

August 28, 2024

For Immediate Release

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

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Notice of Acquisition and Leasing of Domestic Real Estate Trust Beneficial Interests
(karaksa hotel Sapporo (20% quasi-co-ownership interest))

XYMAX Real Estate Investment Advisors Corporation (hereinafter the "Asset Management Company") entrusted by XYMAX REIT Investment Corporation (hereinafter as "XYMAX REIT") with asset management, decided today at its Directors Meeting to acquire asset (hereinafter the "Acquisition") and to conduct the leasing as follows;

Because XYMAX Group Corporation (hereinafter "XYMAX Group"), who is the seller of karaksa hotel Sapporo is the parent company of Asset Management Company and KARAKSA HOTELS Corporation, who is the lessee of the asset to be acquired, and subsidiary of XYMAX Group, both companies falls under the category of an interested party set forth in Paragraph 1 Article 201 of the Enforcement Order of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (hereinafter the "Investment Trust Act") and Article 123 of the Act on Investment Trust and Investment Corporations (Cabinet Order No. 480 of 2000, as amended thereafter), as well as an interested party set forth in the REIT Stakeholder Transaction Management Rules, which are internal rules of Asset Management Company. Accordingly, Asset Management Company has conducted the required deliberations and resolutions in accordance with the provisions of the Rules on the Management of Transactions of Interested Persons. In accordance with these Rules, Asset Management Company has obtained XYMAX REIT's consent and approval at the Board of Directors meeting of XYMAX REIT held on August 28, 2024, based on its internal rules.

Description

1. Overview of Acquisition

(1) Assets to be acquired

Category	Property Number (Note 1)	Property name	Location	Anticipated acquisition price (Million yen) (Note 2)	Appraisal value (Million yen) (Note 3)	Appraisal NOI Yield (Note 4)	Existence of intermediary
Hotel	HT-02	karaksa hotel Sapporo (20% of quasi-co-ownership interest)	Hokkaido Sapporo City	1,060	1,170	5.2%	None

(2) Date of the Acquisition approved : August 28, 2024

(3) Date of the purchase and sales agreement: August 30, 2024

(4) Payment Date and Scheduled Acquisition Date : September 6, 2024

(5) Seller : Refer to "4. Outline of sellers" below.

(6) Funds to acquire : Loans (Note 5) and cash on hand

(7) Settlement method : Full payment upon settlement

(Note 1) "Property no." refers to the property codes and numbers according to the type of the asset held by XYMAX REIT. For each code, OF represents Office, RT represents Retail, HT represents Hotel, and OT represents Other. The same shall apply hereinafter.

(Note 2) "Anticipated acquisition price" refers to the acquisition price of the Assets to be acquired as set forth in the purchase and sale agreement for the Assets to be acquired. The acquisition price does not include national and local consumption taxes nor acquisition costs and is rounded down to the nearest million yen.

(Note 3) "Appraisal NOI yield" is the ratio of appraisal NOI of Asset to be acquired to the Anticipated acquisition price rounded off to the first decimal place as a percentage. Appraisal NOI refers to net operating income calculated by deducting operating expenses from operating revenue in the appraisal report and refers to revenue before depreciation is deducted. It is different from NCF (net income, Net Cash Flow), which are calculated by adding investment gains on security deposits and deducting capital expenditures from NOI. Appraisal NOI Yield are figures calculated by Asset Management Company and are not figures in the appraisal report. Actual figures may differ from those after the acquisition by XYMAX REIT.

(Note 4) For details of such borrowings, please refer to the "Notice of Borrowing of Funds" published today.

2. Reason for acquisition

XYMAX REIT aims to realize external growth along with the realization of solid internal growth utilizing the real estate management capabilities of the sponsor group and by acquiring carefully selected properties at Asset Management Company from the property sales information on captured by leveraging the customer base and information collecting capabilities of the sponsor group. In addition, XYMAX REIT's growth strategy is to strengthen cooperation with the sponsor group, including the supply of assets, in order to achieve further growth of XYMAX REIT.

The Asset to be acquired are held by the sponsor group and is one of the "KARAKSA HOTELS", the own hotel "Brand" of the sponsor group, and have the following characteristics.

- ✓ It faces the Tanukikoji Shopping Street, located in the center of Sapporo City, Hokkaido, and offers a high level of transportation convenience. For example, it is accessible from Susukino Station and Odori Station of the Sapporo Municipal Subway through the underground mall and arcade. In addition, the Tanukikoji Shopping Street is the one of oldest shopping streets in Hokkaido, and with a total length of about 900 meters, it is a lively area with around 200 shops, including restaurants and retail stores, and is an excellent location for sightseeing.
- ✓ The hotel targets the needs of group and family travelers who require accommodation for multiple nights, and the majority of rooms have a capacity of three or more people. In addition, more than 60% of the rooms are connecting rooms that can accommodate a flexible number of guests, making it possible to respond to the needs of a wide range of customers.
- ✓ The sponsor group operates hotels, linen supplies, and room cleaning in-house, enabling stable room supply.

Furthermore, we plan to enter into a variable rent-type lease agreement with the sponsor group that is linked to room sales. We can expect the potential for profitability growth after the acquisition of the Asset to be acquired, as well as to minimize the downside risk of revenue through the establishment of certain non-cancellation period and minimum guaranteed rents.

We have decided to acquire and lease the property, as we believe that this will further expand our asset size, improve the stability and growth potential of our portfolio, and contribute to increasing unitholder value over the medium to long term.

In addition to the acquisition of the Assets to Be Acquired, XYMAX REIT has confirmed that all tenants meet the Investment Corporation's tenant selection criteria (the details of the selection criteria are as stated in the "Financial Report" dated May 30, 2024).

3. Description of Asset to be acquired

The outline of the assets to be acquired is as follows.

Please refer to Reference 3 "Explanation of Matters to Be Stated in Contents of Asset to be acquired" for explanation of the matters to be stated in each column in the table.

Property name	karaksa hotel Sapporo	
Category	Hotel	
Property Number	HT-02	
Outline of Specified Assets		
Scheduled date of acquisition		September 6, 2024
Type of specific assets		Trust beneficiary rights
Outline of Trust beneficiary right	Trustee	Mitsubishi UFJ Trust and Banking Corporation
	Trust maturity date	September 30, 2034
Anticipated acquisition price		1.06 Billion yen
Appraisal value (at the time of the price)		1.17 Billion yen (August 1, 2024)
Location (residence indication)		24, Minami-Sanjo Nishi 5-chome, Chuo-ku, Sapporo
Transportation		A 5-minute walk from Susukino Station on the Sapporo Municipal Subway Namboku Line. 5-minute walk from Odori Station on the Sapporo Municipal Subway Namboku, Tozai, and Toho Lines
Land	Ownership form	Ownership
	Lot number	18-1 and other 6 lots
	Site area (Note 1)	819.16 m ²
	Use area	Commercial district
	Building coverage ratio	80%
	Floor area ratio	800%
Building	Ownership form	Ownership
	Total floor area (Note 2)	6,707.22 m ²
	Date of construction	November 17, 2017
	Use	Hotel
	Structure and number of stories	Steel-framed land roof 13 floors above ground with 1 basement floor
	Designer	Maeda Corporation Registered Architect Office
	Constructor	Maeda Corporation Sapporo Branch
	Construction confirmation	The Building Center of Japan
ML companies		-
ML type		-
PM companies		XYMAX HOKKAIDO Corporation
Special Remarks		
- XYMAX REIT intends to conclude an agreement between the seller of the Assets to be acquired (referred to as the "Agreement" in this Special Remarks) upon acquisition of the Assets to be Acquired (20% of the quasi-co-ownership interest in the beneficial interest in trust in which the Property is the trust property). The main contents of the Agreement are as follows. (1) The non-dividing special provision on the beneficial interest in the Trust (shall be made for five years from the date of conclusion of the Agreement, and shall be renewed thereafter unless a declaration of intention to refuse renewal is made). (2) If each quasi-co-owner (hereinafter the "prospective seller") wishes to sell his/her quasi-co-ownership interest to a third party, the other quasi-co-owners are given the right to preferentially negotiate for the purchase of the quasi-co-ownership interest held by the prospective seller. - In the fixed term building lease agreement between the Trustee and the Lessee, in the event that the fixed term building lease agreement between the Trustee and the Lessee involves the transfer of the asset, the Trustee intend		

to grant the Lessee the right to preferentially negotiate the transfer of the asset to the beneficiaries by the termination of the trust agreement relating to the asset, or to a third party designated by the Lessee or a group company of the Lessee, except in the event that the Trustee transfers the asset to the beneficiaries and transfers the quasi-co-ownership interest in the beneficial interest in the Trust between XYMAX REIT and the seller.					
(Note 1) The total land area of the Asset to be acquired is indicated.					
(Note 2) The total building area of the Asset to be acquired is indicated.					
Outline of Lease					
Leasable area	7,174.48 m ² (Note 1)				
Leased area	7,174.48 m ² (Note 1)				
Occupancy rate	100%				
Lessee	KARAKSA HOTELS Corporation				
Number of tenants	1				
Lease type	Fixed Term Building Lease Agreement				
Lease term	30 years from September 6, 2024				
Rent (Note 2)	Total of (i) and (ii) below (consumption tax, etc. shall be separately) (i) Minimum monthly guaranteed rent: 10,000,000 yen (ii) Variable rent (monthly) The amount calculated by multiplying the total amount of sales (hereinafter the "Subject Sales Amount") during the twelve months prior to the month prior to the current month by the certain rate and dividing it by twelve (any fraction less than one yen shall be rounded off)				
Security deposits	120 Million yen (Note 3)				
Revision of Rent	Rent shall not be revised for a period of ten years from the lease term commencement date. Provided, however, that in the event of natural disasters, war, civil war, riot, enactment, amendment or abolition of internal or external laws and regulations, orders (including non-compulsory) or disposition or guidance by public authority, epidemics, or any other cause not attributable to himself or herself that prevents the operation of the hotel in the Asset to be acquired, or in the event of any difficulty in normal business operations, or in the event of a significant decrease in sales, or in the event it is not appropriate to maintain the rent, the Lessor and the Lessee shall negotiate in good faith a part or all of the release of the rent.				
Early Termination	The Lease shall not be terminated for a period of ten years from the lease term commencement date. In the event the parties hereto intend to terminate the Lease as of the cancellation date of any of the dates after the lapse of ten years from the lease term commencement date, the parties hereto may terminate the Lease by giving written notice thereof to the other party no later than one year prior to the cancellation of the Lease.				
(Note 1) The space stated in the Lease to be concluded between the Trustee and the Lessee with respect to the Asset to be acquired is set forth.					
(Note 2) The terms and conditions set forth in the Lease to be concluded between the Trustee and the Lessee with respect to the Asset to be acquired are set forth.					
(Note3) The amount stated in the Lease to be concluded between the Trustee and the Lessee with respect to the Asset to be acquired is set forth.					
Occupancy rate	End of March 2020	End of March 2021	End of March 2022	End of March 2023	End of March 2024
	100%	100%	100%	100%	100%
Outline of the Building Status Assessment Report					
Surveyor	Tokyo Bldg-Tech Center Co.,Ltd				
Date of survey	June 2024				
Emergency and short-term repair expenses	0 yen				
Long-term repair expenses (annual average)	19,653,000 yen				

Outline of Earthquake Risk Analysis					
Surveyor		Tokio Marine dR Co., Ltd.			
PML		0.9%			
State of collaterals					
Outline of the appraisal report					
Property name		karaksa hotel Sapporo			
Appraisal value		1.17 Billion yen			
Name of the appraiser		JLL Morii Valuation & Advisory K.K..			
Appraisal date		August 01, 2024			
Items		Content (Unit: thousand yen)	Summary, etc.		
Value based on income approach		1,170,000	Assessed by jointly analyzing the values indicated by the income approach based on the direct capitalization method and the DCF method.		
	Capitalized value by the direct capitalization method		1,200,000		
	(1)Operating revenues (①-②)	(1)Operating revenues	60,422		
		①Effective gross revenue	60,422	Assessed the reasonable rents that can be received stably for the medium to long term	
		②Loss on vacancies, etc.	-	Non-booked on the assumption of long-term tenant occupancy.	
	(2)Operating expenses (a. +b. +c. +d. +e. +f. +g. +h.)	(2)Operating expenses		5,680	
		a.	Maintenance and management fee	-	Not posted due to tenant burden.
		b.	Utility expenses	-	Not posted due to tenant burden.
		c.	Repair expense	595	Assessment based on ER, similar events, etc.
		d.	PM fee	480	Assessment based on materials presented with reference to similar properties, etc.
		e.	Tenant leasing Expenses	-	Not posted because long-term leases are assumed
		f.	Property taxes	4,270	Assessment based on the actual amount of 2024 tax and public dues materials, taking into account the fluctuation rate.
		g.	Insurance premium	333	Actual amount based on materials presented.
		h.	Other expenses	-	None
		(3)Net operating income ((1)-(2))			54,742
	(4)Gain from investment of deposits			240	
	(5)Capital expenditures			3,375	
	Net revenue ((3)+(4)-(5))			51,606	
	Capitalization rate			4.3%	
	Value indicated by DCF method		1,150,000		
		Discount rate		4.1%	
		Terminal capitalization rate		4.5%	

Cost approach value		879,000	
	Land Ratio	65%	
	Ratio of buildings	35%	
Other matters that the appraiser noted in the appraisal.		The above price is the value of the condominium multiplied by a quasi-co-ownership interest of 20% and after the co-ownership depreciation adjustment is made.	

4. Outline of Seller

(1)	Name	XYMAX GROUP Corporation
(2)	Location	1-1, Akasaka 1-chome, Minato-ku, Tokyo
(3)	Representative	President Kenji Yoshimoto
(4)	Description of Businesses	• Ownership, sale, purchase, lease, management, brokerage, consulting and appraisal of real estate • Planning, subcontracting, construction, design, construction supervision, and consulting services for construction work, etc. • Financial instruments business prescribed in the Financial Instruments and Exchange Act • Research, analysis and research on real estate management and the real estate market • Satellite Office Service • Linen Supply Service
(5)	Capital	3,493 Million yen (As of March 2024)
(6)	Date of Establishment	March 1, 1990
(7)	Net assets	22,029 Million yen (As of March 2024)
(8)	Total assets	104,289 Million yen (As of March 2024)
(9)	Major shareholders and percentage of shares	JDC CORPORTION (8.5%), SG Holdings, Inc. (5.6%), XYMAX Stock Owners Association (5.2%), Nippon Steel Kowa Fudosan Co., Ltd. (4.7%), Mitsubishi UFJ Capital Co., Ltd. (4.2%) (Note) Major shares and holding ratios are as of the end of March 2024, and the holding ratios are rounded off to the nearest first decimal place.
(10)	Relationship between XYMAX REIT, Asset Management Company and the said company	
	Capital relationship	The said company owns the Investment units of 5.0% XYMAX REIT's outstanding units as of the date hereof. In addition, the relevant company is the parent company of the Asset Management Company (100% stake), which corresponds to interested parties, etc. stipulated in the Investment Trust Law.
	Personal relationship	As of today, 37 of the officers and employees of Asset Management Company are on loan from the relevant company.
	Business relationship	The said company is a Sponsor stipulated in a sponsor support agreement entered into with XYMAX REIT and Asset Management Company.
	Notes on Related-Party Transactions Applicable situation	The said company shall be an affiliate of XYMAX REIT and Asset Management Company.

5. Transactions with interested parties

As XYMAX GROUP Corporation, which is the party to acquire the Asset to be acquired, is an interested party, Asset Management Company has obtained the consent of XYMAX REIT based on the approval of the Board of Directors of XYMAX REIT held today in accordance with the Investment Trust Law.

XYMAX REIT is scheduled to conclude a property management agreement (hereinafter the "PM Agreement") with the Trustee and XYMAX HOKKAIDO Corporation (hereinafter the "PM Company") on the Acquisition date of the Asset to be acquired.

In concluding PM Agreement, PM Company is categorized as the parent company of Asset Management Company and falls under the category of interested parties as set forth in Article 201 of the Investment Trust Act and in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (including Cabinet Order No. 480 of 2000 and any subsequent revisions) as well as the stakeholders as set forth in the Regulations for Management of Transactions with Interested Persons of Asset Management Company, and Asset Management Company is subject to the deliberation, resolution, and other procedures as required in accordance with the Regulations for Management of Transactions with Interested Persons of Asset Management Company. Asset Management Company has obtained the consent of XYMAX REIT as approved by the Board of Directors of XYMAX REIT held on August 28, 2024, in accordance with the Investment Trust Act.

6. Status of Previous Owners, etc.

Property acquisitions from special interested parties are as follows:

The following tables describe: (1) the Company's name, (2) the relationships with those in which the Company has a special interest, and (3) the history and reasons for the acquisition.

Name of the properties (Location)	Previous owners	Former owner
	(1), (2), (3) Acquisition price Time of acquisition	-
karaksa hotel Sapporo (24, Minami-Sanjo Nishi 5- chome, Chuo-ku, Sapporo)	(1) XYMAX GROUP Corporation (2) Parent company of Asset Management Company (3) Acquired for investment management purposes	Other than those who have a special interest
	Omitted because it is owned for more than one year.	-
	September 2020	-

7. Outline of the intermediary

Not applicable.

8. Future Outlook

Please refer to "Notice of Revisions to Investment Forecasts and Distribution Forecasts for the Fiscal Period Ending February 2025 (14th Fiscal Period) "dated today for the forecast of investment status for the fiscal period ending February 2025 (September 1, 2024 to February 28, 2025) as a result of acquisition of the Assets to be acquired.

*Website of XYMAX REIT: <https://xymaxreit.co.jp/en/index.html>

(Reference Press Releases, etc.)

Notice of Revisions to the Investment Forecasts and Distribution Forecasts for the Fiscal Period Ending February 2025 (14th Fiscal Period) dated August 28, 2024

Notice of Borrowing of Funds, dated August 28, 2024

Supplemental Explanatory Materials, dated August 28, 2024

<Attachments>

Reference 1 Photograph of Assets to be acquired and its location map

Reference 2 Portfolio status after the acquisition of the Asset to be acquired

Reference 3 Explanation of Matters to be Stated in Summary of Asset to be acquired

Reference 1 Photograph of Assets to be acquired and its location map

karaksa hotel Sapporo (20% quasi-co-ownership interest)



Reference 2 Portfolio status after the acquisition of the Asset to be acquired

Category	Property Number	Property name	Location	Date of acquisition	Acquisition price (Million yen) (Note 1)	Share of portfolio (%) (Note 2)
Office	OF-01	Xymax Nishi-Shinbashi Building	Minato-ku, Tokyo	February 16, 2018	2,500	5.7
	OF-02	Xymax Iwamotocho Building	Chiyoda-ku, Tokyo	February 16, 2018	4,250	9.7
	OF-03	Xymax Shinjuku-Gyoen building	Shinjuku-ku, Tokyo	February 16, 2018	5,020	11.4
	OF-04	Xymax Kamiyacho Building	Minato-ku, Tokyo	February 16, 2018	880	2.0
	OF-05	Xymax Higashi-Azabu Building	Minato-ku, Tokyo	February 16, 2018	1,550	3.5
	OF-06	Xymax Higashi-Ueno Building	Taito-ku, Tokyo	February 16, 2018	1,150	2.6
	OF-07	Xymax Hachioji Building	Hachioji-shi, Tokyo	February 16, 2018	2,600	5.9
	OF-09	Xymax Sapporo Odori Building	Sapporo City, Hokkaido	March 2, 2022	4,707	10.7
	OF-10	Xymax Kiba-Koen Building	Koto-ku, Tokyo	March 2, 2022	2,003	4.6
	Subtotal		—	—	24,660	56.2
Retail	RT-01	Muza Kawasaki	Kawasaki, Kanagawa	February 16, 2018	4,100	9.3
	RT-02	Life Kawasaki Miyuki Store	Kawasaki, Kanagawa	February 16, 2018	790	1.8
	RT-03	Vita Seiseki-Sakuragaoka	Tama City, Tokyo	February 16, 2018	3,100	7.1
	RT-04	Life Fukuizumi Store	Sakai City, Osaka	September 1, 2020	1,065	2.4
	RT-05	The Parkhouse Totsuka Front (Retail portion on the first and second floors)	Yokohama, Kanagawa	July 1, 2021	540	1.2
	RT-06	Valor Kachigawa Store (Leasehold Land) (Note 3)	Kasugai City, Aichi Prefecture	January 31, 2022	3,245	7.4
	Subtotal		—	—	12,840	29.3
Hotel	HT-01	Hotel Vista Sendai	Sendai City, Miyagi Prefecture	February 16, 2018	4,400	10.0
	HT-02	karaksa hotel Sapporo (Note 4)	Sapporo City, Hokkaido	September 6, 2024	1,060	2.4
	Subtotal		—	—	5,460	12.4
Other	OT-02	L-Place Nishikasai	Edogawa-ku, Tokyo	March 2, 2022	901	2.1
	Subtotal		—	—	901	2.1
Total			—	—	43,861	100.0

(Note 1) "Acquisition price" refers to the amount excluding expenses (brokerage fees, taxes and public dues, etc.) required for the acquisition of assets held (the amount of sales proceeds of real estate, etc. stated in the sales contract, etc. pertaining to each asset held) rounded down to the nearest million yen. The sale and purchases amount does not include consumption tax and local consumption tax.

(Note 2) "Share of portfolio" is the ratio of the acquisition price related to each asset held to the total acquisition price related to assets held, rounded to the nearest decimal place.



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

(Note 4) The acquisition price related to karaksa hotel Sapporo is based on the 20% quasi-co-ownership interest in real estate trust beneficiary rights held by XYMAX REIT.

Reference 3 Explanation of Matters to be Stated in Summary of Assets to be acquired

(a) Description of “Category” and “Property Number” columns

- “Category” refers to Office, Retail, Hotel, and Other that XYMAX REIT will invest in.
- “Property Number” is numbered as OF for Office, RT for Retail, HT for Hotel, and OT for Other.

(b) Explanation of the "Outline of Specified Assets" section

- "Scheduled date of acquisition" indicates the scheduled date of acquisition of the beneficial interest in trust stated in the sales contract for the Planned Acquisition Assets.
- "Type of Specified Assets" refers to the types of real estate and other assets as Specified Assets and assets incidental or related thereto.
- "Outline of beneficial interest in trust" describes the contents of the trust agreement between the Trustee and the Trustee with respect to the Assets to be acquired.
- The "Anticipated acquisition price" refers to the sales price (excluding consumption tax, local consumption tax, and expenses such as brokerage fees) stated in the sales contract for the Asset to be acquired, rounded down to the nearest million yen.
- "Appraisal value (Appraisal date)" is the appraisal value stated in the real estate appraisal report related to the planned asset to be acquired from JLL Morii Valuation & Advisory K.K.
- "Location (residential indication)" indicates the residence marking in principle.
- “Transportation” describes the time (rounded up to the nearest minute) when the distance from the nearest station calculated by Asset Management Company is walked at 80 meters per minute or the time indicated in the real estate appraisal report or Engineering Report. .
- "Ownership of land and buildings" describes the types of rights held by XYMAX REIT.
- The "parcel number" of the land indicates the location of the building on the real estate registry (or, if there is more than one, one of these locations).
- The "Site Area" of the land is based on the description in the real estate register (in the event of land lease, the area of the land lease is included) and may not coincide with the current situation.
- The "zoning" of land refers to the type of use district listed in Item 1, Paragraph 1, Article 8 of the City Planning Law (Law No. 100 of 1968, as amended).
- The "building coverage ratio" of land, in principle, refers to the ratio of the building area of the building to the site area as set forth in Article 53 of the Building Standards Law (Law No. 201 of 1950, as amended hereafter; the same shall apply hereinafter), and includes the upper limit of the building coverage ratio (specified building coverage ratio) set forth in city plans in accordance with the use districts, etc. (in cases where there are more than one, all of them). The specified building coverage ratio may be relaxed or increased or decreased due to fire-resistant buildings in the fire prevention area or for other reasons, and may differ from the actual building coverage ratio.
- The "floor-area ratio" of land refers to the ratio of the total area of a building to the site area stipulated in Article 52 of the Building Standards Law. The upper limit of the floor-area ratio (designated floor-area ratio) stipulated in city plans according to the use district, etc., is stated. The designated floor area ratio may be mitigated or increased or decreased due to the width of the road connected to the site or for other reasons, and may differ from the actual floor area ratio applied.
- The "total floor area" of the building includes the floor area of the annex building based on the entries in the real estate registry.
- The "Construction date" of the building indicates the date of new construction on the real estate register of the main building.

- The "Structure and Number of Floors" of the building is based on the entries in the real estate registry for the main building.
- "Architect," "Constructor," and "Construction Confirmation Agency" of the building are written in the name of the company where the main building was designed and constructed.
- "ML companies" and "PM companies" refer to master leasing companies and PM companies of the Asset to be acquired. For "ML type," the master lease type (pass-through type, fixed rent type, or variable rent type) of the planned asset is described.
- In addition to matters considered to be important in relation to the rights and use of the Asset to be acquired as of today, matters that are considered to be important in light of the valuation of the Asset to be acquired and the impact on profitability and disposability of the assets to be acquired are included in "Special Instructions."

(c) Description of the "Outline of the Lease" column

- "Leasable Area" represents the total of the leasable area based on the building drawings attached to the lease agreement and the lease agreement for the assets planned to be acquired as of today and the area based on the building drawings for vacant portions.
- "Leased Area" refers to the total leased area based on the lease agreement and building drawings attached to the lease agreement for the assets planned to be acquired as of today. In cases where a master lease agreement has been concluded with respect to the Asset to be acquired, the sum of the actual leased areas with the end tenant is rounded off to the third decimal place.
- "Utilization rate" refers to the ratio of rentable area to the rentable area for assets planned to be acquired as of today, rounded to the nearest whole number.
- "Number of Tenants" refers to the total number of tenants for the Assets to be Acquired under each Lease Agreement entered into for the Assets to be Acquired as of today.
- The Agreement Form describes the form of the lease agreement entered into for the Assets to be acquired.
- "Rent" refers to the rent set forth in the Lease Agreement executed or to be executed for the Asset to be acquired as of today.
- "Security deposits" refers to the total amount of lease deposits and security deposits stipulated in the lease agreements that have been concluded or are scheduled to be concluded with respect to the Asset to be acquired as of today, rounded down to the nearest million yen. In the event the Master Lease Agreement is concluded for the Asset to be acquired and the amount of security deposit and other amounts stipulated in the lease agreement concluded with the end tenant are the same, such total amount is rounded down to the nearest million yen.
- "Rent Revision" and "Early Termination" describe the terms and conditions set forth in the Lease Agreement that has been executed or is scheduled to be executed for the Asset to be acquired as of today.

(d) Explanation on the column for "Outline of Building Status Assessment Report"

- "Emergency and short-term repair expenses" and "long-term repair expenses" are stated in the building status assessment report.
- "Short-term repair expenses" refers to the expenses for repairs and renewals of defects requiring repairs and the like in preference to daily maintenance, and represents the total amount of estimated repair expenses required within one year from the date of the building status assessment report.
- "Long-term repair expenses" refers to repair and renewal expenses for the maintenance of functions or the safe operation of facilities in response to age-related deterioration. The total amount of repair expenses and

renewal expenses required within 12 years from the date of the building status assessment report is converted to the annual average amount by the Asset Management Company and rounded to the nearest 1,000 yen.

(e) Explanation on the column "Outline of Earthquake Risk Analysis, etc."

- "PML" means the expected seismic loss rate (Probable Maximum Loss). Although there is no uniform and precise definition of PML, this document uses the definition of the expected loss for large and small earthquakes that may occur in 475 years and the ratio of the expected loss to the replacement value of the building for which the probability of occurrence is calculated and statistically processed. PML is calculated after examining the ground conditions, regional factors, and construction. PML figures are based on the Earthquake-Risk Assessment Report dated July, 2024 by Tokio Marine dR Co., Ltd. The contents of the Earthquake Risk Assessment Report only represent the opinions of the reporter and do not guarantee the validity or accuracy of the contents thereof.

(f) Explanation on the "State of collaterals" column

- In the event the collateral setting is cancelled after the acquisition of the Assets to be Acquired, the term "none" shall be used.