

## (REIT) Financial Report for the Fiscal Period Ended February 2021

April 14, 2021

REIT Securities Issuer: XYMAX REIT Investment Corporation Listing: Tokyo Stock Exchange  
 Securities Code: 3488 URL: <https://xymaxreit.co.jp/en/index.html>  
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Scheduled date for submission of securities report: May 28, 2021

Scheduled date for commencement of distribution payment: May 19, 2021

Supplementary materials for financial results: Yes

Financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for the Fiscal Period Ended February 2021 (from September 1, 2020 to February 28, 2021)

(1) Results of Operations (% figures are the rate of period-on-period increase (decrease))

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal period ended Feb. 2021	1,293	(5.2)	716	(7.2)	651	(10.2)	650	(10.2)
Fiscal period ended Aug. 2020	1,364	1.6	771	6.6	725	7.8	724	7.8

	Net income per unit	Return on equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	yen	%	%	%
Fiscal period ended Feb. 2021	2,911	2.8	1.8	50.4
Fiscal period ended Aug. 2020	3,241	3.1	2.0	53.1

(2) Distribution

	Distribution per unit (excluding distribution in excess of earnings)	Total distribution (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Total distribution in excess of earnings	Payout ratio	Ratio of distribution to net assets
	yen	million yen	yen	million yen	%	%
Fiscal period ended Feb. 2021	2,911	650	-	-	100.0	2.8
Fiscal period ended Aug. 2020	3,242	724	-	-	100.0	3.1

(3) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Fiscal period ended Feb. 2021	37,636	23,236	61.7	104,011
Fiscal period ended Aug. 2020	36,716	23,310	63.5	104,342

(4) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal period ended Feb. 2021	665	(1,170)	376	2,867
Fiscal period ended Aug. 2020	884	(116)	(672)	2,996

2. Operating Forecasts for the Fiscal Period Ending August 2021 (from March 1, 2021 to August 31, 2021) and Fiscal Period Ending February 2022 (from September 1, 2021 to February 28, 2022)

(% figures are the rate of period-on-period increase (decrease))

	Operating revenue		Operating income		Ordinary income		Net income		Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
	mn yen	%	mn yen	%	mn yen	%	mn yen	%	yen	yen
Fiscal period ended Aug. 2021	1,291	(0.1)	676	(5.5)	623	(4.2)	622	(4.2)	2,788	-
Fiscal period ended Feb. 2022	1,321	2.3	706	4.3	641	2.8	640	2.8	2,867	-

(Reference) Forecast net income per unit

(Forecast net income ÷ Forecast total number of investment units issued and outstanding at end of period)

Fiscal period ending August 2021: 2,788 yen Fiscal period ending February 2022: 2,866 yen

\* Other

(1) Changes in Accounting Policies, Accounting Estimates, and Retrospective Restatements

- i. Changes in accounting policies accompanying amendments to accounting standards, etc.: None
- ii. Changes in accounting policies other than i.: None
- iii. Changes in accounting estimates: None
- iv. Retrospective restatements: None

(2) Total number of investment units issued and outstanding

i. Total number of investment units issued and outstanding (including treasury investment units) at end of period

Fiscal period ended Feb. 2021	223,400 units	Fiscal period ended Aug. 2020	223,400 units
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ii. Number of treasury investment units at end of period

Fiscal period ended Feb. 2021	0 units	Fiscal period ended Aug. 2020	0 units
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(Note) For the number of investment units serving as the basis for calculation of net income per unit, please see "Notes on Per Unit Information" on page 25.

\* Explanation of Appropriate Use of Operating Forecasts, and Other Matters of Special Note

The operating forecasts and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by XYMAX REIT. Accordingly, the actual results of operations, etc. may differ materially due to various factors. Key factors that could affect the actual operational status include a decline in rent revenue, non-payment of rent and bankruptcy of tenants occupying owned properties, as a result of the further spread of the new coronavirus infectious diseases (COVID-19) and the prolongation of the period until the contagion converges. Factors affecting the investment status are not limited to these. In addition, the forecasts are not a guarantee of the amount of distribution. For the assumptions underlying the operating forecasts, matters of note in the use of the operating forecasts, etc., please see "Assumptions Underlying the Operating Forecasts for the Fiscal Period Ending August 2021 (from March 1, 2021 to August 31, 2021) and Fiscal Period Ending February 2022 (from September 1, 2021 to February 28, 2022)" on page 5. Accordingly, the actual operating revenue, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit may vary due to changes in the circumstances.

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## 1. Management Status

### (1) Overview of the Fiscal Period under Review

#### I. Brief History of the Investment Corporation

XYMAX REIT was incorporated under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (hereinafter, the "Investment Trusts Act") with XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation (hereinafter, the "Asset Management Company") as the organizer and investments in capital of 300 million yen (3,000 units) on September 14, 2017, and completed the registration with the Kanto Local Finance Bureau on October 31, 2017 (Registration No. 131 with the Director-General of the Kanto Local Finance Bureau). Later, XYMAX REIT implemented an issuance of new investment units through public offering (209,905 units) with February 14, 2018 as the payment due date, and listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange, Inc. (hereinafter, "Tokyo Stock Exchange") on February 15, 2018 (securities code: 3488). In addition, an issuance of new investment units through third-party allotment (10,495 units) was implemented on March 20, 2018.

These resulted in total number of investment units issued and outstanding of 223,400 units as of the last day of the fiscal period.

XYMAX REIT utilizes the real estate management (Note 1) strengths of the XYMAX Group (Note 2) to conduct appropriate portfolio management and thereby maximize the value of real estate with the aim of maximizing unitholder value.

(Note 1) "Real estate management" collectively refers to property management, comprehensive building maintenance services, and combined property management and comprehensive building maintenance services (including cases where contracted with such services in subleasing cases). The same shall apply hereinafter.

(Note 2) "XYMAX Group" refers to the corporate group comprising XYMAX Corporation and its consolidated subsidiaries and affiliates accounted for using the equity method. The same shall apply hereinafter.

#### II. Management Environments

With regard to the economic environment in the fiscal year under review, the real GDP growth rate increased by 2.8% (an annualized increase of 11.7%) in the period from Oct. to Dec. 2020, which was the second consecutive quarter of positive growth, partly due to the recovery in consumer spending and an increase in corporate capital investment due to various measures to stimulate demand by the government. However, in the year through 2020, this was the first negative growth in 11 years, with a decrease of 4.8%. As for the financial market, according to "Loans and Discounts Outstanding by Sector" published by the Bank of Japan, total loans outstanding as of the end of Dec 2020 were JPY541 trillion and loans outstanding for real estate were JPY84.3 trillion, both of which remain at extremely high levels, due to moves to expand cash on hand and mergers and acquisitions by companies in line with the deterioration in the real economy caused by COVID-19.

Under such circumstances, the following movements can be seen in the various markets for offices, retail facilities and hotels that the Investment Corporation mainly invests in, as well as in the real estate buy-sell market.

As for offices, according to "Office Market Report Tokyo 2020Q4" (Note) published by XYMAX Real Estate Institute Corporation, the vacancy rate in the 23 wards of Tokyo in the 4Q of 2020 increased by 0.53 points from the previous quarter to 1.87%. In order to prevent the outbreak of COVID-19, teleworking activities such as telecommuting and using share office services have become widespread across all industries. As a result, there have been moves to downsize offices and partial cancellations.

Regarding retail facilities, according to the Ministry of Economy, Trade and Industry's Current Survey of Commerce, retail sales in the 4Q of 2020 increased 2.1% year on year. Sales at department stores showed a sign of recovery as the sales in the 4Q 2020 achieved approx. twice as much as that in the 2Q 2020 enjoying boosting consumption affected by such as Go To Campaign. At supermarkets that mainly sell daily necessities, the sales also increased by an average of 3.6% nationwide, and sales remained firm even under the impact of COVID-19. In addition, according to a survey of trends in the service industry conducted by the Statistics Bureau of the Ministry of Internal Affairs and Communications, restaurant sales decreased 21.1% from the same quarter of the previous year.

As for hotels, according to the Japan Tourism Agency's Accommodation Travel Statistical Survey, the total

number of guests in the second half of 2020 (Jul. to Dec.) decreased by 45.7% year-on-year. The number of overseas visitors to Japan, as announced by the Japan National Tourism Organization, also fell 98.9% in the second half of the year. As in the first half of 2020, the hotel industry as a whole has been significantly negatively affected by restrictions on the movement of people domestically and overseas due to COVID-19. In the second half of 2020, demand for lodging in Japan showed some signs of recovery due to Go To Travel Campaign and other factors. However, it will take a certain amount of time for lodging demand to fully recover due to uncertainty about the outlook for the convergence of COVID-19. In addition, the number of overseas visitors to Japan remains at an extremely low level due to the continuing global prevalence of COVID-19 and the restrictions on inbound visits due to the confirmation of the existence of COVID-19 variants.

As for the real estate buy-sell market, while the trading of hotels, which are heavily affected by COVID-19, remained stagnant. However, the overall market saw continued investment activities, particularly in asset types such as apartments and logistics facilities, following the backdrop of a favorable financing environment, and multiple large-scale transactions, such as the sale of the head office buildings were observed.

(NOTE) For more information on the survey, please refer to the website (<https://soken.xymax.co.jp/>) of Xymax Real Estate Institute Co., Ltd.

### III. Management Status

As of the last day of the fiscal period under review, XYMAX REIT had 13 properties in its portfolio. Its total acquisition price stood at 34,105 million yen, a total leasable area at 76,010.33 m<sup>2</sup> and total leased area at 75,168.96 m<sup>2</sup>. The occupancy rate as of the last day of the fiscal period under review was 98.9%.

### IV. Financing Status

#### (Equity Financing)

In the fiscal period under review, XYMAX REIT did not procure funds through issuance of new investment units. As of the last day of the fiscal period under review, unitholders' capital was 22,585 million yen.

#### (Debt Financing)

In the period under review, XYMAX REIT borrowed a new loan of 1,100 million yen on September 1, 2020 and applied it to the part of purchase price of the new property. In addition, XYMAX REIT implemented re-financing of both short-term loans of 1,914 million yen and long-term loans of 2,336 million yen on January 29, 2021, the maturity date of such loans.

As a result, as of the last day of the fiscal period under review, the balance of loans outstanding was 12,780 million yen.

### V. Overview of Business Performance

Business performance in the fiscal period under review resulted in operating revenue of 1,293 million yen, operating income of 716 million yen, ordinary income of 651 million yen and net income of 650 million yen.

Concerning distribution for the fiscal period under review, pursuant to the distribution policy provided in XYMAX REIT's Articles of Incorporation, the decision was made to distribute unappropriated retained earnings in the amount of 650,317,400 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (223,400 units) by application of special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended)). This resulted in distribution per unit of 2,911 yen.

## (2) Outlook for the Next Fiscal Period

### I. General Management Outlook

#### (A) External Growth Strategy

Capture wide range of real estate disposition needs through real estate management customer base  
XYMAX REIT captures real estate disposition needs from the customer base of the XYMAX Group based on a sponsor support agreement with XYMAX Corporation with the aim to lead such needs to property acquisition opportunities for XYMAX REIT.

#### (B) Internal Growth Strategy

Utilization of the real estate management insight and know-how and network of the XYMAX Group

Through the sponsor support agreement with XYMAX Group, XYMAX REIT is provided with various real estate management insight, know-how, databases, management systems, private fund management experience, etc. On this basis, XYMAX REIT can and will perform stable and efficient management.

(C) Financial Strategy

Financial management with emphasis on stability and soundness, and LTV ratio control

XYMAX REIT shall execute a financial strategy that places emphasis on stability and soundness and secure agility in fund procurement, taking into consideration the securing of stable revenue over the medium to long term, steady growth in size of assets under management and stability of management.

II. Significant Subsequent Events

Not applicable.

III. Operating Forecasts

XYMAX REIT's operating forecasts for the fiscal period ending August 2021 (from March 1, 2021 to August 31, 2021) and Fiscal Period Ending February 2022 (from September 1, 2021 to February 28, 2022) are as follows:

	Operating revenue	Operating income	Ordinary income	Net income	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
	million yen	million yen	million yen	million yen	yen	yen
Fiscal period ending Aug. 2021	1,291	676	623	622	2,788	-
Fiscal period ending Feb. 2022	1,321	706	641	640	2,867	-

Furthermore, for the assumptions underlying the operating forecasts, please refer to "Assumptions Underlying the Operating Forecasts for the Fiscal Period Ending August 2021 (from March 1, 2021 to August 31, 2021) and Fiscal Period Ending February 2022 (from September 1, 2021 to February 28, 2022)" presented later in this document.

(Note) The forecast figures above are the current forecast figures calculated under certain assumptions. Accordingly, the actual operating revenue, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit may vary due to changes in the circumstances. In addition, the forecasts are not a guarantee of the amount of distribution.

Assumptions Underlying the Operating Forecasts for the Fiscal Period Ending August 2021 (from March 1, 2021 to August 31, 2021) and Fiscal Period Ending February 2022 (from September 1, 2021 to February 28, 2022)

Item	Assumption																								
Accounting period	<ul style="list-style-type: none"> <li>● Fiscal period ending August 2021 (7th fiscal period) (from March 1, 2021 to August 31, 2021) (184 days)</li> <li>● Fiscal period ending February 2022 (8th fiscal period) (from September 1, 2021 to February 28, 2022) (181 days)</li> </ul>																								
Assets under management	<ul style="list-style-type: none"> <li>● The assumption is that the real estate trust beneficiary rights held by XYMAX REIT as of August 31, 2020 (total of 12 properties) and the real estate trust beneficiary rights of Life Fukuizumi Store acquired on September 1, 2020 [total of 13 properties](hereinafter, the "current portfolio assets") will continue to be held and there will be no acquisition of new properties other than the current portfolio assets through to the end of the fiscal period ending February 2022 (8th fiscal period).</li> <li>● Change may arise due to acquisition of new properties other than the current portfolio assets, disposition of the current portfolio assets, etc.</li> </ul>																								
Operating revenue	<ul style="list-style-type: none"> <li>● Operating revenue from leasing is calculated on the basis of various factors, such as the content of lease agreements entered into for the current portfolio assets and past tenant and market trends, and by taking into account various factors, such as the assumed occupancy rate and rent fluctuation projections based on tenant move-in/move-out and rent level projections.</li> <li>● Variable rent is budgeted assuming the negative impact of the spread of COVID-19 will be prolonged at least more than 12 month onward. Therefore, the budgeted amount was calculated in accordance with the formula set-forth in the Lease Agreement based on the conservatively amended operating budget prepared by the operator. In addition, the operator petitioned for commencement of civil rehabilitation proceedings to the Tokyo District Court and it has been accepted, then the Court decided to commence the procedures on March 18, 2021. During the process, XYMAX REIT received the operator's intention to continue the operation of the subject hotel based on the current Lease Agreement in writing. Therefore, XYMAX REIT assumes the rent conditions agreed with the operator will continue to be effective. [Hotel Vista Sendai]</li> </ul> <p>Fixed rent: 20 million yen per month from fiscal period ending February 2022 (8th Fiscal period)</p> <p>Variable rent: For the fiscal period ending August 2021 (7th fiscal period), calculated by multiplying GOP of the current month (Note 1) by a certain percentage (Note 2) For the fiscal period ending February 2022, calculated by multiplying the amount obtained by subtracting 21 million yen from the GOP of the current month (Note 3) by a certain percentage (Note 2).</p> <p>(Note 1) If the GOP of the current month becomes negative, the variable rent for the current month shall be 0 yen.</p> <p>(Note 2) The percentage shall not be disclosed because the consent of the Lessee has not been obtained.</p> <p>(Note 3) If the amount obtained by subtracting 21 million yen from the GOP of the current month becomes negative, the variable rent for the current month shall be 0 yen</p> <ul style="list-style-type: none"> <li>● The assumption is that there will be no delinquent or unpaid rent by tenants and no gain (loss) on sales of real estate properties.</li> </ul>																								
Operating expenses	<ul style="list-style-type: none"> <li>● Of operating expenses, the main components are as follows: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th>Fiscal period ending Aug. 2021 (7th fiscal period)</th> <th>Fiscal period ending Feb. 2022 (8th fiscal period)</th> </tr> </thead> <tbody> <tr> <td>Expenses related to leasing business [Total]</td> <td>494 million yen</td> <td>493 million yen</td> </tr> <tr> <td>    Management fees</td> <td>84 million yen</td> <td>84 million yen</td> </tr> <tr> <td>    Repair expenses</td> <td>29 million yen</td> <td>37 million yen</td> </tr> <tr> <td>    Property taxes</td> <td>137 million yen</td> <td>137 million yen</td> </tr> <tr> <td>    Depreciation</td> <td>135 million yen</td> <td>140 million yen</td> </tr> <tr> <td>Other than expenses related to leasing business [Total]</td> <td>120 million yen</td> <td>122 million yen</td> </tr> <tr> <td>    Asset management fees</td> <td>75 million yen</td> <td>75 million yen</td> </tr> </tbody> </table> </li> <li>● Expenses related to leasing business, which are the main operating expenses, are calculated on the basis of historical data at XYMAX REIT (historical data disclosed by the previous owner, etc. in the case of periods for which there is no historical data at XYMAX REIT) and by taking into consideration factors causing fluctuation in expenses.</li> <li>● Depreciation is calculated using the straight-line method inclusive of incidental expenses, etc.</li> <li>● Repair expenses are the amount necessary in each fiscal period as assumed on a property-by-property basis by the Asset Management Company. However, repair expenses possibly increasing in amount or</li> </ul>		Fiscal period ending Aug. 2021 (7th fiscal period)	Fiscal period ending Feb. 2022 (8th fiscal period)	Expenses related to leasing business [Total]	494 million yen	493 million yen	Management fees	84 million yen	84 million yen	Repair expenses	29 million yen	37 million yen	Property taxes	137 million yen	137 million yen	Depreciation	135 million yen	140 million yen	Other than expenses related to leasing business [Total]	120 million yen	122 million yen	Asset management fees	75 million yen	75 million yen
	Fiscal period ending Aug. 2021 (7th fiscal period)	Fiscal period ending Feb. 2022 (8th fiscal period)																							
Expenses related to leasing business [Total]	494 million yen	493 million yen																							
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Other than expenses related to leasing business [Total]	120 million yen	122 million yen																							
Asset management fees	75 million yen	75 million yen																							

Item	Assumption
	additionally arising from unforeseeable factors, the amount generally tending to vary materially from fiscal year to fiscal year and not being an amount that arises periodically, etc. may result in repair expenses for each fiscal period differing materially from the forecast amount.
Non-operating expenses	<ul style="list-style-type: none"> <li>● For the fiscal period ending August 2021 (7th fiscal period), interest expenses and other borrowing related expenses are assumed to be 53 million yen.</li> <li>● For the fiscal period ending February 2022 (8th fiscal period), interest expenses and other borrowing related expenses are assumed to be 64 million yen.</li> </ul>
Interest-bearing liabilities	<ul style="list-style-type: none"> <li>● The assumption is that total interest-bearing liabilities will be 12,780 million yen at the end of the fiscal period ending August 2021 (7th fiscal period) and 12,780 million yen at the end of the fiscal period ending February 2022 (8th fiscal period). Short-term loans of 500 million yen and long-term loans of 3,088 million are due in the fiscal period ending February 2022. The assumption is that these will be repaid with funds procured through loans, etc.</li> <li>● LTV ratio is expected to be 34.0% at the end of the fiscal period ending August 2021 (7th fiscal period) and 34.0 % at the end of the fiscal period ending February 2022 (8th fiscal period). In addition, the following formula is used in the calculation of LTV ratio.  <math display="block">\text{LTV ratio} = \frac{\text{Total interest-bearing liabilities}}{\text{Total assets}} \times 100</math> </li> </ul>
Investment units	<ul style="list-style-type: none"> <li>● The assumption is the total number of investment units issued and outstanding is 223,400 units as of the end of the fiscal period ended February 2021 and that there will be no change in the number of investment units due to issuance of new investment units, etc. through to the end of the fiscal period ending February 2022 (8th fiscal period).</li> <li>● Distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit are calculated on the basis of the forecast total number of investment units issued and outstanding at the end of the fiscal period ending August 2021 (7th fiscal period) and fiscal period ending February 2022 (8th fiscal period) of 223,400 units.</li> </ul>
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> <li>● Distribution per unit (excluding distribution in excess of earnings) is calculated based on the assumption that distribution will be in accordance with the cash distribution policy provided in XYMAX REIT's Articles of Incorporation.</li> <li>● Distribution per unit (excluding distribution in excess of earnings) may vary due to various factors, such as fluctuation in rent revenue accompanying change in assets under management, change in tenants, etc. or incurrence of unexpected repairs.</li> </ul>
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>● No cash distribution in excess of earnings (distribution in excess of earnings per unit) is scheduled to be made at this point in time.</li> </ul>
Other	<ul style="list-style-type: none"> <li>● The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations provided by Tokyo Stock Exchange, rules provided by The Investment Trusts Association, Japan, etc. that will impact the forecast figures above.</li> <li>● The assumption is that there will be no unforeseen material change in general economic trends, real estate market conditions, etc.</li> </ul>



## 2. Financial Statements

## (1) Balance Sheet

(Unit: thousand yen)

	5th fiscal period (As of Aug. 31, 2020)	6th fiscal period (As of Feb. 28, 2021)
<b>Assets</b>		
Current assets		
Cash and bank deposits	1,022,211	986,598
Cash and bank deposits in trust	1,974,404	1,881,240
Operating accounts receivable	21,642	17,736
Prepaid expenses	32,279	37,043
Other	554	865
Total current assets	3,051,092	2,923,484
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	109,618	109,618
Accumulated depreciation	(69,781)	(82,383)
Tools, furniture and fixtures, net	39,837	27,234
Buildings in trust	9,309,855	9,524,508
Accumulated depreciation	(539,569)	(657,756)
Buildings in trust, net	8,770,285	8,866,751
Structures in trust	54,827	73,944
Accumulated depreciation	(4,415)	(5,989)
Structures in trust, net	50,411	67,954
Tools, furniture and fixtures in trust	28,437	29,743
Accumulated depreciation	(3,402)	(5,877)
Tools, furniture and fixtures in trust, net	25,034	23,865
Land in trust	24,606,271	25,529,781
Construction in progress in trust	5,511	-
Total property, plant and equipment	33,497,350	34,515,588
Investments and other assets		
Long-term prepaid expenses	39,058	46,443
Deferred tax assets	11	13
Lease and guarantee deposits	22,600	22,600
Other	106,862	128,095
Total investments and other assets	168,532	197,153
Total non-current assets	33,665,883	34,712,741
Total assets	36,716,975	37,636,226

(Unit: thousand yen)

	5th fiscal period (As of Aug. 31, 2020)	6th fiscal period (As of Feb. 28, 2021)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	125,758	100,018
Short-term loans payable	814,000	500,000
Current portion of long-term borrowings	2,336,000	3,088,000
Accounts payable - other	105,716	94,359
Income taxes payable	841	891
Accrued consumption taxes	34,459	7,973
Advances received	198,430	166,214
Other	3,501	9,347
<b>Total current liabilities</b>	<b>3,618,707</b>	<b>3,966,804</b>
Non-current liabilities		
Long-term loans payable	8,530,000	9,192,000
Tenant leasehold and security deposits in trust	1,258,186	1,241,265
<b>Total non-current liabilities</b>	<b>9,788,186</b>	<b>10,433,265</b>
<b>Total liabilities</b>	<b>13,406,893</b>	<b>14,400,070</b>
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	22,585,746	22,585,746
Surplus		
Unappropriated retained earnings (undisposed loss)	724,336	650,410
<b>Total surplus</b>	<b>724,336</b>	<b>650,410</b>
<b>Total unitholders' equity</b>	<b>23,310,082</b>	<b>23,236,156</b>
<b>Total net assets</b>	<b>※<sub>1</sub> 23,310,082</b>	<b>※<sub>1</sub> 23,236,156</b>
<b>Total liabilities and net assets</b>	<b>36,716,975</b>	<b>37,636,226</b>

## (2) Statement of Income

(Unit: thousand yen)

	5th fiscal period From: Mar. 1, 2020 To: Aug. 31, 2020	6th fiscal period From: Sep. 1, 2020 To: Feb. 28, 2021
<b>Operating revenue</b>		
Leasing business revenue	※ <sup>1</sup> 1,258,613	※ <sup>1</sup> 1,200,153
Other leasing business revenue	※ <sup>1</sup> 105,909	※ <sup>1</sup> 93,222
<b>Total operating revenue</b>	<b>1,364,523</b>	<b>1,293,375</b>
<b>Operating expenses</b>		
Expenses related to leasing business	※ <sup>1</sup> 469,247	※ <sup>1</sup> 456,312
Asset management fees	78,106	76,213
Asset custody fees	823	826
Administrative service fees	9,932	10,641
Directors' compensations	2,400	2,400
Other operating expenses	32,050	30,499
<b>Total operating expenses</b>	<b>592,560</b>	<b>576,894</b>
<b>Operating income</b>	<b>771,962</b>	<b>716,481</b>
<b>Non-operating income</b>		
Interest income	14	14
Insurance payment received	-	475
<b>Total non-operating income</b>	<b>14</b>	<b>490</b>
<b>Non-operating expenses</b>		
Interest expenses	36,745	37,894
Borrowing related expenses	10,194	27,850
<b>Total non-operating expenses</b>	<b>46,940</b>	<b>65,744</b>
<b>Ordinary income</b>	<b>725,036</b>	<b>651,227</b>
<b>Income before income taxes</b>	<b>725,036</b>	<b>651,227</b>
Income taxes - current	843	893
Income taxes - deferred	4	(2)
<b>Total income taxes</b>	<b>848</b>	<b>891</b>
<b>Net income</b>	<b>724,188</b>	<b>650,336</b>
Retained earnings brought forward	147	73
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>724,336</b>	<b>650,410</b>

## (3) Statement of Unitholders' Equity

5th fiscal period (from March 1, 2020 to August 31, 2020)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance as of March 1, 2020	22,585,746	671,911	671,911	23,257,657	23,257,657
Changes of items during period					
Dividends of surplus		(671,763)	(671,763)	(671,763)	(671,763)
Net income		724,188	724,188	724,188	724,188
Total changes during period	-	52,424	52,424	52,424	52,424
Balance as of August 31, 2020	*1 22,585,746	724,336	724,336	23,310,082	23,310,082

6th fiscal period (from September 1, 2020 to February 28, 2021)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance as of September 1, 2020	22,585,746	724,336	724,336	23,310,082	23,310,082
Changes of items during period					
Dividends of surplus		(724,262)	(724,262)	(724,262)	(724,262)
Net income		650,336	650,336	650,336	650,336
Total changes during period	-	(73,925)	(73,925)	(73,925)	(73,925)
Balance as of February 28, 2021	*1 22,585,746	650,410	650,410	23,236,156	23,236,156

(4) Statement of Cash Distribution

Classification	5th fiscal period From: Mar. 1, 2020 To: Aug. 31, 2020	6th fiscal period From: Sep. 1, 2020 To: Feb. 28, 2021
I. Unappropriated retained earnings	724,336,212 yen	650,410,246 yen
II. Amount of distribution [Amount of distribution per unit]	724,262,800 yen [3,242 yen]	650,317,400 yen [2,911 yen]
III. Retained earnings carried forward	73,412 yen	92,846 yen
Method of calculation of amount of distribution	<p>Pursuant to the cash distribution policy stipulated in Article 35, Paragraph 1 of XYMAX REIT's Articles of Incorporation, amount of distribution must be equal or less than the amount of profit and exceed 90% of XYMAX REIT's distributable profit that is defined by Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, XYMAX REIT has decided to distribute 724,262,800 yen, which is the maximum value of the integral multiple of the total number of units issued and outstanding (223,400 units), not exceeding unappropriated retained earnings.</p> <p>XYMAX REIT does not make distribution in excess of earnings defined by Article 35, Paragraph 2 of XYMAX REIT's Articles of Incorporation.</p>	<p>Pursuant to the cash distribution policy stipulated in Article 35, Paragraph 1 of XYMAX REIT's Articles of Incorporation, amount of distribution must be equal or less than the amount of profit and exceed 90% of XYMAX REIT's distributable profit that is defined by Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, XYMAX REIT has decided to distribute 650,317,400 yen, which is the maximum value of the integral multiple of the total number of units issued and outstanding (223,400 units), not exceeding unappropriated retained earnings.</p> <p>XYMAX REIT does not make distribution in excess of earnings defined by Article 35, Paragraph 2 of XYMAX REIT's Articles of Incorporation.</p>

## (5) Statement of Cash Flows

(Unit: thousand yen)

	5th fiscal period From: Mar. 1, 2020 To: Aug. 31, 2020	6th fiscal period From: Sep. 1, 2020 To: Feb. 28, 2021
<b>Cash flows from operating activities</b>		
Income before income taxes	725,036	651,227
Depreciation	129,226	134,838
Interest income	(14)	(14)
Interest expenses	36,745	37,894
Decrease (increase) in operating accounts receivable	2,261	3,906
Decrease (increase) in prepaid expenses	1,467	(4,764)
Increase (decrease) in operating accounts payable	12,325	(28,705)
Increase (decrease) in accounts payable - other	9,427	(5,845)
Increase (decrease) in accrued consumption taxes	5,112	(26,486)
Increase (decrease) in advances received	14,734	(32,216)
Decrease (increase) in long-term prepaid expenses	2,052	(7,385)
Other	(16,030)	(18,258)
Subtotal	922,345	704,190
Interest income received	14	14
Interest expenses paid	(36,943)	(37,420)
Income taxes paid	(939)	(843)
Net cash provided by (used in) operating activities	884,477	665,941
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(121,636)	(1,155,620)
Repayments of tenant leasehold and security deposits in trust	(17,399)	(80,874)
Proceeds from tenant leasehold and security deposits in trust	22,611	65,723
Net cash provided by (used in) investing activities	(116,424)	(1,170,772)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	-	1,600,000
Decrease in short-term loans payable	-	(1,914,000)
Increase in long-term loans payable	-	3,750,000
Decrease in long-term loans payable	-	(2,336,000)
Dividends paid	(672,343)	(723,945)
Net cash provided by (used in) financing activities	(672,343)	376,054
Net increase (decrease) in cash and cash equivalents	95,710	(128,776)
Cash and cash equivalents at beginning of period	2,900,905	2,996,615
Cash and cash equivalents at end of period	*1 2,996,615	*1 2,867,839

(6) Notes on the Going Concern Assumption  
Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

<p>1. Method of depreciation of non-current assets</p>	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is adopted. Furthermore, the useful life of core property, plant and equipment is as follows: Buildings 3-63 years Structures 10-51 years Tools, furniture and fixtures 2-13 years</p> <p>(2) Long-term prepaid expenses The straight-line method is adopted.</p>
<p>2. Standards for revenue and expense recognition</p>	<p>Accounting for fixed property tax, etc. For fixed property tax, city planning tax, depreciable property tax, etc. on real estate or trust beneficiary rights that have real estate as trust assets held, the accounting is that, of the tax amount assessed and determined, the amount corresponding to the fiscal period is expensed as expenses related to rent business. Furthermore, the amount equivalent to fixed property tax, etc. in the initial fiscal year borne by XYMAX REIT upon acquisition of real estate or trust beneficiary rights that have real estate as trust assets is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc. In the fiscal period under review, amount of fixed property tax, etc. included in the cost of acquisition of the real estate, etc. is 4,383 thousand yen. No such cost of acquisition was occurred in the previous fiscal period.</p>
<p>3. Method of hedge accounting</p>	<p>(1) Hedge accounting approach Special accounting is adopted for interest rate swaps that meet the requirements for special treatment.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transaction Hedged items: Interest on loans</p> <p>(3) Hedging policy XYMAX REIT conducts derivative transactions for the purpose of hedging the risks provided in its Articles of Incorporation based on its risk management policy.</p> <p>(4) Method of assessing the effectiveness of hedging The assessment of the effectiveness is omitted for interest rate swaps that meet the requirements for special treatment.</p>
<p>4. Scope of funds in the statement of cash flows</p>	<p>The funds (cash and cash equivalents) in the statement of cash flows comprise cash on hand and cash in trust, demand deposits and bank deposits in trust, and short-term investments with a maturity of 3 months or less from the date of acquisition that are readily convertible to cash and that are subject to a low risk of changes in value.</p>
<p>5. Other significant matters serving as the basis for preparation of the financial statements</p>	<p>(1) Accounting for trust beneficiary rights that have real estate, etc. as trust assets Concerning trust beneficiary rights that have real estate, etc. as trust assets held, all accounts of assets and liabilities within trust assets and all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and the statement of income. Furthermore, the following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet. (i) Cash and bank deposits in trust (ii) Buildings in trust; Structures in trust; Tools, furniture and fixtures in trust; Land in trust; Construction in progress in trust (iii) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting for consumption tax, etc. The accounting for consumption tax and local consumption tax is that the taxes are excluded from transaction amounts. Furthermore, non-deductible consumption tax, etc. on acquisition of assets is included in the cost of acquisition of each asset.</p>

[Accounting standards not yet applied]

- Income Recognition Accounting Standard for Revenue Recognition (ASBJ Statement No.29, on March 31, 2020, Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, on March 31, 2020, Accounting Standards Board of Japan)
- Implementation Guidance on Disclosure about Fair Value of Financial Instruments ( ASBJ Guidance No. 19, on March 31, 2020, Accounting Standards Board of Japan)

\* 1. Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) jointly developed comprehensive accounting standards for revenue recognition. In May 2014, the International Accounting Standards Board and the Financial Accounting Standards Board published "Revenue from Contracts with Customers" (IFRS No. 15 in IASB and Topic606 in FASB). IFRS No. 15 has been applied from the fiscal year beginning on or after January 1, 2018, and Topic606 has been applied from the fiscal year beginning on or after December 15, 2017. In light of these circumstances, the Comprehensive Accounting Standards for Revenue Recognition have been developed and published in conjunction with the Guidelines by the Corporate Accounting Standards Board. The Basic Policy for Developing Accounting Standards for Revenue Recognition by the Corporate Accounting Standards Board is to establish accounting standards starting from the incorporation of the Basic Principles of IFRS No. 15 from the standpoint of comparability between financial statements, which is one of the benefits that are consistent with IFRS No. 15, and to add alternative treatment to the extent that comparability is not impaired, if there are items that should be considered in the practice that have been carried out in Japan.

\*2. Scheduled date for application

Effective from the beginning of the fiscal year ending February 2022.

\*3. Impact of adoption of these accounting standards

The impact on the financial statements of the adoption of the "Accounting Standard for Revenue Recognition" and other standards is currently being evaluated.

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, on July 4, 2019 Accounting Standards Board of Japan)
- Accounting Standard for Financial Instruments (ASBJ Statement No. 10, on July 4, 2019 Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, on July 4, 2019, Accounting Standards Board of Japan)
- Implementation Guidance on Disclosure about Fair Value of Financial Instruments ( ASBJ Guidance No. 19, on March 31, 2020, Accounting Standards Board of Japan)

\* 1. Overview

IASB and FASB have established detailed guidance for fair value measurement (IFRS 13 "Fair Value Measurement" by IFRS and Topic 820 "Fair Value Measurement" by FASB). In order to improve the comparability between the international accounting standard and Japanese accounting standard, ASBJ has mainly considered guidance and disclosure on fair value of financial instruments and published the accounting standard and implementation guidance for fair value measurement accordingly.

As the basic policy of ASBJ for the development of accounting standard for fair value measurement, ASBJ basically adopted all provisions of IFRS 13 by using a unified calculation method, from the point of view of improving the comparability between the financial statements based on IFRS or U.S. GAAP and Japanese GAAP. Moreover, in consideration of the actual practice conducted in Japan, other treatments for individual items are established within the scope not to fail the comparability

\*2. Scheduled date for application

Effective from the beginning of the fiscal year ending February 2022.

\*3. Impact of adoption of these accounting standards

The impact on the financial statements of the adoption of the Accounting Standard for the Calculation of Market Value, etc. is currently being evaluated.



- Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No.31, on March 31, 2020, Accounting Standards Board of Japan)

\* 1. Overview

With regard to “sources of estimation uncertainty” which are required to be disclosed under Paragraph 125 of International Accounting Standard (“IAS”) 1 “Presentation of Financial Statements” (“IAS 1”) issued in 2003 by IASB, ASBJ was requested to examine disclosures of such information under Japanese GAAP as useful information for users of financial statements. Accordingly, ASBJ has developed and published the accounting standard for disclosures of accounting estimates (the “Accounting Standard”).

The basic policy of ASBJ for the development of the Accounting Standard was to provide general principles (disclosure objectives) instead of expanding required information in the notes, and an entity shall determine specific disclosures in accordance with its disclosure objectives. The development of this standard is based on Paragraph 125 of IAS 1.

\*2. Scheduled date for application

Effective from the beginning of the fiscal year ending August 2021.

- Accounting Standard for Accounting Policy Disclosures, Accounting Changes, and Error Corrections (ASBJ Statement No.24, on March 31, 2020, Accounting Standards Board of Japan)

\* 1. Overview

Following the recommendation to examine enhancements to note concerning “application of principles of accounting policies and procedures where provisions related accounting standards are not available,” necessary amendments were made and the accounting standard for accounting policy disclosures, accounting changes, and error corrections was published by ASBJ.

When enhancing note information concerning “application of principles of accounting policies and procedures where provisions of related accounting standards are not available,” in order to ensure consistency with past actual practice in case the provisions of related accounting standards are clear, the provisions in the Notes on Corporate Accounting Principles (Note 1-2) have been followed.

\*2. Scheduled date for application

Effective from the beginning of the fiscal year ending August 2021.

(8) Notes on the Financial Statements

[Notes on the Balance Sheet]

\*1. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

5th fiscal period (As of Aug. 31, 2020)	6th fiscal period (As of Feb. 28, 2021)
50,000 thousand yen	50,000 thousand yen

[Notes on the Statement of Income]

\*1. Breakdown of operating income (loss) from real estate leasing business

	(Unit: thousand yen)			
	5th fiscal period From: Mar. 1, 2020 To: Aug. 31, 2020		6th fiscal period From: Sep. 1, 2020 To: Feb. 28, 2021	
<b>A. Operating revenue from real estate leasing business</b>				
Lease business revenue				
Rent revenue	1,107,412		1,052,005	
Common area maintenance revenue	151,201	1,258,613	148,148	1,200,153
Other lease business revenue				
Utility reimbursement	54,508		53,885	
Parking revenue	31,548		32,164	
Other rental revenue	19,852	105,909	7,172	93,222
<b>Total operating revenue from real estate leasing</b>	<b>1,364,523</b>		<b>1,293,375</b>	
<b>B. Operating expenses from real estate leasing</b>				
Expenses related to leasing business				
Tax and public dues	133,746		133,386	
Maintenance fees	84,120		84,331	
Utility expenses	49,901		45,456	
Repair expenses	31,670		31,927	
Insurance premiums	3,541		3,517	
Depreciation	129,226		134,838	
Other expenses related to rent business	37,040	469,247	22,854	456,312
<b>Total operating expenses from real estate leasing</b>	<b>469,247</b>		<b>456,312</b>	
<b>C. Operating income (loss) from real estate leasing [A-B]</b>	<b>895,276</b>		<b>837,062</b>	

## [Notes on the Statement of Unitholders' Equity]

## \*1. Total number of investment units authorized and total number of investment units issued and outstanding

	5th fiscal period From: Mar. 1, 2020 To: Aug. 31, 2020	6th fiscal period From: Sep. 1, 2020 To: Feb. 28, 2021
Total number of investment units authorized	5,000,000 units	5,000,000 units
Total number of investment units issued and outstanding	223,400 units	223,400 units

## [Notes on the Statement of Cash Flows]

## \*1. Reconciliation of cash and cash equivalents at end of period to the amount of balance sheet items

(Unit: thousand yen)

	5th fiscal period From: Mar. 1, 2020 To: Aug. 31, 2020	6th fiscal period From: Sep. 1, 2020 To: Feb. 28, 2021
Cash and bank deposits	1,022,211	986,598
Cash and bank deposits in trust	1,974,404	1,881,240
Cash and cash equivalents	2,996,615	2,867,839

## [Notes on Financial Instruments]

## 1. Matters concerning status of financial instruments

## (1) Policy for handling financial instruments

XYMAX REIT shall procure funds for acquisition of assets, repayment of liabilities, etc. through issuance of investment units, borrowing from financial institutions, issuance of investment corporation bonds, etc. Due consideration shall be given to the balance between agility in fund procurement and financial stability when procuring funds.

Surplus funds may be invested in securities and monetary claims, but shall be invested as bank deposits as a rule in consideration of security.

Derivative transactions may be utilized only if for the purpose of hedging the risk of fluctuation in interest rates, etc., but no speculative transactions shall be conducted.

## (2) Description of financial instruments and associated risks, and risk management system

Bank deposits are those for investing XYMAX REIT's surplus funds and are exposed to credit risk, such as failure of the depository financial institutions, but the credit risk is limited by limiting the deposit period to short term and transacting with depository financial institutions that have high credit rating.

Loans are those for mainly the purpose of acquisition of real estate, etc., repayment of liabilities, etc. and are exposed to the liquidity risk of not being able to procure substitute funds upon maturity, but the liquidity risk is mitigated through diversification of fund procurement means and sources, staggering of maturities and securing liquidity on hand and the liquidity risk is also managed by preparing monthly fund management plans and other means. In addition, loans with floating interest rates are exposed to the risk of rise in interest rates payable, but the impact of the rise in market interest rates on XYMAX REIT's operations is limited by keeping the ratio of interest-bearing liabilities to total assets at a low level and maintaining a balance between the ratio of loans with floating interest rates and the ratio of loans with fixed interest rates.

Derivative transactions are utilized for the purpose of hedging the risk of fluctuation in interest rates payable on certain loans. For the hedge accounting approach, hedged items, contract amount, etc., please refer to "2. Matters concerning fair value, etc. of financial instruments."

Tenant leasehold and security deposits are deposits from tenants and are exposed to liquidity risk from tenants vacating, but the risk is limited by retaining an amount in the range that will not hinder the return of deposits as a rule.

## (3) Supplementary explanation to matters concerning fair value, etc. of financial instruments

The fair value of financial instruments is values based on market price, but may otherwise include values based on reasonable calculation when no market price is available. Variable factors are taken into account in the calculation of the concerned values. Accordingly, the concerned values may vary when different assumptions are adopted. In addition, the contract amount, etc. of derivative transactions in “2. Matters concerning fair value, etc. of financial instruments” do not itself represent the market risk involved in the derivative transactions.

## 2. Matters concerning fair value, etc. of financial instruments

The following are the carrying amount and fair value as of August 31, 2020, and the amount of difference between these. Financial instruments for which estimation of fair value is recognized to be extremely difficult are not included in the following table. (Please refer to Note 2 below.)

	Carrying amount (thousand yen)	Fair value (thousand yen)	Amount of difference (thousand yen)
(1) Cash and bank deposits	1,022,211	1,022,211	-
(2) Cash and bank deposits in trust	1,974,404	1,974,404	-
Total assets	2,996,615	2,996,615	-
(1) Short-term loans payable	814,000	814,000	-
(2) Current portion of long-term borrowings	2,336,000	2,336,000	-
(3) Long-term loans payable	8,530,000	8,567,813	37,813
Total liabilities	11,680,000	11,717,813	37,813
Derivative transactions	-	-	-

The following are the carrying amount and fair value as of February 28, 2021, and the amount of difference between these. Financial instruments for which estimation of fair value is recognized to be extremely difficult are not included in the following table. (Please refer to Note 2 below.)

	Carrying amount (thousand yen)	Fair value (thousand yen)	Amount of difference (thousand yen)
(1) Cash and bank deposits	986,598	986,598	-
(2) Cash and bank deposits in trust	1,881,240	1,881,240	-
Total assets	2,867,839	2,867,839	-
(1) Short-term loans payable	500,000	500,000	-
(2) Current portion of long-term borrowings	3,088,000	3,088,000	-
(3) Long-term loans payable	9,192,000	9,200,968	8,968
Total liabilities	12,780,000	12,788,968	8,968
Derivative transactions	-	-	-

(Note 1) Method of calculation of the fair value of financial instruments and matters concerning derivative transactions

Assets

## (1) Cash and bank deposits; (2) Cash and bank deposits in trust

Because these are settled in a short period of time, the fair value is approximately the same as the book value and thus stated at that book value.

Liabilities

## (1) Short-term loans payable

Because these are settled in a short period of time and have floating interest rates, the fair value is approximately the same as the book value and thus stated at that book value.

## (2) Current portion of long-term borrowings, (3) Long-term loans payable

Of long-term loans payable, because those with floating interest rates reflect market interest rates in a short period of time, the fair value is thought to resemble the book value and thus stated at that book value. However, in the case of long-term loans payable with floating interest rates that qualify for special treatment for interest rate swaps (please refer to “Notes on Derivative Transactions” presented later in this document) and long-term loans payable with fixed interest rates, the fair value is calculated based on the present value of their future cash flows discounted by the time to maturity and rate adjusted for credit risks.

Derivative transactions

Please refer to “Notes on Derivative Transactions” below

(Note 2) Financial instruments for which estimation of fair value is recognized to be extremely difficult

	5th fiscal period (As of Aug. 31, 2020)	6th fiscal period (As of Feb. 28, 2021)
Tenant leasehold and security deposits in trust	1,258,186 thousand yen	1,241,265 thousand yen

\* Tenant leasehold and security deposits in trust are not subject to disclosure of fair value, because there being no market price and, even if the lease contract period has been set, there being the possibility of contract cancellation before expiration or contract extension or renewal make calculating the actual deposit period impossible and reasonable projection of future cash flows is thus recognized to be extremely difficult.

(Note 3) Amount of redemption of monetary claims scheduled to be due after the end of the fiscal period (August 31, 2020)

(Unit: thousand yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Cash and bank deposits	1,022,211	-	-	-	-	-
Cash and bank deposits in trust	1,974,404	-	-	-	-	-
Total	2,996,615	-	-	-	-	-

Amount of redemption of monetary claims scheduled to be due after the end of the fiscal period (February 28, 2021)

(Unit: thousand yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Cash and bank deposits	986,598	-	-	-	-	-
Cash and bank deposits in trust	1,881,240	-	-	-	-	-
Total	2,867,839	-	-	-	-	-

(Note 4) Amount of repayment of loans scheduled to be due after the end of the fiscal period (August 31, 2020)

(Unit: thousand yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Short-term loans payable	814,000	-	-	-	-	-
Long-term loans payable	2,336,000	3,088,000	2,646,000	2,796,000	-	-
Total	3,150,000	3,088,000	2,646,000	2,796,000	-	-

Amount of repayment of loans scheduled to be due after the end of the fiscal period (February 28, 2021)

(Unit: thousand yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Short-term loans payable	500,000	-	-	-	-	-
Long-term loans payable	3,088,000	2,796,000	3,426,000	1,920,000	1,050,000	-
Total	3,588,000	2,796,000	3,426,000	1,920,000	1,050,000	-

## [Notes on Derivative Transactions]

## 1. Derivative transactions to which hedge accounting is not applied

5th fiscal period (as of August 31, 2020)

Not applicable.

6th fiscal period (as of February 28, 2021)

Not applicable.

## 2. Derivative transactions to which hedge accounting is applied

5th fiscal period (as of August 31, 2020)

The following is the contract amount or the amount equivalent to the principal provided in the contract, etc. at the end of the fiscal period for each hedge accounting approach.

(Unit: thousand yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value
				Of which, due after 1 year	
Special treatment for interest rate swaps	Interest rate swap transaction (receive floating; pay fixed)	Long-term loans payable	2,336,000	-	(Note 2)

(Note 1) Contract amount, etc. is based on notional principal.

(Note 2) Since those with special treatment for interest rate swaps are treated integrally with hedged long-term loans payable, the fair values of such are included in the fair value of said long-term loans payable. (Please refer to [Notes on Financial Instruments] 2. Matters concerning fair value, etc. of financial instruments (Note 1) Method of calculation of the fair value of financial instruments and matters concerning derivative transactions, Liabilities (2) Current portion of long-term borrowings.)

6th fiscal period (as of February 28, 2021)

The following is the contract amount or the amount equivalent to the principal provided in the contract, etc. at the end of the fiscal period for each hedge accounting approach.

(Unit: thousand yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value
				Of which, due after 1 year	
Special treatment for interest rate swaps	Interest rate swap transaction (receive floating; pay fixed)	Long-term loans payable	630,000	630,000	(Note 2)

(Note 1) Contract amount, etc. is based on notional principal.

(Note 2) Since those with special treatment for interest rate swaps are treated integrally with hedged long-term loans payable, the fair values of such are included in the fair value of said long-term loans payable. (Please refer to [Notes on Financial Instruments] 2. Matters concerning fair value, etc. of financial instruments (Note 1) Method of calculation of the fair value of financial instruments and matters concerning derivative transactions, Liabilities (3) Long-term loans payable.

## [Notes on Tax-Effect Accounting]

## 1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

(Unit: thousand yen)

	5th fiscal period (As of Aug. 31, 2020)	6th fiscal period (As of Feb. 28, 2021)
Deferred tax assets		
Non-deductible accrued enterprise tax	11	13
Total	11	13
Deferred tax assets, net	11	13

2. Breakdown of major components that caused any significant differences between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

(Unit: %)

	5th fiscal period (As of Aug. 31, 2020)	6th fiscal period (As of Feb. 28, 2021)
Statutory tax rate	31.46	31.46
[Adjustments]		
Distribution deductible for tax purposes	(31.43)	(31.42)
Other	0.09	0.10
Effective income tax rate after application of tax-effect accounting	0.12	0.14

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholder, etc.

5th fiscal period (from March 1, 2020 to August 31, 2020)

Not applicable.

6th fiscal period (from September 1, 2020 to February 28, 2021)

Not applicable.

2. Affiliated company, etc.

5th fiscal period (from March 1, 2020 to August 31, 2020)

Not applicable.

6th fiscal period (from September 1, 2020 to February 28, 2021)

Not applicable.

3. Fellow subsidiary, etc.

5th fiscal period (from March 1, 2020 to August 31, 2020)

Not applicable.

6th fiscal period (from September 1, 2020 to February 28, 2021)

Not applicable.

## 4. Director, major individual unitholder, etc.

## 5th fiscal period (from March 1, 2020 to August 31, 2020)

Attribute	Name of company, etc.	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held by (in) XYMAX REIT (%)	Description of relationship		Description of transaction	Transaction amount (thousand yen) (Note 2)	Account item	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Description of relationship				
Director	Nobuhito Inatsuki	-	-	Executive Director of XYMAX REIT, and Representative Director and President of XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation	-		Executive Director of XYMAX REIT, and Representative Director and President of XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation	Asset management fee (Note 3)	78,106	Accounts payable - other	85,917

(Note 1) The above discloses a related-party transaction which includes a material transaction, among related-party transactions subject to disclosure.

(Note 2) Of the amounts above, transaction amount does not include consumption tax, etc., while balance at end of period includes consumption tax, etc.

(Note 3) The amount of asset management fee is for transactions conducted by Nobuhito Inatsuki as representative of XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation, and transaction amount is based on the terms and conditions provided in XYMAX REIT's Articles of Incorporation.

(Note 4) Transaction terms and conditions are decided based on the actual market situation.

## 6th fiscal period (from September 1, 2020 to February 28, 2021)

Attribute	Name of company, etc.	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held by (in) XYMAX REIT (%)	Description of relationship		Description of transaction	Transaction amount (thousand yen) (Note 2)	Account item	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Description of relationship				
Director	Nobuhito Inatsuki	-	-	Executive Director of XYMAX REIT, and Representative Director and President of XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation	-		Executive Director of XYMAX REIT, and Representative Director and President of XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation	Asset management fee (Note 3)	76,213	Accounts payable - other	83,835

(Note 1) The above discloses a related-party transaction which includes a material transaction, among related-party transactions subject to disclosure.

(Note 2) Of the amounts above, transaction amount does not include consumption tax, etc., while balance at end of period includes consumption tax, etc.

(Note 3) The amount of asset management fee is for transactions conducted by Nobuhito Inatsuki as representative of XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation, and transaction amount is based on the terms and conditions provided in XYMAX REIT's Articles of Incorporation.

(Note 4) Transaction terms and conditions are decided based on the actual market situation.



[Notes on Segment Information, Etc.]

1. Segment information

Segment information is omitted, because XYMAX REIT has a single segment, which is the real estate leasing business.

2. Related information

5th fiscal period (from March 1, 2020 to August 31, 2020)

(1) Information by product and service

Information by product and service is omitted, because operating revenue to external customers for a single products and services category is in excess of 90% of operating revenue on the statement of income.

(2) Information by geographic area

(i) Operating revenue

Information by geographic area of operating revenue is omitted, because operating revenue to external customers in Japan is in excess of 90% of operating revenue on the statement of income.

(ii) Property, plant and equipment

Information by geographic area of property, plant and equipment is omitted, because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information by major customer

(Unit: thousand yen)

Name of customer	Operating revenue	Related segment
New Urban Life Holdings Inc.	Not disclosed (Note)	Real estate leasing business
XYMAX Corporation	141,284	Real estate leasing business

(Note) Not disclosed due to unavoidable circumstances in that consent for disclosure has not been obtained from the lessee.

6th fiscal period (from September 1, 2020 to February 28, 2021)

(1) Information by product and service

Information by product and service is omitted, because operating revenue to external customers for a single products and services category is in excess of 90% of operating revenue on the statement of income.

(2) Information by geographic area

(i) Operating revenue

Information by geographic area of operating revenue is omitted, because operating revenue to external customers in Japan is in excess of 90% of operating revenue on the statement of income.

(ii) Property, plant and equipment

Information by geographic area of property, plant and equipment is omitted, because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information by major customer

(Unit: thousand yen)

Name of customer	Operating revenue	Related segment
New Urban Life Holdings Inc.	Not disclosed (Note)	Real estate leasing business
Nohara Holdings, Inc	Not disclosed (Note)	Real estate leasing business

(Note) Not disclosed due to unavoidable circumstances in that consent for disclosure has not been obtained from the lessee.

## [Notes on Investment and Rental Properties]

XYMAX REIT owns office, retail, hotel, and other properties for the purpose of earning revenue from leasing. The carrying amount, amount of increase (decrease) during period and fair value of these investment and rental properties are as follows:

(Unit: thousand yen)

	5th fiscal period From: Mar. 1, 2020 To: Aug. 31, 2020	6th fiscal period From: Sep. 1, 2020 To: Feb. 28, 2021
Carrying amount	33,491,839	34,515,588
Balance at beginning of period	33,476,361	33,491,839
Amount of increase (decrease) during period	15,478	1,023,748
Balance at the end of the period	33,491,839	34,515,588
Fair value at the end of the period	43,225,000	44,416,000

(Note 1) Carrying amount is the amount of cost of acquisition, less accumulated depreciation.

(Note 2) Of the amount of increase (decrease) during period for 5th fiscal period, the amount of increase is mainly attributable to capital expenditure (144,705 thousand yen), while the amount of decrease is mainly attributable to depreciation (129,226 thousand yen). Of the amount of increase (decrease) during period for 6th fiscal period, the amount of increase is mainly attributable to the acquisition of one trust beneficiary right (1,085,958 thousand yen) and capital expenditure (72,627 thousand yen), while the amount of decrease is mainly attributable to depreciation (134,838 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser.

(Note 4) Carrying amount does not include Construction in progress in trust.

The income (loss) concerning investment and rental properties is disclosed in "Notes on the Statement of Income."

## [Notes on Per Unit Information]

	5th fiscal period From: Mar. 1, 2020 To: Aug. 31, 2020	6th fiscal period From: Sep. 1, 2020 To: Feb. 28, 2021
Net assets per unit	104,342 yen	104,011 yen
Net income per unit	3,241 yen	2,911 yen

(Note 1) Net income per unit for 6th fiscal period is calculated by dividing net income by the period's daily weighted average number of investment units. In addition, diluted net income per unit is not stated, because there are no diluted investment units.

(Note 2) The basis for calculation of net income per unit is as follows:

	5th fiscal period From: Mar. 1, 2020 To: Aug. 31, 2020	6th fiscal period From: Sep. 1, 2020 To: Feb. 28, 2021
Net income (thousand yen)	724,188	650,336
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	724,188	650,336
Average number of investment units during the period (units)	223,400	223,400

## [Notes on Significant Subsequent Events]

Not applicable.

## [Omission of Disclosure]

Disclosure of notes on lease transactions, securities, retirement benefits, equity in net income and asset retirement obligations is omitted since no substantial need for disclosure in the financial report is recognized.

## (9) Changes in Total Number of Investment Units Issued and Outstanding

Changes in unitholders' capital and the total number of investment units issued and outstanding from the incorporation of XYMAX REIT to the last day of the fiscal period under review are as follows:

Date	Description	Total number of investment units issued and outstanding (units)		Unitholders' capital (thousand yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
Sep. 14, 2017	Incorporation through private placement	3,000	3,000	300,000	300,000	(Note 1)
Feb. 14, 2018	Capital increase through public offering	209,905	212,905	21,224,544	21,524,544	(Note 2)
Mar. 20, 2018	Third-party allotment	10,495	223,400	1,061,201	22,585,746	(Note 3)

(Note 1) XYMAX REIT was incorporated with issuance of investment units at an issue price of 100,000 yen per unit.

(Note 2) New investment units were issued through public offering at an issue price of 105,000 yen (paid-in amount of 101,115 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 3) New investment units were issued with SMBC Nikko Securities Inc. as allottee at a paid-in amount of 101,115 yen per unit.

## 3. Reference Information

## (1) Investment Status

Type of asset	Use	Geographic area (Note 1)	5th fiscal period As of Aug. 31, 2020		6th fiscal period As of Feb. 28, 2021	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate in trust	Office	Tokyo central 5 wards	14,444	39.3	14,438	38.4
		Tokyo 23 wards	1,176	3.2	1,173	3.1
		Tokyo economic area	2,591	7.1	2,599	6.9
	Retail	Tokyo economic area	8,206	22.4	8,193	21.8
		Cabinet order designated cities	-	-	1,083	2.9
	Hotel	Cabinet order designated cities	4,307	11.7	4,277	11.4
	Other	Cabinet order designated cities	2,765	7.5	2,749	7.3
Total real estate in trust			33,491	91.2	34,515	91.7
Deposits and other assets (Note 4)			3,225	8.8	3,120	8.3
Total assets			36,716	100.0	37,636	100.0

(Note 1) "Tokyo central 5 wards" refers to Tokyo's Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward and Shibuya Ward.

"Tokyo 23 wards" does not include "Tokyo central 5 wards."

"Tokyo economic area" refers to Tokyo excluding "Tokyo central 5 wards" and "Tokyo 23 wards", Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture.

(Note 2) "Total amount held" is based on the carrying amount (in the case of real estate in trust, the depreciated book value) as of the end of each fiscal period, rounded down to the nearest million yen. Furthermore, the total amount held for real estate in trust as "Hotel" includes the book value of movables incidental to hotels.

(Note 3) "As a percentage of total assets" is rounded to one decimal place.

(Note 4) Deposits and other assets include Construction in progress in trust.

	5th fiscal period As of Aug. 31, 2020		6th fiscal period As of Feb. 28, 2021	
	Amount (million yen) (Note 1)	As a percentage of total assets (%) (Note 2)	Amount (million yen) (Note 1)	As a percentage of total assets (%) (Note 2)
Total liabilities	13,406	36.5	14,400	38.3
Total net assets	23,310	63.5	23,236	61.7
Total assets	36,716	100.0	37,636	100.0

(Note 1) The total liabilities, total net assets and total assets amounts are based on the carrying amounts as of the book closing date, rounded down to the nearest million yen.

(Note 2) "As a percentage of total assets" is rounded to one decimal place.

## (2) Investment Assets

## I. Itemization of Real Estate and Other Assets in the Portfolio

The assets held by XYMAX REIT (real estate or trust beneficiary rights that have real estate as trust assets; hereinafter, may be collectively referred to as the “portfolio assets”) as of February 28, 2021 are as follows:

Classification	Asset no. (Note 1)	Asset name	Location	Acquisition date	Acquisition price (million yen) (Note 2)	Share of portfolio (%) (Note 3)	Book value at end of period (million yen)	Appraisal value (million yen) (Note 4)	Ownership status
Office	OF-01	XYMAX Nishi-Shimbashi Building	Minato-ku, Tokyo	Feb. 16, 2018	2,500	7.3	2,515	3,120	Trust beneficiary rights
	OF-02	XYMAX Iwamotocho Building	Chiyoda-ku, Tokyo	Feb. 16, 2018	4,250	12.5	4,368	5,740	Trust beneficiary rights
	OF-03	XYMAX Shinjuku-Gyoen Building	Shinjuku-ku, Tokyo	Feb. 16, 2018	5,020	14.7	5,058	7,300	Trust beneficiary rights
	OF-04	XYMAX Kamiyacho Building	Minato-ku, Tokyo	Feb. 16, 2018	880	2.6	890	1,220	Trust beneficiary rights
	OF-05	XYMAX Higashi-Azabu Building	Minato-ku, Tokyo	Feb. 16, 2018	1,550	4.5	1,605	2,140	Trust beneficiary rights
	OF-06	XYMAX Higashi-Ueno Building	Taito-ku, Tokyo	Feb. 16, 2018	1,150	3.4	1,173	1,620	Trust beneficiary rights
	OF-07	XYMAX Hachioji Building	Hachioji-shi, Tokyo	Feb. 16, 2018	2,600	7.6	2,599	3,570	Trust beneficiary rights
	Subtotal/Average			-	-	17,950	52.6	18,211	24,710
Retail	RT-01	Muza Kawasaki	Kawasaki-shi, Kanagawa	Feb. 16, 2018	4,100	12.0	4,095	5,390	Trust beneficiary rights
	RT-02	Life Kawasaki Miyuki Store	Kawasaki-shi, Kanagawa	Feb. 16, 2018	790	2.3	794	976	Trust beneficiary rights
	RT-03	Vita Seiseki-Sakuragaoka	Tama-shi, Tokyo	Feb. 16, 2018	3,100	9.1	3,303	3,870	Trust beneficiary rights
	RT-04	Life Fukuizumi Store	Sakai-shi, Osaka	Sep. 1, 2020	1,065	3.1	1,083	1,090	Trust beneficiary rights
	Subtotal/Average			-	-	9,055	26.6	9,277	11,326
Hotel	HT-01	Hotel Vista Sendai	Sendai-shi, Miyagi	Feb. 16, 2018	4,400	12.9	4,277	5,170	Trust beneficiary rights and movables incidental to hotel
	Subtotal/Average			-	-	4,400	12.9	4,277	5,170
Other	OT-01	Renaissance 21 Chihaya	Fukuoka-shi, Fukuoka	Feb. 16, 2018	2,700	7.9	2,749	3,210	Trust beneficiary rights
	Subtotal/Average			-	-	2,700	7.9	2,749	3,210
Total/Average			-	-	34,105	100.0	34,515	44,416	-

(Note 1) “Asset no.” is the code and number assigned to the portfolio assets of XYMAX REIT property by property according to each type of use. The code “OF” represents office properties, “RT” represents retail properties, “HT” represents hotel properties and “OT” represents other properties.

(Note 2) “Acquisition price” is the amount (the amount of the sale and purchase price of real estate, etc. stated in the trust beneficiary right sale and purchase contract for each portfolio asset) not including the various expenses required for the acquisition of the portfolio assets (brokerage fees, property taxes, etc.), rounded down to the nearest million yen. The sale and purchase price does not include consumption tax and local consumption tax.

(Note 3) “Share of portfolio” is the acquisition price of the portfolio asset expressed as a percentage of the total acquisition price of the portfolio assets, rounded to one decimal place.

(Note 4) Appraisal of each property is entrusted to Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd. and Daiwa Real Estate Appraisal Co., Ltd. “Appraisal value” is the appraisal value stated in each real estate appraisal report with February 28, 2021 as the date of value.

## II. Status of Leasing

Asset no.	Asset name	Construction date (Note 1)	Number of tenants (Note 2)	Operating revenue from leasing (million yen) (Note 3)	Security deposit / Guarantee (million yen) (Note 4)	Leased area (m <sup>2</sup> ) (Note 5)	Leasable area (m <sup>2</sup> ) (Note 6)	Occupancy rate (%) (Note 7)
OF-01	XYMAX Nishi-Shimbashi Building	Aug. 22, 2000	8	81	127	1,897.75	1,897.75	100.0
OF-02	XYMAX Iwamotocho Building	Mar. 22, 2001	14	140	187	4,152.30	4,152.30	100.0
OF-03	XYMAX Shinjuku-Gyoen Building	Feb. 28, 2001	6	184	259	4,792.13	4,792.13	100.0
OF-04	XYMAX Kamiyacho Building	Apr. 30, 1991	7	41	50	1,205.29	1,205.29	100.0
OF-05	XYMAX Higashi-Azabu Building	Nov. 30, 1999	4	47	61	1,511.97	2,016.00	75.0
OF-06	XYMAX Higashi-Ueno Building	Apr. 9, 1999	8	48	70	1,735.34	1,735.34	100.0
OF-07	XYMAX Hachioji Building	Jan. 26, 1993	23	127	153	5,322.89	5,556.03	95.8
RT-01	Muza Kawasaki	Jan. 7, 2004	18	171	216	3,703.87	3,703.87	100.0
RT-02	Life Kawasaki Miyuki Store	Jan. 13, 1997	1	Undisclosed (Note 8)	Undisclosed (Note 8)	2,677.54	2,677.54	100.0
RT-03	Vita Seiseki-Sakuragaoka	Sep. 17, 1999	1	Undisclosed (Note 8)	Undisclosed (Note 8)	27,610.61	27,610.61	100.0
RT-04	Life Fukuizumi Store	Dec. 17, 1996	1	Undisclosed (Note 8)	Undisclosed (Note 8)	3,309.29	3,309.29	100.0
HT-01	Hotel Vista Sendai	Mar. 14, 2016	1	Undisclosed (Note 8)	Undisclosed (Note 8)	7,066.25	7,066.25	100.0
OT-01	Renaissance 21 Chihaya	Oct. 19, 2006	139	109	24	10,183.73	10,287.93	99.0
Total/Average		-	231	1,293	1,241	75,168.96	76,010.33	98.9

(Note 1) "Construction date" is the date of new construction of the main building stated in the real estate registry.

(Note 2) "Number of tenants" is the total of the number of tenants (the number of end-tenants if a pass-through type master lease contract has been concluded) pertaining to the real estate in trust based on each lease contract concluded for each real estate in trust as of February 28, 2021.

(Note 3) "Operating revenue from leasing" is the total amount of rent revenue, common area maintenance revenue, parking revenue and other revenue (including other lease business revenue) generated from portfolio real estate during the fiscal period, rounded down to the nearest specified unit.

(Note 4) "Security deposit / Guarantee" is each property's total amount of security deposit and guarantee specified in all lease contracts pertaining to the real estate in trust concluded for each real estate in trust as of February 28, 2021, rounded down to the nearest specified unit.

(Note 5) "Leased area" is the total leased area based on the lease contract and the building drawing, etc. attached to the lease contract for each real estate in trust as of February 28, 2021.

(Note 6) "Leasable area" is the total leased area based on the lease contract and the building drawing, etc. attached to the lease contract for each real estate in trust as of February 28, 2021 and the area based on the building drawing, etc. of vacant spaces.

(Note 7) "Occupancy rate" is the ratio of leased area to leasable area for each real estate in trust as of February 28, 2021, rounded to one decimal place.

(Note 8) Not disclosed due to unavoidable circumstances in that consent for disclosure has not been obtained from the lessee.

## III. Summary of Real Estate Appraisal Reports

Classification	Asset no.	Asset name	Appraiser (Note 2)	Appraisal value (million yen)	Value based on income approach				
					Value based on direct capitalization method (million yen)	Capitalization rate (%)	Value based on DCF method (million yen)	Discount rate (%)	Terminal capitalization rate (%)
Office	OF-01	XYMAX Nishi-Shimbashi Building	Tanizawa Sōgō Appraisal	3,120	3,260	3.7	3,060	3.8	3.9
	OF-02	XYMAX Iwamotocho Building	Japan Real Estate	5,740	5,840	3.5	5,640	3.3	3.7
	OF-03	XYMAX Shinjuku-Gyoen Building	Japan Real Estate	7,300	7,430	3.5	7,170	3.3	3.7
	OF-04	XYMAX Kamiyacho Building	Tanizawa Sōgō Appraisal	1,220	1,260	3.8	1,200	3.9	4.0
	OF-05	XYMAX Higashi-Azabu Building	Daiwa Real Estate Appraisal	2,140	2,200	3.8	2,110	3.6	4.0
	OF-06	XYMAX Higashi-Ueno Building	Daiwa Real Estate Appraisal	1,620	1,630	3.9	1,610	3.7	4.1
	OF-07	XYMAX Hachioji Building	Japan Real Estate	3,570	3,610	4.8	3,520	4.6	5.0
	Subtotal/Average				24,710	25,230	-	24,310	-
Retail	RT-01	Muza Kawasaki	Tanizawa Sōgō Appraisal	5,390	5,330	4.1	5,420	4.2	4.3
	RT-02	Life Kawasaki Miyuki Store	Daiwa Real Estate Appraisal	976	989	4.2	970	4.0	4.4
	RT-03	Vita Seiseki-Sakuragaoka	Tanizawa Sōgō Appraisal	3,870	3,780	5.0	3,910	5.1	5.2
	RT-04	Life Fukuizumi Store	Daiwa Real Estate Appraisal	1,090	1,100	4.5	1,080	4.3	4.7
	Subtotal/Average				11,326	11,199	-	11,380	-
Hotel	HT-01	Hotel Vista Sendai	Tanizawa Sōgō Appraisal	5,170	5,250	5.0	5,130	4.9	5.0
	Subtotal/Average				5,170	5,250	-	5,130	-
Other	OT-01	Renaissance 21 Chihaya	Tanizawa Sōgō Appraisal	3,210	3,280	4.9	3,180	5.0	5.1
	Subtotal/Average				3,210	3,280	-	3,180	-
Total/Average				44,416	44,959	-	44,000	-	-

(Note 1) The date of value for the real estate appraisal reports is February 28, 2021.

(Note 2) "Appraiser" is the name of the appraiser shortened as follows:

Japan Real Estate: Japan Real Estate Institute

Tanizawa Sōgō Appraisal: The Tanizawa Sōgō Appraisal Co., Ltd.

Daiwa Real Estate Appraisal: Daiwa Real Estate Appraisal Co., Ltd.

## IV. Summary of Engineering Reports and Seismic Risk Evaluation Reports

Asset no.	Asset name	Engineering report				Seismic risk evaluation report		
		Inspection company (Note 1)	Inspection date	Short-term repair cost (thousand yen) (Note 2) (Note 3)	Long-term repair cost (thousand yen) (Note 2) (Note 4)	Inspection company (Note 1)	Inspection date	PML value (%)
OF-01	XYMAX Nishi-Shimbashi Building	Sompo Risk Management Inc.	Nov. 30, 2017	-	4,503	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	6.1
OF-02	XYMAX Iwamotocho Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 30, 2017	-	12,297	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	5.2
OF-03	XYMAX Shinjuku-Gyoen Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 30, 2017	-	10,665	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	4.5
OF-04	XYMAX Kamiyacho Building	Earth-Appraisal Co., Ltd.	Nov. 30, 2017	-	7,737	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	3.8
OF-05	XYMAX Higashi-Azabu Building	Earth-Appraisal Co., Ltd.	Nov. 30, 2017	-	4,282	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	3.4
OF-06	XYMAX Higashi-Ueno Building	Earth-Appraisal Co., Ltd.	Nov. 30, 2017	-	2,820	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	5.1
OF-07	XYMAX Hachioji Building	Sompo Risk Management Inc.	Nov. 30, 2017	-	13,742	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	3.9
RT-01	Muza Kawasaki	Earth-Appraisal Co., Ltd.	Nov. 30, 2017	-	13,357	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	1.2
RT-02	Life Kawasaki Miyuki Store	Daiwa Real Estate Appraisal Co., Ltd.	Nov. 30, 2017	-	3,662	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	7.0
RT-03	Vita Seiseki-Sakuragaoka	Daiwa Real Estate Appraisal Co., Ltd.	Nov. 30, 2017	-	150,664	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	2.1
RT-04	Life Fukuizumi Store	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Aug. 24, 2020	-	3,626	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Aug. 2020	14.7
HT-01	Hotel Vista Sendai	Daiwa Real Estate Appraisal Co., Ltd.	Nov. 30, 2017	-	8,071	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	1.7
OT-01	Renaissance 21 Chihaya	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 30, 2017	-	13,916	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2017	1.7
Total				-	249,342	Entire portfolio (Note 5)		2.0

(Note 1) Company names in "Inspection company" are the names when the inspection was performed.

(Note 2) "Short-term repair cost" and "Long-term repair cost" are indicated based on the engineering report.

(Note 3) "Short-term repair cost" refers to the cost for repair or upgrading that has priority over daily maintenance and indicates the total amount of estimates of repair costs deemed necessary within one year from the date of the engineering report.

(Note 4) "Long-term repair cost" refers to the cost for repair or upgrading to maintain functions and safe operations against the deterioration with age and indicates the total amount of repair/upgrading costs deemed necessary within 12 years from the date of the engineering report, which is the annual average calculated by the Asset Management Company, rounded to the nearest thousand yen. For Muza Kawasaki and Vita Seiseki-Sakuragaoka, amounts corresponding to the ownership ratios (6.9% and 49.6% respectively, rounded down to one decimal place) are indicated.

(Note 5) "Entire portfolio" is a PML value for a group of the 13 portfolio assets, obtained in the same manner as for each property based on the seismic risk evaluation (portfolio) report dated August 2020 prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd.



## V. Capital Expenditures

## (A) Schedule of Capital Expenditures

Of capital expenditures associated with renovation work, etc. currently planned for assets held by XYMAX REIT as of the end of the fiscal period under review, the following are the major estimated amounts. The estimated construction costs below may include the portion separately booked as expenses in accounting.

Name of real estate, etc.	Location	Purpose	Scheduled period	Estimated construction costs (thousand yen)		
				Total amount	Amount of payment during period	Total amount already paid
Vita Seiseki-Sakuragaoka	Tama-shi, Tokyo	Replacement of automatic fire alarm system	From: March 2021 To: March 2021	65,953	-	-
Vita Seiseki-Sakuragaoka	Tama-shi, Tokyo	Overhaul & parts exchange of Parking A (located on basement floor)	From: July 2021 To: July 2021	38,530	-	-
XYMAX Hachioji Building	Hachioji-shi Tokyo	Exterior wall repair work	From: July 2021 To: July 2021	84,586	-	-

## (B) Capital Expenditures during the Fiscal Period

The construction work, etc. falling under the category of capital expenditures conducted in the fiscal period under review for assets held by XYMAX REIT as of the end of the fiscal period under review amounted to 72,627 thousand yen. Combined with repair expenses booked as expenses in the fiscal period under review (31,927 thousand yen), construction work, etc. totaling 104,555 thousand yen was conducted.

Furthermore, there were no Important Capital Expenditures made to the portfolio assets in the fiscal period under review.

## VI. Property Overview and Earnings/Expenses of Properties

XYMAX Nishi-Shimbashi Building			Category	Office
<b>Overview of the Specified Asset</b>			<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018		Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	2,500 million yen		Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right		(1) Operating expenses from real estate leasing	
Trustee	Sumitomo Mitsui Trust Bank, Ltd.		Lease business revenue	76,468
Location (residential address)	2-6-2 Nishi-Shimbashi, Minato-ku, Tokyo		Other lease business revenue	5,394
Land	Lot Number	2-10-16 Nishi-Shimbashi, Minato-ku, Tokyo, and other	Total operating revenue from real estate leasing	81,863
	Building Coverage Ratio	80%	(2) Operating expenses from real estate leasing	
	Floor-Area Ratio	700%	Tax and public dues	6,913
	Land Use District	Commercial district	Maintenance fees	5,363
	Site Area	402.53 m <sup>2</sup>	Utility expenses	3,649
	Type of ownership	Ownership	Repair expenses	1,095
Building	Construction Date	August 22, 2000	Insurance premiums	61
	Structure/Number of Floors	Reinforced concrete structure with flat roof 9F	Depreciation	2,626
	Total Floor Area	2,517.50 m <sup>2</sup>	Other expenses related to lasing business	2,890
	Architect	RUI SEKKEISHITSU Co., Ltd.	Total operating expenses from real estate leasing	22,600
	Builder	Fujiki Komuten Co., Ltd.	(3) NOI	61,889
	Type of Ownership	Ownership	(4) Operating income (loss) from real estate leasing	59,263
ML Company	-			
PM Company	XYMAX ALPHA Corporation			
Notes: There is a 2-meter setback from the centerline of the road on the south side of the property. However, the Site Area includes the setback portion (33.96 m <sup>2</sup> ).				

XYMAX Iwamotocho Building		Category	Office	
<b>Overview of the Specified Asset</b>		<b>Earnings and Expenses (Unit: thousand yen)</b>		
Acquisition Date	February 16, 2018	Management Period	from September 1, 2020 to February 28, 2021	
Acquisition Price	4,250 million yen	Number of operating days	181 days	
Type of Specified Asset	Trust beneficiary right	(1) Operating expenses from real estate leasing		
Trustee	Sumitomo Mitsui Trust Bank, Ltd.	Lease business revenue	125,028	
Location (residential address)	2-3-3 Iwamotocho, Chiyoda-ku, Tokyo	Other lease business revenue	15,555	
Land	Lot Number	2-175-2 Iwamotocho, Chiyoda-ku, Tokyo	Total operating revenue from real estate leasing	140,583
	Building Coverage Ratio	80%	(2) Operating expenses from real estate leasing	
	Floor-Area Ratio	800%、600%	Tax and public dues	13,403
	Land Use District	Commercial district	Maintenance fees	10,218
	Site Area	864.83 m <sup>2</sup>	Utility expenses	7,041
	Type of ownership	Ownership	Repair expenses	2,525
Building	Construction Date	March 22, 2001	Insurance premiums	218
	Structure/Number of Floors	Steel-framed reinforced concrete structure with flat roof B1F/9F	Depreciation	13,259
	Total Floor Area	6,261.06 m <sup>2</sup>	Other expenses related to lasing business	1,416
	Architect	Nikken Sekkei Ltd.	Total operating expenses from real estate leasing	48,082
	Builder	Kumagai-Sumitomo Construction Consortium	(3) NOI	105,760
	Type of Ownership	Ownership	(4) Operating income (loss) from real estate leasing	92,501
ML Company	Godo Kaisha ML2			
PM Company	XYMAX ALPHA Corporation			
Notes: None				

XYMAX Shinjuku-Gyoen Building			Category	Office
<b>Overview of the Specified Asset</b>			<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018		Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	5,020 million yen		Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right		(1) Operating expenses from real estate leasing	
Trustee	Sumitomo Mitsui Trust Bank, Ltd.		Lease business revenue	173,008
Location (residential address)	1-1-11 Shinjuku, Shinjuku-ku, Tokyo		Other lease business revenue	11,587
Land	Lot Number	1-1-7 Shinjuku, Shinjuku-ku, and other	Total operating revenue from real estate leasing	184,595
	Building Coverage Ratio	80%	(2) Operating expenses from real estate leasing	
	Floor-Area Ratio	700%	Tax and public dues	14,441
	Land Use District	Commercial district	Maintenance fees	11,597
	Site Area	839.09 m <sup>2</sup>	Utility expenses	6,849
	Type of ownership	Ownership	Repair expenses	7,403
Building	Construction Date	February 28, 2001	Insurance premiums	210
	Structure/Number of Floors	Steel-construction / Reinforced concrete structure with flat roof B1F/9F	Depreciation	10,996
	Total Floor Area	6,084.32 m <sup>2</sup>	Other expenses related to leasing business	1,989
	Architect	U Associates Co., Ltd.	Total operating expenses from real estate leasing	53,487
	Builder	Kajima-Oriental Construction Consortium	(3) NOI	142,104
	Type of Ownership	Ownership	(4) Operating income (loss) from real estate leasing	131,107
ML Company	Godo Kaisha ML2			
PM Company	XYMAX ALPHA Corporation			
Notes:				
None				

XYMAX Kamiyacho Building		Category	Office
<b>Overview of the Specified Asset</b>		<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018	Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	880 million yen	Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right	(1) Operating expenses from real estate leasing	
Trustee	Sumitomo Mitsui Trust Bank, Ltd.	Lease business revenue	37,774
Location (residential address)	5-12-13 Toranomom, Minato-ku, Tokyo	Other lease business revenue	3,228
Land	Lot Number	Total operating revenue from real estate leasing	41,002
	Building Coverage Ratio	(2) Operating expenses from real estate leasing	
	Floor-Area Ratio	Tax and public dues	4,677
	Land Use District	Maintenance fees	4,506
	Site Area	Utility expenses	1,975
	Type of ownership	Repair expenses	1,147
Building	Construction Date	Insurance premiums	46
	Structure/Number of Floors	Depreciation	1,316
	Total Floor Area	Other expenses related to leasing business	856
	Architect	Total operating expenses from real estate leasing	14,524
	Builder	(3) NOI	27,794
	Type of Ownership	(4) Operating income (loss) from real estate leasing	26,477
ML Company	XYMAX ALPHA Corporation		
PM Company	XYMAX ALPHA Corporation		
Notes: None			

XYMAX Higashi-Azabu Building		Category	Office
<b>Overview of the Specified Asset</b>		<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018	Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	1,550 million yen	Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right	(1) Operating expenses from real estate leasing	
Trustee	Sumitomo Mitsui Trust Bank, Ltd.	Lease business revenue	41,530
Location (residential address)	1-5-2 Higashi-Azabu, Minato-ku, Tokyo	Other lease business revenue	5,682
Land	Lot Number	Total operating revenue from real estate leasing	47,212
	Building Coverage Ratio	(2) Operating expenses from real estate leasing	
	Floor-Area Ratio	Tax and public dues	6,367
	Land Use District	Maintenance fees	5,586
	Site Area	Utility expenses	2,142
	Type of ownership	Repair expenses	3,572
Building	Construction Date	Insurance premiums	81
	Structure/Number of Floors	Depreciation	5,688
	Total Floor Area	Other expenses related to leasing business	822
	Architect	Total operating expenses from real estate leasing	24,260
	Builder	(3) NOI	28,640
	Type of Ownership	(4) Operating income (loss) from real estate leasing	22,952
ML Company	XYMAX ALPHA Corporation		
PM Company	XYMAX ALPHA Corporation		
Notes:	None		

XYMAX Higashi-Ueno Building			Category	Office
<b>Overview of the Specified Asset</b>			<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018		Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	1,150 million yen		Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right		(1) Operating expenses from real estate leasing	
Trustee	Sumitomo Mitsui Trust Bank, Ltd.		Lease business revenue	43,172
Location (residential address)	1-11-4 Higashi-Ueno, Taito-ku, Tokyo		Other lease business revenue	5,507
Land	Lot Number	1-22-9 Higashi-Ueno, Taito-ku, Tokyo, and other	Total operating revenue from real estate leasing	48,680
	Building Coverage Ratio	80%	(2) Operating expenses from real estate leasing	
	Floor-Area Ratio	600%、500%	Tax and public dues	3,684
	Land Use District	Commercial district	Maintenance fees	4,269
	Site Area	368.84 m <sup>2</sup>	Utility expenses	2,462
	Type of ownership	Ownership	Repair expenses	666
Building	Construction Date	April 9, 1999	Insurance premiums	59
	Structure/Number of Floors	Steel-framed reinforced concrete structure with flat roof 8F	Depreciation	3,174
	Total Floor Area	1,942.54 m <sup>2</sup>	Other expenses related to leasing business	633
	Architect	Architect 5 Partnership	Total operating expenses from real estate leasing	14,951
	Builder	Tokyo Branch of Kajima Corporation	(3) NOI	36,902
	Type of Ownership	Ownership	(4) Operating income (loss) from real estate leasing	33,728
ML Company	XYMAX ALPHA Corporation			
PM Company	XYMAX ALPHA Corporation			
Notes: None				

(Note) The Site Area includes a portion of private road burden (48.62 m<sup>2</sup>).

XYMAX Hachioji Building			Category	Office
<b>Overview of the Specified Asset</b>			<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018		Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	2,600 million yen		Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right		(1) Operating expenses from real estate leasing	
Trustee	Mitsubishi UFJ Trust and Banking Corporation		Lease business revenue	111,528
Location (residential address)	25-6 Yokoyamacho, Hachioji-shi, Tokyo		Other lease business revenue	16,346
Land	Lot Number	3-2 Yokoyamacho, Hachioji-shi, Tokyo, and other	Total operating revenue from real estate leasing	127,874
	Building Coverage Ratio	80%	(2) Operating expenses from real estate leasing	
	Floor-Area Ratio	600%	Tax and public dues	8,383
	Land Use District	Commercial district	Maintenance fees	15,597
	Site Area	1,220.58 m <sup>2</sup>	Utility expenses	6,578
	Type of ownership	Ownership	Repair expenses	3,465
Building	Construction Date	January 26, 1993	Insurance premiums	272
	Structure/Number of Floors	Steel-framed reinforced concrete/ Steel-construction with flat roof B1F/9F	Depreciation	9,353
	Total Floor Area	7,404.81 m <sup>2</sup>	Other expenses related to leasing business	1,645
	Architect	NIHON SEKKEI Inc.	Total operating expenses from real estate leasing	45,296
	Builder	MATSUMURA-GUMI Corporation	(3) NOI	91,932
	Type of Ownership	Ownership	(4) Operating income (loss) from real estate leasing	82,578
ML Company	Godo Kaisha ML1			
PM Company	XYMAX ALPHA Corporation			
Notes: None				



Muza Kawasaki		Category	Retail
<b>Overview of the Specified Asset</b>		<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018	Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	4,100 million yen	Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right	(1) Operating expenses from real estate leasing	
Trustee	Sumitomo Mitsui Trust Bank, Ltd.	Lease business revenue	151,675
Location (residential address)	1310 Omiyacho, Saiwai-ku, Kawasaki-shi, Kanagawa	Other lease business revenue	19,596
Land	Lot Number	Total operating revenue from real estate leasing	
	Building Coverage Ratio	171,272	
	Floor-Area Ratio	(2) Operating expenses from real estate leasing	
	Land Use District	Tax and public dues	10,586
	Site Area	Maintenance fees	14,946
	Type of ownership	Utility expenses	13,153
Building	Construction Date	Repair expenses	3,675
	Structure/Number of Floors	Insurance premiums	188
	Total Floor Area	Depreciation	17,439
	Architect	Other expenses related to leasing business	529
	Builder	Total operating expenses from real estate leasing	60,519
	Type of Ownership	(3) NOI	128,192
ML Company	XYMAX ALPHA Corporation	(4) Operating income (loss) from real estate leasing	110,752
PM Company	XYMAX ALPHA Corporation		
Notes:			
None			

Life Kawasaki Miyuki Store		Category	Retail
<b>Overview of the Specified Asset</b>		<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018	Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	790 million yen	Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right	(1) Operating expenses from real estate leasing	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Lease business revenue	Undisclosed
Location (residential address)	4-93 Komukai-nishimachi, Saiwai-ku, Kawasaki-shi, Kanagawa	Other lease business revenue	Undisclosed
Land	Lot Number	Total operating revenue from real estate leasing	
	Building Coverage Ratio	Undisclosed	
	Floor-Area Ratio	(2) Operating expenses from real estate leasing	
	Land Use District	Tax and public dues	Undisclosed
	Site Area	Maintenance fees	Undisclosed
	Type of ownership	Utility expenses	Undisclosed
Building	Construction Date	January 13, 1997	Insurance premiums
	Structure/Number of Floors	Steel-construction with flat roof 2F	Depreciation
	Total Floor Area	2,596.80 m <sup>2</sup>	Other expenses related to leasing business
	Architect	Tokyo First-class Architect Office, Takenaka Corporation	Total operating expenses from real estate leasing
	Builder	Yokohama Branch of Takenaka Corporation	(3) NOI
	Type of Ownership	Ownership	(4) Operating income (loss) from real estate leasing
ML Company	-		22,689
PM Company	XYMAX ALPHA Corporation		21,119
Notes: Under the lease contract with the tenant, in the case the lessor intends to transfer the ownership right of the property to a third party through sale, etc., the lessor is to notify such to the lessee in advance to allow the lessee to preferentially discuss acquisition if the lessee wishes.			

Vita Seiseki-Sakuragaoka		Category	Retail
<b>Overview of the Specified Asset</b>		<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018	Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	3,100 million yen	Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right	(1) Operating expenses from real estate leasing	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Lease business revenue	Undisclosed
Location (residential address)	4-72 Sekido, Tama-shi, Tokyo	Other lease business revenue	Undisclosed
Land	Lot Number	4-72 Sekido, Tama-shi, Tokyo	Total operating revenue from real estate leasing
	Building Coverage Ratio	80%	(2) Operating expenses from real estate leasing
	Floor-Area Ratio	500%	Tax and public dues
	Land Use District	Commercial	Maintenance fees
	Site Area	4,467.51 m <sup>2</sup>	Utility expenses
	Type of ownership	Co-ownership interest in ownership right (ratio of right of site: 49.6%)	Repair expenses
Building	Construction Date	September 17, 1999	Insurance premiums
	Structure/Number of Floors	Steel-framed reinforced concrete structure/reinforced concrete structure/steel-construction with flat roof B3F/27F	Depreciation
	Total Floor Area	27,161.00 m <sup>2</sup>	Other expenses related to leasing business
	Architect	Tokyo Branch First-Class Architect Office Corporation, Housing and Urban Development Corporation	Total operating expenses from real estate leasing
	Builder	Toda-Tokyu-ICHIKEN Construction Consortium	(3) NOI
	Type of Ownership	Sectional ownership (however, for house numbers 72-3 and 72-7, co-ownership interest of 937,995/1,000,000 and 591,485/1,000,000, respectively)	(4) Operating income (loss) from real estate leasing
ML Company	-		171,279
PM Company	XYMAX ALPHA Corporation		154,662
Notes: As to the part of the building (house numbers 72-3 and 72-7), an agreement on the following matters has been concluded with the co-owners of the sections. <ul style="list-style-type: none"> <li>· Non-division covenant for five years from the conclusion date (renewed automatically unless any one of the co-owners claims not to renew at least six months prior to the expiration date)</li> <li>· When transferring or dispositioning by other means the co-ownership interest, the party must notify other co-owners (hereinafter, the "Counterparties") of such at least one month prior to the transfer or disposition in writing. The Counterparties shall have the preferential negotiation right to purchase the said co-ownership interest within 20 business days after the notice, and such purchase shall be effective after two months of a written notice stating exercise of right-to-purchase (hereinafter, the "Notice of Exercising Right-to-Purchase") reaching the party wishing to transfer the co-ownership interest. In such a case, the price shall be the value on an as-is basis, and if the parties do not reach an agreement on the price, the price shall be the real estate appraisal value as of the date of the Notice of Exercising Right-to-Purchase delivered to the party wishing to transfer the co-ownership interest.</li> </ul>			

Life Fukuizumi Store		Category	Retail	
<b>Overview of the Specified Asset</b>		<b>Earnings and Expenses (Unit: thousand yen)</b>		
Acquisition Date	September 1, 2020	Management Period	from September 1, 2020 to February 28, 2021	
Acquisition Price	1,065 million yen	Number of operating days	181 days	
Type of Specified Asset	Trust beneficiary right	(1) Operating expenses from real estate leasing		
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Lease business revenue	Undisclosed	
Location (residential address)	444-1, Kami, Nishi-ku, Sakai-shi, Osaka	Other lease business revenue	Undisclosed	
Land	Lot Number	444-1, Kami, Nishi-ku, Sakai-shi, Osaka	Total operating revenue from real estate leasing	Undisclosed
	Building Coverage Ratio	60%	(2) Operating expenses from real estate leasing	
	Floor-Area Ratio	200%	Tax and public dues	Undisclosed
	Land Use District	Category 1 residential districts	Maintenance fees	Undisclosed
	Site Area	6,225.21 m <sup>2</sup>	Utility expenses	Undisclosed
	Type of ownership	Ownership	Repair expenses	Undisclosed
Building	Construction Date	December 17, 1996	Insurance premiums	Undisclosed
	Structure/Number of Floors	Steel-construction with flat roof 2F	Depreciation	2,223
	Total Floor Area	3,358.26 m <sup>2</sup>	Other expenses related to leasing business	Undisclosed
	Architect	KAJIMA CORPORATION	Total operating expenses from real estate leasing	Undisclosed
	Builder	KAJIMA CORPORATION	(3) NOI	29,321
	Type of Ownership	Ownership	(4) Operating income (loss) from real estate leasing	27,098
ML Company	XYMAX REIT Investment Corporation			
PM Company	XYMAX KANSAI Corporation			
Notes:				
Under the lease contract with the tenant, in the case the lessor intends to transfer the ownership right of the property to a third party through sale, etc., the lessor is to notify such to the lessee in advance to allow the lessee to preferentially discuss acquisition if the lessee wishes.				

Hotel Vista Sendai		Category	Hotel
<b>Overview of the Specified Asset</b>		<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018	Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	4,400 million yen	Number of operating days	181 days
Type of Specified Asset	Trust beneficiary rights and movables property incidental to hotel	(1) Operating expenses from real estate leasing	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Lease business revenue	Undisclosed
Location (residential address)	1-7-3 Tsutsujigaoka, Miyagino-ku, Sendai-shi, Miyagi	Other lease business revenue	Undisclosed
Land	Lot Number	1-7-2 Tsutsujigaoka, Miyagino-ku, Sendai-shi, Miyagi, and other	Total operating revenue from real estate leasing
	Building Coverage Ratio	80%	(2) Operating expenses from real estate leasing
	Floor-Area Ratio	500%	Tax and public dues
	Land Use District	Commercial district	Maintenance fees
	Site Area	1,461.36 m <sup>2</sup>	Utility expenses
	Type of ownership	Ownership (partial surface right)	Repair expenses
Building	Construction Date	March 14, 2016	Insurance premiums
	Structure/Number of Floors	Steel-construction with flat roof 12F	Depreciation
	Total Floor Area	6,977.47 m <sup>2</sup>	Other expenses related to leasing business
	Architect	First-class Architect Office, AA and SUN Associates INC.	Total operating expenses from real estate leasing
	Builder	Tohoku Branch of Maeda Corporation	(3) NOI
	Type of Ownership	Ownership	(4) Operating income (loss) from real estate leasing
ML Company	-		43,560
PM Company	XYMAX ALPHA Corporation		12,939
Notes: Sendai City has sectional surface rights to part of the land (lot number 7-18) aimed at the ownership of facilities required for high-speed railway business. No ground rent arises under this surface right. (Note) The Site Area includes 524.21 m <sup>2</sup> of surface right.			

Renaissance 21 Chihaya		Category	Other (residential)
<b>Overview of the Specified Asset</b>		<b>Earnings and Expenses (Unit: thousand yen)</b>	
Acquisition Date	February 16, 2018	Management Period	from September 1, 2020 to February 28, 2021
Acquisition Price	2,700 million yen	Number of operating days	181 days
Type of Specified Asset	Trust beneficiary right	(1) Operating expenses from real estate leasing	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Lease business revenue	102,998
Location (residential address)	5-4-25 Chihaya, Higashi-ku, Fukuoka-shi, Fukuoka	Other lease business revenue	6,756
Land	Lot Number	Total operating revenue from real estate leasing 109,755	
	Building Coverage Ratio	(2) Operating expenses from real estate leasing	
	Floor-Area Ratio	Tax and public dues	8,638
	Land Use District	Maintenance fees	8,015
	Site Area	Utility expenses	1,604
	Type of ownership	Repair expenses	4,822
Building	Construction Date	Insurance premiums	291
	Structure/Number of Floors	Depreciation	19,951
	Total Floor Area	Other expenses related to leasing business	4,549
	Architect	Total operating expenses from real estate leasing	47,874
	Builder	(3) NOI	81,832
	Type of Ownership	(4) Operating income (loss) from real estate leasing	61,880
ML Company	Miyoshi Asset Management Co., Ltd.		
PM Company	Miyoshi Asset Management Co., Ltd.		
Notes: None			