



XYMAX REIT Investment Corporation

Presentation Materials

for the 5th Fiscal Period Ended August 2020

Securities Code: 3488



Basic Principles and Characteristics of XYMAX REIT

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

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

Notes

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

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



XYMAX REIT Investment Corporation






Overview of the Financial Results & Investment Management Report



Property Portfolio: Impact of COVID-19

Requests for rent reductions or waivers or cancellation of lease agreements from tenants of office and retail properties are limited. Temporary deferment of payments or allocation of rent from security deposits has been conducted for some tenants that requested rent reductions or waivers.

Impact on portfolio management

| | |
|---|--|
| Office  | <ul style="list-style-type: none"> Requests for rent reductions or waivers: 9/70 tenants (Percentage to the total portfolio rent: 7.5%) → Rent reductions or waivers: None Requests for cancellation of lease agreements due to the spread of COVID-19: 3 tenants Rent collection rate: 100% |
| Retail  | <ul style="list-style-type: none"> Requests for rent reductions or waivers: 6/20 tenants (Percentage to the total portfolio rent: 3.5%) → Rent reductions or waivers: None Deferment of payment: 1 tenant (Percentage to the total portfolio rent: 0.3%) Allocation of rent from security deposits: 1 tenant (Percentage to the total portfolio rent: 0.2%) Requests for cancellation of lease agreements due to the spread of COVID-19: None Rent collection rate excluding deferment of payments: 100% |
| Hotel  | <ul style="list-style-type: none"> Request for rent reduction: 1/1 tenant (see page 20-21) |
| Others (Residential) | <ul style="list-style-type: none"> Requests for rent reductions or waivers: 2/134 tenants (Percentage to the total portfolio rent: 0.5%) → Rent reductions or waivers: None Requests for cancellation of lease agreements due to the spread of COVID-19: None Rent collection rate excluding deferment of payments: 100% |
| Partial impact on leasing and repair | Postponement of schedule, delays in delivery of construction materials, etc. |

Response to Impacts

- In principle, we respond to tenants' requests for rent reductions and waivers in accordance with the provisions of respective lease agreements. We also respond to each tenant individually, after considering the details of their request, their business, and financial circumstances, based on the Financial Services Agency's Consideration to Companies in Relation to the Payment of Rent (Request).
To prevent the DPU from falling, we have chosen to prioritize temporary payment deferrals and appropriations from security deposits.
- Although the stagnation in negotiations associated with the declaration of a state of emergency has caused some delays in leasing activities, new contracts also have been signed after the declaration of the state of emergency.
- Due to a delay in the delivery of some construction materials, on several occasions it was difficult to do repair work within the original budget. In response, we reviewed priorities of planned works, then carried out the works according to the order of priority with full cooperation of property managers.

Overview of Financial Results (1)

Operating revenue was 1,364 million yen, down 0.3% from the latest forecast; profit was 724 million yen, up 2.9%.

Unit: million yen

| | Forecast for the 5th FP (A) | Actual results for the 5th FP (B) | Difference (B)-(A) |
|-----------------------------|-----------------------------------|---|-----------------------|
| Operating revenue | 1,368 | 1,364 | -3 |
| Operating expenses | 615 | 592 | -22 |
| Operating income | 752 | 771 | 19 |
| Ordinary income | 704 | 725 | 20 |
| Net income | 703 | 724 | 20 |
| Distribution per unit (yen) | 3,150 | 3,242 | 92 |

* Days of 5th FP: 184 days

| Main factors for difference (+: Incremental factors, - : Decremental factors) | | Convert to DPU |
|--|-------------------|-------------------|
| Operating revenue | | |
| Increase in rent revenue | +3.7 million yen | +16 yen |
| Increase in lump sum income such as key money | +5.6 million yen | +25 yen |
| Decrease in utility revenues compared to the forecast | -9.6 million yen | -43 yen |
| Operating expenses | | |
| Decrease in repair costs compared to the forecast | +8.3million yen | +37 yen |
| Decrease in utility costs compared to the forecast | +10.4 million yen | +46 yen |
| Unrealized budgeted leasing costs | +2.5million yen | +11 yen |
| Non-operating income and expenses | | |
| Decrease in interest expenses compared to the forecast | +1.5million yen | +6 yen |

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

Portfolio

| | |
|--------------------------------------|--|
| Asset size | 12 properties 33,040 million yen |
| Estimated value at the end of period | 43,225 million yen |
| Unrealized gain | 9,727 million yen (Unrealized gain ratio 29.0%) |
| NOI yield* | 6.0% |

Financial Status

| | |
|---|--------------------------------|
| Interest-bearing liabilities at the end of period | 11,680 million yen |
| LTV based on total assets | 31.8% (Appraisal LTV 25.1%) |
| Net asset per unit | 101,100 yen |
| NAV per unit | 144,643 yen |

Occupancy Rates by Asset Type

| | As of the end of 2nd FP | As of the end of 3rd FP | As of the end of 4th FP | As of the end of 5th FP | VS. previous FP |
|---|----------------------------|----------------------------|----------------------------|----------------------------|------------------|
| Entire portfolio | 98.9% | 98.8% | 98.7% | 99.2% | +0.5% |
| Office (exc. retail spaces and obligated residences) | 98.8% 99.1% | 99.5% 99.5% | 100.0% 100.0% | 98.9% 99.6% | - 1.1% - 0.4% |
| Retail | 100.0% | 100.0% | 100.0% | 100.0% | - |
| Hotel | 100.0% | 100.0% | 100.0% | 100.0% | - |
| Others (Residential) | 95.1% | 92.7% | 91.0% | 96.7% | +5.7% |

* NOI yield: annualized actual NOI for the 5th FP ÷ total acquisition price

Financial Status

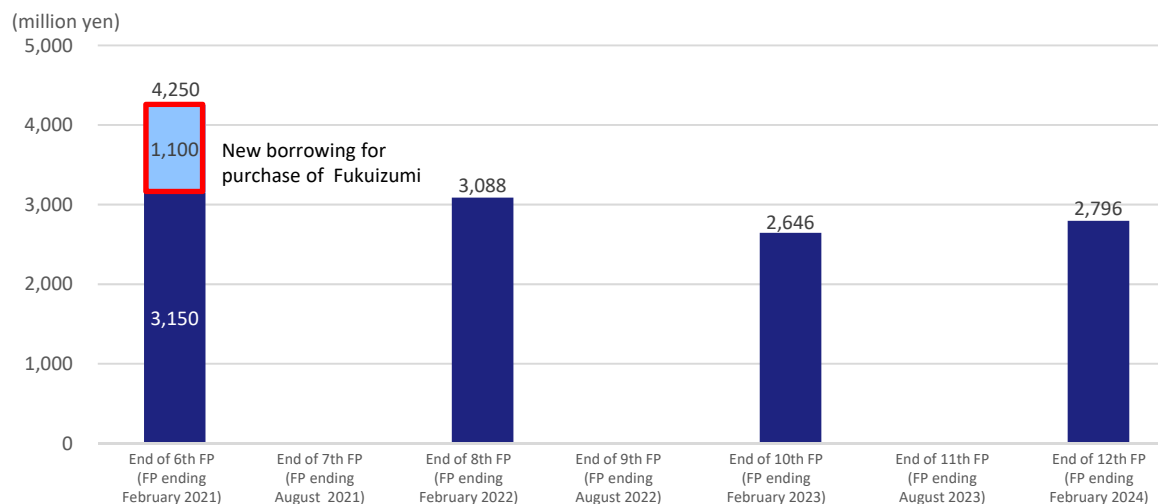
XYMAX REIT establishes a financial base that puts emphasis on stability and soundness and provides flexibility in financing.

Borrowing status (as of the end of 5th FP)

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

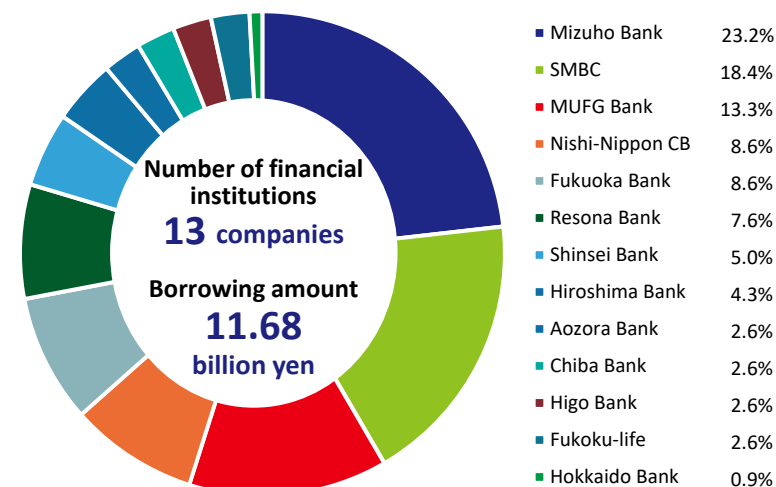
| | | |
|-----------------------------------|--------------------------|---------------------------|
| Balance of interest-bearing debts | Average remaining period | Average interest rate |
| 11.68 billion yen | 1 years 9 months | 0.624% |
| Fixed interest rate ratio | Long-term loan ratio | LTV based on total assets |
| 86.6% | 93.0% | 31.8% |

Maturity dates of interest-bearing debts (after new borrowing at September 1st, 2020)

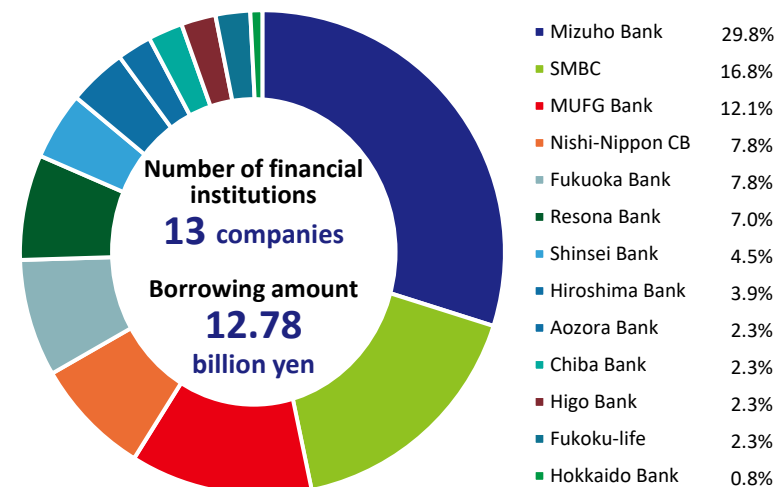


Lender foundation

- As of the end of 5th FP



- After new borrowing at September 1st, 2020



Acquisition of New Property (Life Fukuizumi Store)

We believe that the acquisition of this property, which is expected to provide a high degree of business continuity, will contribute to improving the quality of our portfolio and unitholder value.

Investment highlights

- The Acquisition of the property is expected to increase the DPU by approximately 60 yen in 6th FP in cruising periods.
- The acquisition is through face-to-face negotiations leveraging sponsor group customer base.
- The acquisition will enhance portfolio stability because the property is leased by grocery supermarket with minimal influence from COVID-19.

Life Fukuizumi Store



Overview

| | |
|---|--|
| Acquisition price | 1.065 billion yen |
| Appraisal value | 1.09 billion yen |
| Appraisal NOI yield | 4.8% |
| Appraisal NOI yield after depreciation* | 4.4% |
| Location | 444-1, Kami, Nishi-ku, Sakai-shi, Osaka |
| Access | Otori Station on the JR Hanwa Line, 12 minutes on foot |
| Leasable area | 3,309.29m ² |

Analysis

- Features of property
 - ✓ It is a two-story store with 144 parking lots adjacent to Route 36, which is a community road in the neighborhood. The store format is highly convenient for short-time shopping.
- Overview of the surrounding area
 - ✓ As a suburb of three major metropolitan areas, the population in the trading area is the average level:
 - approx. 29,000 people in 1 km radius, 103,000 in 2km, and 218,000 in 3km radius
 - ✓ Population composition in current trading areas is particularly high for people in their 30s and 40s, followed by people under 10, indicating that the market has many younger families.
 - ✓ This location is suitable for supermarkets as the percentage of households with one person is low, and the percentage of households with two or more persons is high.

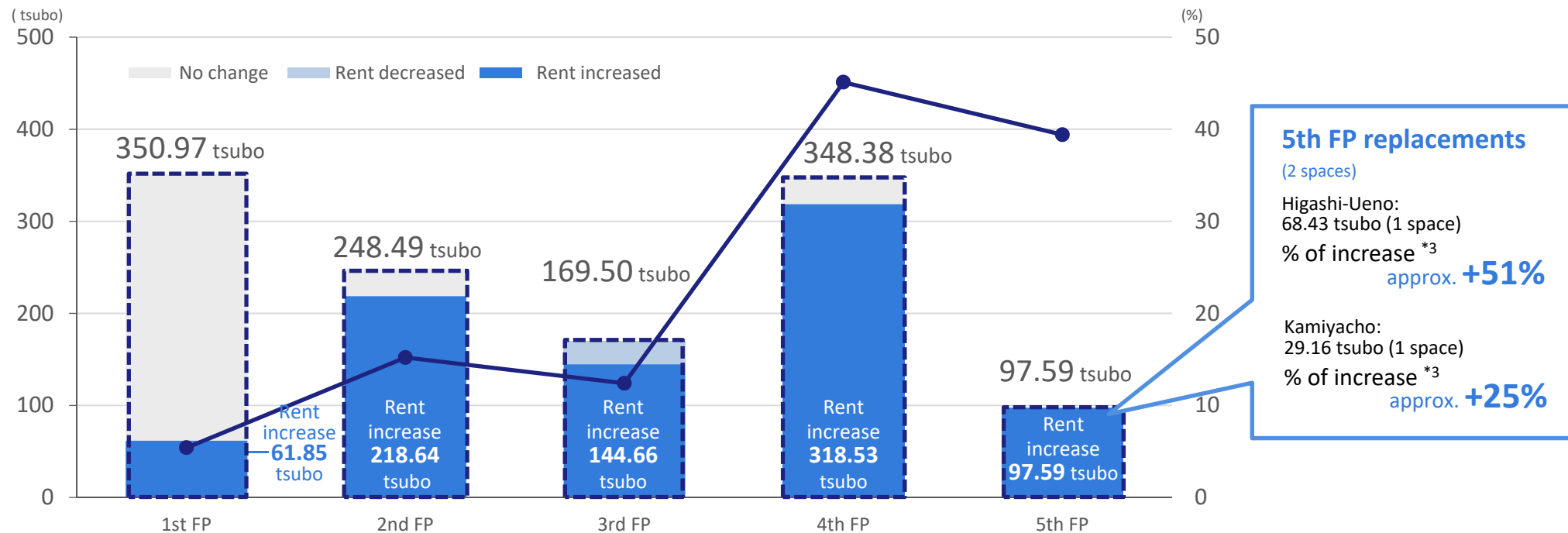
* NOI yield after depreciation = (Appraisal NOI (direct capitalization method) – Depreciation) ÷ Acquisition price
Depreciation was calculated by XYMAX REIT, and may defer from the actual amount.

Actual results of rent increase through tenant replacements

We have achieved a 515,000 yen increase in monthly revenue through 5th FP tenant replacements.

Status of tenant replacement

• Seven office properties (exc. obligated residences) and Muza



| | 1st FP | 2nd FP | 3rd FP | 4th FP | 5th FP | Accumulated track record of 5 FPs |
|--|-----------------------|-------------------------|-------------------------|---------------------------|-------------------------|-----------------------------------|
| Total rent increased /month | 30,925 yen (+5.4%) | 561,548 yen (+15.2%) | 266,055 yen (+12.4%) | 2,672,905 yen (+45.1%) | 515,680 yen (+39.4%) | 4,047,113 yen (+29.6%) |
| % of replacements with higher rent ^{*1} | 17.6% | 88.0% | 85.3% | 91.4% | 100.0% | 69.2% |
| Surrender rate ^{*2} | 4.2% | 3.5% | 2.0% | 4.3% | 2.3% | 3.2% |

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

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

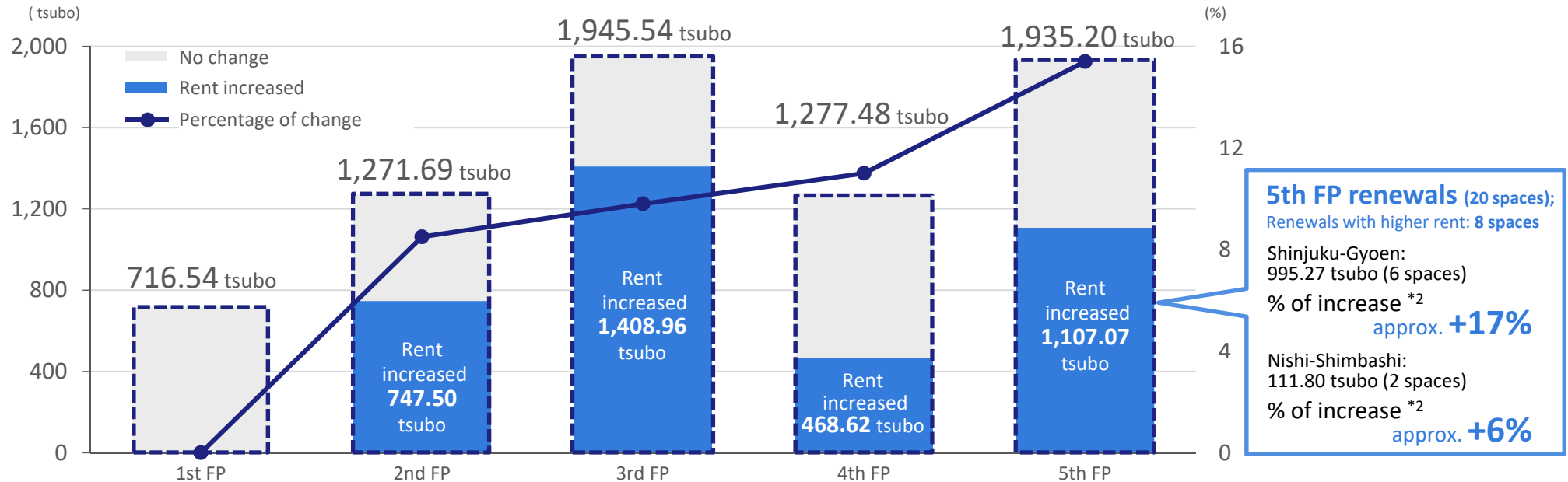
^{*3} Rate of rent increase: (monthly unit rent that includes CAM revenue after tenant replacement or after renewal – monthly unit rent that includes CAM revenue before tenant replacement or before renewal)/monthly unit rent that includes CAM revenue before tenant replacement or before renewal

Actual results of rent increase through contract renewals

We have achieved an approximately 3,142,000 yen increase in monthly revenue through 5th FP contract renewal upward rent revisions.

Status of contract renewal

• Seven office properties (exc. obligated residences) and Muza



| | 1st FP | 2nd FP | 3rd FP | 4th FP | 5th FP | Accumulated track record of 5 FPs |
|--|------------|---------------------|-----------------------|----------------------|------------------------|-----------------------------------|
| Total rent increased/month | 0 yen (0%) | 909,380 yen (+8.5%) | 2,255,763 yen (+9.8%) | 633,769 yen (+11.0%) | 3,142,150 yen (+15.4%) | 6,941,062 yen (+11.6%) |
| % of renewals with higher rent ^{*1} | 0% | 58.8% | 72.4% | 36.7% | 57.2% | 52.2% |

Rent increase through 5th FP replacement/contract renewal

Approx. **3,650,000** yen/month

Cumulative rent increase through replacement/contract renewal until 5th FP

Approx. **10,980,000** yen/month
15.0% increase from beginning of 1st FP

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

^{*2} % of increase: (monthly unit rent that includes CAM revenue after tenant replacement or after renewal – monthly unit rent that includes CAM revenue before tenant replacement or before renewal) ÷ monthly unit rent that includes CAM revenue before tenant replacement or before renewal

Internal Growth in the 5th FP (1)

With the maximum use of the management strength of the sponsor group, we firmly successfully finalized negotiations started before the spread of the impact of COVID-19.

Tenant Replacement

XYMAX Higashi-Ueno Building

Immediate replacement with high unit rent by accurately grasping market trends using the network of the sponsor group.



- ✓ Determining that the property could offer at a higher rent level than the surrounding market **through market analysis using the network of the sponsor group.**
- ✓ Received favorable applications amid expanding impact of COVID-19 infection.
- ✓ Given the uncertain outlook, **successfully concluded profitable deals** avoiding the negative impact of market turmoil. Almost no downtime and **able to close the deal with favorable terms and conditions.**

Rate of rent increase by this replacement
approx. 51.0% *

Tenant Replacement

XYMAX Hachioji Building

Succeeded in capturing new demand for suburban satellite office.



- ✓ We have long been developing a leasing strategy that emphasizes **superiority of specifications** over competitors in the area.
- ✓ **We secured the needs for satellite offices** by taking advantage of characteristics of the area against a backdrop of the spread of COVID-19.
- ✓ **Achieved successful conclusion due in part to the sponsor group's knowledge of satellite office business.**

Concluded with the same rent as previous tenant

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

Internal Growth in the 5th FP (2)

Contract Renewal

XYMAX Kamiyacho Building

Realized a rent increase amid COVID-19 by building good relationships with tenants through long-term management.



- ✓ Building **strong relationships** through years of property management by the sponsor group.
- ✓ Continuing **meticulous response to improve tenant satisfaction** even after the previous renewal with a rent increase.
- ✓ Achieved future renewal with a rent increase through negotiation reopened focused on the timing of tenants, despite renewal negotiations for higher rent being temporarily suspended due to the spread of COVID-19.

Rate of rent increase of this renewal
approx. 13.3% *

Parking Lot Renewal

XYMAX Iwamotocho Building

Achieved renewal with higher rent through negotiations based on accurate assessment of demands of the surrounding market.



- ✓ Identified a high level of demand for this parking lot, which can accommodate vehicles with high roofs, by gathering information on rents in nearby areas.
- ✓ Convinced tenants (both inside and outside the office) of the deference between rents in nearby areas and existing rents, and **achieved renewal with higher rents** from three tenants.

Rate of rent increase of this renewal
approx. 13.0% *

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

Internal Growth Strategy (1) —Trends in the Rent Gaps

As a result of the rent increase through the 5th FP, the rent gap vs. appraisal unit rent has been absorbed.

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

1. Assumed new unit rent: Assumed unit rent for new lease contracts at change of tenant, based on XYMAX's own market analysis, etc.

2. Appraisal unit rent: Rent unit price adopted in ongoing regular appraisals

| | As of the end of 1st FP | As of the end of 2nd FP | As of the end of 3rd FP | As of the end of 4th FP | As of the end of 5th FP |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Contracted unit rent | 16,277 yen | 16,524 yen | 17,059 yen | 17,246 yen | 18,048 yen |
| vs. previous FP | - | +247 yen | +535 yen | +187 yen | +802 yen |
| (% change vs. previous FP) | - | (+1.5%) | (+3.2%) | (+1.1%) | (+4.7%) |
| 1. Assumed new unit rent | - | - | 19,732 yen | 19,810 yen | 19,240 yen |
| vs. previous FP | - | - | - | +78 yen | -570 yen |
| (% change vs. previous FP) | - | - | - | (+0.4%) | (-2.9%) |
| Rent gap vs. Assumed new unit rent | - | - | -15.7% | -14.9% | -6.6% |
| vs. previous FP | - | - | - | 0.8% | 8.3% |
| 2. Appraisal unit rent | 17,526 yen | 17,526 yen | 17,831 yen | 17,948 yen | 17,948 yen |
| vs. previous FP | - | 0 yen | +305 yen | +117 yen | 0 yen |
| (% change vs. previous FP) | - | - | - | (+0.7%) | (+0.0%) |
| Rent gap vs. Appraisal unit rent | -7.7% | -6.1% | -4.5% | -4.1% | 0.6% |
| vs. previous FP | - | 1.6% | 1.6% | 0.4% | 4.7% |

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

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

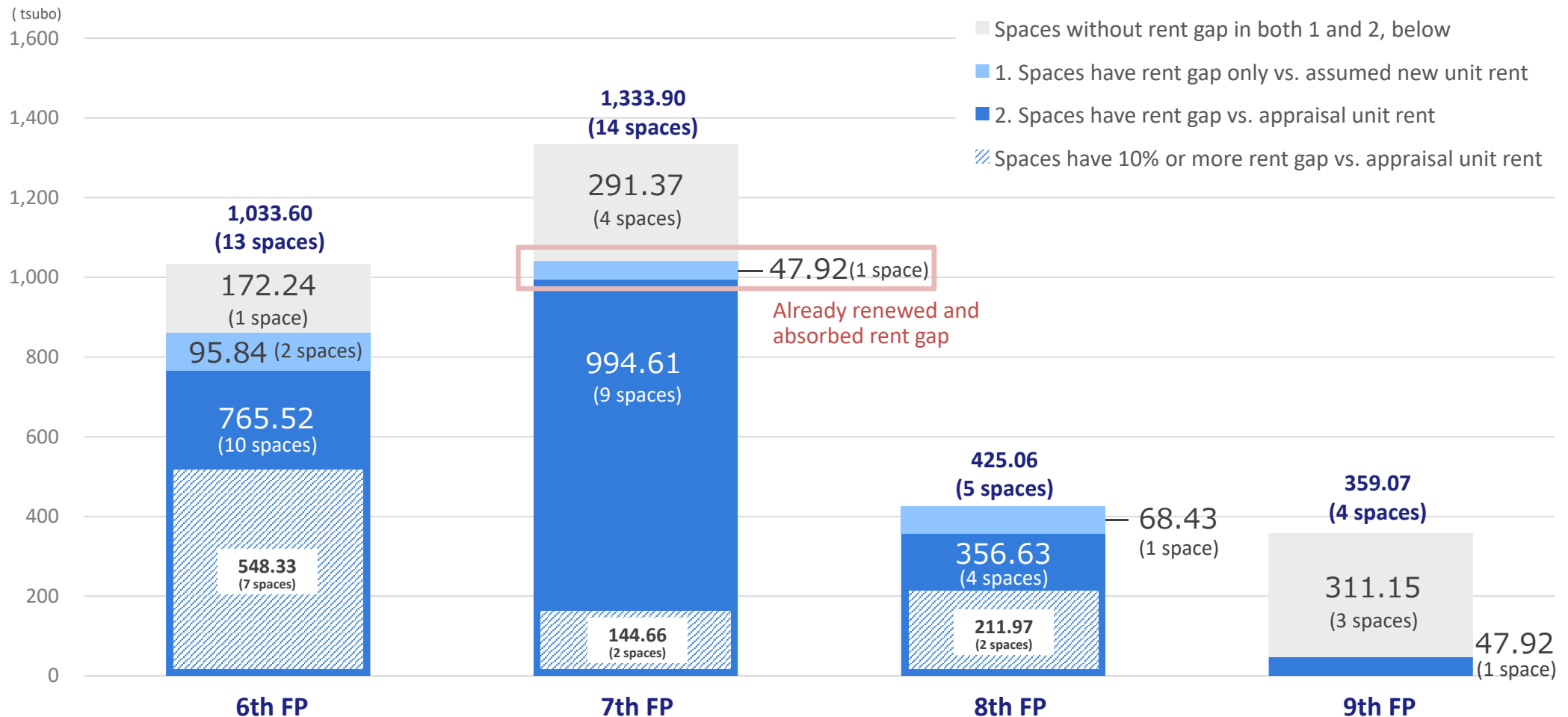
Internal Growth Strategy (2) — Potential for rent increase in Future Renewal

We will continue to aim the internal growth by increase rent through negotiations tailored to each tenant's situation.

Floor area scheduled for contract renewal at the six office properties*¹

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

(exc. retail spaces and obligated residences)



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

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






XYMAX REIT Investment Corporation

Earnings Forecasts and the Growth Strategy



Assumptions for Earnings for the 6th FP and 7th FP

Given the slowness of the leasing market due to the impact of COVID-19, we have formulated a plan that incorporates a limited downside in the earnings forecasts for the 6th and 7th FP.

| | | |
|---------------------------------------|--|--|
| Property management related | Office  | <p>[6th FP] Assumed occupancy rate: 97.3% compared with 98.9% at the end of the 5th FP (see page 6)</p> <p>[7th FP] Assumed occupancy rate: 97.9% (Reference) Lowest annual average occupancy rate of 95.9% after the global financial crisis (FY 2010, see page 25)</p> |
| | Retail  | Based on the status of requests for reduction of rents or temporary deferment from tenants and the terms of the respective lease contract, we do not anticipate any major changes in the 6th and 7th FPs. |
| | Hotel  | <p>Negotiations are ongoing regarding a request from the operator for a rent reduction and waiver. The forecast is as follows because it is difficult to reasonably estimate the outcome of the negotiations.</p> <p>Fixed rent: 0 yen in and after November 2020</p> <p>Variable rent: -3 million yen in the 6th FP and 0 yen in the 7th FP</p> |
| | Others | Due to a steady replacement situation, no significant changes are expected. |
| Corporation management related | <ul style="list-style-type: none"> ■ SG&A (sales, general, and administrative expenses) Posting general unitholders' meeting related expenses in the 7th FP ■ Non-operating expenses Posting the expenses related to the refinancing of 4.25 billion yen at the end of January 2021 (during the 6th FP). At the time of this refinancing, it was assumed that the maturity of 1.1-billion-yen bridge loan borrowed to fund the acquisition of Fukuizumi would be extended (resulting increase of interest expenses). | |

Earnings Forecast for the 6th FP ending February 2021

Unit: million yen

| | Actual results for the 5th FP (A) | Initial forecast for the 6th FP | Forecast for the 6th FP(B) | Difference (B)-(A) |
|-----------------------------|---|------------------------------------|-------------------------------|-----------------------|
| Operating revenue | 1,364 | 1,323 | 1,270 | -94 |
| Operating expenses | 592 | 599 | 601 | 9 |
| Operating income | 771 | 723 | 668 | -103 |
| Ordinary income | 725 | 663 | 601 | -123 |
| Net income | 724 | 662 | 600 | -123 |
| Distribution per unit (yen) | 3,242 | 2,966 | 2,688 | -554 |
| Days | 184 | 181 | 181 | -3 |

| Main factors for differences in the result for the 5th FP and forecasts for the 6th FP (+: Incremental factors, -: Decremental factors) | | Convert to DPU |
|--|--------------------|----------------|
| Operating revenue | | |
| Increase in Fukuizumi rent revenue | +30.8 million yen | +138 yen |
| Decrease in hotel rent | -104.8 million yen | -469 yen |
| Absence of lump sum income | -12.3 million yen | -55 yen |
| Operating expenses | | |
| Increase in lease costs | -11.3 million yen | -50 yen |
| Non-operating revenues and expenses | | |
| Increase in borrowing related expenses, Increase in interest expenses due to new borrowings | -19.9 million yen | -89 yen |

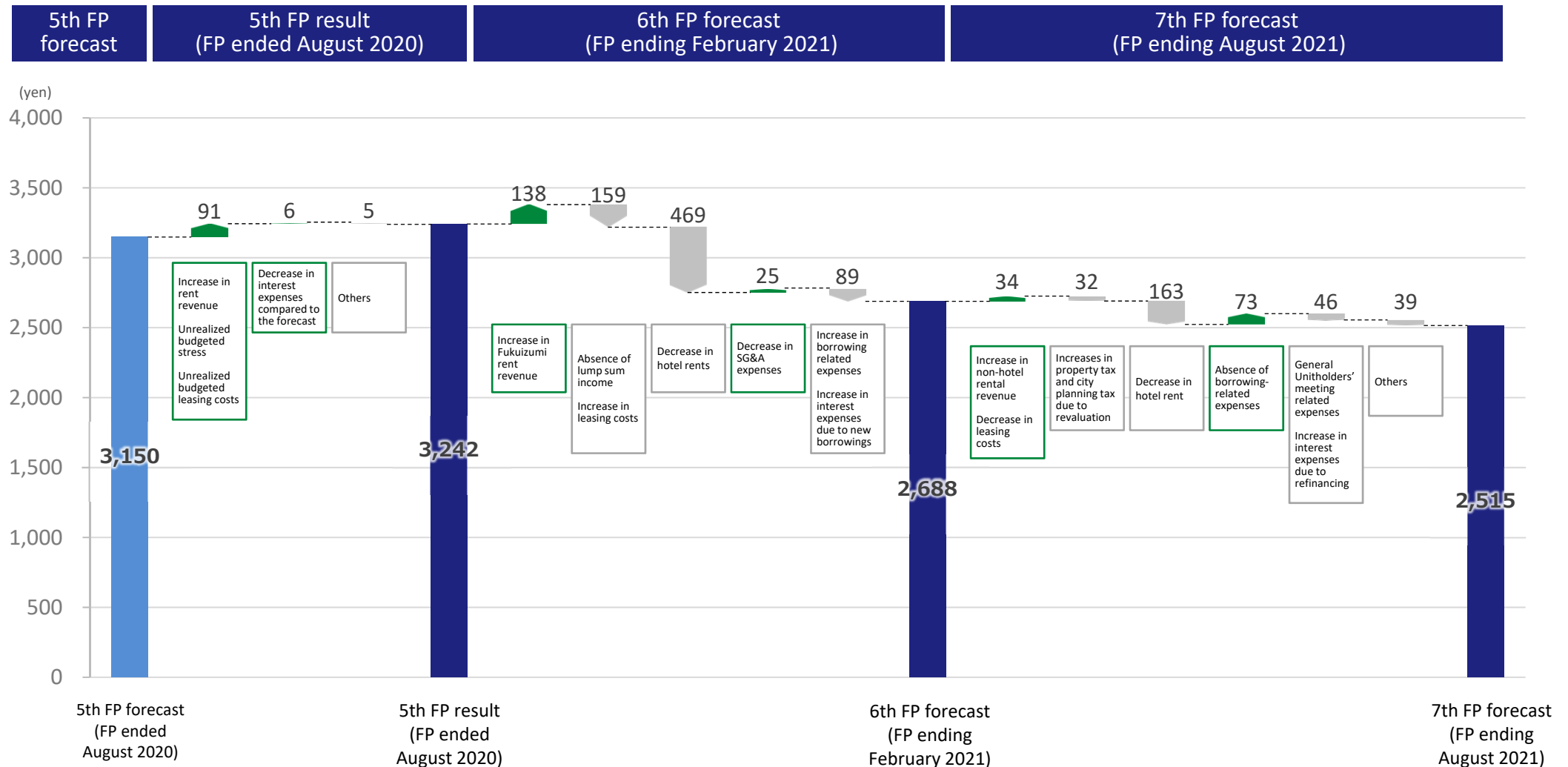
Earnings Forecast for the 7th FP ending August 2021

Unit: million yen

| | Forecast for the 6th FP(A) | Forecast for the 7th FP(B) | Difference (B)-(A) | Main factors for differences in the result for the 6th FP and forecasts for the 7th FP (+: Incremental factors, – : Decremental factors) | Convert to DPU |
|-----------------------------|-------------------------------|-------------------------------|-----------------------|--|-------------------------------|
| Operating revenue | 1,270 | 1,227 | -42 | Operating revenue | |
| Operating expenses | 601 | 611 | 9 | Increase in non-hotel rental income | +3.8 million yen +17 yen |
| Operating income | 668 | 615 | -52 | Decrease in hotel rents | -36.4 million yen -163 yen |
| Ordinary income | 601 | 562 | -38 | Operating expenses | |
| Net income | 600 | 561 | -38 | Decrease in leasing costs | +7.7 million yen +34 yen |
| Distribution per unit (yen) | 2,688 | 2,515 | -173 | Increases in property tax and city planning tax due to revaluation (predicted) | -7.3 million yen -32 yen |
| Days | 181 | 184 | 3 | General Unitholders' meeting related expenses | -4.3 million yen -19 yen |
| | | | | Non-operating revenues and expenses | |
| | | | | Absence of borrowing related expenses | +16.4 million yen +73 yen |
| | | | | Increase in interest expenses due to refinancing | -2.6 million yen -11 yen |

Results of Distributions per Unit from the 5th to the 7th FP

The changes in DPU from the 5th to 7th FPs and the main factors behind them are as follows.



Recent status of Hotel Vista Sendai

As the GOP, which is the source of rent payments, has "evaporated" since late March 2020, the operator has requested negotiations on rent and are still continuing.

| Details of negotiations with the operator and responses by XYMAX REIT |

- ✓ The operator requested to discuss the rent payment because of a backdrop of deterioration in cash flows due to a significant decrease in GOP.
 - From the standpoint of supporting the operator, we deferred payment of one month fixed rent as cash flow support.
 - The amount of deferred rent d can be allocated from security deposits.
- ✓ After the deferment was granted, we received another request for a rent reduction, and the negotiations are ongoing.

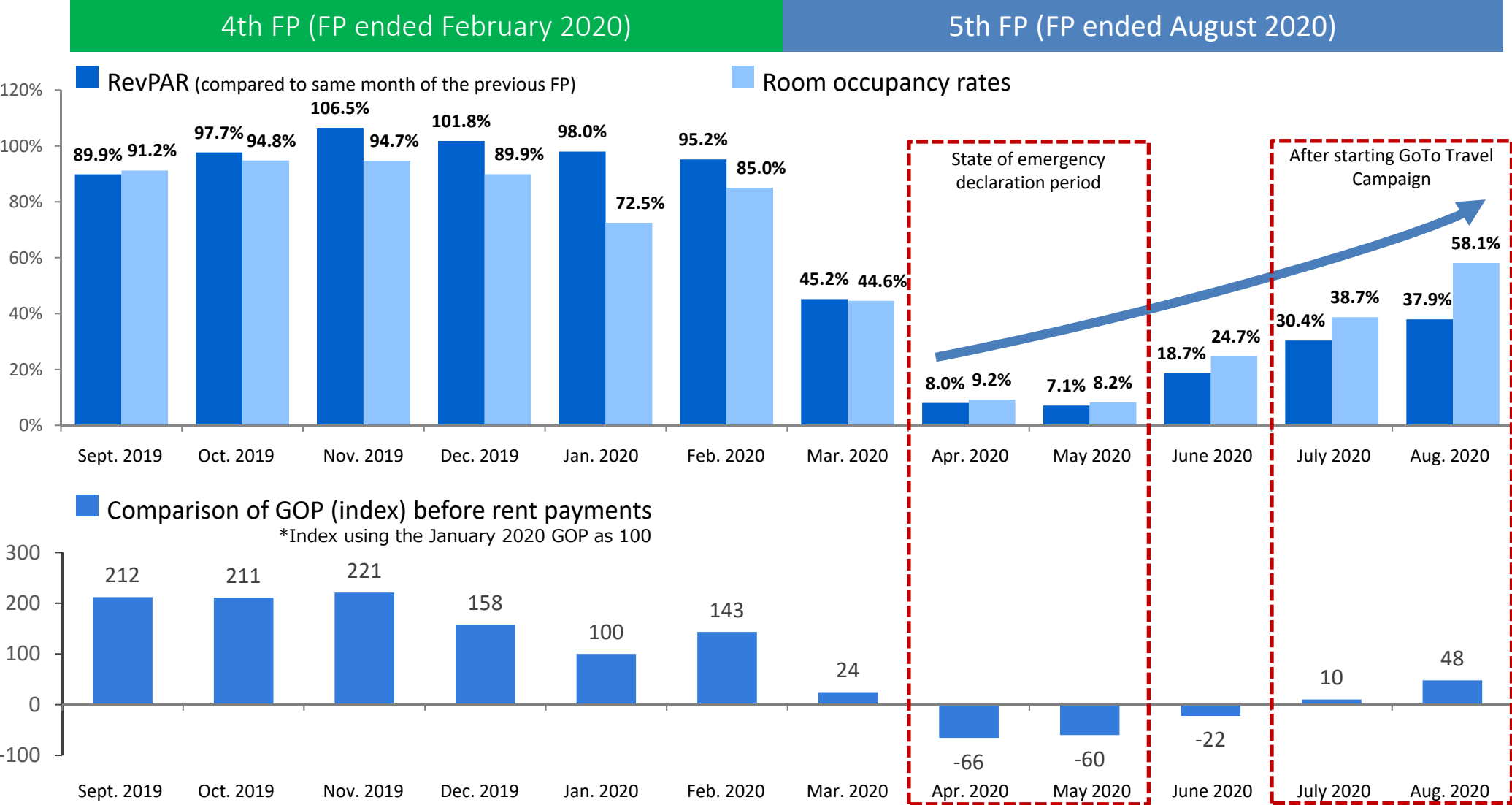
| Incorporation into the earnings forecast and future policies of XYMAX REIT |

- ✓ Since there was no impact on P/L at the time of the deferment of the payment, it was not incorporated into the earnings forecast.
- ✓ Negotiations on the rent reduction are currently underway, and it is difficult to reasonably estimate the outcome of the negotiations. In addition, because the NOI of the property constitutes more than 10% of the total NOI of XYMAX REIT's portfolio, XYMAX REIT's performance will be materially affected by the outcome of these negotiations.
 - Estimate rents for November 2020 onward at the most conservative levels at this time and formulate earnings forecasts for the 6th FP and 7th FP.
- ✓ After the negotiations are resolved, we plan to disclose earnings forecasts promptly based on the outcome of the negotiations.

Actual Results of Hotel Vista Sendai

RevPAR fell significantly from the previous year due to the impact of the spread of COVID-19.
Signs of both RevPAR and GOP recovery are being observed, reflecting a recovery in domestic demand that constitutes the main target segment.

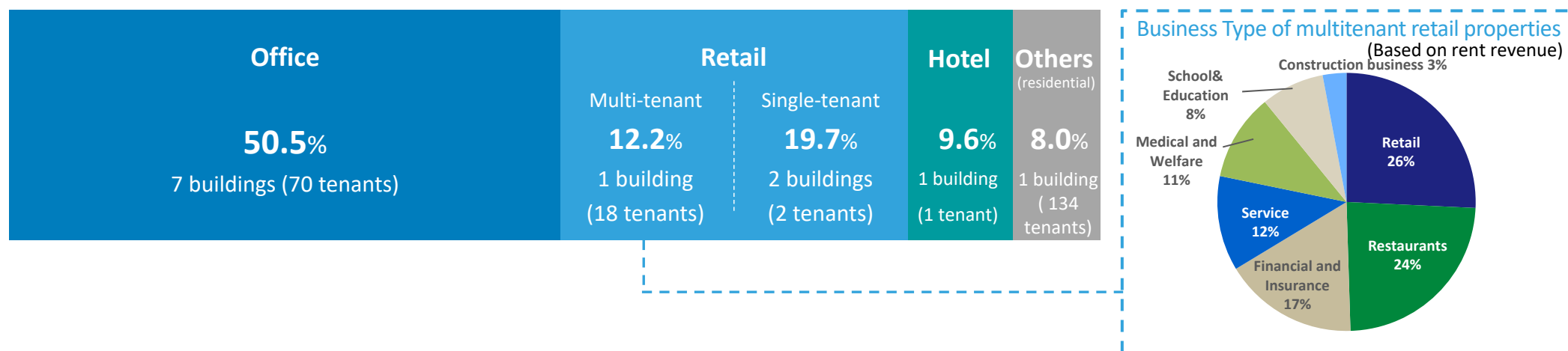
Operations track record



Risk Tolerance based on Property Diversification and Tenant Diversification

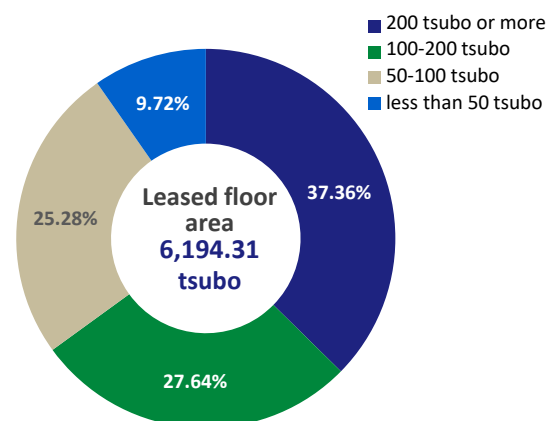
The status of diversity of asset type and tenants in the portfolio are shown below, and multi-tenant assets are well diversified.

Portfolio diversification (by asset type, as of the end of 5th FP) | Number of assets: 12 buildings/Number of tenant: 225

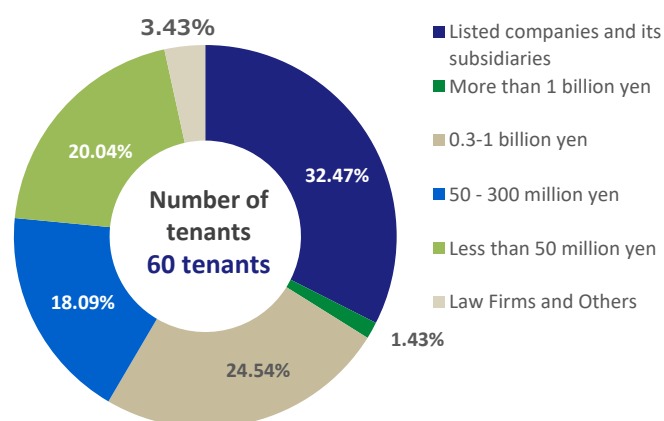


Office tenant diversification (excluding obligated residences)

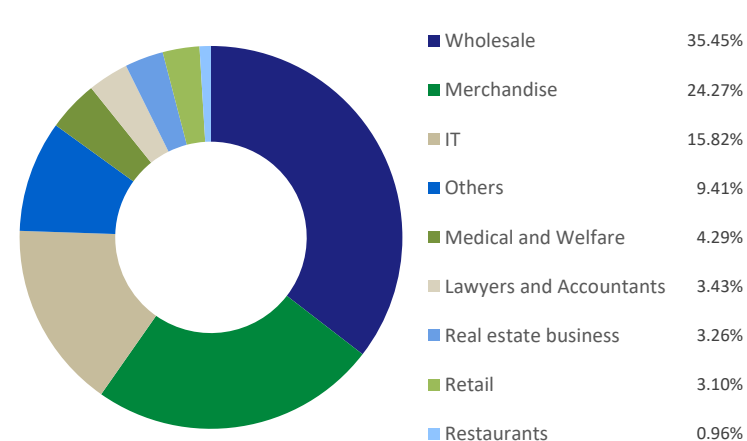
Based on rental area



Based on capital



Based on business type



Workplace Direction by Company Size

There are differences in the direction of the post-COVID-19 workplace depending on the size of the company. Compared with large companies, a higher percentage of small and medium-sized companies, the main target of office buildings owned by XYMAX REIT, are more likely to return to the same office use pattern as they did prior to the outbreak of COVID-19 and less likely to downsize main offices.

Direction of the Workplace “After COVID-19” – By Company Size

| | Small-sized companies (Fewer than 100 employees) (n=834) | Medium-sized companies (Fewer than 1,000 employees) (n=631) | Large companies (1,000 or more employees) (n=326) |
|--|--|---|---|
| Use both the main office and telework | 39.8% | 46.4% | 63.8% |
| Enhance telework and downsize main office | 13.5% | 12.4% | 20.2% |
| Return to a state not much different from that before COVID-19 | 31.2% | 26.3% | 14.4% |
| Expand main office more than before | 1.6% | 0.8% | 1.2% |
| Disperse offices to suburbs | 2.5% | 2.5% | 4.9% |
| Review office design in consideration of health and infections disease prevention (hygiene control, population density) | 18.5% | 23.5% | 31.6% |
| Review office design in consideration of health and infections disease prevention (ventilation, floor area, flow line, etc.) | 11.0% | 14.7% | 18.7% |
| Place more importance on BCP measure than before | 13.2% | 23.5% | 26.1% |
| Other | 3.0% | 2.7% | 4.0% |
| Don't know | 6.1% | 8.2% | 6.4% |

Source: Survey of Tokyo Metropolitan Companies on Workstyles and the Workplace August 2020* by XYMAX Real Estate Institute*

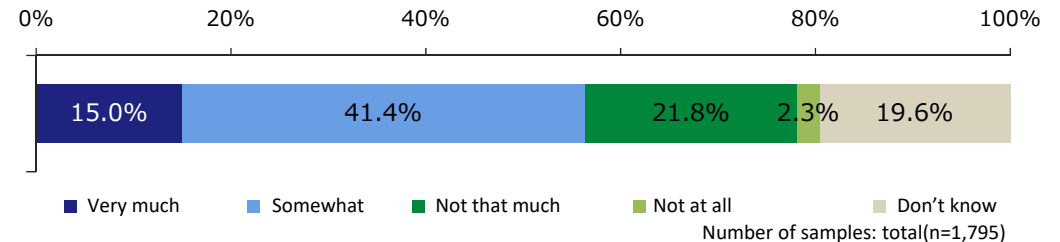
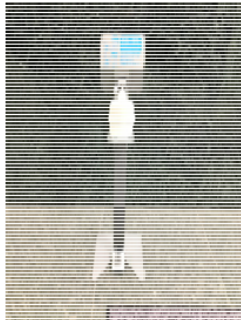
* “Metropolitan Areas Office Demand Survey Spring 2020” is based on a survey distributed to tenant companies currently occupying office buildings managed and operated by the XYMAX Group nationwide, companies registered to use the ZXY satellite office service, and XYMAX INFONISTA client companies (1,795 valid responses). The survey period was June 4, 2020 to June 16, 2020. Including multiple response.

Office Operations and Infectious Control in Post-COVID-19

We implement infection control measures through concentration of management and operating know-how.

Office operation to prevent the spread of COVID-19 | Rating of safety and security of office

- Thoroughly implementing COVID-19 countermeasures among the management and cleaning staff (wearing face masks, washing hands, disinfecting, gargling, etc.)
- Introducing alcohol-based disinfectants and foot pedal stands in common spaces
- Replacing conventional toilet faucets with automatic faucets
- Suspending use of toilet air-jet hand dryers













In a national survey that asked, “Do you think the offices you currently occupy provide a safe and secure environment for workers?” only 15% of respondents answered “Very much” The COVID-19 crisis may have raised people's awareness of hygiene, safety, and security.

Source: Survey of Tokyo Metropolitan Companies on Workstyles and the Workplace August 2020” by XYMAX Real Estate Institute

Prepared *Stop COVID-19! Countermeasure Proposal List* by compiling feedback from property management sites

- Gathered issues related to COVID-19 countermeasures and solutions at every site of the sponsor group from early March, when COVID-19 started to spread.
- Created *Stop COVID-19! Countermeasure Proposal List* for building owners based also on the “new lifestyle,” from among more than 50 proposed measures.
- In response to the increased infectious disease countermeasures, a second list has been proposed.

Stop COVID-19! Countermeasure Proposal List

| 提案内容(取り組み・工事) | 目的 | 提案内容(取り組み・工事) | 目的 |
|--|---|--|----------------------|
| トイレの蓋を閉めて流すよう注意喚起  | トイレ洗浄水の飛沫飛散の防止。 | エレベーターのボタン等に抗菌シート貼付  | エレベーターのボタン・ドアノブ等の菌対策 |
| 並ぶ際は距離を取るよう注意喚起  | エレベーターホールやトイレ等で並んでいる人同士で一定距離(ソーシャルディスタンス)を保つため。 | 抗菌用スプレー  | エレベーターのボタン・ドアノブの菌対策 |
| ペーパータオルホルダー設置  | ハンドドライヤーによる飛沫飛散の防止。 | ソーシャルディスタンスのマーク設置  | ソーシャルディスタンス確保 |
| 自動水栓への更新  | 水栓への接触による感染防止のため。 | アクリル板の設置  | 飛沫感染防止のため。 |
| サーマルカメラの設置  | 発熱者の把握、入館阻止。コロナ対策のアピール。 | 除菌マットの設置  | 靴裏の除菌のため。 |

Office Properties Advantages in Post-COVID-19

Advantages of our office assets

Post-COVID-19 office demands could decrease to some extent due to how the pandemic has worsened the economic environment and changed the way offices are used. However, we believe that the offices owned by XYMAX REIT, which have certain strengths in “good locations” and “high-quality management”, have an advantage post-COVID-19. The fact that our offices maintained high occupancy rates in comparison with other J-REIT offices following the global financial crisis is evidence of this advantage.

✓ Good location

3–5 minute walk to the nearest station that is easy to access, suitable for consolidation of head office functions, etc.

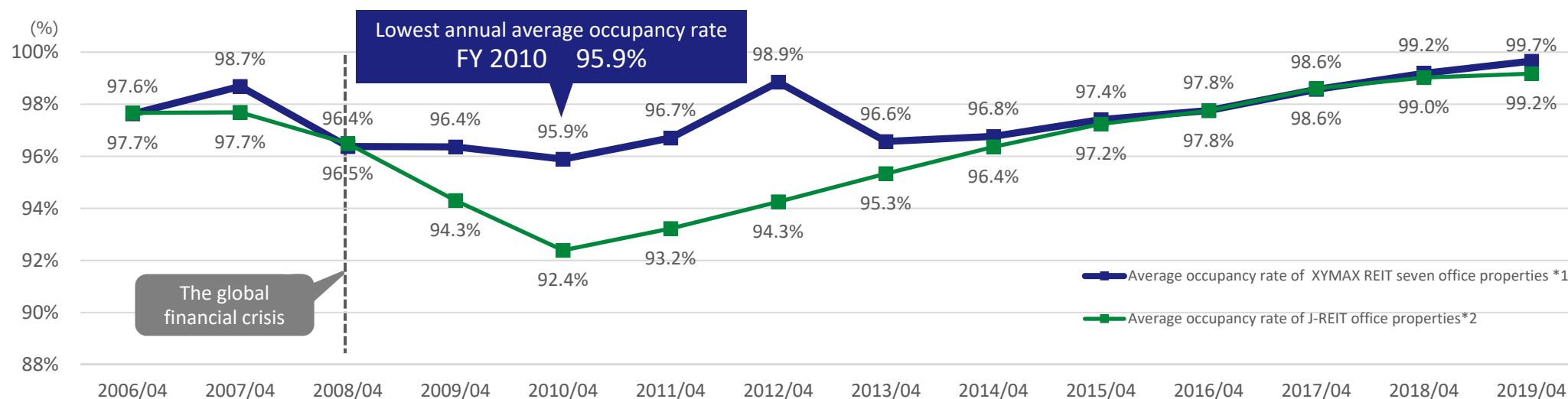
✓ High quality of management

Providing a safe and secure office environment through meticulous management based on PM know-how and flexible responses to diverse tenant demands.

✓ Potential for Suburban Satellite Offices

Respond to the offices becoming more hub and spoke-oriented and expanding satellite office in the suburbs to eliminate the gap between offices and homes (Tokyo Metropolitan Area Offices).

Average Occupancy Rate of office



*1 Average occupancy rate of the seven office properties in each FP.

*2 Average occupancy rate of the 30 J-REITs for office properties in each FP.

Future Management Policy amid COVID-19 (1)

While fully recognizing changes in the market environment, we will work to maintain stability and prepare for renewed growth once the market environment improves.

| | Understanding of the Current Situation |
|------------------|--|
| Internal Growth | <ul style="list-style-type: none"> • Due to the influence of COVID-19, companies have begun to seek out office strategies, and there are changes in the way offices are being used. However, there are still certain demands for using the head office. • In particular, large companies have accelerated making workstyle reforms in response to increased awareness of BCP as well as employee health and safety. In addition, a demand for suburban satellite offices has emerged. • When office demand shrink due to an economic downturn or other factors, buildings with the advantages of a good location and strong management are being selected. • Retail tenants vary by industry and size, and require judgments based on individual sales and performance. |
| External Growth | <ul style="list-style-type: none"> • Offices: With the rapid expansion of teleworking, there is a sense of a change for office demands. At the same time, the requirement for suburban satellite office is also emerging, though mainly for large companies. • Retail: While there were fluctuations depending on the type of business, some retail properties were less affected by the impact of the spread of COVID-19. • Hotel: There has been a collapse in the supply-demand balance due to a sharp decline in tourism; We will play close attention to demand trends. |
| Financial Policy | <ul style="list-style-type: none"> • The low LTV level is one of the strengths of XYMAX REIT. Strategic utilization of this is essential. • Amid the deterioration in financial position of some companies due to the impact of COVID-19, good lender relations are essential for stable financial operations. |

Future Management Policy amid COVID-19 (2)

| | Previous Strategies | Current Management Policy | |
|------------------|--|---|--|
| Internal Growth | <ul style="list-style-type: none"> • Eliminate rent gap in six office properties* located in 23 wards of Tokyo • Consider cutting expenses to the extent that tenant satisfaction can be maintained • Maintain asset value through executing appropriate repairs and CAPEX | Leasing | <ul style="list-style-type: none"> • Leverage the sponsor group's network to identify changes in the market at an early stage • Determine the market value of individual assets and maintain an uncompromising rent perspective • For the time being, a certain amount of downtime can be anticipated due to the stagnation of the market, but by taking advantage of good locations and the high quality of management, we will attract good tenants, even if it takes some time |
| | | Operations | <ul style="list-style-type: none"> • Reduce the risk of existing tenants departure through careful management, including infection countermeasures • Grasp the situation of office use of tenants regularly through relationships with tenants • Close monitoring of sales trends for retail tenants |
| | | Repairs | <ul style="list-style-type: none"> • Repairs such as the work to improve the asset value will be implemented after carefully considering the timing and cost-benefit analyses • Leverage the know-how of the sponsor group to flexibly consider infection countermeasures |
| External Growth | <ul style="list-style-type: none"> • Accurately discern the potential of properties with scope for internal growth, and build pipelines • Maintain unique sourcing, leveraging sponsor group customer base • Adhere to a certain level of yields even under a challenging acquisition environment | <ul style="list-style-type: none"> • Although there have been no major changes in the external growth strategy, we will consider the acquisitions properly each asset, while taking into account new needs arising from changes in the way of using real estate • Flexible property acquisition using a low LTV level is an option • Policy to maintain the existing strategy on acquisition | |
| Financial Policy | <ul style="list-style-type: none"> • Strategic use of remaining borrowing capability, against the backdrop of a low LTV level • Cooperate with sponsor groups and deepen lender relationships | <ul style="list-style-type: none"> • Continue strategic use of remaining borrowing capability, against the backdrop of a low LTV level (31.8% as of the end of 5th FP) • 6th FP refinancing to be implemented after considering both maturity dates and financing costs • Maintain and enhance financial stability mainly through cash management | |

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

External Growth (1) — Post-COVID-19 Portfolio Strategy

XYMAX REIT will grasp the latest changes in real estate demand post-COVID-19, while firmly maintaining the investment perspective used to date. We assume as follows with respect to properties we currently focus on (by asset type) and the investment ratio in the near future.

Investment ratio of main asset after the acquisition of Fukuizumi: 92.1%

| | Investment ratio | | Post-COVID-19 Investment Strategy |
|--------|--------------------------------|---------------------|--|
| | After acquisition of Fukuizumi | Future expectations | |
| Office | 52.6% | 50–55% | Widening the acquisition target to suburban offices due to rising demand for satellite offices, referring to data of ZXY business, operated by the sponsor. |
| Retail | 26.6% | 25–30% | Mainly consider properties with higher stable revenue, such as community-based retail facilities, including supermarkets, drugstores, and home centers with strong consumption trends, and land with a leasehold interest. |
| Hotel | 12.9% | 10–15% | Closely monitor the recovery in demand for accommodation and the supply trend of guestrooms in the area where the target property is located. |
| Others | 7.9% | 5–15% | Focus on changes in the way of using real estate following changes in lifestyles and capture investment opportunities by utilizing property information and real estate usage needs held by the sponsor group. |

External Growth (2) – Key Points by Asset Type –

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

Office

Focus on properties with strong attractiveness to tenants

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

Retail

Focus on stability of tenant rent or property price

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

Hotel

Focus on hotels specializing in “lodging” near transportation hubs

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



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

External Growth (3) – Status of Acquisition Studies–

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

Acquisition policy

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

Borrowing capacity by LTV level

LTV level after acquisition of Fukuizumi: 33.8%

| LTV level vs. total assets | Possible loan amount | Appraisal LTV |
|-------------------------------|-----------------------------|---------------|
| 40% | Approx. 3.9 billion yen | 32.5% |
| 45% | Approx. 7.7 billion yen | 37.1% |
| 50% | Approx. 12.2 billion yen | 41.9% |

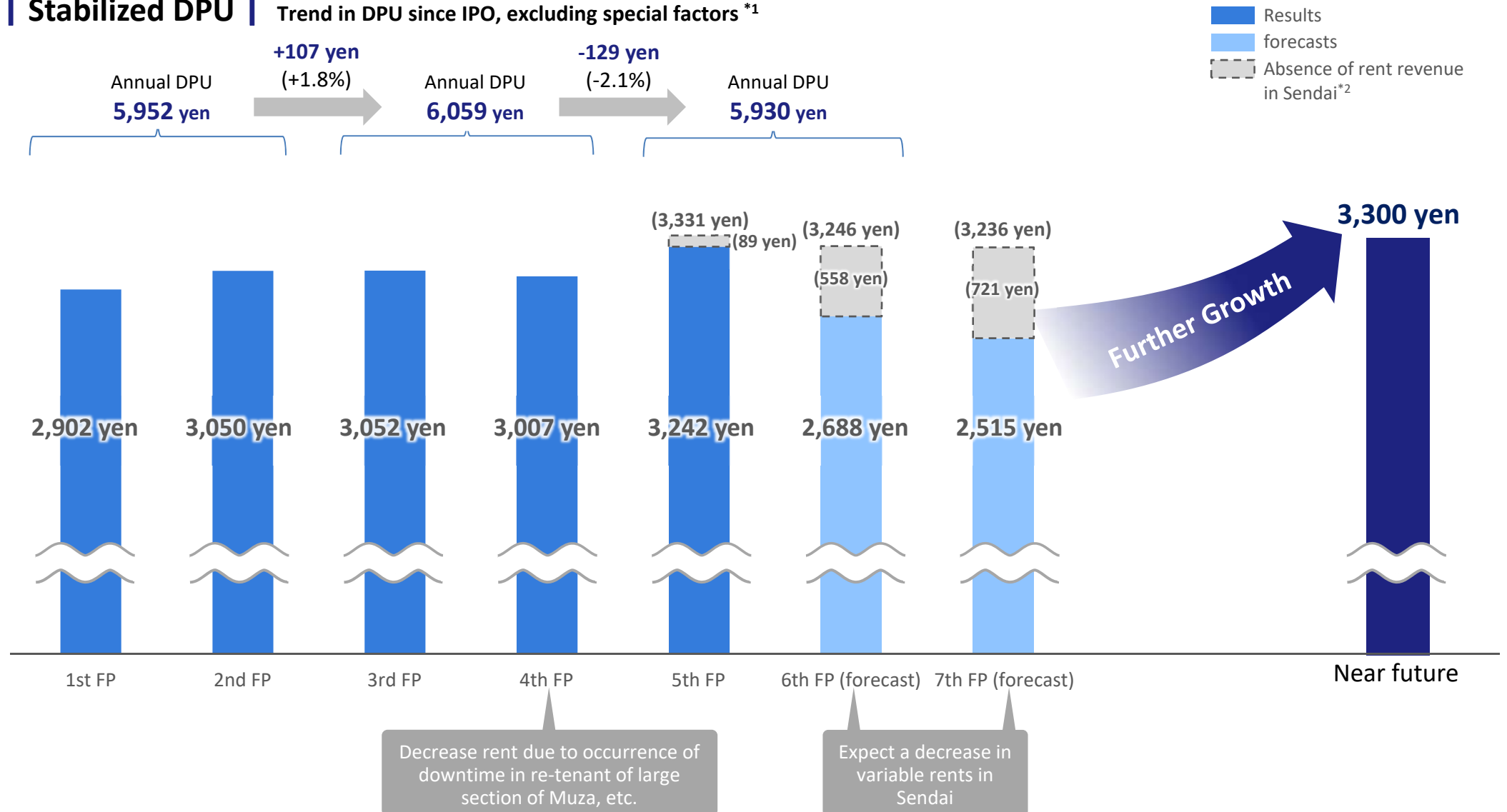
Properties under consideration

| Location | Asset type | Source | Focused point |
|--------------------------|--|---|--|
| 5 central wards of Tokyo | Office | Property management business relation | With a large rent gap in this market, significant internal growth is able to expect at the time of lease contract renewal and tenant replacement |
| Core regional city | Hotel (specialized in stay) (scheduled to complete at November 2020) | Private fund managed by the sponsor group | Located in a regional economic hub and also with a high level of tourism resources, there is solid demand for accommodation |
| 23 wards of Tokyo | Others (Corporate dormitory) (100% leased to a single tenant) | CRE client | A stable long-term lease contract has been concluded with a highly credit-worthy tenant, for which a certain revenue is expected |

Growth image in DPU

Despite a temporary dividend cut due to the impact of COVID-19, we will continue aiming to increase DPU further in the future.

Stabilized DPU | Trend in DPU since IPO, excluding special factors ^{*1}



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

^{*2} Calculated as estimated amount based on the difference between the actual rent for the 4th FP and the forecast for each FP.



XYMAX REIT Investment Corporation



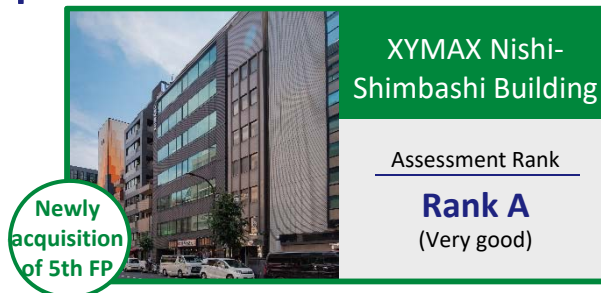
ESG



Acquisition of Environmental Certification

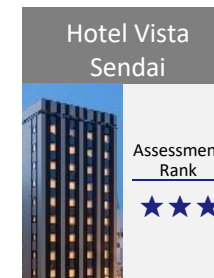
Acquired environmental certification for the following properties. XYMAX REIT will continue to promote environmental and energy-saving measures of owned properties and improve efficiency of energy use.

CASBEE – Real estate



| | | | | |
|---------------------------------|-------------------------------------|-------------------------------|------------------------------------|---------------------------------|
| XYMAX Iwamotocho Building | XYMAX Shinjuku-Gyoen Building | XYMAX Hachioji Building | XYMAX Higashi-Azabu Building | XYMAX Higashi- Ueno Building |
| Assessment Rank | Assessment Rank | Assessment Rank | Assessment Rank | Assessment Rank |
| Rank A (Very good) | Rank A (Very good) | Rank A (Very good) | Rank A (Very good) | Rank A (Very good) |

BELS



Acquisition status up to 5th FP *Higashi-Azabu has obtained CASBEE and BELS certification.

Number of Acquisition of
Environmental Certification

7

Acquisition rate
(based on total floor area)

42.5%

Improvement of environmental performance through building/facility renovation

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

Promotion of paperless asset management

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

Installing hydropower sensor faucets

- Hydropower sensor faucets (used in automatic faucets for wash basins in restrooms) were installed to save energy and deal with emergencies and power outages. The rotation of an impeller within the power generation unit caused by water flow both generates and saves electricity.











Installed properties: Shinjuku-Gyoen



Initiatives for Tenants and Local Communities

Countermeasures using the *Stop COVID-19! Countermeasure Proposal List*

- Since March 2020, when COVID-19 started showing signs of spreading, the sponsor group has been using a compiled list of infection countermeasures for worksites called the *Stop COVID-19! Countermeasure Proposal List*. In cooperation with PM, we are considering and implementing measures to combat infectious diseases in advance.

| Stop COVID-19! Countermeasure Proposal List | | | |
|--|---|--|----------------------|
| 提案内容(取り組み・工事) | 目的 | 提案内容(取り組み・工事) | 目的 |
| トイレの蓋を開けて流すよう注意喚起  | トイレ洗浄水の飛沫飛散の防止。 | エレベーターのボタン等に抗菌シート貼付  | エレベーターのボタン・ドアノブ等の菌対策 |
| 並ぶ際は距離を取るよう注意喚起  | エレベーターホールやトイレ等で並んでいる人同士で一定距離(ソーシャルディスタンス)を保つため。 | 抗菌用スプレー  | エレベーターのボタン・ドアノブの菌対策 |
| ペーパータオルホルダー設置  | ハンドドライヤーによる飛沫飛散の防止。 | ソーシャルディスタンスのマーク設置  | ソーシャルディスタンス確保 |
| 自動水栓への更新  | 水栓への接触による感染防止のため。 | アクリル板の設置  | 飛沫感染防止のため。 |
| サーマルカメラの設置  | 発熱者の把握、入館阻止。コロナ対策のアピール。 | 除菌マットの設置  | 靴裏の除菌のため。 |

Introduction of emergency storage boxes in elevators

- Emergency storage boxes have been installed in elevators in six properties as confinement measures at earthquake disaster.

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



Introduction of Disaster-Relief Vending Machines

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

Installed properties: Higashi-Azabu, Higashi-Ueno, and Hachioji



Initiatives for a Sustainable Society

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

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



ESG Initiatives (3) Social (2)

Initiatives for Employees of the Asset Management Company

Qualification support system

- Asset Management Company introduced a system to provide incentives for employees who acquire certain qualifications.
- Status of qualification (incl. those unregistered) by employees of Asset Management Company (as of April 1, 2020)

| | | | |
|------------------------------------|----|---------------------------------|---|
| • Licensed Real Estate Broker | 27 | • Real Estate Appraiser | 1 |
| • ARES Certified Master | 7 | • Real Estate Consulting Master | 2 |
| • Certified Building Administrator | 7 | | |

Flextime system and workstyles in the post-COVID-19

- Asset Management Company introduced a flextime system to support a more flexible workstyle in line with the degree of activity.
- We will ensure both business continuity and employee safety during the COVID-19 pandemic by allowing employees to choose between working at the head office and working from home, depending on their work conditions. (Established is a limit on the number of employees that can work at the head office due to physical distance requirements.)

Respect for diversity

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

| | Number of executives and employees (excluding dispatched employees) | | | | Maternity or child care leave |
|------------|---|--------|------------------------|-------|-------------------------------|
| | Male | Female | (Percentage of female) | Total | |
| April 2018 | 16 | 21 | 56.8% | 37 | 0 |
| April 2019 | 15 | 23 | 60.5% | 38 | 1 |
| April 2020 | 13 | 23 | 63.9% | 36 | 1 |

IR Activities at 5th FP

We are participating in other initiatives, such as online seminars, with full consideration of ways to prevent the spread of COVID-19.

IR activities for individuals

- June 2020:
Nikkei J-REIT Infrastructure Fund Forum (Tokyo)

IR activities for institutional investors

- Domestic: Visited 15 companies in urban areas and 5 companies in local areas
- Overseas: Visited 11 companies in Hong Kong and Singapore and other locations
- GlobalRecon2020 (Sponsored by Mizuho Securities)



Nikkei J-REIT Infrastructure Fund Forum

ESG initiatives at Sponsor Group

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

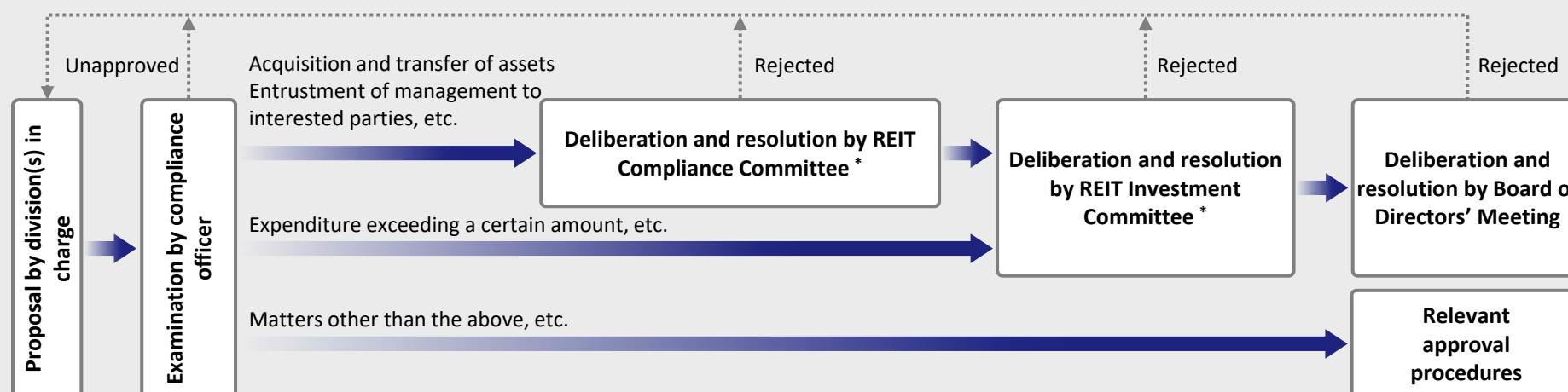


- Holding lectures at Real Estate Sustainability & Energy-Efficiency Diffusion Review Committee, Ministry of Land, Infrastructure, Transport and Tourism
- Holding lectures at Land Economy and Construction Industry Bureau, Ministry of Land, Infrastructure, Transport and Tourism
- Contributing to ARES Real Estate Securitization Journal
- Serving as lecturer of ARES Real Estate Securitization Master training course
- Promoting of teleworking
- Granting of scholarships to Yangon Technological University students
- Accepting technical trainees from overseas

ESG Initiatives (4) Governance

Decision-making Flow at Asset Management Company

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



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

Compliance Education at Asset Management Company

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

Investment Ratio in XYMAX REIT by Sponsor

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

5.6 % (as of August 31, 2020)



XYMAX REIT Investment Corporation

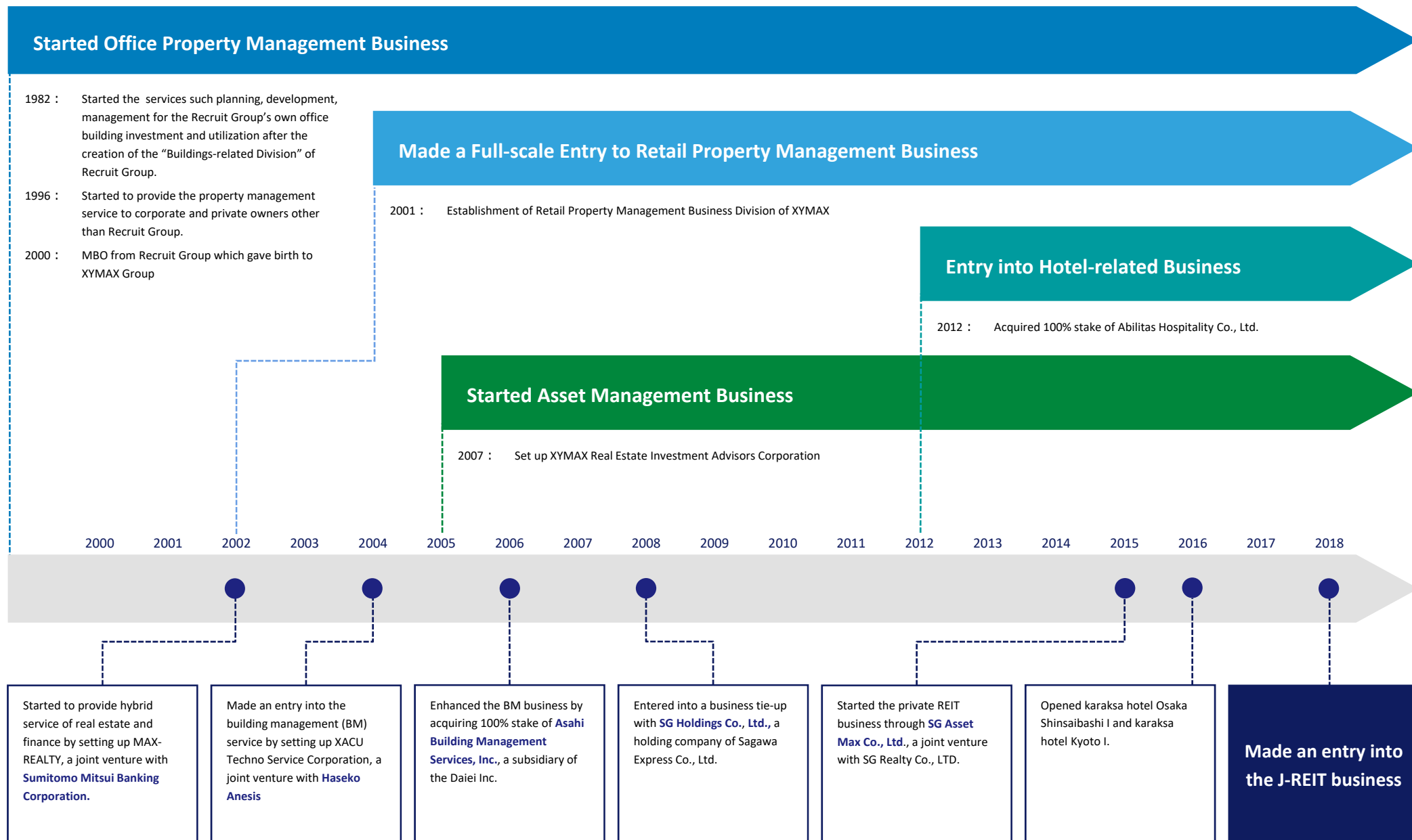


APPENDIX



| | | | | | | | |
|--------------------------|--|--|---|---|----------------------|--|-----------------------|
| Company name | XYMAX Corporation (unlisted) | Real estate consulting and management services | Office | Retail/Store | Logistics | Hotel | |
| Establishment | March 1, 1990 * Spin-off from Recruit Co., Ltd. through employee participatory MBO in 2000 | | Real estate consulting CRE strategy, effective utilization, development/design Consulting and planning on inheritance, fund procurement, etc. | XYMAX XYMAX TRUST | | | |
| Location of headquarters | 1-1-1 Akasaka, Minato-ku, Tokyo | | Asset Management Asset management Asset strategy, etc. | XYMAX REAL ESTATE INVESTMENT ADVISORS/MAX-REALTY | | | |
| | | | | | Valormax Y.Estate | SG Asset Max | Abilities Hospitality |
| Capital | 2,892.865 million yen (as of March 31, 2020) | | Real estate management Property management Building maintenance | <div>Hokkaido</div> XYMAX HOKKAIDO <div>East Japan</div> XYMAX ALPHA <div>Kansai</div> XYMAX KANSAI <div>Kyushu</div> XYMAX KYUSHU | | | |
| Sales | 100.831 billion yen (actual results for the fiscal year ended March 2020) * Consolidated figures of the Group | | Integrated management of store facilities Facility management | | | | |
| Representative | Representative Director, Chairman & CEO: Masafumi Shimada Representative Director Kenji Yoshimoto | Other specialized services | Leasing brokerage | Market survey/analysis Research/planning on management and repair | Hotel business | Real estate appraisal Real estate assessment/survey | |
| Major shareholders | XYMAX Shareholding Association, directors & employees, clients and financial institutions Total: 315 (as of March 31, 2020) | | XYMAX INFONISTA | XYMAX REAL ESTATE INSTITUTE | KARAKSA HOTELS | XYMAX ASSET CONSULTING | |
| Number of employees | 6,501 (as of April 1, 2020) * Consolidated figures of the Group | | Cleaning | Security | Satellite office | Risk management | |
| | | | XYMAX SALA | MAX SECURITY SERVICE | XYMAX ZXY Department | Safety Organization for Urban Renewal | |

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



Fertile Management Base of the XYMAX Group

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

- Human resources : **1,995** people engaged in real estate management, **69** in leasing, and **82** in CRE related business
(as of September 1, 2020)
- Relationship with real estate owners : approximately **300** companies
- Track record in property sales and brokerage: : **306** buildings, approximately **530** billion yen
(accumulated total from April 1, 2010 to March 31, 2020)

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

Actual number of
contracts

939 buildings

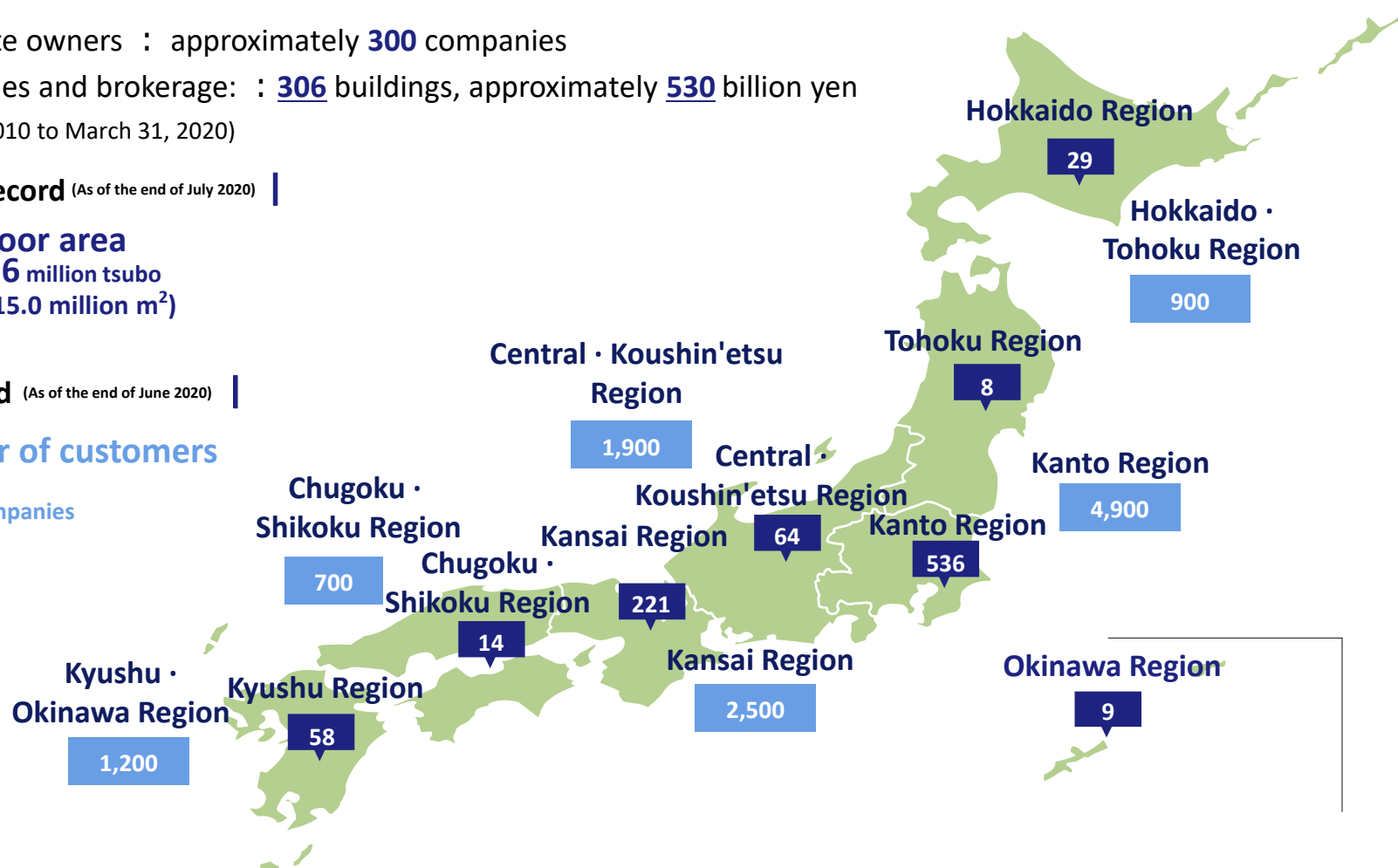
Gross floor area
Approx. **4.6** million tsubo
(Approx. 15.0 million m²)

Facility management record (As of the end of June 2020)

Actual number of
contracts

Approx. **12,100** stores

Number of customers
134 companies

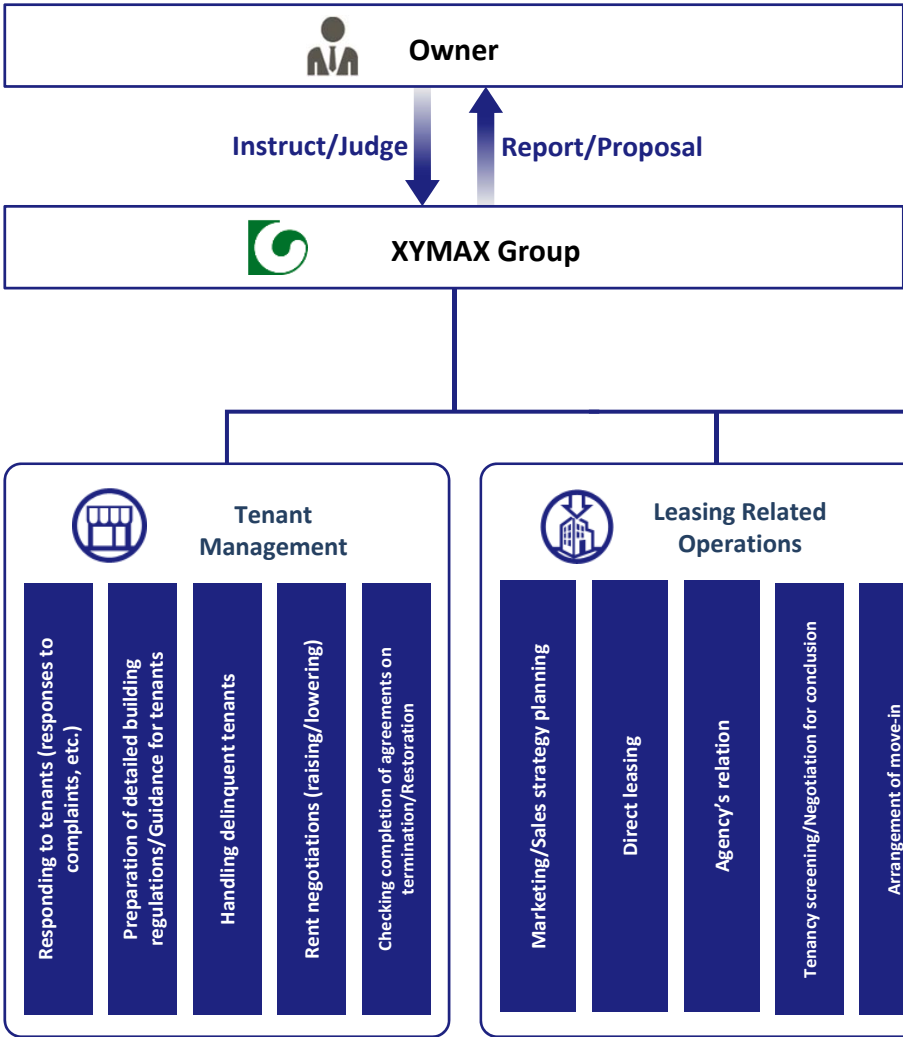


* According to each November issue of the monthly magazine Property Management from 2010 to 2015, the XYMAX Group was ranked No. 1 in terms of floor area under management for six consecutive years since 2010.

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

In addition, the XYMAX Group owns all kind of data on real estate management through a track record accumulated over the years.

Areas of Real Estate Management Operations



Data Related to Real Estate Management

| | | |
|------------------------|--|---|
| Contracted rent data | 126,376cases | 39,544 buildings (covering past 25 years) |
| Asking rent data | 29,191 cases | 55,053 buildings (covering past 9.5 years) |
| Construction work data | 150,053 cases (during the period between April 1, 2000 and August 31, 2020) | |

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

ITBM CENTER

XYMAX ALPHA introduces information communication technology in building maintenance operations to maintain and provide secure and safe conditions.

Creating a more **advanced**, higher **quality**, **safer** and more **secure** building maintenance framework and value. XYMAX ALPHA has introduced an initiative called **ITBM** (Information Technology Building Maintenance) into building management.

TA (Technical Adviser) Support

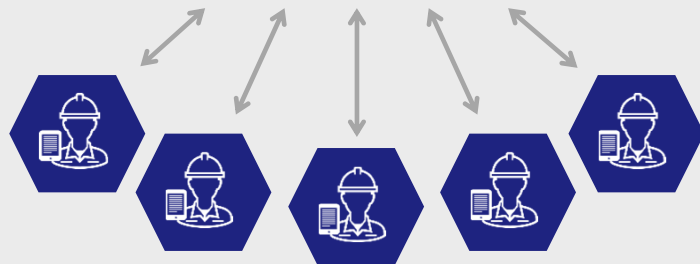
TAs give backup to all building maintenance sites

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

Knowledge Support

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

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



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



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



Real-Time Information Gathering During of an Emergency or Disaster

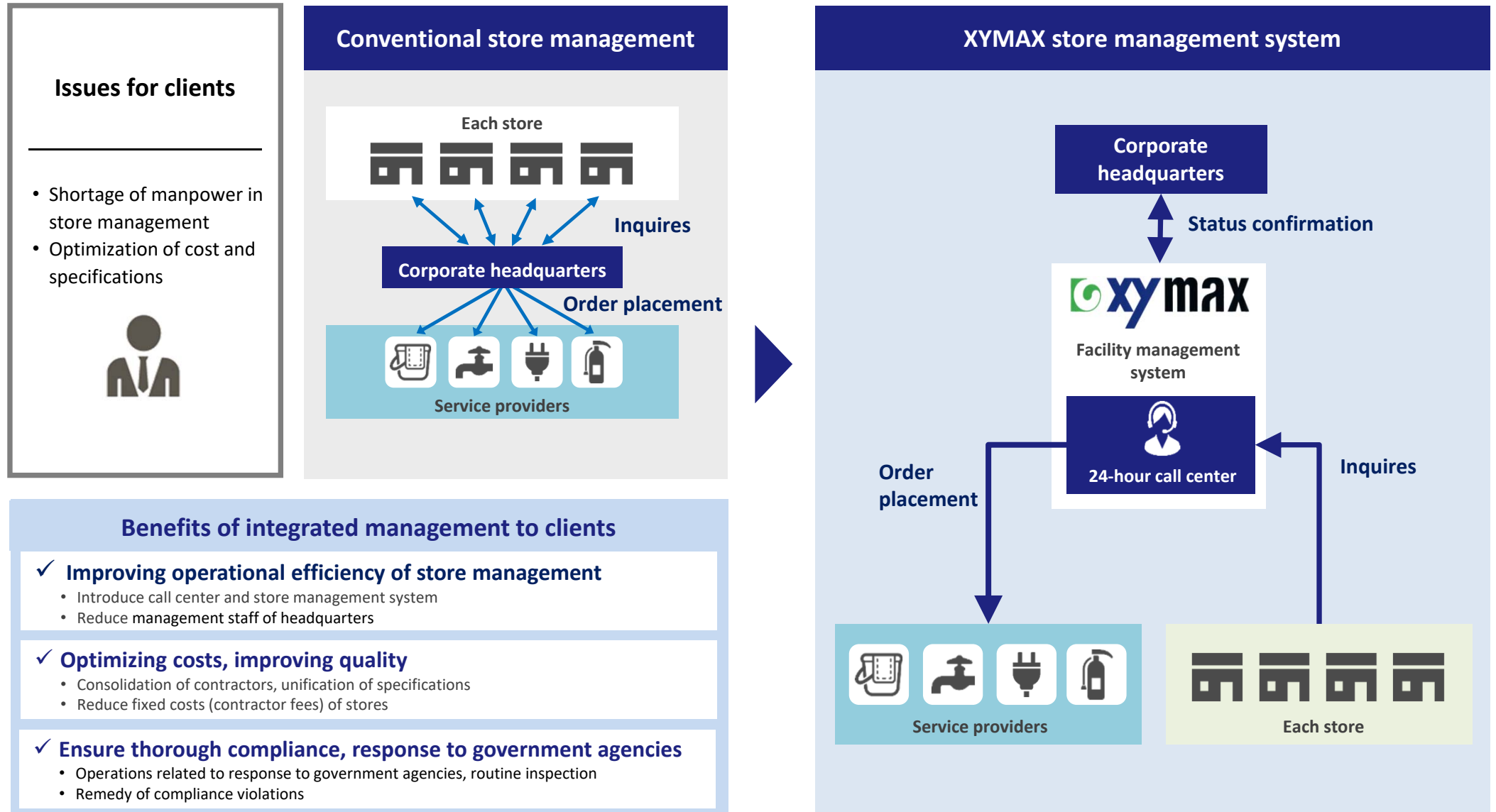
In times of fires or natural disasters, information can be shared with the relevant divisions and head office functions on a real-time basis using video from smart devices connected on-site with the ITBM Center. Videos sent from the site can be shown on a large display. The information **can be used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



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

Facility Management

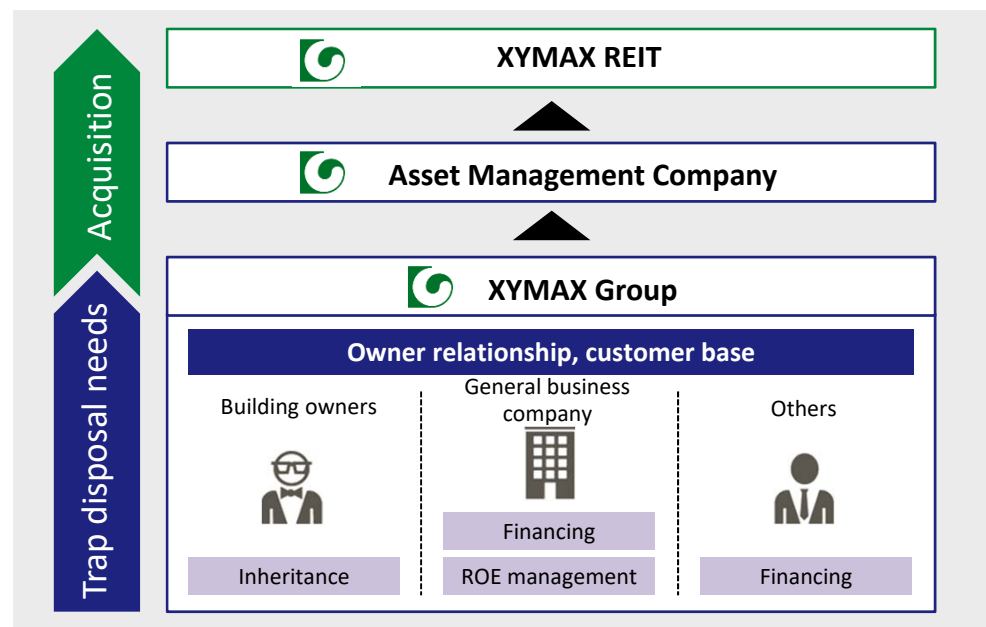
The XYMAX Group conducts integrated management of retail stores of retail chains by providing services that substantially reduce the operational burden on store management.



Original Sourcing Strategy

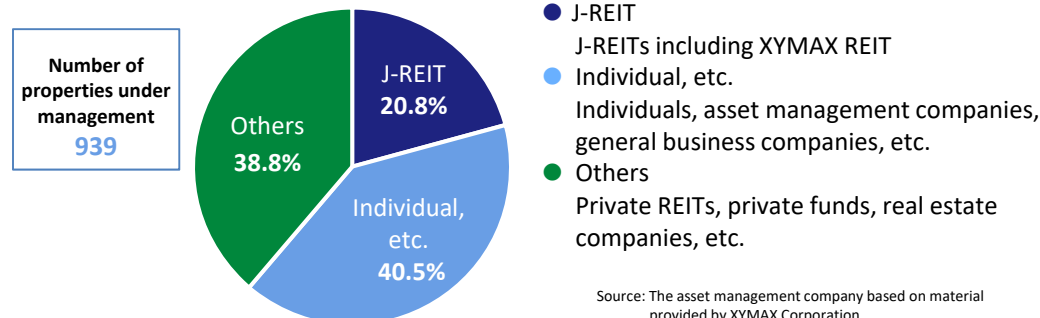
XYMAX REIT captures the needs for real estate disposal gained from the huge customer base of the XYMAX Group.
In addition, XYMAX REIT grasps the trend of real estate owners at an early stage through daily communication, so that opportunities are created for external growth.

Direct relationship with real estate owners



Diversity among real estate owners

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

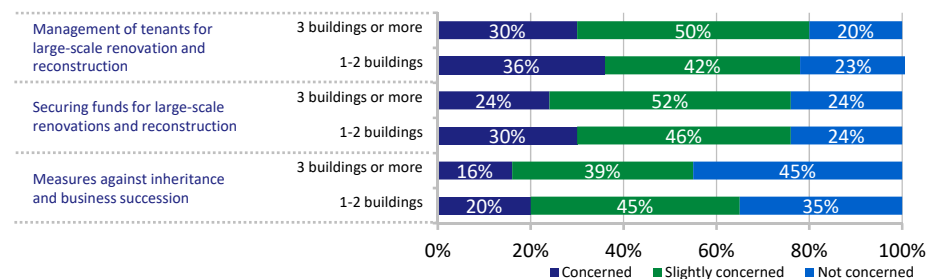


- More than 70% of real estate owners are concerned over about large-scale renovations of owned properties, tenant management, and securing funds for reconstruction
→ Identifies needs of property disposal arising due to the problem or concern about necessary funds
- Concern for inheritance and business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

Realization of external growth

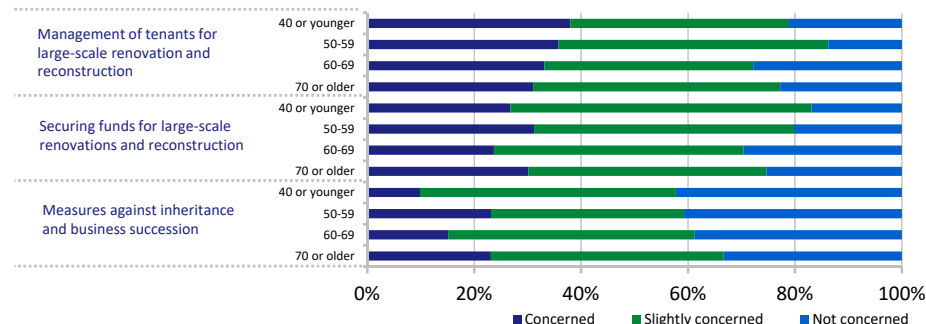
Survey on building owners' situations by XYMAX Real Estate Institute

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



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

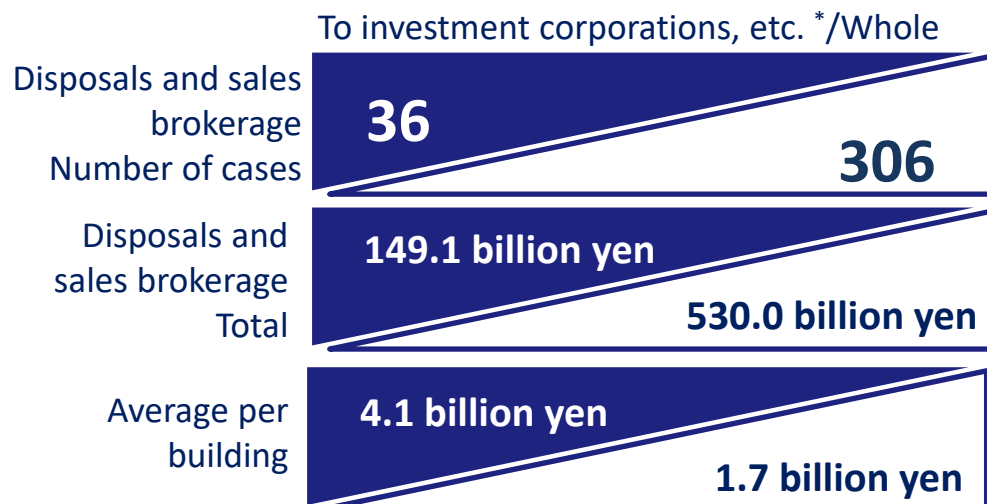
Concerns over future building business (By age, multiple answers)



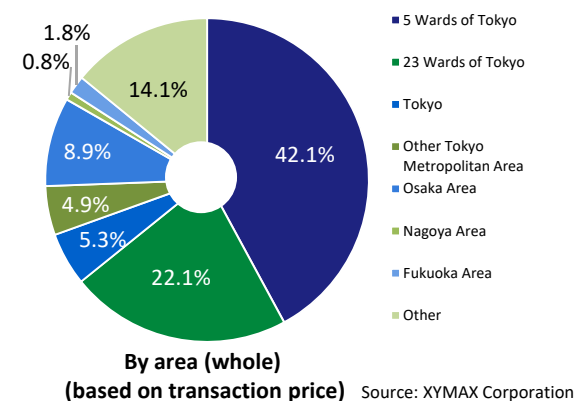
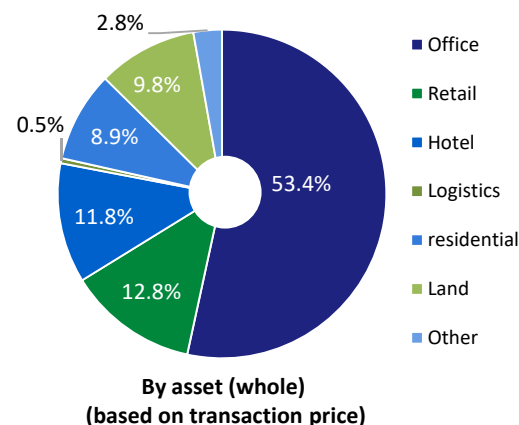
Source: Created by XYMAX Real Estate Institute based on the request from the asset management company

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

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

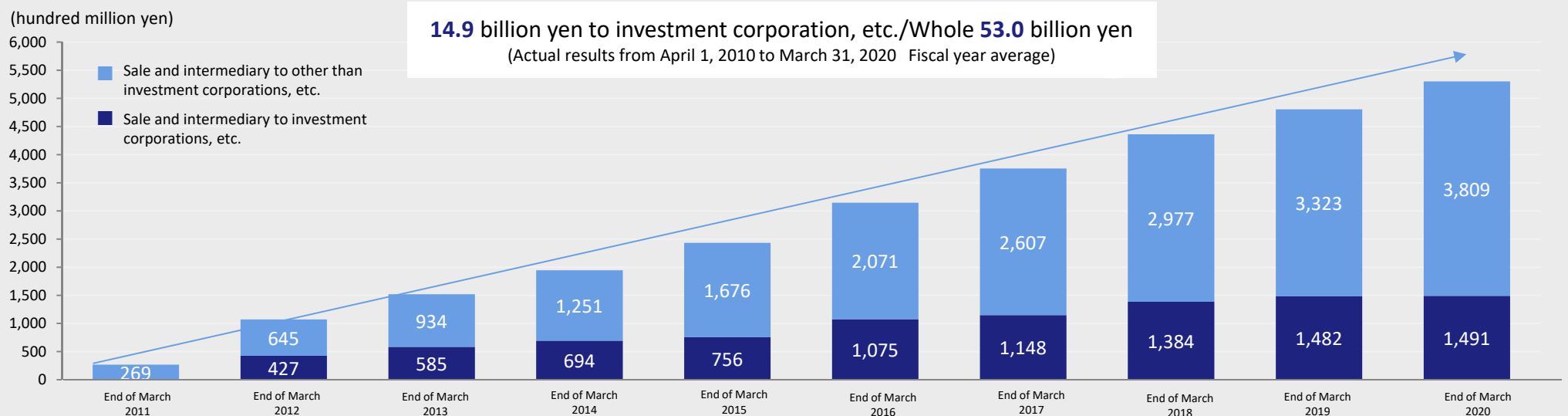


Use and geographical area of real estate in real estate disposals and real estate sales brokerage results



Accumulated track record of real estate disposal and brokerage services

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



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

Accumulation and utilization of original data by XYMAX Real Estate Institute



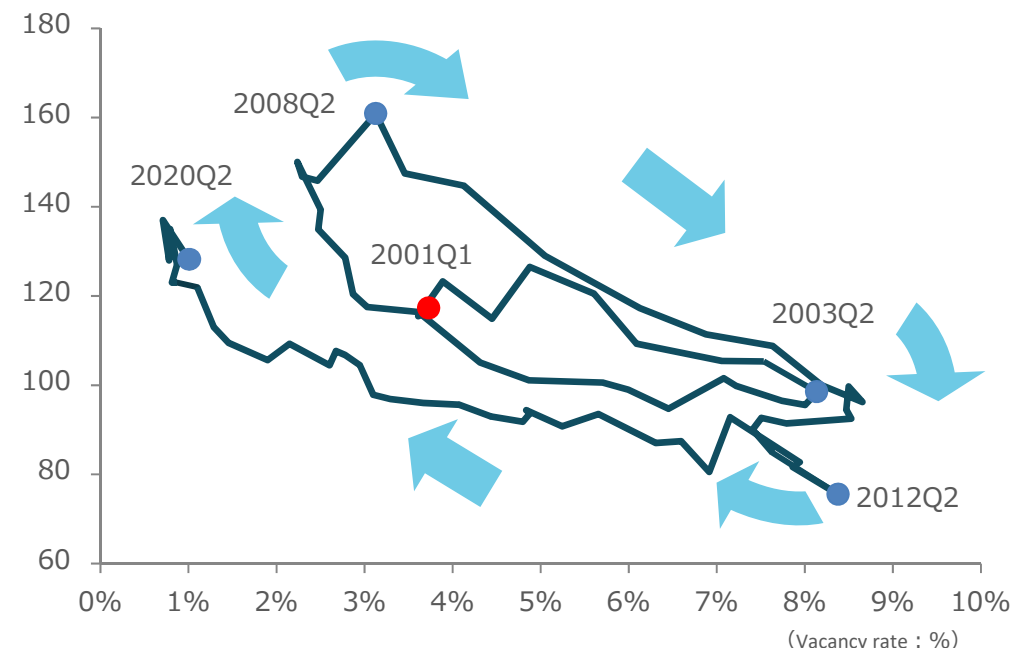
Posting, contribution and lectures to mass media and various media (example)

- Posting Nihon Keizai Shimbun, Nikkei Business Daily, etc.
- Contribution ARES Real Estate Securitization Journal
The Japanese journal of real estate sciences
BUILDING TOKYO, etc.
- Lectures Waseda University Advanced Collaborative
Research Organization for Smart Society
Land Economy and Construction and Engineering
Industry Bureau, Ministry of Land, Infrastructure,
Transport and Tourism
Institute for Building Environment and Energy
Conservation (IBEC)
WORKTECH
Tokyo Telework Promotion Center
- Joint study Japan Facility Management Association (JFMA), etc.
- Other Tokyo Univ., Nihon Univ., Waseda Univ., Univ. of Hyogo, etc.

Participation in CRE at MIT in USA as an Industrial Partner

Office market cycle in the 23 wards of Tokyo

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



| | 2019 Q2 | 2019 Q3 | 2019 Q4 | 2020 Q1 | 2020 Q2 |
|---------------------------|------------|------------|------------|------------|------------|
| Vacancy rate | 0.87% | 0.79% | 0.78% | 0.71% | 1.01% |
| New contracted rent index | 127 | 135 | 128 | 137 | 128 |

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

Market Analysis (1)

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

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

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

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

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

Whole: **6.07** million tsubo,
8,538 buildings, **32.3** years on average

Old seismic standard:

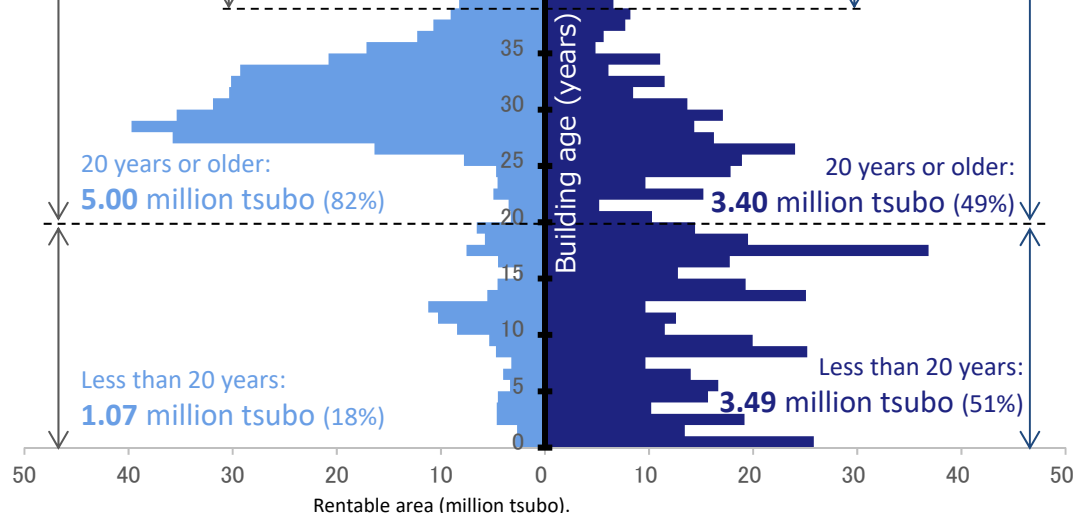
1.52 million tsubo (25%)

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

Whole: **6.89** million tsubo,
755 buildings, **23.6** years on average

Old seismic standard:

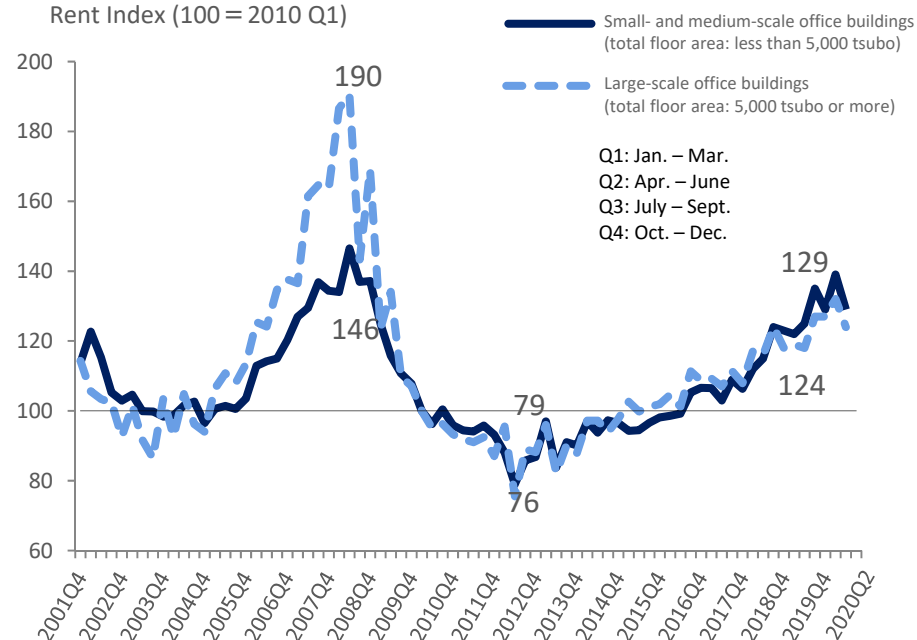
1.14 million tsubo (17%)



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

New contracted rent by office building scale

Rent Index (100 = 2010 Q1)



| | 2019 Q2 | 2019 Q3 | 2019 Q4 | 2020 Q1 | 2020 Q2 |
|--|---------|---------|---------|---------|---------|
| Small- and medium-scale office buildings (total floor area: less than 5,000 tsubo) | 125 | 135 | 129 | 139 | 129 |
| Large-scale office buildings (total floor area: 5,000 tsubo or more) | 118 | 127 | 127 | 132 | 124 |

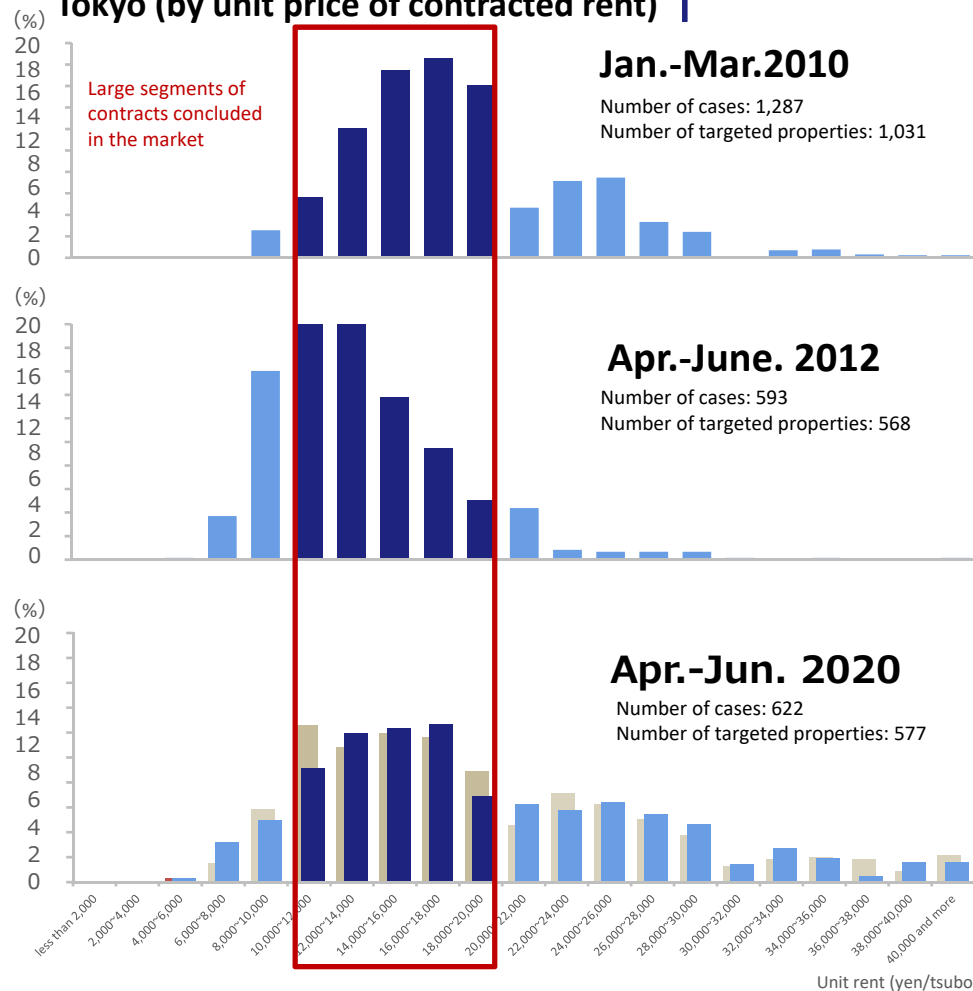
Source: Survey Report by XYMAX Real Estate Institute Corp.
"Office Market Report Tokyo Q2 2020"

Market Analysis (2)

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

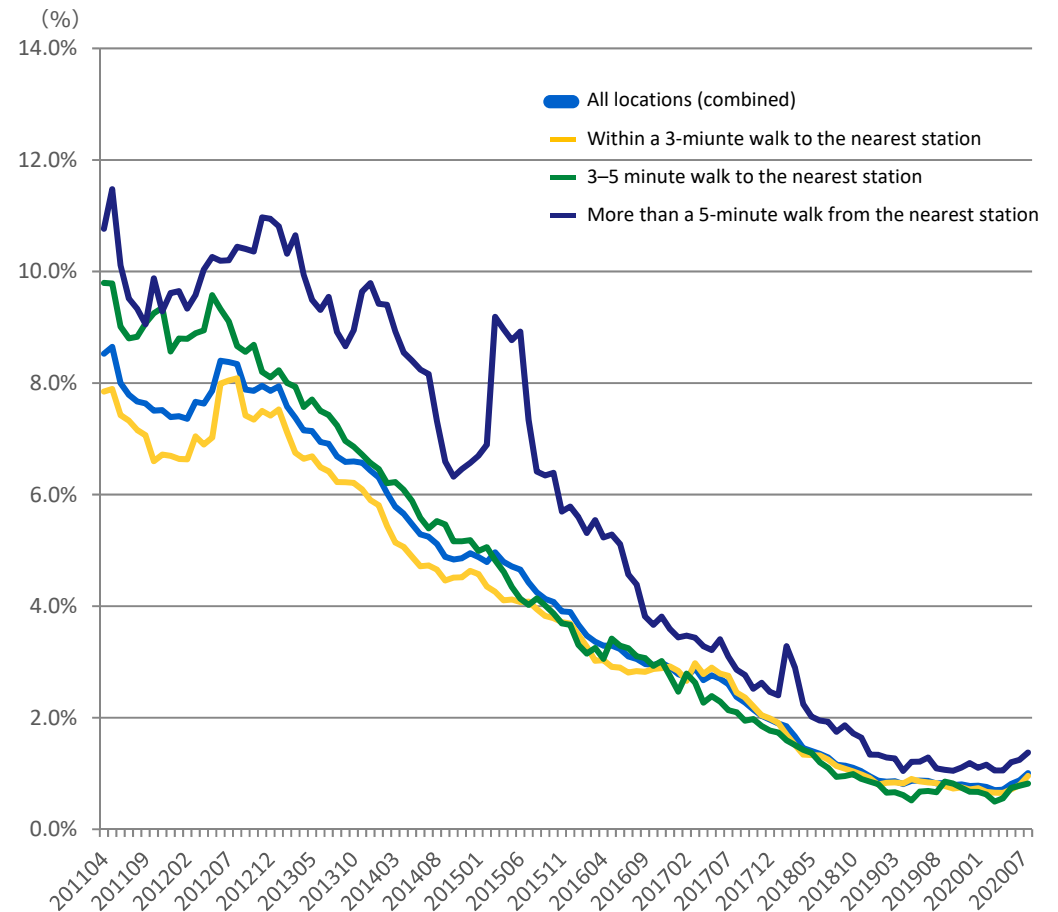
XYMAX REIT believes that there is a clear correlation between convenient locations (the time required to walk to the nearest station) and the occupancy rate.

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



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

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



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

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

Workplace service enabling free work-style



GOOD DESIGN AWARD 2019

BEST 100

「GOOD DESIGN BEST 100」

受賞

April, 2020:

ZXY Tameike Sanno opened. It also plays the role of model office where customers can experience various types of ZXY.



ZXY Share



ZXY Share

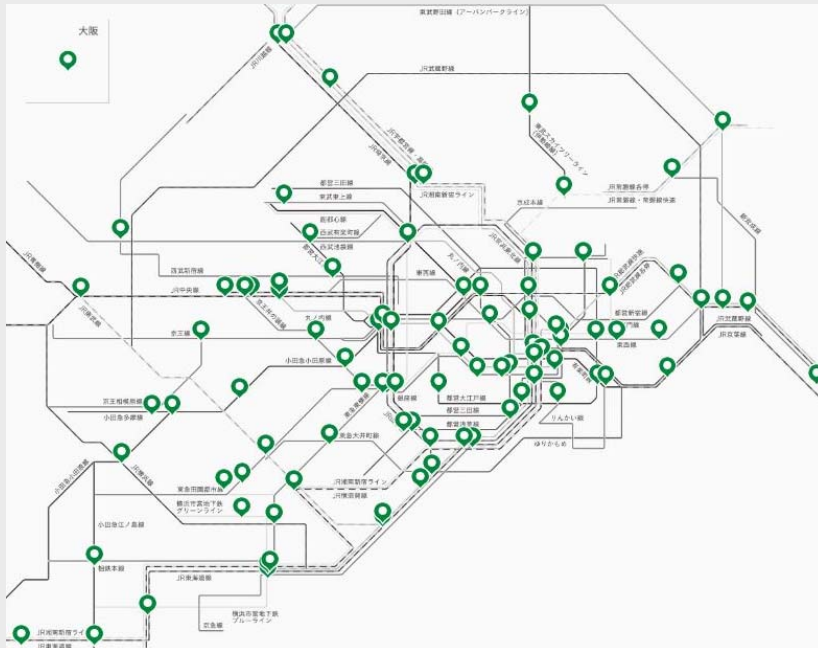


ZXY Monthly

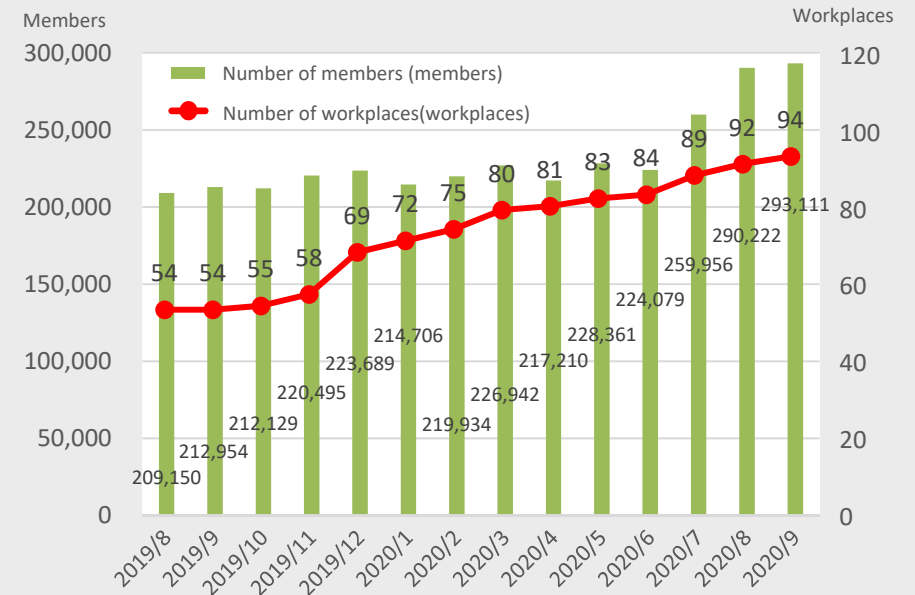


ZXY Kids Space

Location of workplaces



Change in number of memberships and workplaces



Source: XYMAX Corporation

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

Osaka

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



karaksa hotel Osaka Namba



karaksa hotel premier Tokyo Ginza



karaksa hotel TOKYO STATION

■ Opened ■ To be opened

Kyoto

Mar. 2016 36 rooms
karaksa hotel Kyoto I *



karaksa hotel Kyoto I

karaksa hotel grande
Shin-Osaka Tower

Hokkaido

| | | |
|--------------|-----------|-------------------------|
| Jan. 2018 | 177 rooms | karaksa hotel Sapporo * |
| To be opened | 140 rooms | |

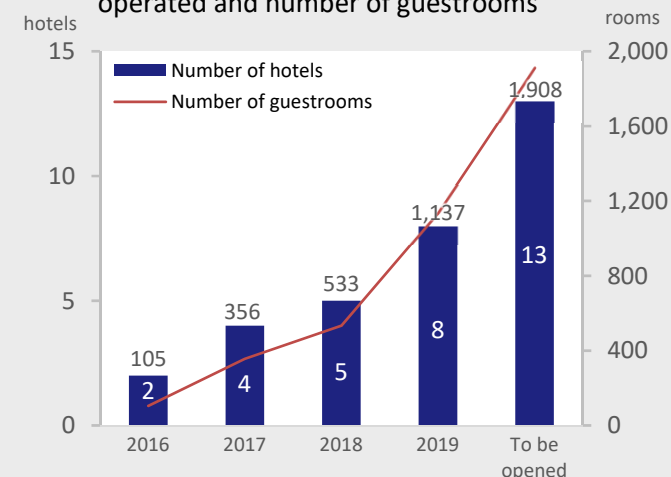


karaksa hotel Sapporo

Chiba

To be opened 190 rooms

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



Source: XYMAX Corporation (as of April 2020)

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

The source of power to maximize unitholder value; XYMAX REIT's “3 strengths”

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

“3 strengths” of XYMAX REIT



Assessment

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



Management







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



Sourcing

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

Portfolio List (1)

| Asset no. | OF-01 | OF-02 | OF-03 | OF-04 | OF-05 | OF-06 | OF-07 |
|--|--|---|---|---|---|---|---|
| Asset type | Office | Office | Office | Office | Office | Office | Office |
| Property name | XYMAX Nishi-Shimbashi Building | XYMAX Iwamotocho Building | XYMAX Shinjuku-Gyoen Building | XYMAX Kamiyacho Building | XYMAX Higashi-Azabu Building | XYMAX Higashi-Ueno Building | XYMAX Hachioji Building |
| |  |  |  |  |  |  |  |
| Location | Minato-ku, Tokyo | Chiyoda-ku, Tokyo | Shinjuku-ku, Tokyo | Minato-ku, Tokyo | Minato-ku, Tokyo | Taito-ku, Tokyo | Hachioji-shi, Tokyo |
| Access | 3 minutes on foot from Uchisaiwaicho station on the Toei Subway Mita line 6 minutes on foot from Shimbashi station on the JR Tokyo metro Ginza line , and other | 3 minutes on foot from Iwamoto-cho station on the Toei Subway Shinjuku line | 2 minutes on foot from Shinjuku Gyoenmae station on the Tokyo metro Marunouchi line | 1 minute on foot from Kamiyacho station on the Tokyo metro Hibiya line | 5 minutes on foot from Akabanebashi station on the Toei Subway Oedo Line 7 minutes on foot from Kamiyacho station on the Tokyo metro Hibiya line | 3 minutes on foot from Naka-Okachimachi station Tokyo metro Hibiya line 4 minutes on foot from JR Okachimachi station, and other | 4 minutes on foot from Keio Hachioji station on the Keio Electric Railway Keio Line 5 minutes on foot from JR Hachioji station |
| Acquisition price (million yen) | 2,500 | 4,250 | 5,020 | 880 | 1,550 | 1,150 | 2,600 |
| Land area | 402.53㎡ | 864.83㎡ | 839.09㎡ | 228.83㎡ | 365.05㎡ | 368.84㎡ | 1,220.58 ㎡ |
| Total floor area | 2,517.50㎡ | 6,261.06㎡ | 6,084.32㎡ | 1,356.51㎡ | 2,570.13㎡ | 1,942.54㎡ | 7,404.81㎡ |
| Leasable area | 1,897.75㎡ | 4,152.30㎡ | 4,792.13㎡ | 1,205.29㎡ | 2,016.00㎡ | 1,735.34㎡ | 5,556.03㎡ |
| Completion | 2000 | 2001 | 2001 | 1991 | 1999 | 1999 | 1993 |
| Structure/Number of Floors | Reinforced concrete structure with flat roof 9F | Steel-framed reinforced concrete structure with flat roof B1F/9F | Steel-construction / Reinforced concrete structure with flat roof B1F/9F | Steel-construction with flat roof 8F | Steel-framed reinforced concrete structure with flat roof B1F/9F | Steel-framed reinforced concrete structure with flat roof 8F | Steel-framed reinforced concrete/ Steel-construction with flat roof B1F/9F |
| Number of tenant (As of the end of 5 th FP) | 8 | 14 | 6 | 7 | 4 | 8 | 23 |
| Occupancy rate (As of the end of 5 th FP) | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 95.7% |

Portfolio List (2)

| Asset no. | RT-01 | RT-02 | RT-03 | RT-04 | HT-01 | OT-01 |
|--|--|---|--|---|--|---|
| Asset type | Retail | Retail | Retail | Retail | Hotel | Other (Residential) |
| Property name | Muza Kawasaki | Life Kawasaki Miyuki Store | Vita Seiseki-Sakuragaoka | Life Fukuizumi Store | Hotel Vista Sendai | Renaissance 21 Chihaya |
| |  |  |  |  |  |  |
| Location | Kawasaki-shi, Kanagawa | Kawasaki-shi, Kanagawa | Tama-shi, Tokyo | Sakai-shi, Osaka | Sendai-shi, Miyagi | Fukuoka-shi, Fukuoka |
| Access | JR Kawasaki station direct connection | 15 minutes on foot from JR Kashimada station and Yako station | Keio Electric Railway Keio Line Seiseki Sakuragaoka Station Directly Connected | 12 minutes on foot from Otori station on the JR Hanwa line | 4 minutes on foot from JR Sendai station 1 minute on foot from Miyagino Dori station on the Sendai City Subway Tozai Line | 6 minutes on foot from Chihaya station on the JR Kagoshima main line and Nishitetsu Chihaya station on the West Nippon Railway Kaizuka line |
| Acquisition price (million yen) | 4,100 | 790 | 3,100 | 1,065 | 4,400 | 2,700 |
| Land area | 742.44 m ² * ¹ | 1,879.15 m ² | 4,467.51 m ² * ² | 6,225.21 m ² | 1,461.36 m ² * ³ | 2,644.63 m ² |
| Total floor area | 3,671.09m ² * ¹ | 2,596.80m ² | 27,161.00m ² * ² | 3,358.26m ² | 6,977.47m ² | 10,856.15m ² |
| Leasable area | 3,703.87m ² | 2,677.54m ² | 27,610.61m ² | 3,309.29m ² | 7,066.25m ² | 10,287.93m ² |
| Completion | 2004 | 1997 | 1999 | 1996 | 2016 | 2006 |
| Structure/Number of Floors | Steel-framed/Steel-framed reinforced concrete structure with flat roof/stainless steel plate roofing B2F/27F | Steel-construction with flat roof 2F | Steel-framed reinforced concrete structure/reinforced concrete structure/steel-construction with flat roof B3F/27F | Steel-construction with flat roof 2F | Steel-construction with flat roof 12F | Steel-construction with flat roof 12F |
| Number of tenant (As of the end of 5 th FP) | 18 | 1 | 1 | - | 1 | 133 |
| Occupancy rate (As of the end of 5 th FP) | 100.0% | 100.0% | 100.0% | - | 100.0% | 96.7% |

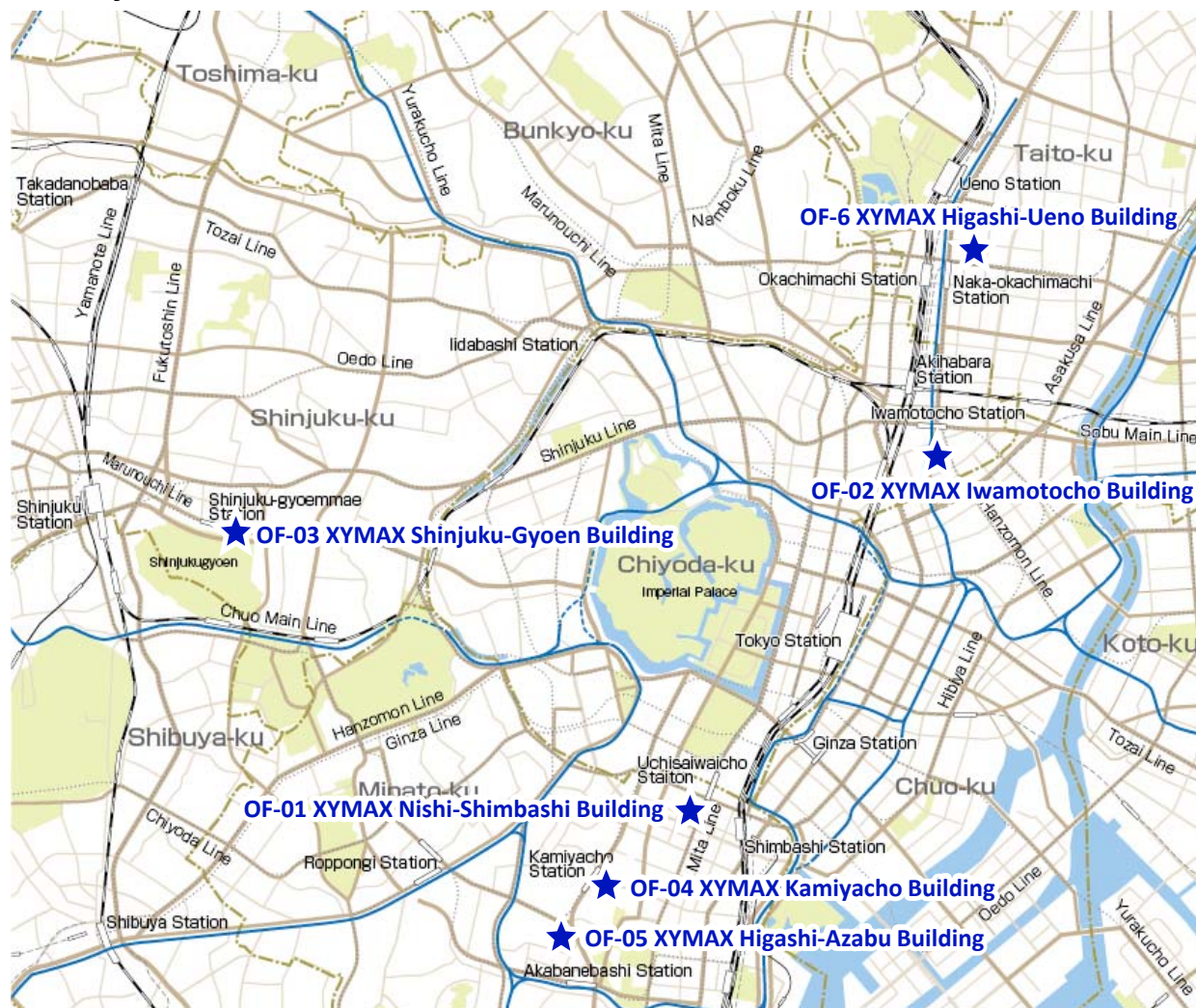
*¹ Land area indicates the figure equivalent to 6.9% of the right of site (rounded down to the first decimal place) held by the Investment Corporation within the site area of Muza Kawasaki. In addition, building area indicates the total building area based on the real estate registry for the components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

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

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

Portfolio located in favorable locations

Tokyo Area



★ Office ★ Retail ★ Hotel ★ Others (Residential)

Tokyo Economy Area



Osaka Area



Fukuoka Area

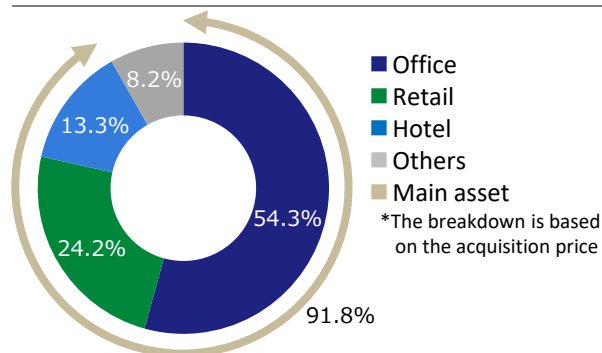


Sendai Area

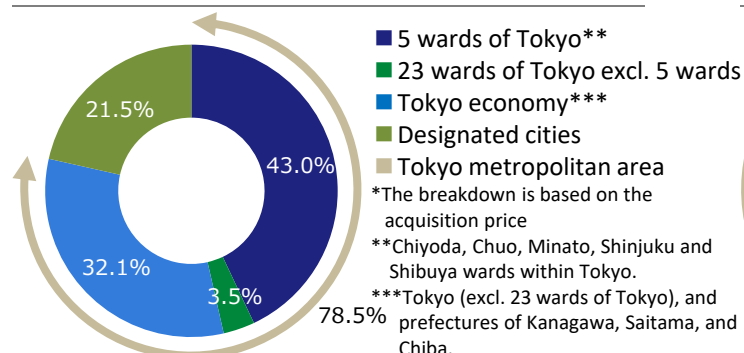


Investment Ratio and Advantage by Asset Type

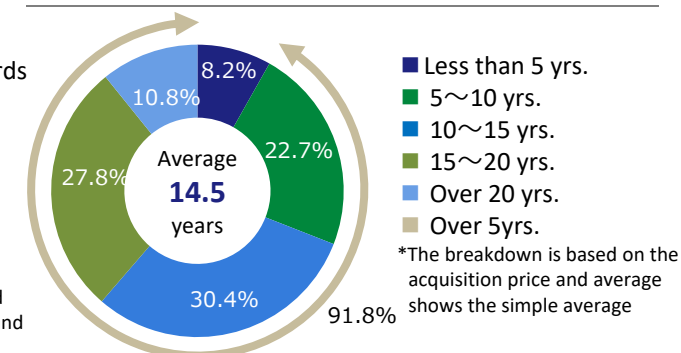
Percentage by asset type



Percentage by geographic area

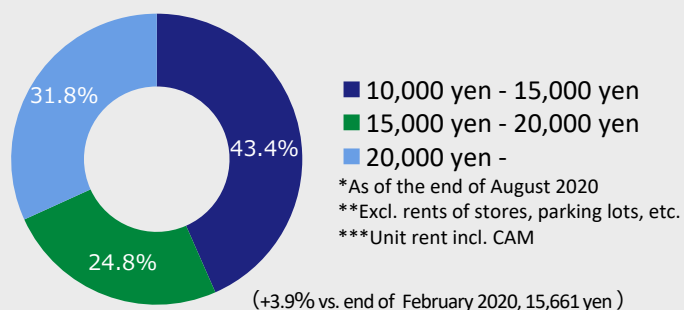


Percentage by year engaged by XYMAX Group

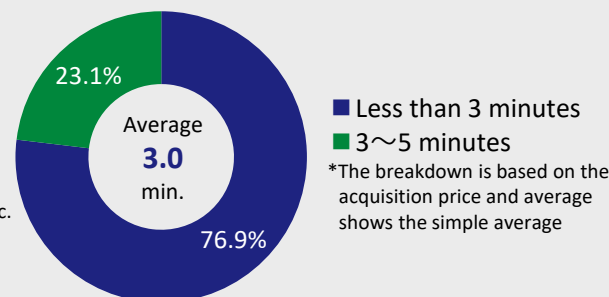


Office

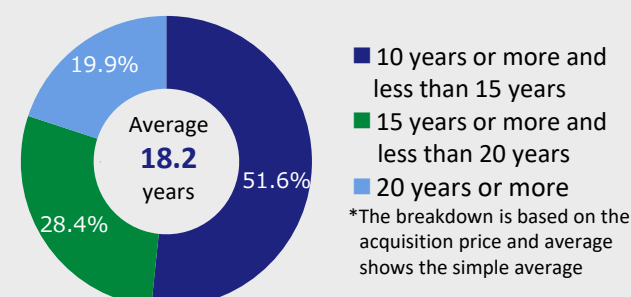
Average unit rent 16,277 yen / tsubo



Time required from the nearest station

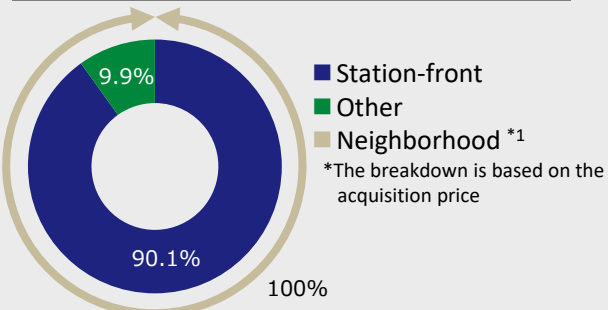


Average engagement period

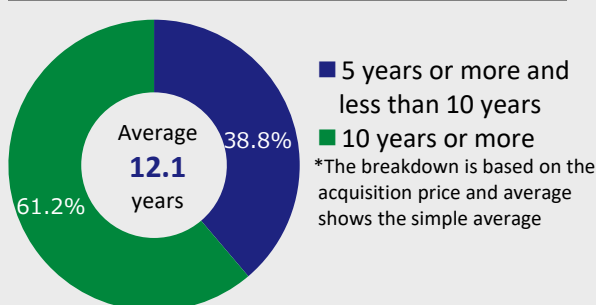


Retail

Composition of retail properties

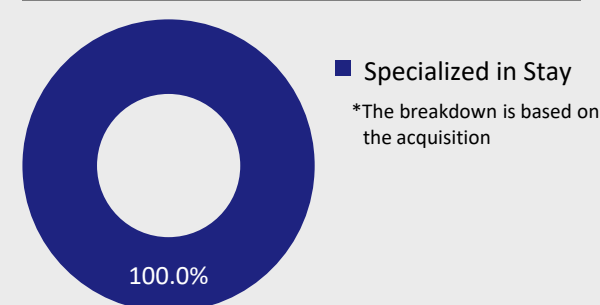


Average engagement period



Hotel

Percentage of specialized in Stay



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

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



(thousand yen)

| | Nishi-Shimbashi | Iwamotocho | Shinjuku-Gyoen | Kamiyacho | Higashi-Azabu | Higashi-Ueno | Hachioji |
|--|-----------------|------------|----------------|-----------|---------------|--------------|----------|
| Operating revenue from real estate leasing | 81,244 | 145,755 | 182,067 | 51,199 | 59,075 | 47,093 | 130,227 |
| Lease business revenue | 75,810 | 129,611 | 170,022 | 36,424 | 52,964 | 41,528 | 114,052 |
| Other lease business revenue | 5,433 | 16,163 | 12,045 | 14,774 | 6,110 | 5,564 | 16,175 |
| Operating expenses from real estate leasing (Excluding Depreciation) | 17,688 | 36,401 | 39,300 | 29,855 | 21,904 | 14,989 | 35,064 |
| Tax and public dues | 6,949 | 13,419 | 14,466 | 4,677 | 6,640 | 3,684 | 8,383 |
| Maintenance fees | 5,314 | 10,424 | 11,709 | 4,468 | 5,912 | 4,214 | 15,628 |
| Utility expenses | 3,933 | 7,914 | 7,921 | 2,087 | 2,738 | 2,857 | 7,415 |
| Repair expenses | 503 | 2,755 | 3,802 | 9,658 | 5,451 | 1,778 | 1,072 |
| Insurance premiums | 62 | 221 | 213 | 46 | 82 | 60 | 276 |
| Other expenses related to rent business | 926 | 1,665 | 1,188 | 8,917 | 1,078 | 2,392 | 2,288 |
| NOI | 63,555 | 109,373 | 142,766 | 21,343 | 37,171 | 32,104 | 95,163 |
| Depreciation | 2,626 | 11,976 | 10,359 | 1,316 | 5,086 | 3,053 | 9,185 |
| Operating income (loss) from real estate leasing | 60,928 | 97,397 | 132,407 | 20,026 | 32,084 | 29,050 | 85,977 |

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



(thousand yen)

| | Muza | Kawasaki Miyuki | Seiseki-Sakuragaoka | Sendai | Chihaya | Total |
|--|---------|-----------------|---------------------|---------|---------|-----------|
| Operating revenue from real estate leasing | 171,491 | undisclosed | undisclosed | 141,284 | 108,322 | 1,364,523 |
| Lease business revenue | 153,120 | undisclosed | undisclosed | 141,284 | 100,614 | 1,258,613 |
| Other lease business revenue | 18,370 | undisclosed | undisclosed | - | 7,707 | 105,909 |
| Operating expenses from real estate leasing (Excluding Depreciation) | 39,954 | undisclosed | undisclosed | 20,210 | 31,401 | 340,020 |
| Tax and public dues | 10,586 | undisclosed | undisclosed | 11,095 | 8,635 | 133,746 |
| Maintenance fees | 14,885 | undisclosed | undisclosed | 1,800 | 7,960 | 84,120 |
| Utility expenses | 13,436 | undisclosed | undisclosed | - | 1,595 | 49,901 |
| Repair expenses | 323 | undisclosed | undisclosed | 450 | 2,429 | 31,670 |
| Insurance premiums | 192 | undisclosed | undisclosed | 217 | 296 | 3,541 |
| Other expenses related to rent business | 529 | undisclosed | undisclosed | 6,647 | 10,484 | 37,040 |
| NOI | 131,536 | 21,788 | 171,705 | 121,074 | 76,920 | 1,024,502 |
| Depreciation | 17,368 | 1,547 | 15,541 | 31,407 | 19,755 | 129,226 |
| Operating income (loss) from real estate leasing | 114,167 | 20,240 | 156,164 | 89,667 | 57,164 | 895,276 |

Overview of Appraisal Report

| Asset no | Asset name | Acquisition date | Acquisition price (million yen) | Book value as of the end of 5th FY (million yen) | End of 4th FY (February 29, 2020) | | End of 5th FY (August 31, 2020) | | Change | | Appraiser | Unrealized profit or loss ^{*3} (million yen) |
|-----------------|--------------------------------|------------------|---------------------------------|--|-----------------------------------|---|---------------------------------|---|---|---|---------------------------------------|---|
| | | | | | Appraisal value (million yen) | Capitalization rate based on direct capitalization method (%) | Appraisal value (million yen) | Capitalization rate based on direct capitalization method (%) | Appraisal value ^{*1} (million yen) | Capitalization rate based on direct capitalization method ^{*2} (%) | | |
| OF-01 | XYMAX Nishi-Shimbashi Building | February 2018 | 2,500 | 2,518 | 3,110 | 3.7 | 3,120 | 3.7 | 10 | - | The Tanizawa Sōgō Appraisal Co., Ltd. | 601 |
| OF-02 | XYMAX Iwamotocho Building | February 2018 | 4,250 | 4,363 | 5,720 | 3.5 | 5,730 | 3.5 | 10 | - | Japan Real Estate Institute | 1,366 |
| OF-03 | XYMAX Shinjuku-Gyoen Building | February 2018 | 5,020 | 5,065 | 7,200 | 3.5 | 7,200 | 3.5 | - | - | Japan Real Estate Institute | 2,134 |
| OF-04 | XYMAX Kamiyacho Building | February 2018 | 880 | 891 | 1,190 | 3.8 | 1,200 | 3.8 | 10 | - | The Tanizawa Sōgō Appraisal Co., Ltd. | 308 |
| OF-05 | XYMAX Higashi-Azabu Building | February 2018 | 1,550 | 1,604 | 2,160 | 3.8 | 2,140 | 3.8 | -20 | - | Daiwa Real Estate Appraisal Co., Ltd. | 535 |
| OF-06 | XYMAX Higashi-Ueno Building | February 2018 | 1,150 | 1,176 | 1,600 | 3.9 | 1,620 | 3.9 | 20 | - | Daiwa Real Estate Appraisal Co., Ltd. | 443 |
| OF-07 | XYMAX Hachioji Building | February 2018 | 2,600 | 2,591 | 3,590 | 4.8 | 3,590 | 4.8 | - | - | Japan Real Estate Institute | 998 |
| RT-01 | Muza Kawasaki | February 2018 | 4,100 | 4,105 | 5,380 | 4.1 | 5,380 | 4.1 | - | - | The Tanizawa Sōgō Appraisal Co., Ltd. | 1,274 |
| RT-02 | Life Kawasaki Miyuki Store | February 2018 | 790 | 795 | 975 | 4.2 | 975 | 4.2 | - | - | Daiwa Real Estate Appraisal Co., Ltd. | 179 |
| RT-03 | Vita Seiseki-Sakuragaoka | February 2018 | 3,100 | 3,304 | 3,930 | 5.0 | 3,910 | 5.0 | -20 | - | The Tanizawa Sōgō Appraisal Co., Ltd. | 605 |
| HT-01 | Hotel Vista Sendai | February 2018 | 4,400 | 4,307 | 5,480 | 4.7 | 5,210 | 4.9 | -270 | 0.2 | The Tanizawa Sōgō Appraisal Co., Ltd. | 902 |
| OT-01 | Renaissance 21 Chihaya | February 2018 | 2,700 | 2,765 | 3,130 | 5.0 | 3,150 | 5.0 | 20 | - | The Tanizawa Sōgō Appraisal Co., Ltd. | 384 |
| Total / Average | | | 33,040 | 33,491 | 43,465 | - | 43,225 | - | -240 | - | - | 9,733 |

^{*1} The difference between the estimated value at the end of the 4th FY and the estimated value at the end of the 5th FY is indicated.

^{*2} The difference between the direct capitalization rate adopted in the real estate appraisal report for each portfolio asset in the calculation of estimated value at the end of the 4th FY and the direct capitalization rate adopted in the real estate report for each portfolio asset in the calculation of estimated value at the end of the 5th FY is indicated.

^{*3} The difference between the book value at the end of the 5th FY and the book value at the end of the 5th FY for is indicated.

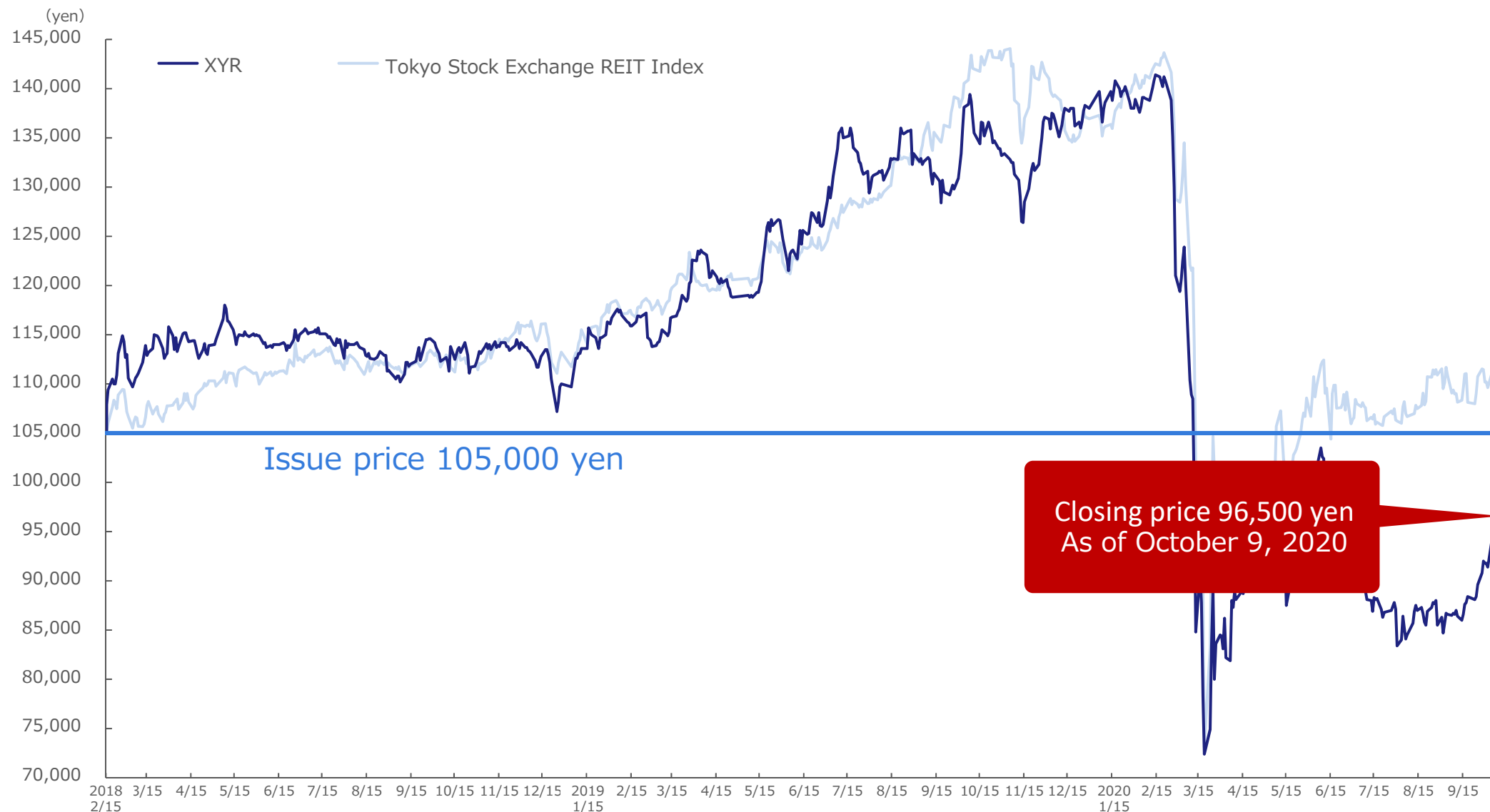
Balance Sheet and Statement of Income

| Balance Sheet | 4th fiscal period (As of Feb. 29, 2020) (thousand yen) | 5th fiscal period (As of Aug. 31, 2020) (thousand yen) |
|---|--|--|
| Assets | | |
| Current assets | 2,958,929 | 3,051,092 |
| Cash and bank deposits | 1,005,416 | 1,022,211 |
| Cash and bank deposits in trust | 1,895,489 | 1,974,404 |
| Operating accounts receivable | 23,904 | 21,642 |
| Prepaid expenses | 33,746 | 32,279 |
| Other | 372 | 554 |
| Non-current assets | 33,628,935 | 33,665,883 |
| Property, plant and equipment | 33,476,361 | 33,497,350 |
| Tools, furniture and fixtures | 53,244 | 39,837 |
| Buildings in trust | 8,759,344 | 8,770,285 |
| Structures in trust | 49,391 | 50,411 |
| Tools, furniture and fixtures in trust | 8,108 | 25,034 |
| Land in trust | 24,606,271 | 24,606,271 |
| Construction in progress in trust | - | 5,511 |
| Investments and other assets | 152,574 | 168,532 |
| Long-term prepaid expenses | 41,111 | 39,058 |
| Deferred tax assets | 16 | 11 |
| Lease and guarantee deposits | 22,600 | 22,600 |
| Other | 88,847 | 106,862 |
| Liabilities | | |
| Current liabilities | 3,547,233 | 3,618,707 |
| Operating accounts payable | 90,363 | 125,758 |
| Short-term loans payable | 814,000 | 814,000 |
| Current portion of long-term borrowings | 2,336,000 | 2,336,000 |
| Accounts payable - other | 90,777 | 105,716 |
| Income taxes payable | 937 | 841 |
| Accrued consumption taxes | 29,347 | 34,459 |
| Advances received | 183,695 | 198,430 |
| Other | 2,112 | 3,501 |
| Non-current liabilities | 9,782,973 | 9,788,186 |
| Long-term loans payable | 8,530,000 | 8,530,000 |
| Tenant leasehold and security deposits in trust | 1,252,973 | 1,258,186 |
| Total liabilities | 13,330,207 | 13,406,893 |
| Net assets | | |
| Unitholders' equity | 23,257,657 | 23,310,082 |
| Unitholders' capital | 22,585,746 | 22,585,746 |
| Surplus | 671,911 | 724,336 |
| Total net assets | 23,257,657 | 23,310,082 |
| Total liabilities and net assets | 36,587,864 | 36,716,975 |

| Statement of Income | 4th fiscal period (As of Feb. 29, 2020) (thousand yen) | 5th fiscal period (As of Aug. 31, 2020) (thousand yen) |
|---|--|--|
| Operating revenue | 1,343,421 | 1,364,523 |
| Lease business revenue | 1,240,652 | 1,258,613 |
| Other lease business revenue | 102,769 | 105,909 |
| Operating expenses | 619,206 | 592,560 |
| Expenses related to rent business | 500,341 | 469,247 |
| Asset management fee | 76,442 | 78,106 |
| Asset custody fee | 824 | 823 |
| Administrative service fees | 8,936 | 9,932 |
| Directors' compensations | 2,400 | 2,400 |
| Other operating expenses | 30,261 | 32,050 |
| Operating income | 724,215 | 771,962 |
| Non-operating income | 4,662 | 14 |
| Interest income | 14 | 14 |
| Insurance payment received | 4,647 | - |
| Non-operating expenses | 56,058 | 46,940 |
| Interest expenses | 34,098 | 36,745 |
| Borrowing related expenses | 21,960 | 10,194 |
| Ordinary income | 672,819 | 725,036 |
| Income before income taxes | 672,819 | 725,036 |
| Total income taxes | 937 | 848 |
| Income taxes - current | 939 | 843 |
| Income taxes - deferred | -2 | 4 |
| Net income | 671,882 | 724,188 |
| Retained earnings brought forward | 29 | 147 |
| Unappropriated retained earnings (undisposed loss) | 671,911 | 724,336 |

Change in investment unit price

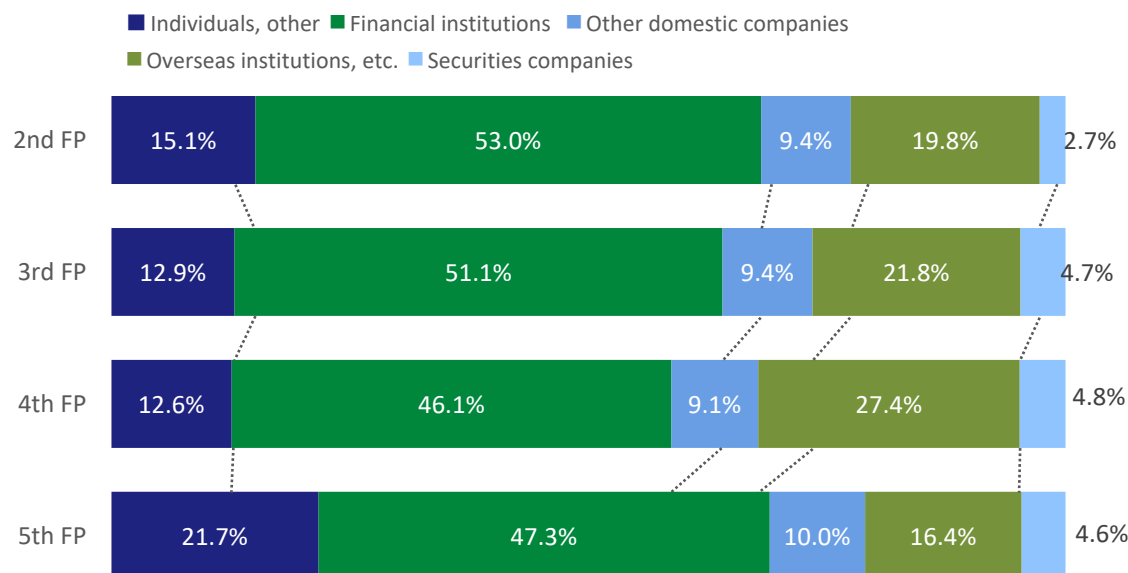
Change in investment unit price | As of October 9, 2020



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

Status of Unitholders

Share of investment units by owner type



Number of unitholders by owner type

| | 2nd FP | 3rd FP | 4th FP | 5th FP |
|-----------------------------|--------|--------|--------|--------|
| Individuals, other | 4,220 | 3,892 | 4,089 | 5,889 |
| Financial institutions | 37 | 40 | 37 | 38 |
| Other domestic companies | 107 | 88 | 90 | 125 |
| Overseas institutions, etc. | 70 | 76 | 79 | 62 |
| Securities companies | 16 | 21 | 23 | 24 |
| Total | 4,450 | 4,117 | 4,318 | 6,138 |

Major Unitholders

Note: As of August 31, 2020

| Name | Number of investment units (unit) | Ratio (%) |
|--|-----------------------------------|-----------|
| Custody Bank of Japan, Ltd. (Trust account) | 37,994 | 17.00 |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 25,994 | 11.63 |
| XYMAX Corporation | 12,500 | 5.59 |
| The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 10,296 | 4.60 |
| BNP PARIBAS SECURITIES SERVICES FRANKFURT / JASDEC / SGSS DEUTSCHLAND KAPITALANLAGEGESELLSCHAFT MBH FOR REIT ASIEN 1 | 8,491 | 3.80 |
| Custody Bank of Japan, Ltd. (Securities investment trust account) | 7,621 | 3.41 |
| SCBHK AC LIECHTENSTEINISCHE LANDESBANK AG | 5,711 | 2.55 |
| The Bank of Yokohama, Ltd. | 5,238 | 2.34 |
| BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD | 3,704 | 1.65 |
| Aozora Bank, Ltd. | 3,508 | 1.57 |
| Total | 121,057 | 54.18 |

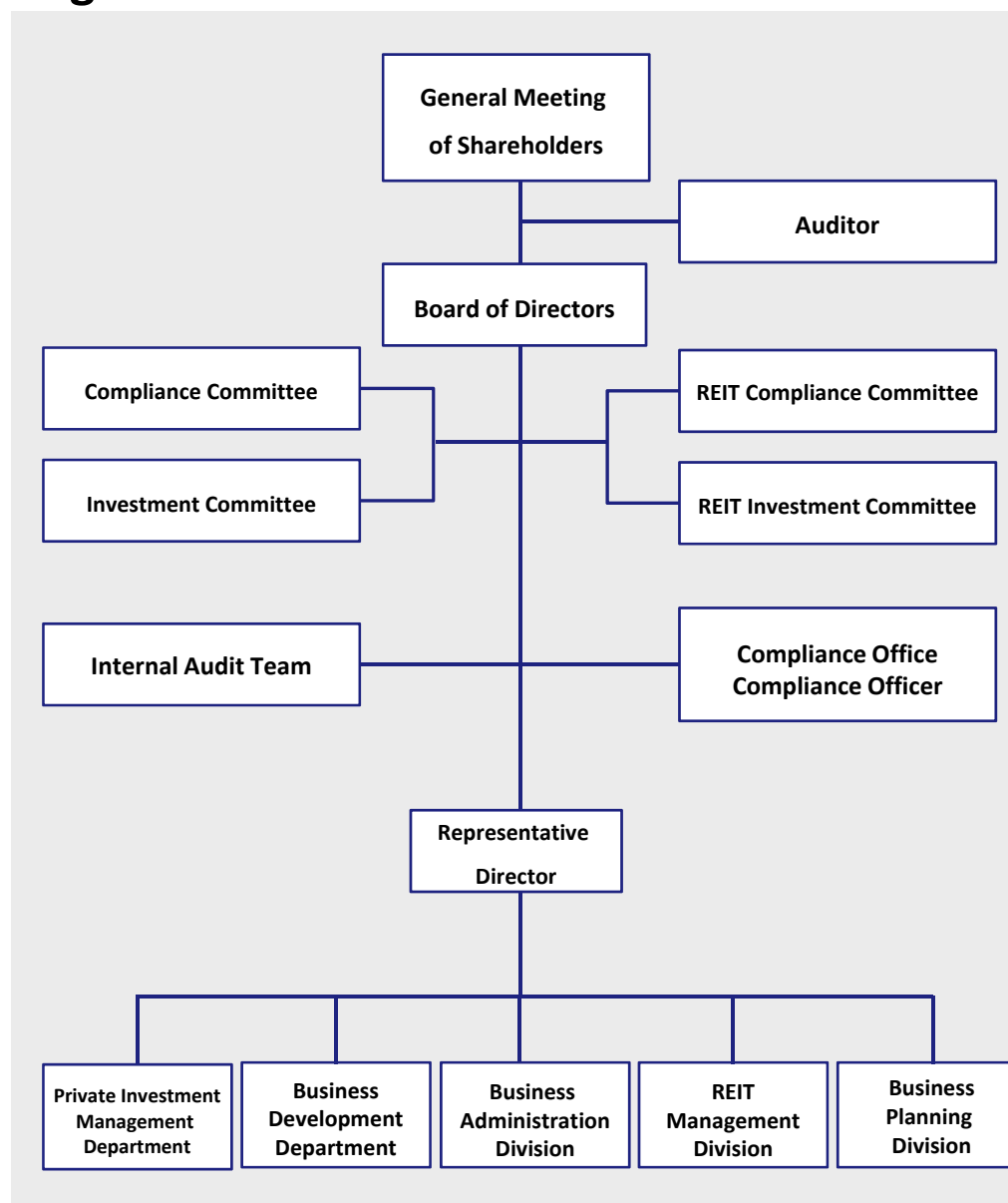
*The ratio of unitholders is rounded down to the second decimal place.

Overview of Asset Management Company

Overview

| | |
|---------------------|---|
| Company name | XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation |
| Location | XYMAX Akasaka 111 Building, 1-1-1 Akasaka, Minato-ku, Tokyo |
| Establishment | August 6, 2007 |
| Capital | 0.2 billion yen |
| Major shareholders | XYMAX Corporation (100% stake) |
| Number of employees | 32 (as of April 1, 2020) |
| Lines of business | (1) Financial instruments business as prescribed in the Financial Instruments and Exchange Act (2) Real estate investment advisory business and discretionary real estate investment business (3) Asset management business for investment corporation |
| Executives | Nobuhito Inatsuki, Representative Director and President Yasushi Yamaguchi, Director Kazuya Sugimoto, Director Shigeki Kawakita, Auditor |
| Licenses | Financial instruments business: Director-General of the Kanto Local Finance Bureau Registration (FIBO) No. 1907 (Investment Management Business, Investment Advisory and Agency Business, and Type II Financial Instruments Business) Discretionary transaction agency, etc. business: Minister of Land, Infrastructure, Transport and Tourism Approval No. 118 Real Estate Specified Joint Enterprise: License No. 75 granted by Commissioner of the Financial Services Agency and Minister of Land, Infrastructure, Transport and Tourism (for businesses referred to in items (iii) and (iv)) Real estate investment advisory business: Registration No. Sogo-57 Real estate brokerage business: Governor of Tokyo License (3) No. 88223 |

Organization



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