



XYMAX REIT Investment Corporation

Supplementary materials

Securities code 3488

Outline of “Notice Concerning the Transfer of Domestic Real Estate Trust Beneficiary Rights(XYMAX Mita Building)” and
“Notice of Revision of Investment Forecast and Distribution Forecast for the fiscal period ending February 2025(14th Fiscal Period)”

July 29, 2024

| Key Points of the Transfer |

- The profitability of the assets to be transferred has been improved through renovation work and an increase in unit rent.
- Achieving the Transfer at a sale price that is 15.4% higher than the appraisal value
- The distribution per unit is expected to increase by 456 yen compared to the forecast as of April 18, 2024.
- Part of the proceeds from the sale will be used for external growth, and we are currently considering acquisition of property and its timing.

| Overview of Asset to be Transfer |

XYMAX Mita Building



Transferee	Not disclosed
Scheduled transfer date	September 3, 2024
Location	5-13-11 Shiba, Minato-ku, Tokyo
Construction date	May 31, 1991
Book value (As of February 29, 2024)	704 million yen
Appraised value (As of February 29, 2024)	771 million yen
Scheduled Transfer Price	890 million yen

Improvement in profitability

- ✓ Focusing on the potential for internal growth through the renovation of rentable spaces, executing acquisition using bridge-schemes
→Renovation work completed on 9 out of 10 floors
- ✓ Compared to the beginning of the bridge-scheme, the average unit rent has increased by about **38.9%**
- ✓ Operating at full occupancy since April 2024



Rentable spaces after renovation

The search for a prospective buyer

- ✓ Using the network of the sponsor group (XYMAX TRUST Corporation), we searched for prospective buyer that matches the property characteristics, such as location and size of the property.
- ✓ As a result of competition among multiple companies, the sale price exceeded the appraisal value and book value. The decision to sell was made after receiving an offer to purchase from the prospective buyer.

Estimated Distribution per Unit Forecast for the 14th fiscal period

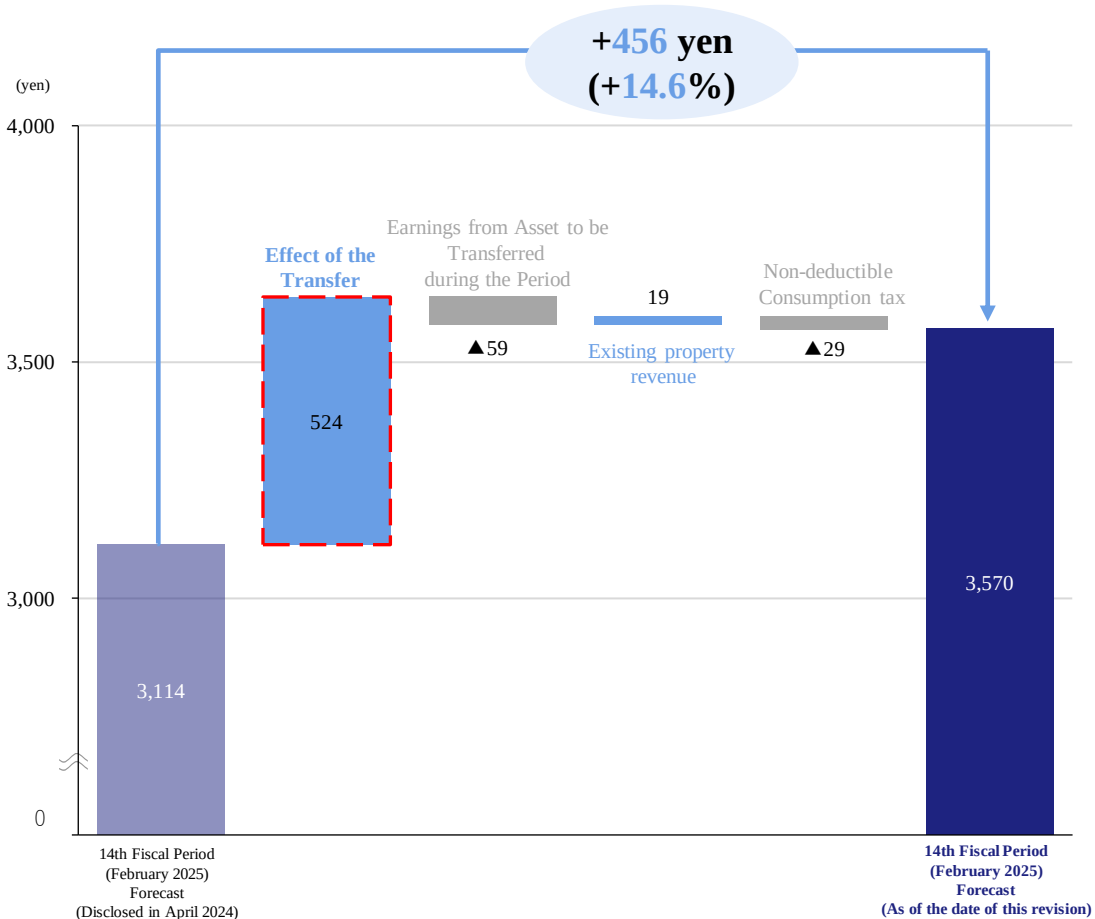
Due to the realization of unrealized gains, we expect the forecast distribution per unit for the 14th fiscal period to increase by 456 yen. XYMAX REIT continues to maintain high unrealized gains per unit, and we believe there is significant scope for contributing back profits to unitholders through the realization of capital gains in the future.

Distribution forecast for the 14th Fiscal Period

3,570 yen Per unit

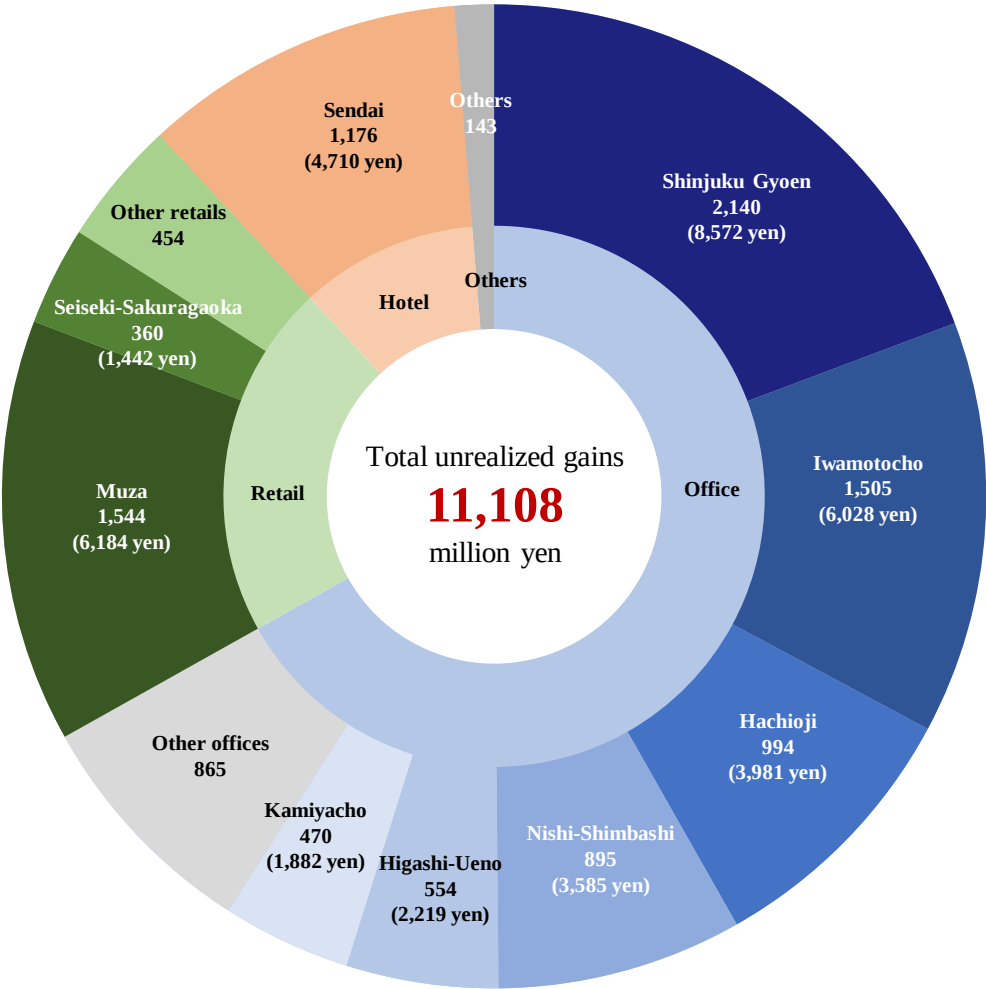
+456 yen (+14.6%) compared to the forecast on April 18, 2024

14th fiscal period (February 2025) forecast



Unrealized gains by property (after the Transfer) |

(Unit: million yen)



Note: The amount in bracket is the unrealized gain per unit for each property.

We are currently considering ways to use the proceeds from the Transfer to achieve external growth. In addition to the proceeds from the Transfer, we will also use cash on hand and borrowings to expand the scale of our assets. In selecting new properties, we will focus on high earnings growth potential, taking into account the current portfolio's earnings characteristics.

| Focus points by asset type |

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

| Properties under consideration (reference) |

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

Unless otherwise noted, the figures in this document are rounded down to the nearest displayed unit, and percentages are rounded to the nearest displayed unit. Therefore, the totals for each item may not match.

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- (Note 1) The “effect of the Transfer” is the amount obtained by subtracting The amount after deducting various expenses associated with the transfer from Transfer price of the asset to be Transferred and dividing the result by total number of investment units issued and outstanding at the end of the period (forecast): 249,650 units.
- (Note 2) “Earnings from Asset to be Transferred during the Period” refers to the amount of projected earnings for the period from the scheduled transfer date (September 3, 2024) to the end of the 14th fiscal period (February 28, 2025).
- (Note 3) “Existing property revenue” refers to the revenue from existing properties excluding the assets to be transferred, which was expected at the time of the announcement of the financial results for the 12th fiscal period (ending February 2024), and which has changed as per the assumptions in the “Notice of Revision of Investment Forecast and Distribution Forecast for the fiscal period ending February 2025 (14th Fiscal Period)” disclosed today.
- (Note 4) The following abbreviations are used for property names in this document.
- Shinjuku Gyoen: XYMAX Shinjuku Gyoen Building, Iwamotocho: XYMAX Iwamotocho Building, Hachioji: XYMAX Hachioji Building, Nishi-Shinbashi: XYMAX Nishi-Shinbashi Building, Higashi-Ueno: XYMAX Higashi Ueno Building, Kamiyacho: XYMAX Kamiyacho Building, Muza: Muza Kawasaki, Seiseki-Sakuragaoka: Vita Seiseki Sakuragaoka, Sendai: Hotel Vista Sendai