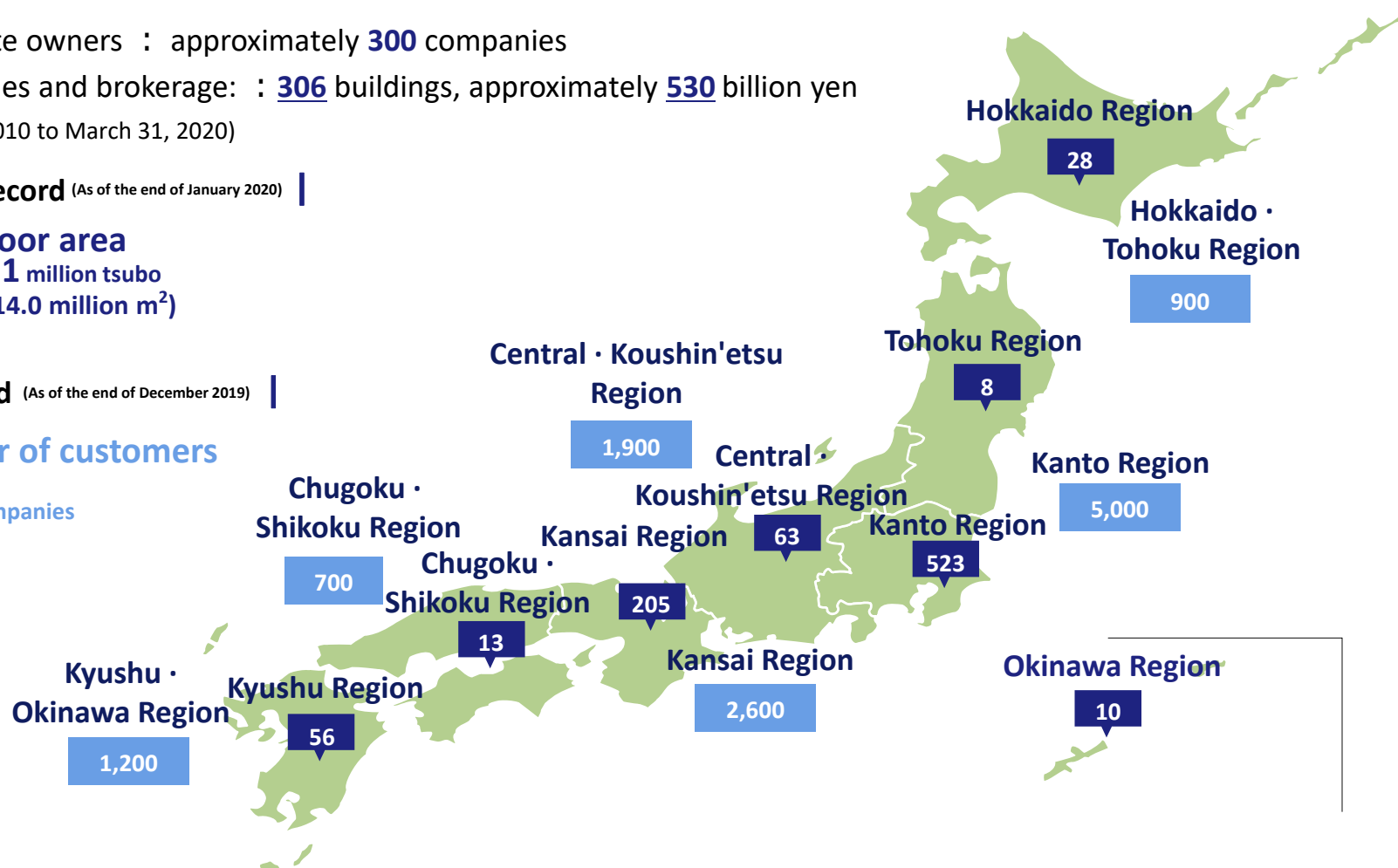
Gross floor area
Approx. **4.1** million tsubo
(Approx. 14.0 million m²)

Facility management record (As of the end of December 2019)

Actual number of
contracts

Approx. **12,300** stores

Number of customers
140 companies



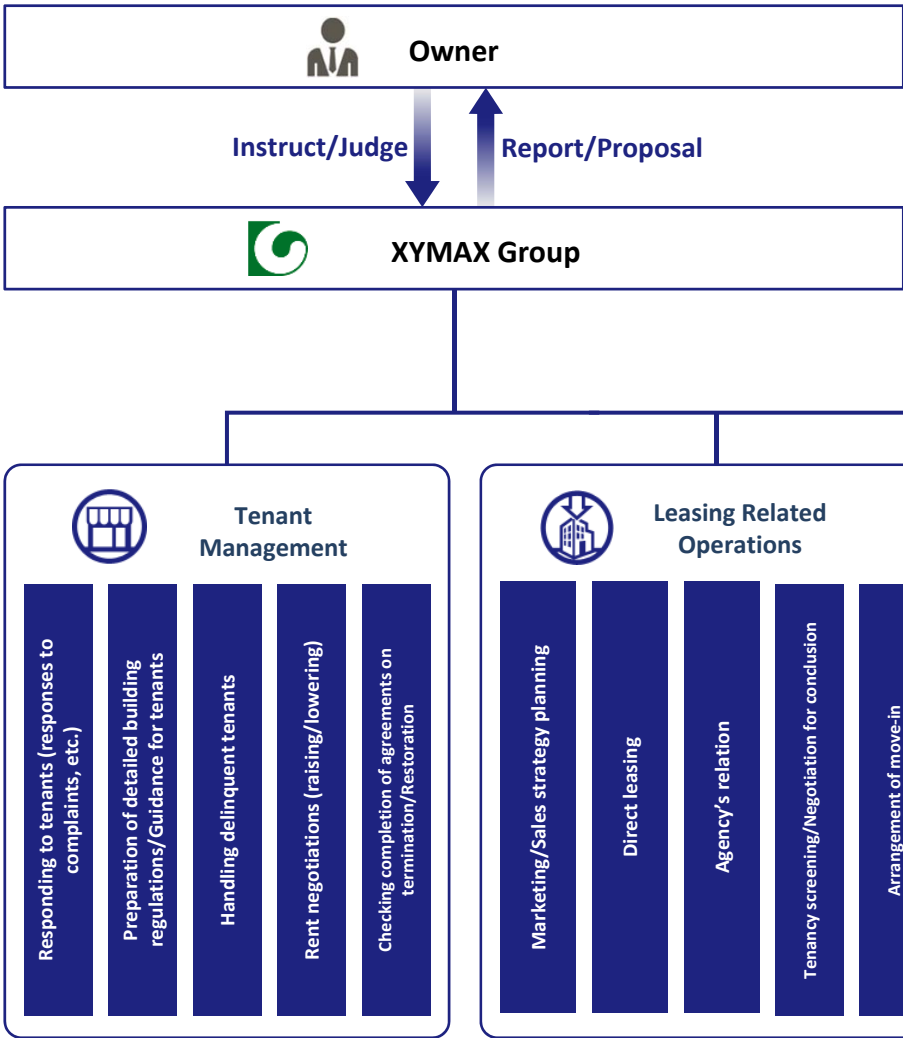
* According to each November issue of the monthly magazine Property Management from 2010 to 2015, the XYMAX Group was ranked No. 1 in terms of floor area under management for six consecutive years since 2010.

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	124,331cases	39,146 buildings (covering past 24.5 years)
Asking rent data	24,111 cases	53,971 buildings (covering past 9 years)
Construction work data	146,021 cases (during the period between April 1, 2000 and February 29, 2020)	

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

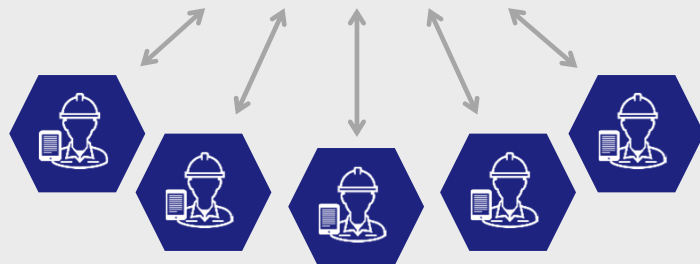
TAs give backup to all building maintenance sites

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.



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



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



Real-Time Information Gathering During of an Emergency or Disaster

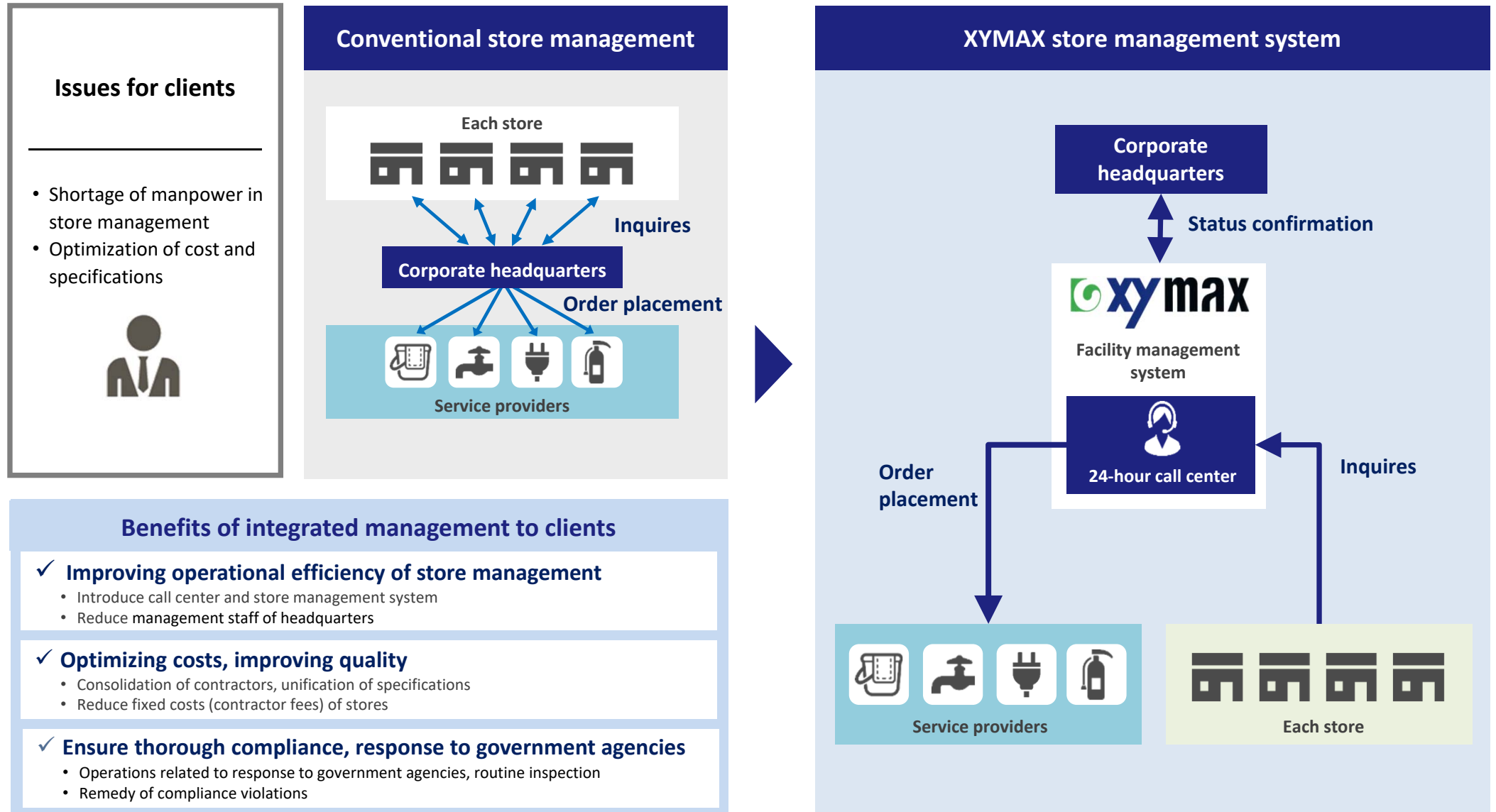
In times of fires or natural disasters, information can be shared with the relevant divisions and head office functions on a real-time basis using video from smart devices connected on-site with the ITBM Center. Videos sent from the site can be shown on a large display. The information **can be used 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.

Facility Management

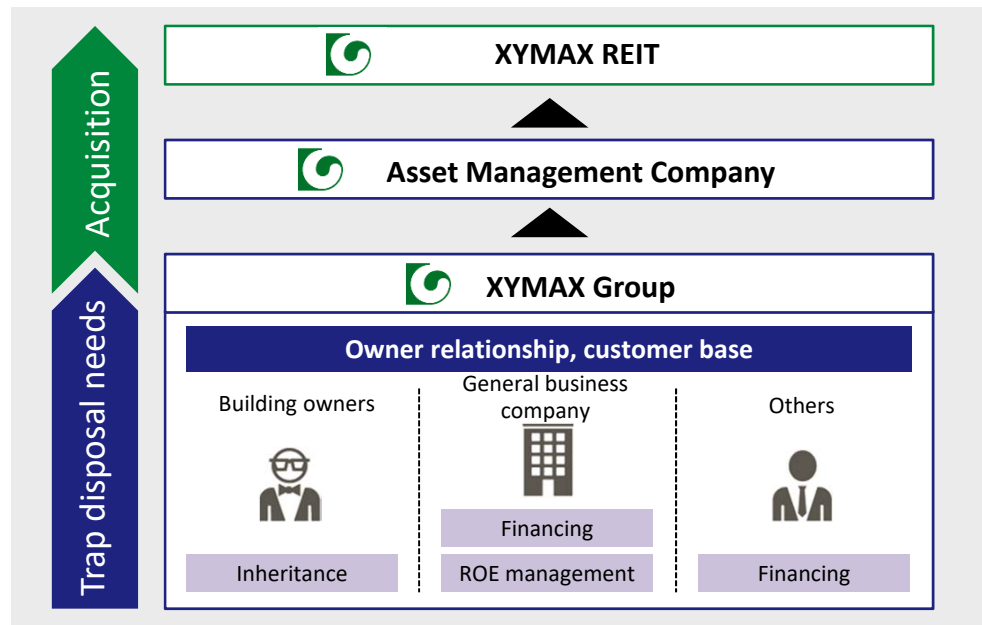
The XYMAX Group conducts integrated management of retail stores of retail chains by providing services that substantially reduce the operational burden on store management.



Original Sourcing Strategy

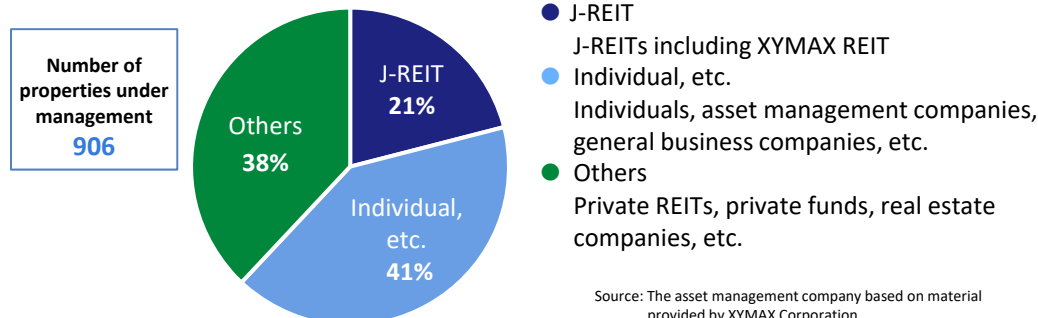
XYMAX REIT captures the need for real estate disposal gained from the huge customer base of the XYMAX Group.
In addition, XYMAX REIT grasps the trend of real estate owners at an early stage through daily communication, so that opportunities are created for external growth.

Direct relationship with real estate owners



Diversity among real estate owners

Percentage of client types for real estate management business
(As of the end of January 2020)

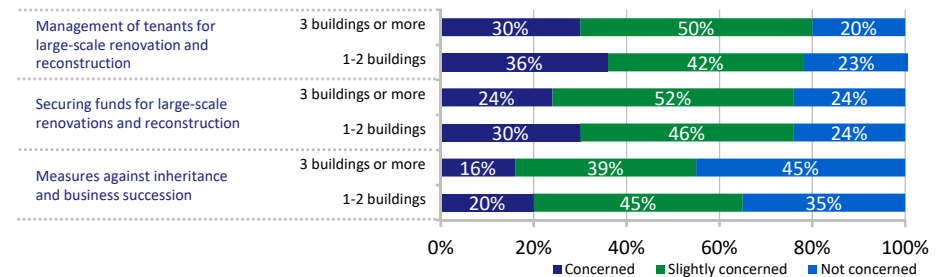


- More than 70% of real estate owners are concerns over about large-scale renovations of owned properties, tenant management, and securing funds for reconstruction
→ Identifies needs of property disposal arising due to the problem or concern about necessary funds
- Concern for inheritance and business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

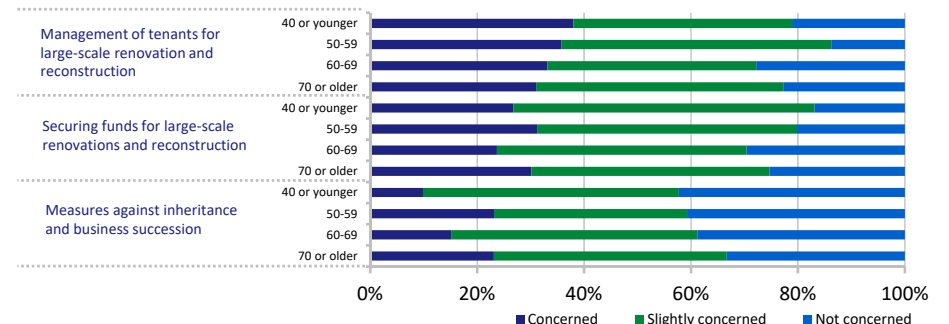
Survey on building owners' situations by XYMAX Real Estate Institute

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



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

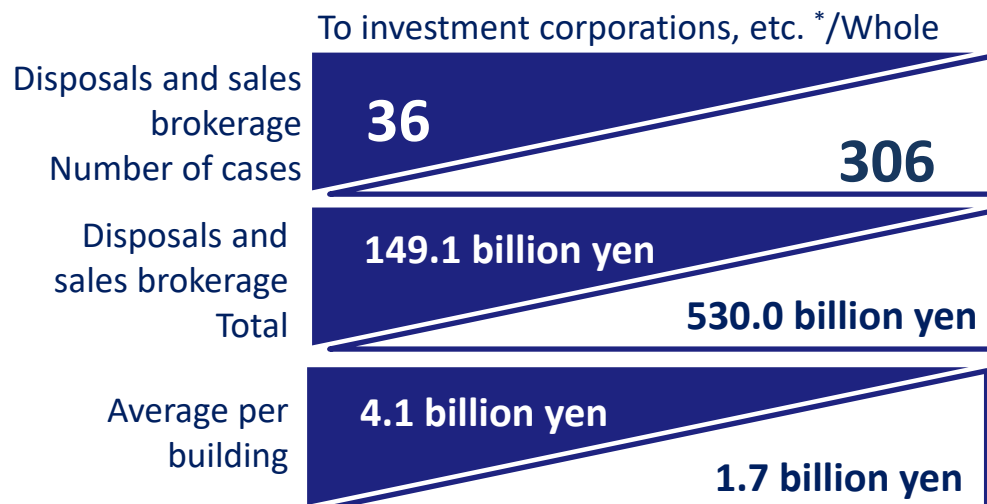
Concerns over future building business (By age, multiple answers)



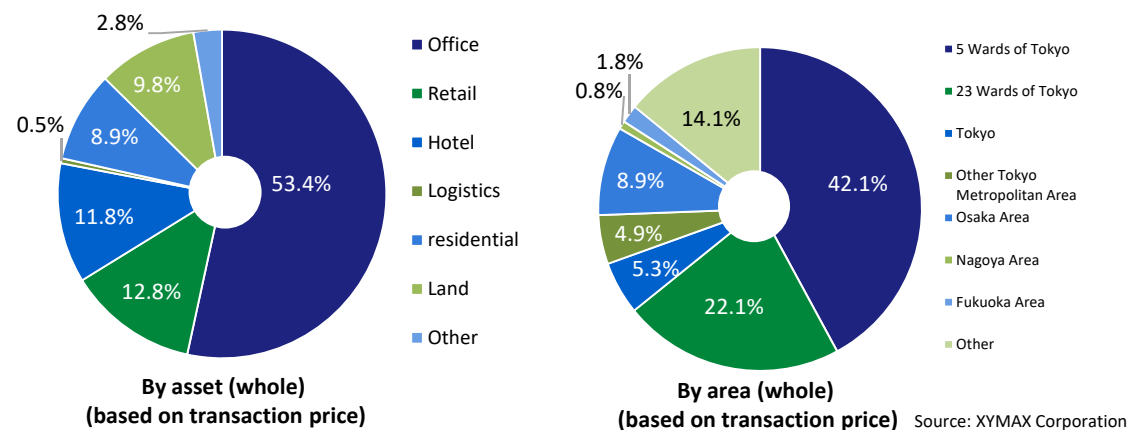
Source: Created by XYMAX Real Estate Institute based on the request from the asset management company

XYMAX Group's track record of real estate disposals and real estate brokerage

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

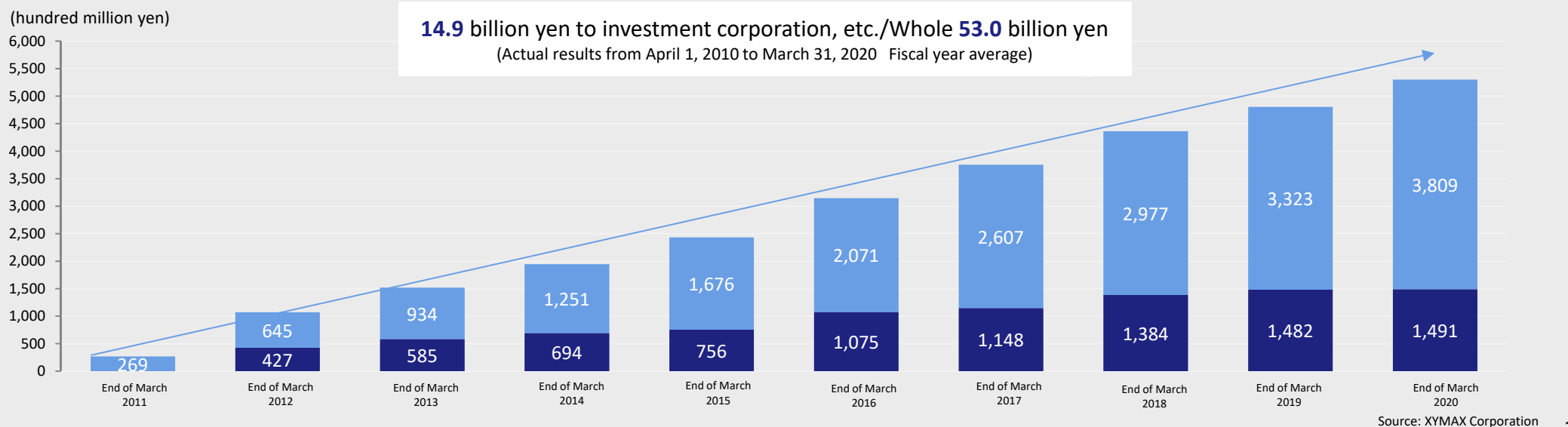


Use and geographical area of real estate in real estate disposals and real estate sales brokerage results



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

Accumulating and utilization of original data by XYMAX Real Estate Institute

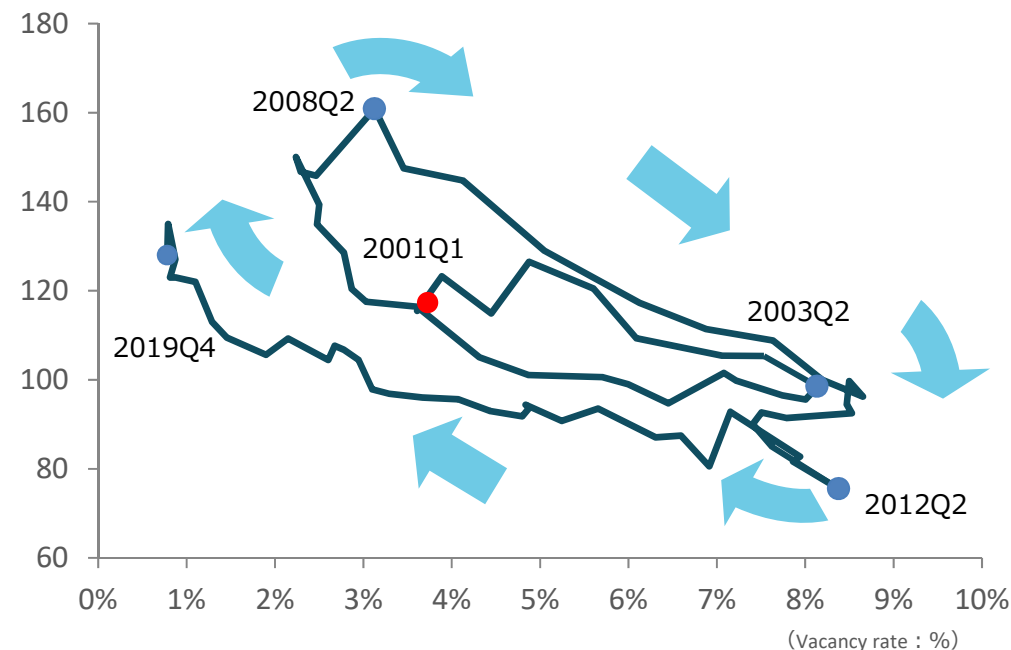


Posting, contribution and lectures in mass media and various media (example)

- Posting Nihon Keizai Shimbun, Nikkei Business Daily, etc.
- Contribution ARES Real Estate Securitization Journal
BUILDING TOKYO, etc.
- Lectures Waseda University Advanced Collaborative
Research Organization for Smart Society
Land Economy and Construction and Engineering
Industry Bureau, Ministry of Land, Infrastructure,
Transport and Tourism
Institute for Building Environment and Energy
Conservation (IBEC)
WORKTECH
- Joint study Japan Facility Management Association (JFMA), etc.
- Other Tokyo Univ., Nihon Univ., Waseda Univ., Univ. of Hyogo, etc.
Participation in CRE at MIT in USA as an Industrial Partner

Office market cycle in the 23 wards of Tokyo

(New contracted rent index) Rent Index (100 = 2010Q1)



	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4
Vacancy rate	0.87%	0.81%	0.87%	0.79%	0.78%
New contracted rent index	123	123	127	135	128

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

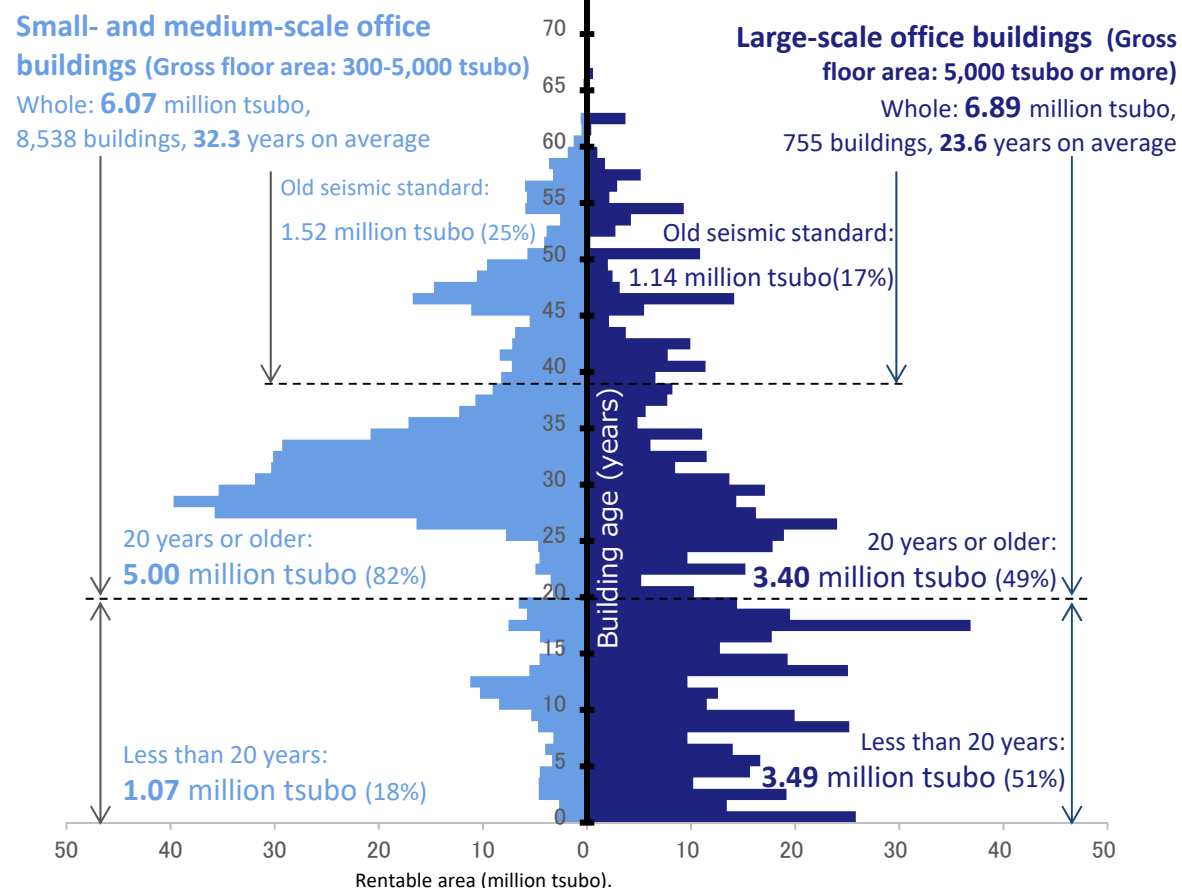
Market Analysis (1)

The scarcity of small- and medium-scale office buildings will improve in the future, when considering the current limited supply trend.

XYMAX REIT believes that the volatility of rent for small- and medium-scale office buildings is relatively lower than that of large-scale buildings and is highly stable revenues.

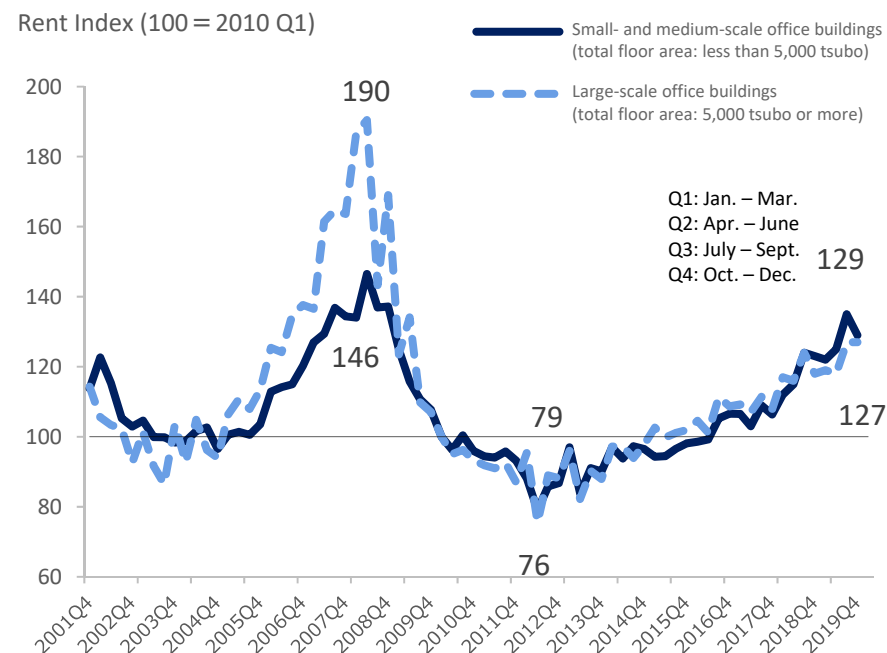
Office Stock Pyramid 2020 covering the 23 Wards (net rentable area)

23 Wards of Tokyo: **12.96** million tsubo, **9,293** buildings, average building age: **31.6** years



Source: Survey Report by XYMAX Real Estate Institute Corp.
"[23 Wards of Tokyo] Supply of New Office Space 2019 & Office Stock Pyramid 2020"

New contracted rent by office building scale



	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Small- and medium-scale office buildings (total floor area: less than 5,000 tsubo)	123	122	125	135	129
Large-scale office buildings (total floor area: 5,000 tsubo or more)	118	119	118	127	127

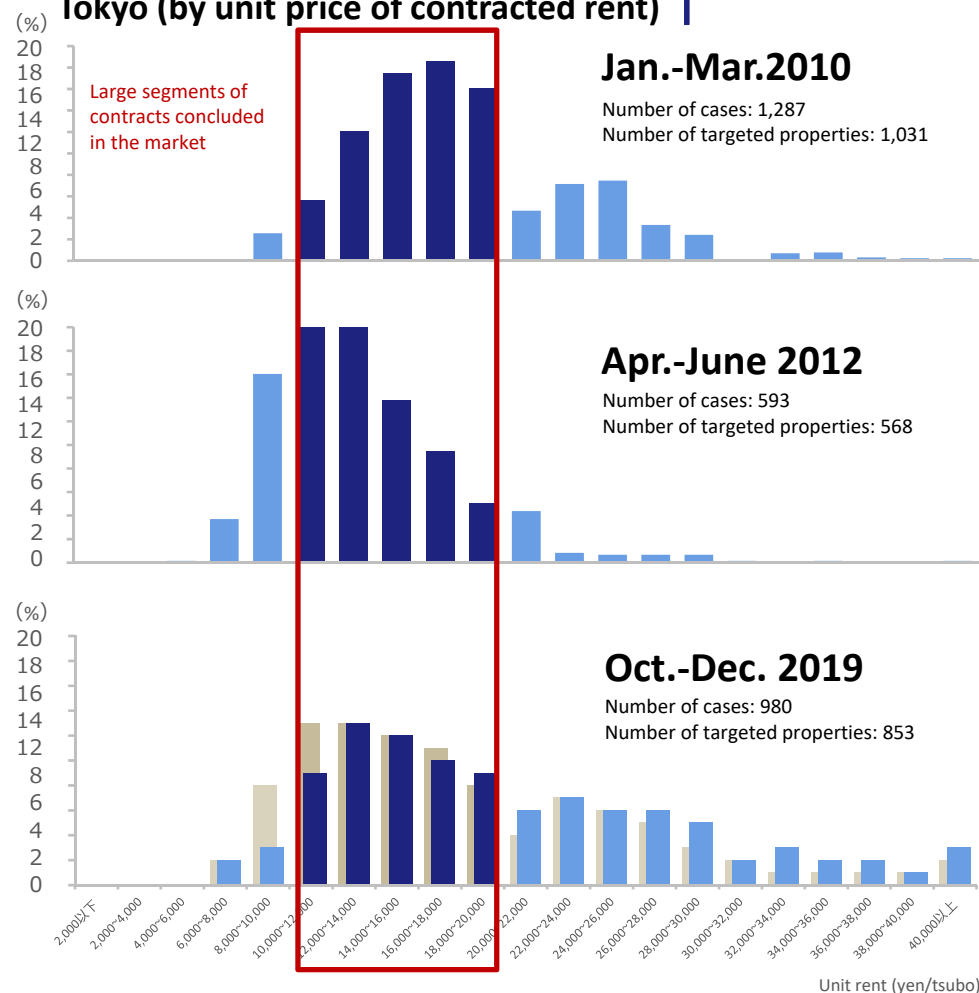
Source: Survey Report by XYMAX Real Estate Institute Corp.
"Office Market Report Tokyo Q4 2019"

Market Analysis (2)

XYMAX REIT believes that there will be robust tenant demand within the range of 10,000 to 20,000 yen in general, regardless of the market environment.

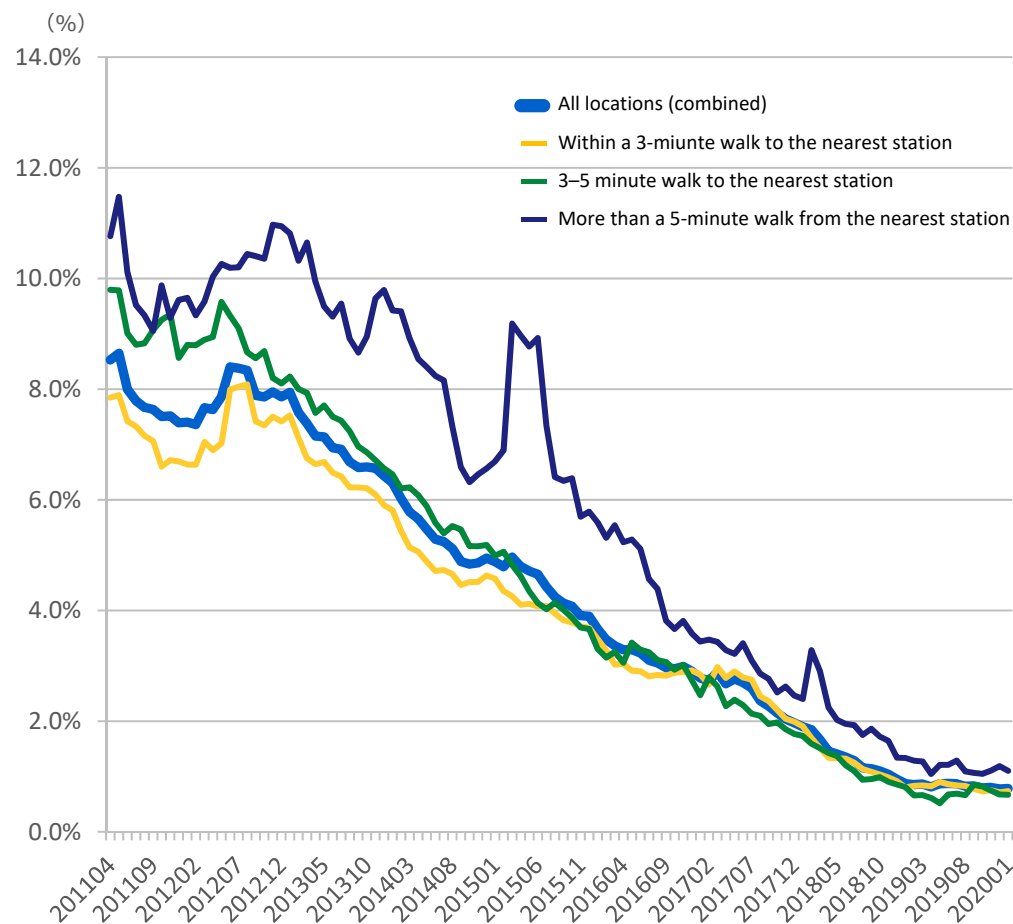
XYMAX REIT believes that there is a clear correlation between convenient locations (the time required to walk to the nearest station) and the occupancy rate.

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



Source: Created by XYMAX Real Estate Institute upon 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

XYMAX Group's Expanding B to C Business Activities (ZXY)

Membership satellite office business "ZXY" leading work-style reform

Workplace service enabling free work-style

ZXY
ジサイ



GOOD DESIGN AWARD 2019

BEST 100

「GOOD DESIGN BEST 100」
受賞



ZXY Share

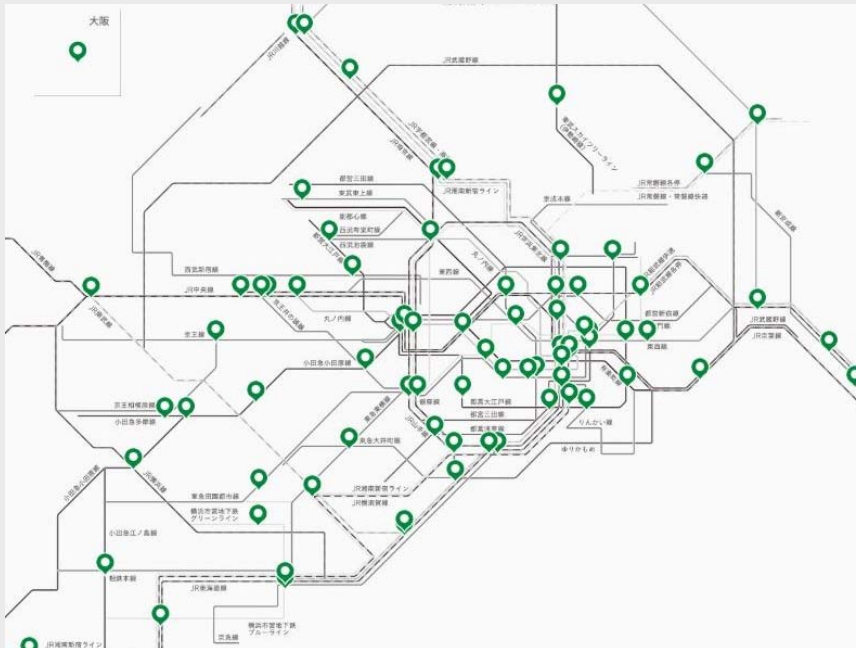


ZXY Monthly

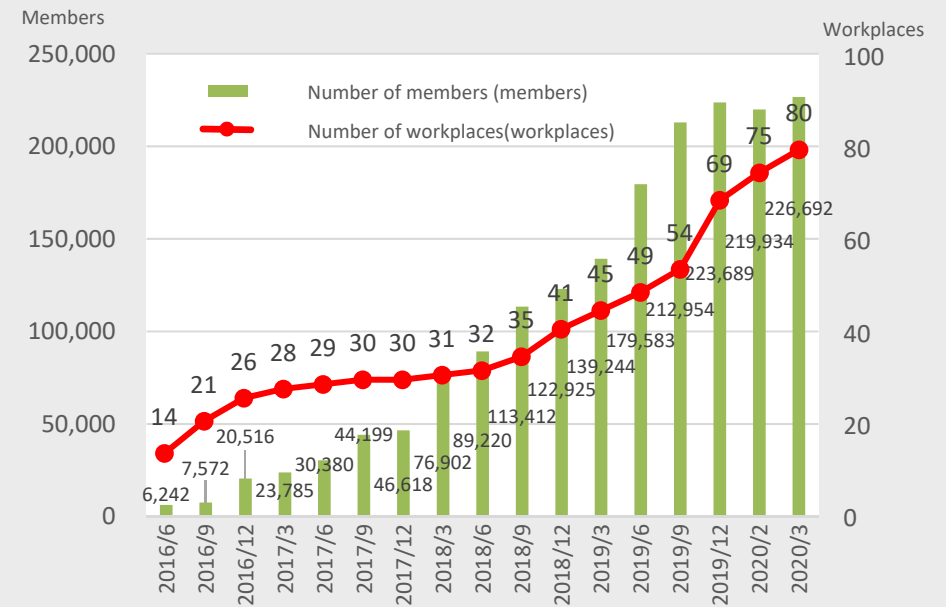


ZXY Kids

Location of workplaces



Change in number of members and workplaces



Source: XYMAX Corporation

The Group's own brand "Karaksa Hotels" also meeting the needs for overseas tourism.

Osaka

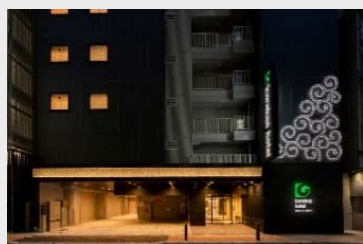
Mar. 2016	69 rooms	karaksa hotel Osaka Shinsaibashi * (Opened)
Jan. 2017	139 rooms	karaksa Spring hotel Kansai Air Gate * (Opened)
Nov. 2017	112 rooms	karaksa hotel Osaka Namba * (Opened)
Nov. 2019	396 rooms	karaksa hotel grande Shin-Osaka Tower * (Opened)
To be opened	176 rooms	



karaksa hotel Osaka Namba



karaksa hotel premier Tokyo Ginza



karaksa hotel TOKYO STATION

■ Opened ■ To be opened

Kyoto

Mar. 2016 36 rooms
karaksa hotel Kyoto I * (Opened)



karaksa hotel Kyoto I

karaksa hotel grande
Shin-Osaka Tower

Hokkaido

Jan. 2018	177 rooms	karaksa hotel Sapporo * (Opened)
To be opened	140 rooms	

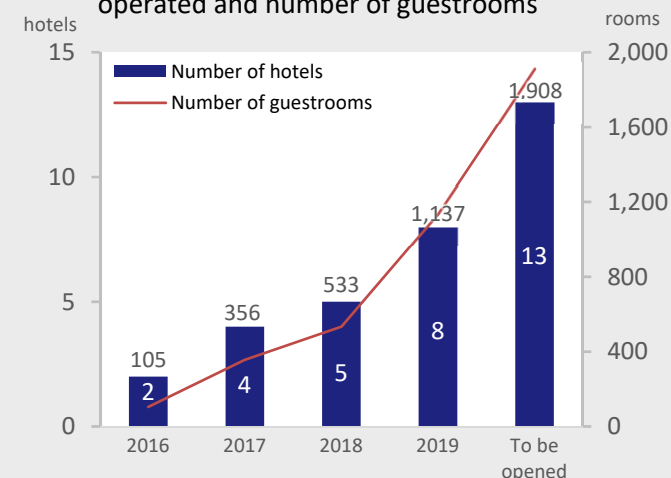


karaksa hotel Sapporo

Chiba

To be opened 190 rooms

■ Change in number of hotels developed and operated and number of guestrooms



Source: XYMAX Corporation

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.

Management that leverages our “3 strengths”



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 determining 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**.

Portfolio List (1)

Asset no.	OF-01	OF-02	OF-03	OF-04	OF-05	OF-06
Asset type	Office	Office	Office	Office	Office	Office
Property name	XYMAX Nishi-Shimbashi Building	XYMAX Iwamotocho Building	XYMAX Shinjuku-Gyoen Building	XYMAX Kamiyacho Building	XYMAX Higashi-Azabu Building	XYMAX Higashi-Ueno Building
						
Location	Minato-ku, Tokyo	Chiyoda-ku, Tokyo	Shinjuku-ku, Tokyo	Minato-ku, Tokyo	Minato-ku, Tokyo	Taito-ku, Tokyo
Access	3 minutes on foot from Uchisaiwaicho station on the Toei Subway Mita line 6 minutes on foot from Shimbashi station on the JR Tokyo metro Ginza line , and other	3 minutes on foot from Iwamoto-cho station on the Toei Subway Shinjuku line	2 minutes on foot from Shinjuku Gyoenmae station on the Tokyo metro Marunouchi line	1 minute on foot from Kamiyacho station on the Tokyo metro Hibiya line	5 minutes on foot from Akabanebashi station on the Toei Subway Oedo Line 7 minutes on foot from Kamiyacho station on the Tokyo metro Hibiya line	3 minutes on foot from Naka-Okachimachi station Tokyo metro Hibiya line 4 minutes on foot from JR Okachimachi station, and other
Acquisition price (million yen)	2,500	4,250	5,020	880	1,550	1,150
Land area	402.53㎡	864.83㎡	839.09㎡	228.83㎡	365.05㎡	368.84㎡
Total floor area	2,517.50㎡	6,261.06㎡	6,084.32㎡	1,356.51㎡	2,570.13㎡	1,942.54㎡
Leasable area	1,897.75㎡	4,152.30㎡	4,792.13㎡	1,205.29㎡	2,016.00㎡	1,735.34㎡
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 4 th FP)	8	14	6	8	4	8
Occupancy rate (As of the end of 4 th FP)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Portfolio List (2)

Property no.	OF-07	RT-01	RT-02	RT-03	HT-01	OT-01
Asset type	Office	Retail	Retail	Retail	Hotel	Other (Residential9)
Property name	XYMAX Hachioji Building	Muza Kawasaki	Life Kawasaki Miyuki Store	Vita Seiseki-Sakuragaoka	Hotel Vista Sendai	Renaissance 21 Chihaya
						
Location	Hachioji-shi, Tokyo	Kawasaki-shi, Kanagawa	Kawasaki-shi, Kanagawa	Tama-shi, Tokyo	Sendai-shi, Miyagi	Fukuoka-shi, Fukuoka
Access	4 minutes on foot from Keio Hachioji station on the Keio Electric Railway Keio Line 5 minutes on foot from JR Hachioji station	JR Kawasaki station direct connection	15 minutes on foot from JR Kashimada station and Yako station	Keio Electric Railway Keio Line Seiseki Sakuragaoka Station Directly Connected	4 minutes on foot from JR Sendai station 1 minute on foot from Miyagino Dori station on the Sendai City Subway Tozai Line	6 minutes on foot from Chihaya station on the JR Kagoshima main line and Nishitetsu Chihaya station on the West Nippon Railway Kaizuka line
Acquisition price (million yen)	2,600	4,100	790	3,100	4,400	2,700
Land area	1,220.58 m ²	742.44 m ² * ¹	1,879.15 m ²	4,467.51 m ² * ²	1,461.36 m ² * ³	2,644.63 m ²
Total floor area	7,404.81m ²	3,671.09m ² * ¹	2,596.80m ²	27,161.00m ² * ²	6,977.47m ²	10,856.15m ²
Leasable area	5,556.03m ²	3,703.87m ²	2,677.54m ²	27,610.61m ²	7,066.25m ²	10,287.93m ²
Completion	1993	2004	1997	1999	2016	2006
Structure/Number of Floors	Steel-framed reinforced concrete/ Steel-construction with flat roof B1F/9F	Steel-framed/Steel-framed reinforced concrete structure with flat roof/stainless steel plate roofing B2F/27F	Steel-construction with flat roof 2F	Steel-framed reinforced concrete structure/reinforced concrete structure/steel-construction with flat roof B3F/27F	Steel-construction with flat roof 12F	Steel-framed reinforced concrete structure with flat roof 14F
Number of tenant (As of the end of 4 th FP)	25	18	1	1	1	131
Occupancy rate (As of the end of 4 th FP)	100.0%	100.0%	100.0%	100.0%	100.0%	91.0%

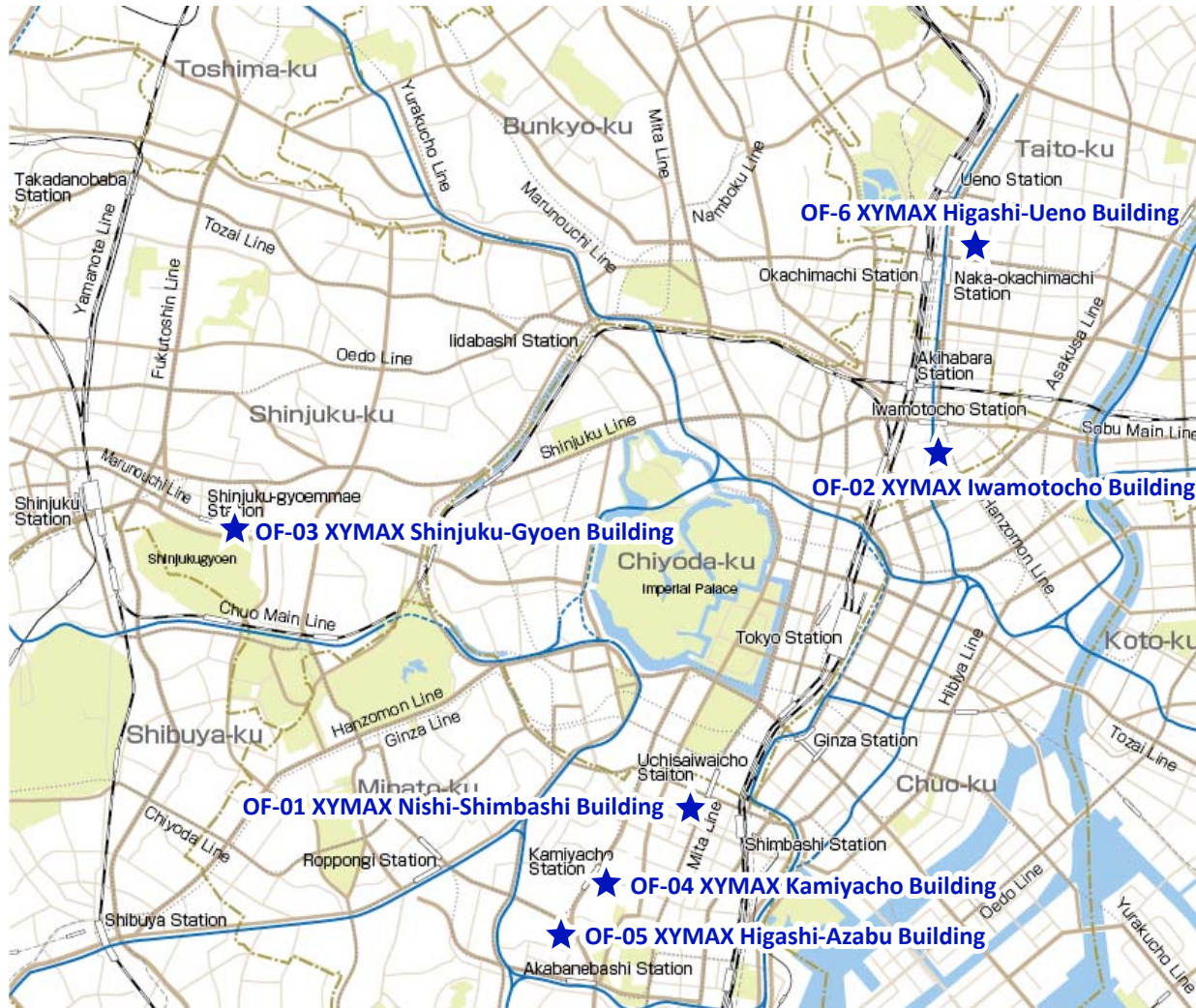
*¹ Land area indicates the figure equivalent to 6.9% of the right of site (rounded down to the first decimal place) held by the Investment Corporation within the site area of Muza Kawasaki. In addition, building area indicates the total building area based on the real estate registry for the components the trust beneficiary rights held by the Investment Corporation.

*² Land area indicates the figure equivalent to 49.6% of the right of site (rounded down to the first decimal place) held by the Investment Corporation within the site area of Vita Seiseki-Sakuragaoka. In addition, building area indicates the total building area based on the real estate registry for the components the trust beneficiary rights held by the Investment Corporation (floor area of 2 jointly-owned components, building No. 72-3 and 72-7 is the figure multiplied by ownership ratio of 937,995/1,000,000 and 591,485/1,000,000, respectively), and is rounded down to the second decimal place.

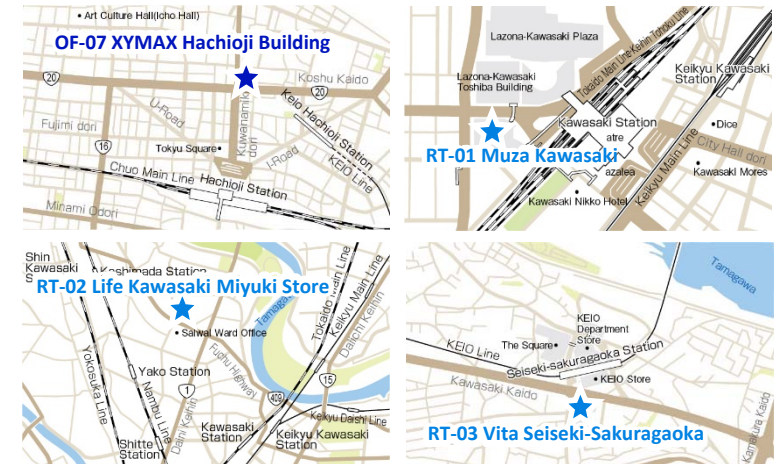
*³ Superficies have been established for 524.21 m² of the land area.

Portfolio located in favorable locations

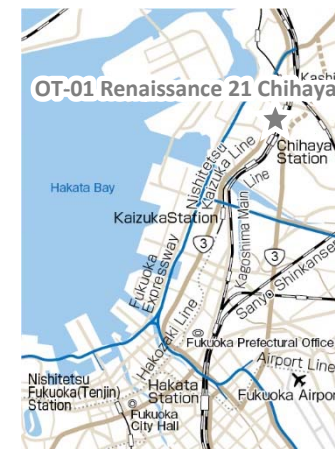
Tokyo Area



Tokyo Economy Area



Fukuoka Area



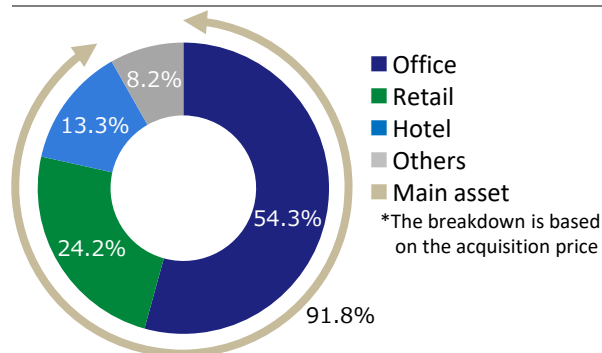
Sendai Area



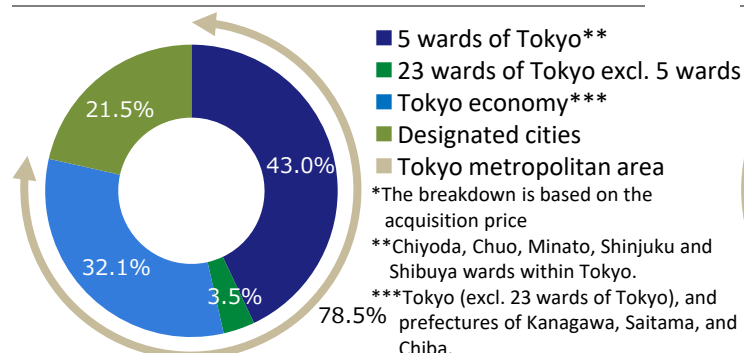
★ Office ★ Retail ★ Hotel ★ Others (Residence)

Investment Ratio and Advantage by Asset Type

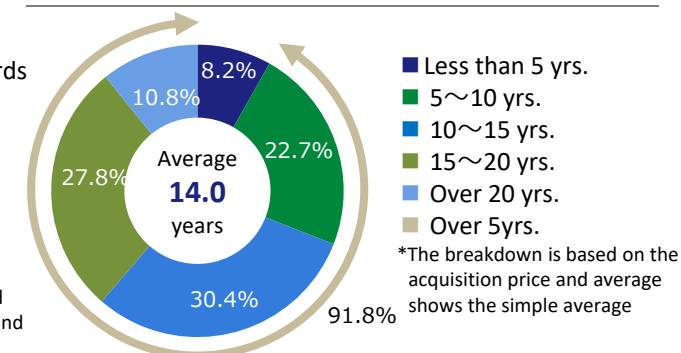
Percentage by asset type



Percentage by geographic area

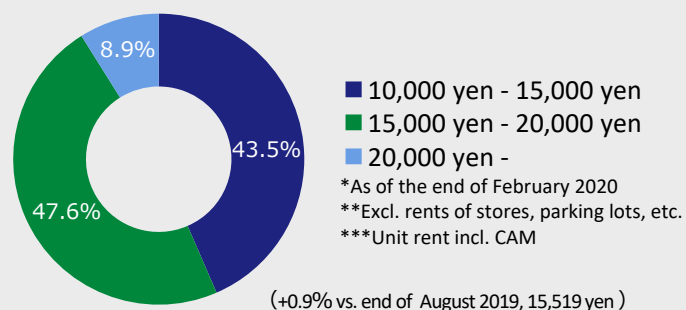


Percentage by year engaged by XYMAX Group

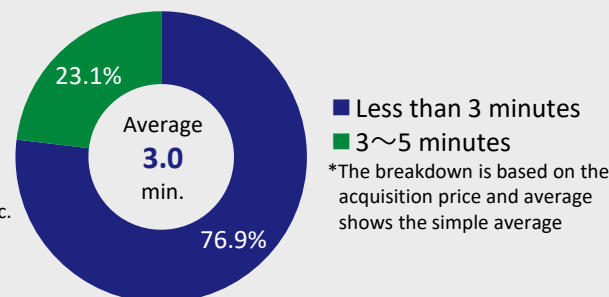


Office

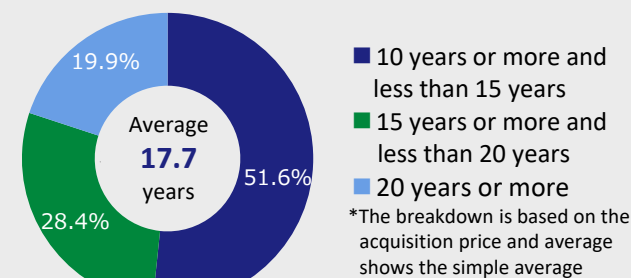
Average unit rent 15,661 yen / tsubo



Time required from the nearest station

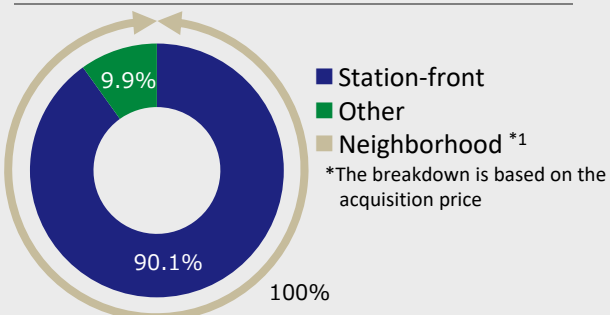


Average engagement period

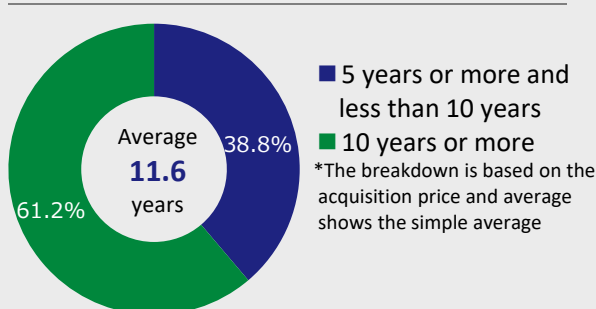


Retail

Composition of retail properties

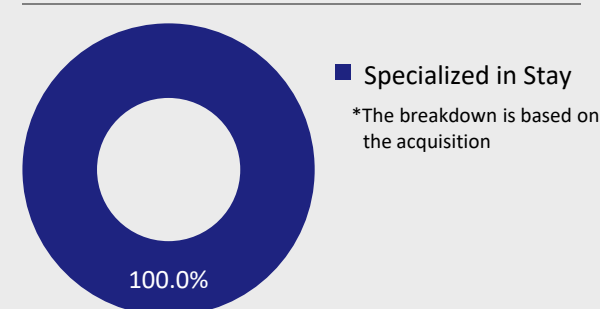


Average engagement period



Hotel

Percentage of specialized in Stay



*1 Retail facilities for which the majority of customer can easily come on foot or by bicycle in a short time.

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



(thousand yen)

	Nishi-Shimbashi	Iwamotocho	Shinjuku-Gyoen	Kamiyacho	Higashi-Azabu	Higashi-Ueno
Operating revenue from real estate leasing	80,829	149,699	166,808	40,509	57,865	46,369
Lease business revenue	75,530	127,395	154,517	36,707	51,783	40,406
Other lease business revenue	5,299	22,304	12,291	3,801	6,082	5,963
Operating expenses from real estate leasing (Excluding Depreciation)	18,924	46,458	40,145	18,759	22,134	13,438
Tax and public dues	6,909	13,419	14,446	4,678	6,362	3,685
Maintenance fees	5,413	10,414	10,808	4,613	6,126	4,281
Utility expenses	4,292	7,997	8,606	2,543	2,990	3,016
Repair expenses	1,613	10,570	3,922	4,917	5,509	1,200
Insurance premiums	62	221	212	46	82	60
Other expenses related to rent business	635	3,834	2,150	1,959	1,063	1,194
NOI	61,904	103,240	126,662	21,750	35,730	32,931
Depreciation	2,588	11,243	10,071	1,287	4,692	2,550
Operating income (loss) from real estate leasing	59,315	91,996	116,591	20,462	31,038	30,381

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



	(thousand yen)						
	Hachioji	Muza	Kawasaki Miyuki	Seiseki-Sakuragaoka	Sendai	Chihaya	Total
Operating revenue from real estate leasing	134,284	155,939	undisclosed	undisclosed	161,289	103,083	1,343,421
Lease business revenue	117,672	134,809	undisclosed	undisclosed	161,289	97,363	1,240,652
Other lease business revenue	16,612	21,130	undisclosed	undisclosed	-	5,720	102,769
Operating expenses from real estate leasing (Excluding Depreciation)	38,436	43,440	undisclosed	undisclosed	24,491	32,347	375,731
Tax and public dues	8,397	10,345	undisclosed	undisclosed	11,244	8,624	132,755
Maintenance fees	15,731	14,740	undisclosed	undisclosed	1,800	7,818	83,546
Utility expenses	8,142	13,951	undisclosed	undisclosed	-	1,513	53,054
Repair expenses	3,552	3,680	undisclosed	undisclosed	2,404	6,850	71,455
Insurance premiums	275	191	undisclosed	undisclosed	215	295	3,756
Other expenses related to rent business	2,337	530	undisclosed	undisclosed	8,827	7,245	31,162
NOI	95,848	112,499	14,509	155,080	136,797	70,736	967,690
Depreciation	9,183	16,466	1,502	13,705	31,957	19,359	124,610
Operating income (loss) from real estate leasing	86,665	96,032	13,006	141,374	104,839	51,376	843,080

Overview of Appraisal Report

Asset no.	Asset name	Acquisition date	Acquisition price (million yen)	Book value as of the end of 4th FY (million yen)	End of 3rd FY (August 31, 2019)		End of 4th FY (February 29, 2020)		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	2,521	3,100	3.7	3,110	3.7	10	-	The Tanizawa Sōgō Appraisal Co., Ltd.	588
OF-02	XYMAX Iwamotocho Building	February 2018	4,250	4,346	5,710	3.5	5,720	3.5	10	-	Japan Real Estate Institute	1,373
OF-03	XYMAX Shinjuku-Gyoen Building	February 2018	5,020	5,053	7,140	3.5	7,200	3.5	60	-	Japan Real Estate Institute	2,146
OF-04	XYMAX Kamiyacho Building	February 2018	880	892	1,160	3.8	1,190	3.8	30	-	The Tanizawa Sōgō Appraisal Co., Ltd.	297
OF-05	XYMAX Higashi-Azabu Building	February 2018	1,550	1,601	2,100	3.9	2,160	3.8	60	-0.1	Daiwa Real Estate Appraisal Co., Ltd.	558
OF-06	XYMAX Higashi-Ueno Building	February 2018	1,150	1,175	1,590	4.0	1,600	3.9	10	-0.1	Daiwa Real Estate Appraisal Co., Ltd.	424
OF-07	XYMAX Hachioji Building	February 2018	2,600	2,600	3,590	4.8	3,590	4.8	-	-	Japan Real Estate Institute	989
RT-01	Muza Kawasaki	February 2018	4,100	4,120	5,400	4.1	5,380	4.1	-20	-	The Tanizawa Sōgō Appraisal Co., Ltd.	1,259
RT-02	Life Kawasaki Miyuki Store	February 2018	790	796	975	4.2	975	4.2	-	-	Daiwa Real Estate Appraisal Co., Ltd.	178
RT-03	Vita Seiseki-Sakuragaoka	February 2018	3,100	3,253	3,870	5.0	3,930	5.0	60	-	The Tanizawa Sōgō Appraisal Co., Ltd.	676
HT-01	Hotel Vista Sendai	February 2018	4,400	4,337	5,570	4.6	5,480	4.7	-90	0.1	The Tanizawa Sōgō Appraisal Co., Ltd.	1,142
OT-01	Renaissance 21 Chihaya	February 2018	2,700	2,776	3,130	5.0	3,130	5.0	-	-	The Tanizawa Sōgō Appraisal Co., Ltd.	353
Total / Average			33,040	33,476	43,335	-	43,465		130	-	-	9,988

*1 The difference between the estimated value at the end of the 3rd fiscal period and the estimated value at the end of the 4th fiscal period 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 3rd fiscal period and the direct capitalization rate adopted in the real estate appraisal upon property acquisition is indicated

*3 The difference between the book value at the end of the 4th fiscal period for portfolio assets and the book value at the end of the 4th fiscal period for portfolio assets is indicated.

Balance Sheet and Statement of Income

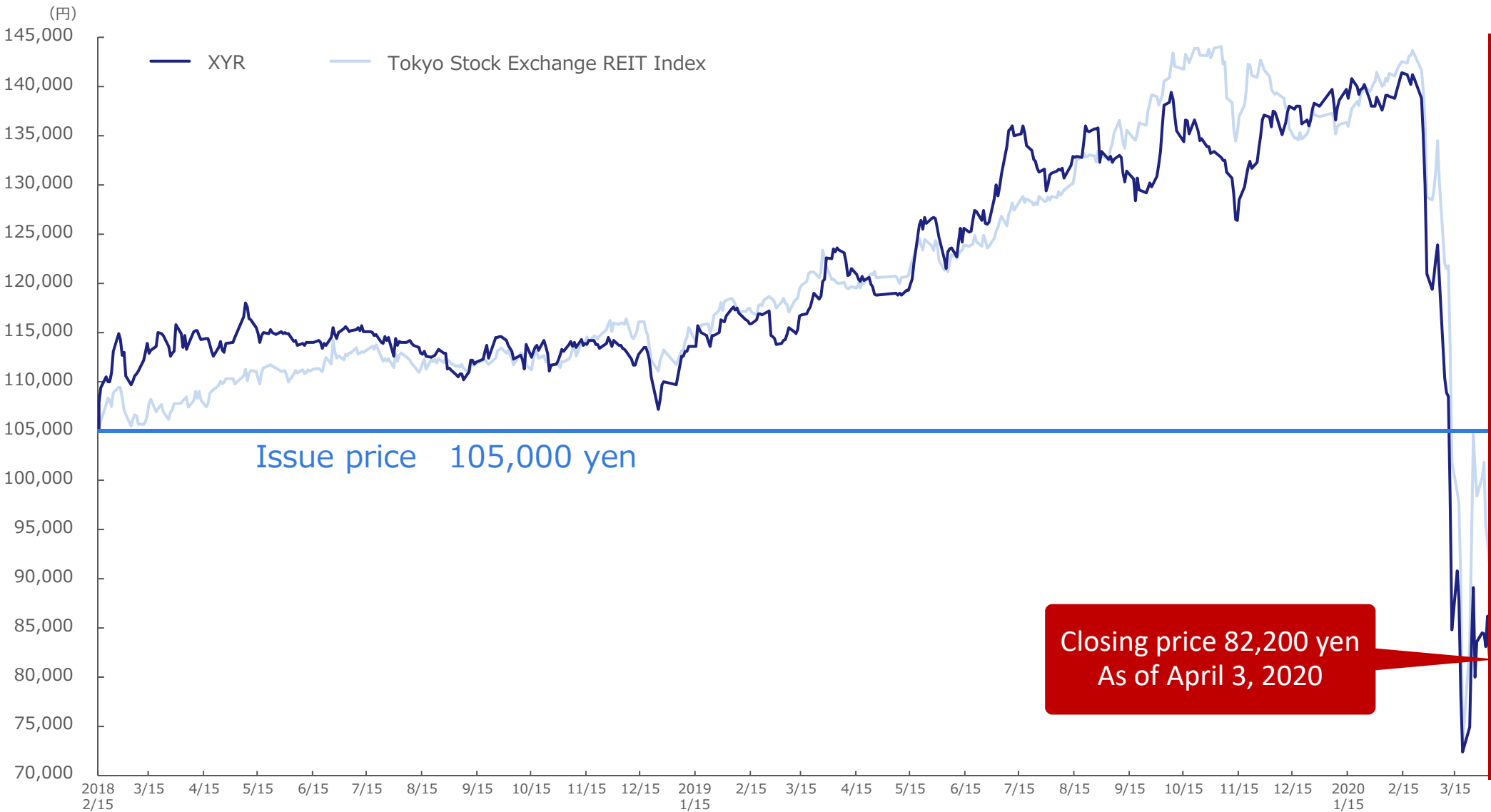
(thousand yen)

Balance Sheet	3rd fiscal period (As of Aug. 31, 2019) (thousand yen)	4th fiscal period (As of Feb. 29, 2020) (thousand yen)
Assets		
Current assets	3,030,583	2,958,929
Cash and bank deposits	1,009,178	1,005,416
Cash and bank deposits in trust	1,960,942	1,895,489
Operating accounts receivable	28,717	23,904
Prepaid expenses	31,354	33,746
Other	390	372
Non-current assets	33,599,215	33,628,935
Property, plant and equipment	33,469,409	33,476,361
Tools, furniture and fixtures	67,221	53,244
Buildings in trust	8,747,412	8,759,344
Structures in trust	43,088	49,391
Tools, furniture and fixtures in trust	5,415	8,108
Land in trust	24,606,271	24,606,271
Investments and other assets	129,806	152,574
Long-term prepaid expenses	32,962	41,111
Deferred tax assets	13	16
Lease and guarantee deposits	22,600	22,600
Other	74,230	88,847
Total assets	36,629,798	36,587,864
Liabilities		
Current liabilities	3,783,944	3,547,233
Operating accounts payable	119,712	90,363
Short-term loans payable	1,014,000	814,000
Current portion of long-term borrowings	2,336,000	2,336,000
Accounts payable - other	96,157	90,777
Income taxes payable	885	937
Accrued consumption taxes	25,125	29,347
Advances received	186,235	183,695
Other	5,827	2,112
Non-current liabilities	9,578,262	9,782,973
Long-term loans payable	8,330,000	8,530,000
Tenant leasehold and security deposits in trust	1,248,262	1,252,973
Total liabilities	13,362,207	13,330,207
Net assets		
Unitholders' equity	23,267,591	23,257,657
Unitholders' capital	22,585,746	22,585,746
Surplus	681,845	671,911
Total net assets	23,267,591	23,257,657
Total liabilities and net assets	36,629,798	36,587,864

Statement of Income	3rd fiscal period (As of Aug. 31, 2019) (thousand yen)	4th fiscal period (As of Feb. 29, 2020) (thousand yen)
Operating revenue	1,348,404	1,343,421
Lease business revenue	1,239,634	1,240,652
Other lease business revenue	108,769	102,769
Operating expenses	621,883	619,206
Expenses related to rent business	498,836	500,341
Asset management fee	77,234	76,442
Asset custody fee	825	824
Administrative service fees	9,455	8,936
Directors' compensations	2,400	2,400
Other operating expenses	33,130	30,261
Operating income	726,521	724,215
Non-operating income	14	4,662
Interest income	14	14
Insurance payment received	-	4,647
Non-operating expenses	43,826	56,058
Interest expenses	33,848	34,098
Borrowing related expenses	9,983	21,960
Ordinary income	682,708	672,819
Income before income taxes	682,708	672,819
Total income taxes	885	937
Income taxes - current	888	939
Income taxes - deferred	-2	-2
Net income	681,823	671,882
Retained earnings brought forward	22	29
Unappropriated retained earnings (undisposed loss)	681,845	671,911

Change in investment unit price

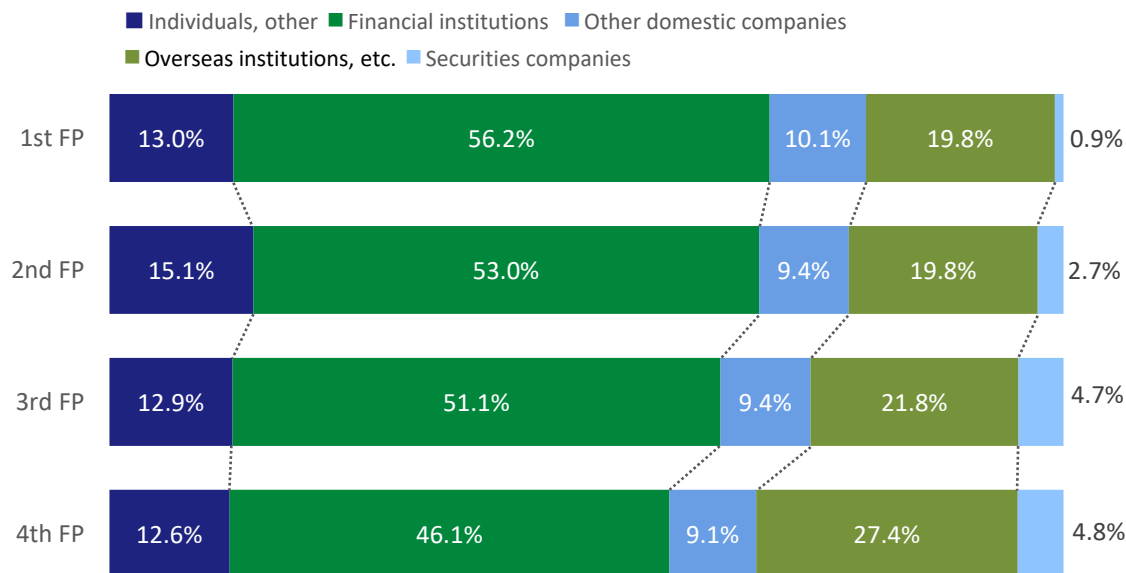
Change in investment unit price | As April 3, 2020



* The Investment Corporation has indicated the issue price with 105,000 yen as the starting point and indexed the Tokyo Stock Exchange REIT Index based on the opening price as of February 15, 2018.

Status of Unitholders

Share of investment units by owner type



Number of unitholders by owner type

	1st FP	2nd FP	3rd FP	4th FP
Individuals, other	3,822	4,220	3,892	4,089
Financial institutions	41	37	40	37
Other domestic companies	106	107	88	90
Overseas institutions, etc.	70	70	76	79
Securities companies	16	16	21	23
Total	4,055	4,450	4,117	4,318

Major Unitholders

Note: As of February 29, 2020

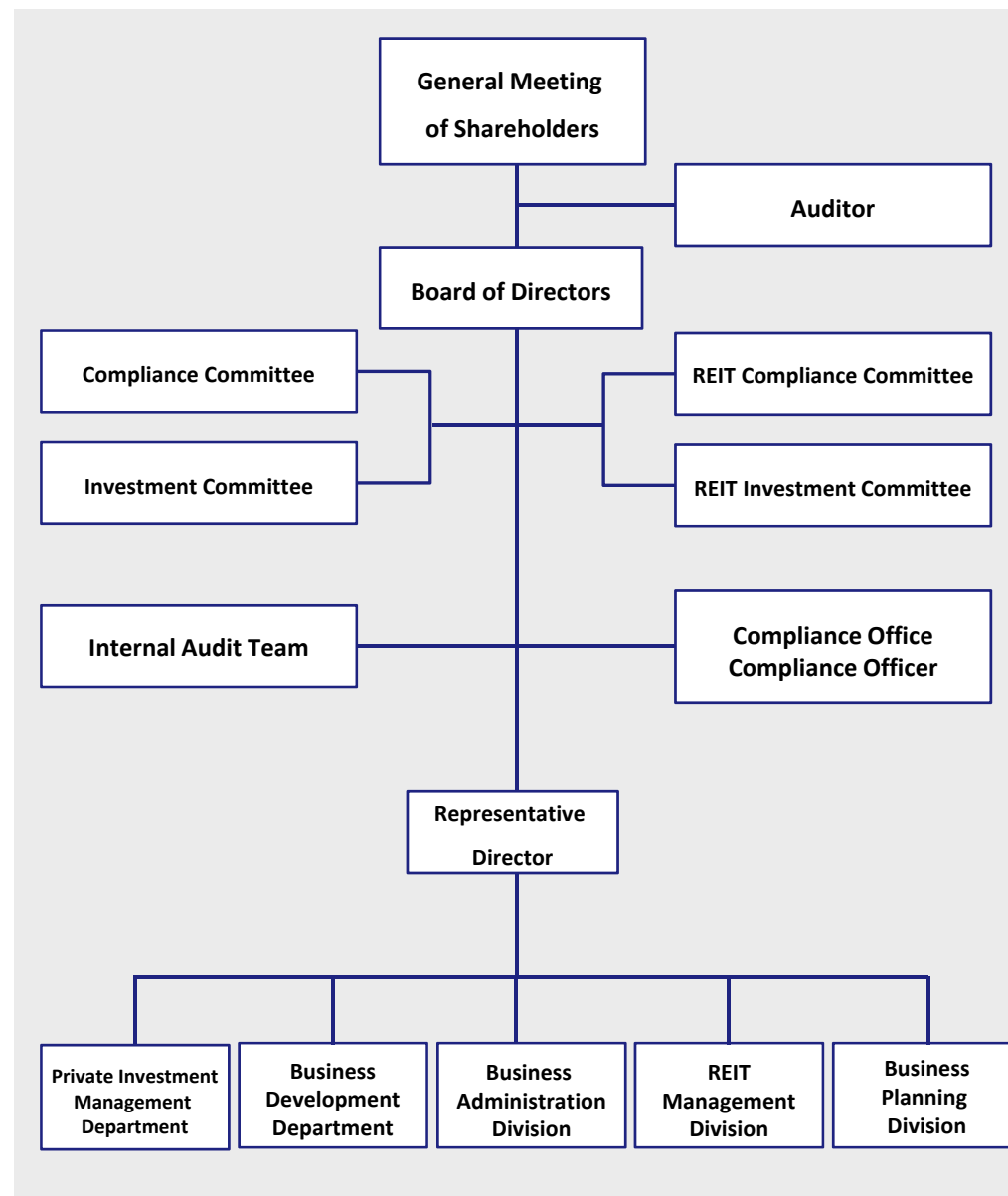
Name	Number of investment units (unit)	Ratio (%)
Japan Trustee Services Bank, Ltd. (Trust account)	33,170	14.85
The Master Trust Bank of Japan, Ltd. (Trust account)	32,982	14.76
XYMAX Corporation	12,500	5.60
The Nomura Trust and Banking Co., Ltd. (Trust account)	11,054	4.95
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG / JASDEC / SECURITIES-AIFM	7,598	3.40
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	7,580	3.39
SIX SIS LTD.	5,520	2.47
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	4,728	2.12
BNP PARIBAS SECURITIES SERVICES FRANKFURT / JASDEC / SGSS DEUTSCHLAND KAPITALANLAGEGESELLSCHAFT MBH FOR REIT ASIEN 1	4,689	2.10
The Bank of Yokohama, Ltd.	3,988	1.79
Total	123,809	55.42

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% stake)
Number of employees	36 (as of April 1, 2020)
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	Nobuhito Inatsuki, Representative Director and President Yasushi Yamaguchi, Director Kazuya Sugimoto, Director Shigeki Kawakita, Auditor
Licenses	Financial instruments business: Director-General of the Kanto Local Finance Bureau Registration (FIBO) No. 1907 (Investment Management Business, Investment Advisory and Agency Business, and Type II Financial Instruments Business) Discretionary transaction agency, etc. business: Minister of Land, Infrastructure, Transport and Tourism Approval No. 118 Real Estate Specified Joint Enterprise: License No. 75 granted by Commissioner of the Financial Services Agency and Minister of Land, Infrastructure, Transport and Tourism (for businesses referred to in items (iii) and (iv)) Real estate investment advisory business: Registration No. Sogo-57 Real estate brokerage business: Governor of Tokyo License (3) No. 88223

Organization



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