

July 29, 2024

For Immediate Release

Real Estate Investment Trust Securities Issuer
1-11-30 Akasaka, Minato-ku, Tokyo
XYMAX REIT Investment Corporation
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(Securities Code: 3488)

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Notice Concerning the Transfer of Domestic Real Estate Trust Beneficiary Rights (XYMAX Mita Building)

XYMAX REIT Investment Corporation (hereinafter “XYMAX REIT”) hereby announces that XYMAX REAL ESTATE INVESTMENT ADVISORS Corporation (hereinafter the “Asset Management Company”), the asset management company to which XYMAX REIT entrusts the management of its assets decided to transfer the asset (hereinafter referred to as the “Transfer”) as follows.

1. Overview of the Transfer

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|---|--|
| (1) Asset to be Transferred | : Beneficiary right in a trust in which real estate is the trust property |
| (2) Property Name | : XYMAX Mita Building |
| (3) Scheduled Transfer Price (Note 1) | : 890 million yen |
| (4) Book Value (Note 2) | : 704 million yen |
| (5) Difference between the Scheduled Transfer Price and Book Value (Note 3) | : 185 million yen |
| (6) Decision Date of the Transfer | : July 29, 2024 |
| (7) Date of the Purchase and Sale Agreement | : July 31, 2024 |
| (8) Scheduled Transfer Date & Payment Receipt Date | : September 3, 2024 |
| (9) Transferee | : Undisclosed (Note 4) |
| (10) Presence of an Intermediary | : Please refer to '6. Overview of the Brokerage' below. |
| (11) Use of Transfer Proceeds | : Please refer to '2. Reason for the Transfer' below. |
| (12) Settlement Method | : A deposit (Note 5) of 91,920 thousand yen is received on the Date of the Purchase and Sale Agreement, and the full balance is received on the Scheduled Transfer Date. |

(Note 1) 'Scheduled Transfer Price' is the sales price of the Asset to be Transferred as stated in the Purchase and Sale Agreement (excluding consumption tax, local consumption tax, transfer expenses, settlement amount of fixed property tax and city planning tax, and other various expenses), rounded down to the nearest million yen.

(Note 2) 'Book Value' is the amount as of the end of the 12th period, February 2024, rounded down to the nearest million yen.

(Note 3) 'Difference between the Scheduled Transfer Price and Book Value' is a reference figure calculated as such, and differs from the gain or loss on transfer.

(Note 4) It is undisclosed because consent for disclosure has not been obtained.

(Note 5) The deposit only has the nature of a contract deposit and does not have the nature of a cancellation deposit.

2. Reason for the Transfer

XYMAX REIT is advancing the expansion of asset size through the acquisition of new properties that meet the investment criteria in the Asset Management Company's operation guidelines, while considering current and future real estate market trends, and the individual characteristics of each property (current profitability, future profitability outlook, age, and area, etc.), comprehensively. The policy is to improve the quality of the portfolio through the sale of owned properties and the replacement of assets, and to return the gains from sales to investors.

Based on the current profitability characteristics of the portfolio, XYMAX REIT is selecting properties with high revenue growth potential among those for which the Asset Management Company has the right of first refusal and is making concrete considerations for acquisition of new asset.

In such considerations, utilization of proceeds generated by dispositions of owned properties and exchange based on the characteristics of each owned property and the suitability in exchanging them with such properties are also being considered. The Asset to be Transferred has been selected as a candidate for sale. The reasons for selecting the s Asset to be Transferred are as follows:

- ✓ With the aim of improving profitability, after acquiring the right of first negotiation through the use of the 'Bridge Scheme', we carried out renovation works on the rental spaces whenever vacancies occurred, and as of today, renovation works on 9 out of 10 floors have been completed.
- ✓ As of today, we have achieved full occupancy and an approximately 38.9% increase in the average unit rent compared to the start of the 'Bridge Scheme', thereby achieving revenue growth.
- ✓ The current office sales market is maintaining its robustness.

The search for potential buyers has been conducted utilizing the network of XYMAX TRUST Corporation, a member of the sponsor group.

As a result of the above activities, we received a purchase intention from the prospective transferee for the scheduled transfer asset at a level exceeding the appraised value and book value, and after considering the sale conditions etc. at the Asset Management Company, we decided on the Transfer.

XYMAX REIT plans to return the sales profits from the proceeds of the Transfer to the investment unit holders. In addition, we will use the remaining proceeds, along with cash on hand and borrowings, to acquire properties currently under consideration for acquisition, thereby expanding the asset size and aiming for long-term improvement in investor value.

3. Profile of the Asset to be Transferred

The overview of the Asset to be Transferred is as follows:

For explanations of the items listed in the table, please refer to Reference Material 2 “Explanation of Items Concerning the Asset to be Transferred”.

Property Name		XYMAX Mita Building		Category		Office	
				Property Number		OF-08	
Overview of the Specified Asset							
Scheduled Transfer Date		September 3, 2024		Type of Specified Asset		Trust Beneficiary Right	
Scheduled Transfer Price		890 million yen		Overview of Trust	Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Appraised Value (As of the price point)		771 million yen (February 29, 2024)		Beneficiary Right	Trust Maturity Date	End of June 2031	
Location		5-13-11 Shiba, Minato-ku, Tokyo					
Transportation		5 minutes walk from Mita Station on the Toei Mita Line and Toei Asakusa Line / 7 minutes walk from Tamachi Station on the JR Yamanote Line and other lines					
Land	Lot Number	5-3-39 Shiba, Minato-ku, Tokyo		Site Area		137.02 m ²	
	Building Coverage Ratio	80%		Floor Area Ratio		600%	
	Zoning	Commercial Area		Ownership Type		Ownership	
Building	Construction Date	May 31, 1991		Structure & Floors		Steel-framed flat-roofed 10-story building	
	Use	Office		Total Floor Area		799.78 m ²	
	Architect	KOKEN ARCHITECTS, Inc.		Constructor		TOSEI CONSTRUCTION Co., Ltd.	
	Building Inspection Agency	Minato Ward Chief Architect		Ownership Type		Ownership	
ML Company		XYMAX Corporation		ML Type		Pass-through type	
PM Company		XYMAX Corporation					
Special Notes There are no applicable items.							
Outline of Leases							
Leasable Area		741.41 m ²		Leased Area		741.41 m ²	
Occupancy Rate		100%		Number of Tenants		9	
Annual Rent		44 million yen		Security Deposit		15 million yen	
Profit and Loss Information (Combined actual figures for Fiscal Periods ended August 2023 and February 2024)							
Leasing Business Income		28 million yen					
NOI		12 million yen					
Leasing Business Profit		8 million yen					
Occupancy Rate History		Fiscal Period ended February 2022	Fiscal Period ended August 2022	Fiscal Period ended February 2023		Fiscal Period ended August 2023	Fiscal Period ended February 2024
		100%	69.2%	69.2%		79.4%	79.4%

Outline of the Appraisal Report		
Property Name	XYMAX Mita Building	
Appraised Value	771,000 thousand yen	
Name of the Appraiser	Japan Real Estate Institute	
Appraisal Date	February 29, 2024	
Item	Detail (in thousand yen)	Summary etc.
Value based on the Income Approach	771,000	Assessed using both the Direct Capitalization Method and the DCF Method.
Value based on the Direct Capitalization Method	771,000	
(1) Operating Revenue (①-②)	44,202	
① Potential Gross Revenue	46,521	Assessed based on the average rent etc. under the current lease contract, the level of new rent etc. assumed for leasing the subject property anew, and the attributes of the tenants in residence.
② Loss from Vacancy, etc.	2,319	Assessment of the mid to long-term stable occupancy rate level based on the operational status and supply and demand trends of similar properties in similar areas within the same supply and demand sphere, including the past operational status and future trends of the target property.
(2) Operating Expenses (a. +b. +c. +d. +e. +f. +g. +h.)	12,766	
a. Maintenance and Management Expenses	3,780	Accounted for based on past fiscal year actual amounts and maintenance and management expenses of similar properties, considering the individuality of the target property.
b. Utility Expenses	2,200	Accounted for based on past fiscal year actual amounts, considering the occupancy rate of the leased space, etc.
c. Repair Expenses	1,570	Accounted for considering future management and operation plans, cost levels of similar properties, and the annual average amount of repair and renewal expenses in the ER.
d. PM Fee	1,800	Accounted for considering the fee rate in similar properties and the individuality of the target property.
e. Tenant Leasing Expenses, etc.	347	Accounted for the annual average amount assessed based on the expected turnover period of tenants.
f. Taxes and Public Dues	2,974	Tax amount accounted for considering related materials and the content of burden adjustment measures.
g. Insurance Premium	95	Accounted for considering the insurance premium based on the insurance contract and the insurance premium rate of buildings similar to the target building.
h. Other Expenses	0	There are no particular expenses to be accounted for.
(3) Net Operating Income ((1)-(2))	31,436	
(4) Gain from investment of deposits	108	Assessed with an investment yield of 1.0%.
(5) Capital Expenditures	3,772	Assessed considering the level of capital expenditures in similar properties, years since construction, and the annual average amount of repair and renewal expenses in the ER.
Net Income ((3)+(4)-(5))	27,772	
Capitalization Rate	3.6%	Assessed by adding or subtracting the spread due to the location conditions, building conditions, and other conditions of the target property to the yield that serves as a benchmark for each district, while considering future uncertainties and transaction yields of similar properties
DCF Method based Value	771,000	
Discount Rate	3.3%	Assessed comprehensively considering the investment yield of similar properties and the individuality of the target property.
Terminal Capitalization Rate	3.6%	Assessed comprehensively considering the transaction yield of similar properties, future trends of investment yield, risks of the target property as an investment, general forecasts of future economic growth rates, and trends in real estate prices and rents.

Value based on the Cost Approach	674,000	
Land Ratio	89.9%	
Building Ratio	10.1%	
Other matters considered by the appraiser upon appraisal	None in particular	

4. Overview of the Transferee

The Transferee is a domestic general business company, but due to unavoidable circumstances, it is undisclosed because consent for disclosure has not been obtained from the Transferee. Furthermore, as of today, there are no capital relationships, personal relationships, or transactional relationships to be noted between XYMAX REIT, the Asset Management Company, and the Transferee, nor is the Transferee a related party of XYMAX REIT or the Asset Management Company

5. Transactions with Interested Parties

The brokerage service contractor for the Transfer, XYMAX TRUST Corporation, is categorized as a “parent company, etc.” of the Asset Management Company, and is considered as an interested party as defined in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Law No. 198 of 1951, including subsequent amendments) and Article 123 of the Enforcement Order of the Act on Investment Trusts and Investment Corporations (Government Ordinance No. 480 of 2000, including subsequent amendments), as well as in the REIT Interested Party Transaction Management Regulations of the asset management company. Therefore, in concluding the brokerage contract related to the sale and purchase of trust beneficiary rights, the Asset Management Company has followed the procedures required by the said REIT Interested Party Transaction Management Regulations, including necessary deliberations and resolutions.

6. Overview of the Brokerage

Name	XYMAX TRUST Corporation
Location	1-1-1 Akasaka, Minato-ku, Tokyo
Title and Name of Representative	President and Representative Director Motoyuki Oyama
Business Description	(1) Management and operation of office buildings, retail facilities, and other type of real estate (2) Planning, design, construction, supervision, contracting, and consulting services related to buildings, construction, and equipment construction (3) Ownership, sale, purchase, leasing, supervision and brokerage of real estate, agency services, and appraisal of real estate
Capital	30 million yen (as of the end of March 2024)
Date of Establishment	November 1, 2005
Major Shareholders and Shareholding ratio	XYMAX Corporation (100%)
Relationship between XYMAX REIT, the Asset Management Company, and the said company	
Capital Relationship	The said company is a 100% subsidiary of XYMAX Corporation, which is a 100% subsidiary of XYMAX GROUP Corporation, the parent company of the Asset Management Company. As of today, XYMAX GROUP Corporation holds 5.00% of the total issued investment units of XYMAX REIT.
Personal Relations	Not applicable.
Business Relationship	Not applicable.
To Related Parties Applicable Situation	XYMAX GROUP Corporation, the parent company of XYMAX Corporation, which is the parent company of the said company, is the parent company of the Asset Management Company, and the said company is a related party of XYMAX REIT and the Asset Management Company.
Breakdown and amount of brokerage fees, etc.	Brokerage fees for the Transfer 26,760,000 yen (excluding consumption tax, etc.)

7. Matters concerning Forward Commitments, etc.

The Scheduled Transfer Date for the Transfer is September 3, 2024, and since it is a date more than one month after the Date of the Purchase and Sale Agreement, the Purchase and Sale Agreement falls under the Forward Commitments, etc. (agreements for purchase and sale with a future date, where settlement and property delivery are to be made after more than one month from the agreement conclusion, and other similar agreements) as defined in the 'Comprehensive Supervision Guidelines for Financial Instruments Business Operators, etc.' set by the Financial Services Agency.

In the Purchase and Sales Agreement, if one party violates the agreed terms of the agreement, the other party may demand a prompt cure of the violation within a reasonable period, and if such cure is not made within that period, or if it is clear that the purpose of the Purchase and Sales Agreement cannot be achieved due to such violation, the other party may cancel the agreement. Furthermore, if the Purchase and Sales Agreement is cancelled, a penalty equivalent to 20% of the sales price (excluding the equivalent amount of consumption tax and local consumption tax) can be claimed against the party in breach. Moreover, as XYMAX REIT is the seller and there are no concerns regarding financing risks etc. related to the performance of the Purchase and Sales Agreement, the likelihood of incurring damages and significantly affecting the finances of XYMAX REIT is considered to be extremely low.

8. Future outlook

For the outlook on the operational status for the fiscal period ending February 2025 (September 1, 2024, to February 28, 2025) due to the Transfer, please refer "Notice of Revision of Investment Forecast and Distribution Forecast for the fiscal period ending February 2025 (14th Fiscal Period)", the announcement dated today.

* XYMAX REIT website address: <https://xymaxreit.co.jp/en/index.html>

(Reference press releases, etc.)

Announcement on July 29, 2024, "Notice of Revision of Investment Forecast and Distribution Forecast for the fiscal period ending February 2025 (14th Fiscal Period)"
"Supplementary materials" dated July 29, 2024

<Attachment>

Reference Material 1 Portfolio Status after the Transfer

Reference Material 2 Explanation of Items Concerning the Asset to be Transferred

Reference Material 1 Portfolio Status after the Transfer

Category	Property Number	Property name	Location	Date of acquisition	Acquisition price (million yen) (Note 1)	Investment ratio (%) (Note 2)
Office	OF-01	XYMAX Nishishinbashi Building	Minato Ward, Tokyo	February 16, 2018	2,500	5.8
	OF-02	XYMAX Iwamotocho Building	Chiyoda Ward, Tokyo	February 16, 2018	4,250	9.9
	OF-03	XYMAX Shinjuku Gyoen Building	Shinjuku Ward, Tokyo	February 16, 2018	5,020	11.7
	OF-04	XYMAX Kamiyacho Building	Minato Ward, Tokyo	February 16, 2018	880	2.1
	OF-05	XYMAX Higashi-Azabu Building	Minato Ward, Tokyo	February 16, 2018	1,550	3.6
	OF-06	XYMAX Higashi-Ueno Building	Taito Ward, Tokyo	February 16, 2018	1,150	2.7
	OF-07	XYMAX Hachioji Building	Hachioji City, Tokyo	February 16, 2018	2,600	6.1
	OF-09	XYMAX Sapporo Odori Building	Sapporo City, Hokkaido	March 2, 2022	4,707	11.0
	OF-10	XYMAX Kiba Park Building	Koto Ward, Tokyo	March 2, 2022	2,003	4.7
	Subtotal		—	—	24,660	57.6
Ratail	RT-01	Muza Kawasaki	Kawasaki City, Kanagawa Prefecture	February 16, 2018	4,100	9.6
	RT-02	Life Kawasaki Miyuki Store	Kawasaki City, Kanagawa Prefecture	February 16, 2018	790	1.8
	RT-03	Vita Seiseki-Sakuragaoka	Tama City, Tokyo	February 16, 2018	3,100	7.2
	RT-04	Life Fukuizumi Store	Sakai City, Osaka Prefecture	September 1, 2020	1,065	2.5
	RT-05	The Parkhouse Totsuka Front (1st & 2nd Floor Commercial Area)	Yokohama City, Kanagawa Prefecture	July 1, 2021	540	1.3
	RT-06	Valor Kachigawa Store (Leasehold Land) (Note 3)	Kasugai City, Aichi Prefecture	January 31, 2022	3,245	7.6
	Subtotal		—	—	12,840	30.0
Hotel	HT-01	Hotel Vista Sendai	Sendai City, Miyagi Prefecture	February 16, 2018	4,400	10.3
	Subtotal		—	—	4,400	10.3
Others	OT-02	L-Place Nishi-Kasai	Edogawa Ward, Tokyo	March 2, 2022	901	2.1
	Subtotal		—	—	901	2.1
Total			—	—	42,801	100.0

(Note 1) "Acquisition Price" is the amount of the purchase price of real estate, etc., as stated in the purchase and sale agreement for each asset, excluding various costs required for the acquisition of the asset (brokerage fees, public dues, etc.), rounded down to the nearest million yen.

The purchase price does not include consumption tax and local consumption tax.

(Note 2) "Investment Ratio" is the percentage of the acquisition price of each asset relative to the total acquisition price of the assets, rounded to the nearest second decimal place.

(Note 3) The acquisition price for Valor Kachigawa Store (Leasehold Land) is based on the 50% quasi-co-ownership interest in the real estate trust beneficiary rights held by XYMAX REIT.

Reference Material 2 Explanation of Items Concerning the Asset to be Transferred

(A) Explanation of the “Category” and “Property Number” columns

- “Category” indicates whether the asset is an office, retail, hotel, or other, targeted for investment by this investment corporation.
- “Property Number” is classified and numbered as OF for offices, RT for retail, HT for hotels, and OT for others.

(B) Explanation of the “Overview of the Specified Asset” column

- “Scheduled Transfer Date” indicates the scheduled date of transfer of the trust beneficiary rights as stated in the sales contract for the Asset to be Transferred.
- “Type of Specified Asset” describes the type of real estate or related assets as specific assets.
- “Scheduled Transfer Price” is the purchase price (excluding consumption tax, local consumption tax, and various fees such as brokerage fees) as stated in the purchase and sale agreement for the s Asset to be Transferred rounded down to the nearest million yen.
- “Appraisal Value (As of the price point)” indicates the appraisal value stated in the real estate appraisal report obtained from the Japan Real Estate Institute for the scheduled asset for transfer.
- “Overview of Trust Beneficiary Right” describes the content of the trust agreement concluded with the trustee regarding the Asset to be Transferred.
- “Location” is indicated by the residential address, in principle.
- “Transportation” refers to the time it takes to walk from the nearest station at a speed of 80 meters per minute (rounded up to the nearest whole number) or the time stated in the real estate appraisal or building condition assessment report.
- The “Lot Number” of the land refers to the location of the building(s) as registered in the real estate registry (in cases of multiple locations, one of them is listed).
- The “Site Area” of the land is based on the description in the real estate registry (including the area of any leased land), and may not match the current situation.
- The “Building Coverage Ratio” of the land is, in principle, the ratio of the building area to the site area as defined in Article 53 of the Building Standards Act (Act No. 201 of 1950, including subsequent amendments, hereinafter referred to as the “Building Standards Act”), and it lists the maximum building coverage ratio (specified building coverage ratio) determined by urban planning according to the use district, etc. (in cases of multiple ratios, each of them is listed). The specified building coverage ratio may be relaxed, increased, or decreased due to reasons such as being a fire-resistant building in a fire prevention area, and may differ from the building coverage ratio actually applied.
- The “Floor Area Ratio” of the land is the ratio of the total floor area of a building to the site area as defined in Article 52 of the Building Standards Act, and it lists the maximum floor area ratio (specified floor area ratio) determined by urban planning according to the use district, etc. (in cases of multiple ratios, each of them is listed). The specified floor area ratio may be relaxed, increased, or decreased due to reasons such as the width of the road connected to the site, and may differ from the floor area ratio actually applied.
- The “Zoning” of the land is listed according to the types of use districts specified in Article 8, paragraph 1, item 1 of the City Planning Act (Act No. 100 of 1968, including subsequent amendments) (in cases of multiple types, each of them is listed).
- The “Ownership Type” of the land and buildings is described by the type of rights held by this investment corporation.
- The “Construction Date” of the building is the date of new construction of the main building as registered in the real estate registry.
- The “Structure & Floors” of the building are based on the description in the real estate registry for the main

building.

- The "Use" of the building is based on the description of the type of building in the real estate registry for the main building.
- The "Total Floor Area" of the building includes the floor area of the annex buildings, based on the description in the real estate registry.
- The "Architect," "Constructor," and "Building Inspection Agency" of the building are listed by the company names at the time of design, construction, and inspection for the main building.
- The "ML company" and "PM company" refer to the master lease company and PM company for the assets scheduled for transfer. Furthermore, the "type of ML" is listed as either pass-through, fixed rent, or variable rent for the assets scheduled for transfer.
- "Special Notes" include matters considered important as of today regarding the rights and usage of the assets scheduled for transfer, as well as factors affecting the valuation, profitability, and disposability of the assets.

(C) Explanation of the "Outline of Leases" section

- The "Leasable Area" is the total of the rental area based on the lease agreements and the building plans attached to the lease agreements for the assets scheduled for transfer as of the end of June 2024, including the area of any vacant parts.
- The "Leased Area" is the total rental area based on the lease agreements and the building plans attached to the lease agreements for the assets scheduled for transfer as of the end of June 2024. In cases where a master lease agreement has been concluded for the assets scheduled for transfer, the total area actually leased under the lease agreements with the end tenants is stated, rounded to the nearest third decimal place.
- "Occupancy Rate" is stated as the percentage of leased area to leasable area for the assets scheduled for transfer as of the end of June 2024, rounded to the nearest second decimal place.
- "Number of Tenants" is stated as the total number of tenants for the assets scheduled for transfer as of the end of June 2024, based on each lease agreement (in the case of pass-through master lease agreements, the number of end tenants).
- "Annual Rent" is stated as the total amount of annual rent, including common service charges as specified in each lease agreement for the assets scheduled for transfer as of the end of June 2024 (if only monthly rent is specified, the total for one year calculated in accordance with the lease agreement), rounded down to the nearest million yen.
- "Security Deposit" are stated as the total book value of deposits and guarantees recognized for the tenants who have already moved in, for the assets scheduled for transfer as of the end of June 2024, rounded down to the nearest million yen. Furthermore, in cases where a master lease agreement has been concluded for the assets scheduled for transfer, and the deposit amount is the same as the total amount of deposits, guarantees, and others specified in the lease agreement with the end tenant, such total amount is stated, rounded down to the nearest million yen.