



8th Fiscal Period (Ended June 30, 2020)

# Presentation Material

Securities code: 3470



**marimo Regional Revitalization REIT, Inc.**

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## Overview of Second Public Offering



# Overview of Second Public Offering and Change in Investment Unit Price

**Steadily increased the investment unit price and conducted the second public offering**

Type of offering	Primary offering and third-party allotment
Total amount of offering	<b>2,554 million yen</b> (includes third-party allotment)
Number of newly issued investment units	<b>20,340 units</b> (includes third-party allotment)
Property acquisition price	<b>4,950 million yen</b>
Issue price	<b>125,580 yen</b>
Property acquisition and delivery date	<b>January 21, 2020</b>
Same-boat investment ratio	<b>10.5%</b> (before 2nd public offering 10.5%)



(Note 1) NAV per unit is calculated with the following formula: (Net assets – Total dividends + Unrealized gain) / Number of investment units issued and outstanding. The same shall apply hereinafter.

(Note 2) The graph shows change over time and is based on the closing price of the TSE REIT Index on the Tokyo Stock Exchange on July 29, 2016, where the closing price is adjusted so that it becomes the same as marimo REIT's investment unit price at the time of listing of 81,500 yen.

# Overview of Newly Acquired Assets (Note 1) (as of the acquisition date)

Secured profitability and stability through regional investment centering on properties developed and owned by the sponsors

<b>Total acquisition price</b> <small>(Note 2)</small>	<b>Total appraisal value</b> <small>(Note 3)</small>	<b>Ratio of unrealized gain</b> <small>(Note 4)</small>
<b>4,950</b> million yen	<b>5,727</b> million yen	<b>15.7%</b>
<b>Average building age</b> <small>(Note 5)</small>	<b>Average appraisal NOI yield</b> <small>(Note 6)</small>	<b>Average appraisal NOI yield after depreciation</b> <small>(Note 7)</small>
<b>9.2</b> years	<b>5.6%</b>	<b>4.7%</b>

Asset type	Newly acquired assets	Location	Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield (%)	Constructed <small>(Note 9)</small>	Acquisition channel <small>(Note 10)</small>
Residential property	ArtizA Tsurumai	Nagoya City, Aichi	430	468	5.0	Feb. 2019	Developed by sponsor
Residential property	ArtizA Awajieki-higashi	Osaka City, Osaka	1,180	1,290	5.0	Oct. 2019	Developed by sponsor
Residential property	ArtizA Matsumoto <small>(Note 8)</small>	Matsumoto City, Nagano	640	665	7.0	Mar. 1998	Warehousing
Retail facility	MRR Akita II <small>(Note 8)</small>	Akita City, Akita	970	994	7.1	(1) Mar. 2004 (2) Apr. 1985	Warehousing
Retail facility	MRR Ichihara (land ownership interests) <small>(Note 8)</small>	Ichihara City, Chiba	700	1,190	5.0	-	Warehousing
Retail facility	K's Denki Kitamoto Store (land ownership interests) <small>(Note 8)</small>	Kitamoto City, Saitama	1,030	1,120	4.9	-	Asset manager's independent acquisition channel
	Total	-	<b>4,950</b>	<b>5,727</b>	<b>5.6</b>	-	-

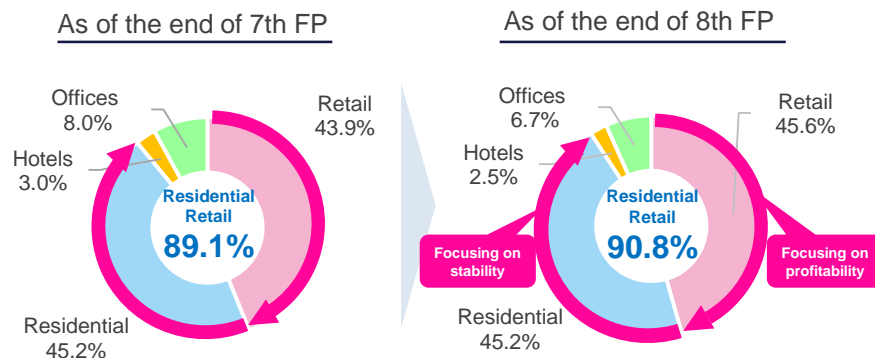
- (Note 1) "Newly acquired assets" are the 6 properties that marimo REIT acquired on January 21, 2020, and "owned assets" are properties that marimo REIT owns other than the newly acquired assets. The same shall apply hereinafter.
- (Note 2) Acquisition price is the sales price recorded in each sale and purchase agreement for trust beneficiary interest in the assets owned or acquired, rounded down to the nearest million yen. The same shall apply hereinafter.
- (Note 3) Appraisal value is the appraisal value indicated in each of the real estate appraisal reports dated November 30, 2019 for newly acquired assets.
- (Note 4) Ratio of unrealized gain is the ratio of unrealized gain as of the relevant date divided by the total book value amount. Moreover, unrealized gain is the amount obtained when subtracting the total acquisition price from the total real estate appraisal value as recorded in the real estate appraisal reports dated November 30, 2019, for each newly acquired assets. Please note that there is no guarantee that this unrealized gain will arise.
- (Note 5) Average building age is the weighted average of the building ages as of November 30, 2019, by acquisition price. If multiple buildings exist on a single property, the age of the building with the largest gross floor area is used to calculate the age of the property.
- (Note 6) (Average) appraisal NOI yield refers to the ratio of (total) net operating income based on the direct capitalization method indicated in the real estate appraisal report (appraisal NOI) against the (total) acquisition price.
- (Note 7) Average appraisal NOI yield after depreciation refers to the ratio of the total amount calculated when appraisal NOI is subtracted by the amount of actual or expected depreciation of all assets, against total acquisition price at each point in time.
- (Note 8) (Tentative name) ArtizA Matsumoto, (Tentative name) MRR Akita II, (Tentative name) MRR Ichihara (land ownership interests), and (Tentative name) MRR Kitamoto (land ownership interests) changed their names to ArtizA Matsumoto, MRR Akita II, MRR Ichihara (land ownership interests), and K's Denki Kitamoto Store (land ownership interests), respectively. The same shall apply hereinafter.
- (Note 9) As there are two buildings on the property of MRR Akita II, two dates are listed for construction completion.
- (Note 10) Properties developed by the sponsor are described as "Developed by sponsor," properties owned at one point by the sponsor (properties utilizing the sponsor's warehousing function) are described as "Warehousing," and properties scheduled to be acquired through the asset manager's own channel are described as "Asset manager's independent acquisition channel."

# Portfolio Changes

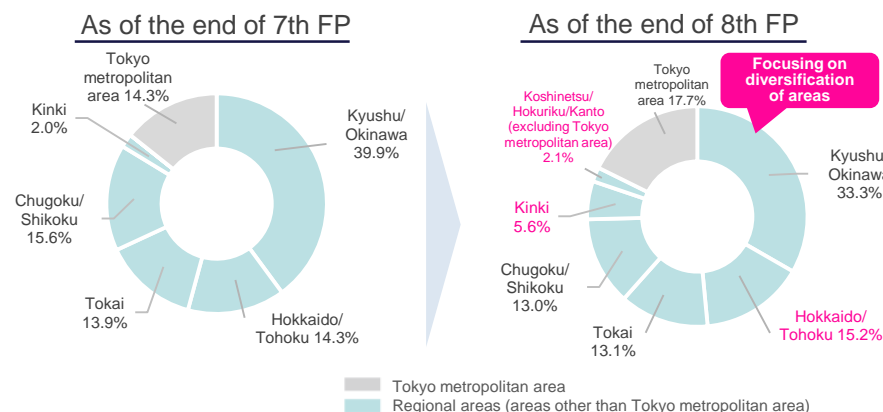
## Changes in Portfolio Indicators

	End of 7th FP	Newly acquired assets	End of 8th FP
Number of properties	25	6	31
Total acquisition price (million yen)	25,005	4,950	29,955
Total appraisal value (million yen) (Note 1)	29,479	5,727	35,542
Average appraisal NOI yield	6.7%	5.6%	6.6%
Average appraisal NOI yield after depreciation	4.9%	4.7%	5.0%
Average building age	14.2 years	9.2 years	14.1 years
Average occupancy rate (Note 2) (Note 3)	98.8%	98.1%	98.1%
LTV to total assets	49.3%	—	48.5%

## Investment Ratio by Type (based on acquisition price)



## Investment Ratio by Region (based on acquisition price)



(Note 1) Total appraisal value indicated for End of 7th FP is the total amount of the appraisal value indicated in the real estate appraisal reports dated December 31, 2019 for owned assets, the value indicated for newly acquired assets is the total amount of the appraisal value indicated in the real estate appraisal reports dated November 30, 2019 for newly acquired assets, and the value indicated for End of 8th FP is the total amount of the appraisal value indicated in the real estate appraisal reports dated June 30, 2020 for owned assets and newly acquired assets.

(Note 2) Average occupancy rate for End of 7th FP is the occupancy rate for owned assets as of December 31, 2019, the rate for newly acquired assets is the rate as of November 30, 2019, and the rate for End of 8th FP is the rate as of June 30, 2020.

(Note 3) Of the acquired assets, Artiza Awajieki-higashi was completed in October 2019 and is currently being leased up. In terms of Artiza Awajieki-higashi, for the period between January 21, 2020, and the end of June 2020, the trustee of the property and Marimo Co., Ltd. have concluded a fixed-rent master lease agreement which details that Marimo Co., Ltd. shall pay the trustee the equivalent of 95% of rent of the expected rental income during full occupancy regardless of the amount of rent that Marimo Co., Ltd. collects from the end tenant, and for the purposes of calculating the average occupancy rate, the actual occupancy rate will be applied for Artiza Awajieki-higashi when its occupancy rate exceeds 95% and 95% will be applied based on the fixed-rent master lease agreement when its occupancy rate falls below 95%. Hereinafter, the same shall apply to the average occupancy rate including Artiza Awajieki-higashi.

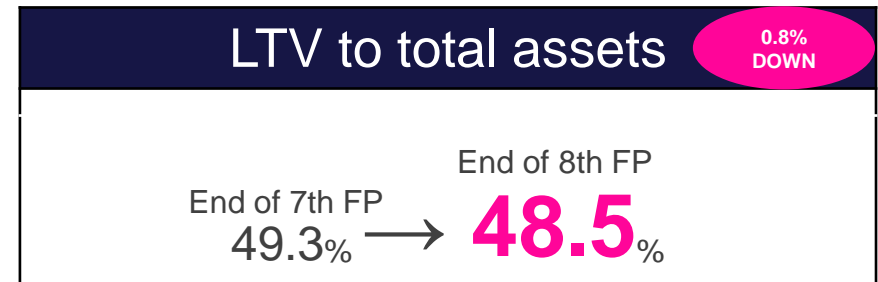
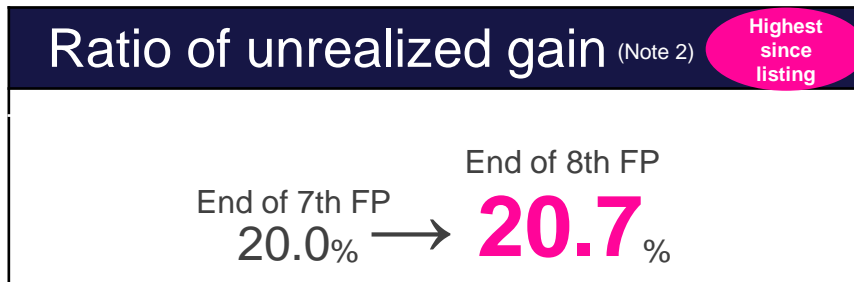
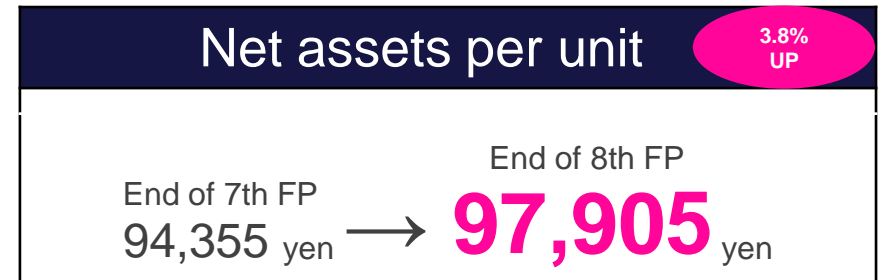
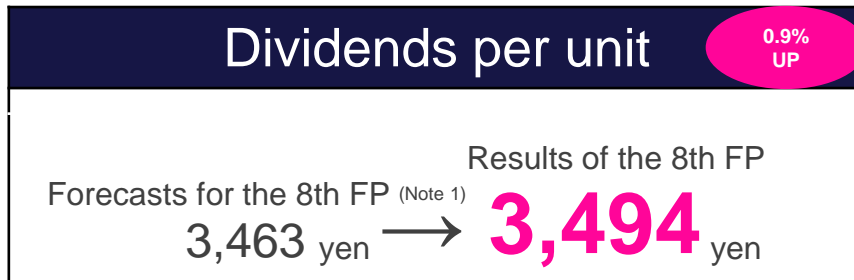
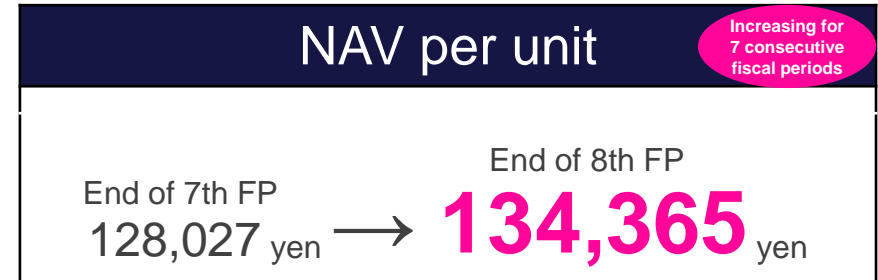
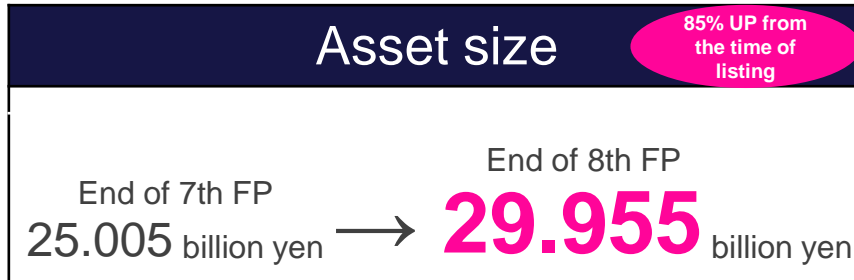
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## Summary of Financial Results for 8th Fiscal Period



# 8th Fiscal Period Financial Highlights (period ended June 2020)

- The impact of the COVID-19 is minor and the impact on dividends is **limited**
- Newly acquired 6 properties through the second public offering and **both asset size and dividends have grown.**
- LTV to total assets improved by 0.8%, **realizing financial stability.**



(Note 1) The forecast for the 8th Fiscal Period is the forecast announced on February 18, 2020 (includes dividends in excess of earnings).

(Note 2) "Ratio of unrealized gain" is calculated by dividing the difference between the total appraisal value and total book value by the total book value and is rounded to the first decimal place. The figure does not guarantee the amount of profit calculated with the ratio.



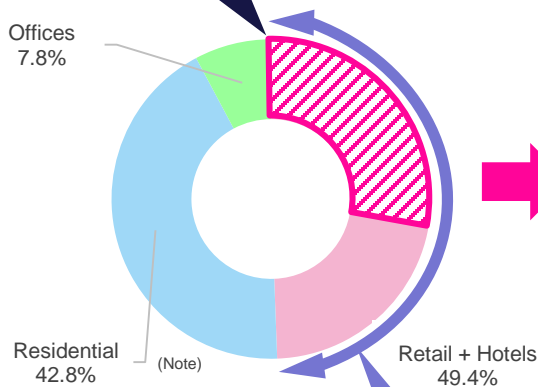
## Dealt most requests with **rent payment deferral**, so the impact on dividends is **limited**

### Investment Ratio by Type (based on rent)

Tenants who requested for rent reduction

**27.1%**

• Restaurants	4
• Service	6
• Retail	8
<b>Total</b>	<b>18</b>



All retail facilities and hotels have fixed-rent lease agreements

### Policy in dealing with tenants

Decide policy by considering the following factors

- Recent earnings
- Rate of decrease in sales
- Financial status
- Type of agreement
- Days closed
- Hotel rent analysis (Occupancy rate, RevPAR, etc.)
- Impact on operation of marimo REIT

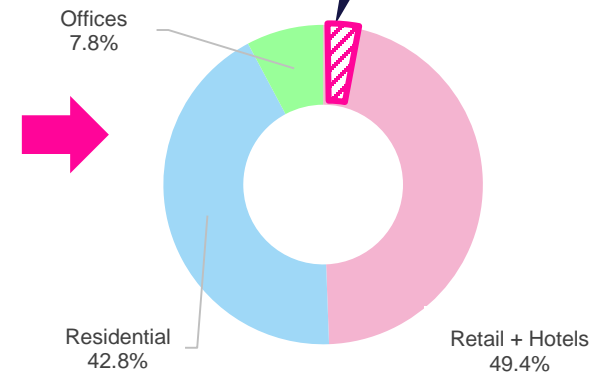
### Investment Ratio by Type (based on rent)

Tenant marimo REIT dealt with

**3.6%**

- (1) Dealt most with partial payment deferral of monthly rent
- (2) Dealt with tenants who suspended their businesses by partially providing free rent

⇒ **No tenants received rent reduction**



(Note) The pie charts on this page are created to show "Investment Ratio by Type (based on rent)" and differ from the pie charts on page 6, which show "Investment Ratio by Type (based on acquisition price)".



## Strategically invest by taking advantage of the characteristics of the diversified REIT while based on properties developed by the sponsor

	Pre-COVID-19 (Investment criteria)	Post-COVID-19
Residential properties	<ul style="list-style-type: none"> <li>Invest in properties that are expected to have relatively stable leasing demand and rent level and also can maintain competitiveness in comparison with neighboring competitive properties</li> </ul>	Proactively consider those developed by sponsor and those acquired from external parties as stable assets
Retail facilities	<ul style="list-style-type: none"> <li>Invest in properties in locations rated highly based on trade area analysis, properties with promising management stability and asset value, and properties that have major tenants closely related to daily living in the region and expected to have stable purchase demand, by considering the location conditions, visibility, competition status in the surroundings and other factors</li> </ul>	While the number of players investing in retail facilities is declining nationwide, pay attention to tenants with flexible price and stable sales, and consider aggressive acquisitions
Hotels	<ul style="list-style-type: none"> <li>Invest in properties in locations where accommodation demand can be expected, such as in front of stations, airports, tourist destinations, business districts, downtown areas, and near transportation hubs such as terminal stations</li> </ul>	Adopt a negative attitude in considering hotels while paying close attention to the operating status and supply/demand trends in the area
Offices	<ul style="list-style-type: none"> <li>Invest in properties located within a 5-minute walk from the nearest station or located in business districts</li> <li>Invest in properties with a certain degree of liquidity and have a high degree of corporate concentration and strong demand from tenants</li> </ul>	Select areas with high office needs and make investment by carefully selecting properties while considering the impacts of working from home, etc.



(million yen)	8th FP	8th FP	Variation	Factors	
	Forecasts (Note 1) (A)				
Operating revenue (Note 2)	1,257	1,265	+8	Operating revenue	+8
Operating income (Note 2)	563	571	+7	Increase in rent (PLEAST Hakata Gion Building: Switched from subleasing the entire building to individual leases) (Artiza Awajieki-higashi: Occupancy rate exceeded the rent guarantee (95% occupancy))	+3
Ordinary income (Note 2)	461	468	+7	Increase in other income (Income from key money, restoration costs, etc.)	+7
Net income (Note 2)	460	467	+7	Decrease in utilities revenue (MRR Kumamoto, MRR Itoshima etc.)	-4
				Increase in income other than those listed above	+2
				<b>Operating expenses</b>	<b>0</b>
				Increase in repair costs (Artiza Kamimaezu, MRR Sasebo, etc.)	-8
				Reduction in utilities expenses (MRR Kumamoto, MRR Itoshima, etc.)	+6
				Reduction in outsourcing expenses (Artiza Awajieki-higashi, etc.)	+2
				Reduction in insurance fees	+1
				Increase in expenses other than those listed above	-1
				<b>Non-operating expenses</b>	<b>-1</b>
				Increase in borrowing related expenses	-1

(yen)	8th FP	8th FP	Variation
	Forecasts (Note 1) (A)	Results (B)	(B) - (A)
Dividends per unit (excluding dividends in excess of earnings) (1)	3,014	3,063	+49
Dividends in excess of earnings per unit (2)	449	431 (Note 3)	-18
Dividends per unit (1) + (2) (including dividends in excess of earnings)	<b>3,463</b>	<b>3,494</b>	<b>+31</b>

EPU UP 1.6%

DPU UP 0.9%

(Note 1) Announced on February 18, 2020

(Note 2) Rounded down to the nearest specified unit

(Note 3)

Payout ratio before adjustment

Payout ratio after adjustment

Dividend ratio (against ratio of depreciation)

76.0%

75.0%

27.0%

(Note) + indicates net income increasing factor

- indicates net income decreasing factor



# Earnings Forecasts (Note 1)

	8th FP	9th FP	Variation	10th FP	Variation
(million yen)	Results (A)	Forecasts (B)	(B) - (A)	Forecasts (C)	(C) - (B)
Operating revenue (Note 2)	1,265	1,283	+17	1,283	0
Operating income (Note 2)	571	575	+4	563	-11
Ordinary income (Note 2)	468	471	+2	461	-10
Net income (Note 2)	467	470	+2	460	-10
(yen)					
Dividends per unit (excluding dividends in excess of earnings) (1)	3,063	3,082	+19	3,015	-67
Dividends in excess of earnings per unit (2)	431	425 (Note 3)	-6	449 (Note 4)	+24
Dividends per unit (1) + (2) (including dividends in excess of earnings)	<b>3,494</b>	<b>3,507</b>	<b>+13</b>	<b>3,464</b>	<b>-43</b>

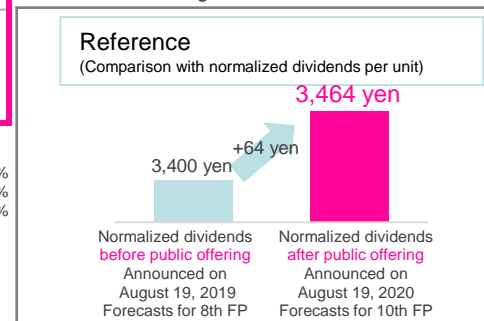
Assumptions for the forecasts for the 9th FP and 10th FP	
Forecasts for 9th FP (million yen)	
<b>Operating revenue</b>	<b>+17</b>
Increase in rent	+7
Increase in rental income	+5
Increase in income other than the above	+5
<i>(due to rent calculated on a daily basis for six properties acquired in the previous fiscal period)</i>	
<b>Operating expenses</b>	<b>13</b>
Increase in utilities expenses	-11
Increase in asset management fee	-10
Reduction in outsourcing expenses	+5
Reduction in repair costs	+5
Increase in expenses other than those above	-2
Forecasts for 10th FP	
<b>Operating expenses</b>	<b>-11</b>
Increase in fixed asset tax	-15
Reduction in utilities expenses	+9
Increase in repair costs	-8
Increase in expenses other than those above	+3
<b>Non-operating expenses</b>	<b>+1</b>
Increase in investment unit issuance expenses	+5
Increase in borrowing related expenses	-4

(Note 1) The forecasts for the 9th Fiscal Period and 10th Fiscal Period do not guarantee actual results.  
 (Note 2) Rounded down to the nearest specified unit

(Note 3)  
 Payout ratio before adjustment 76.1%  
 Payout ratio after adjustment 75.0%  
 Dividend ratio (against ratio of depreciation) 26.7%

(Note 4)  
 Payout ratio before adjustment 75.6%  
 Payout ratio after adjustment 75.0%  
 Dividend ratio (against ratio of depreciation) 28.0%

(Note) + indicates net income increasing factor  
 - indicates net income decreasing factor

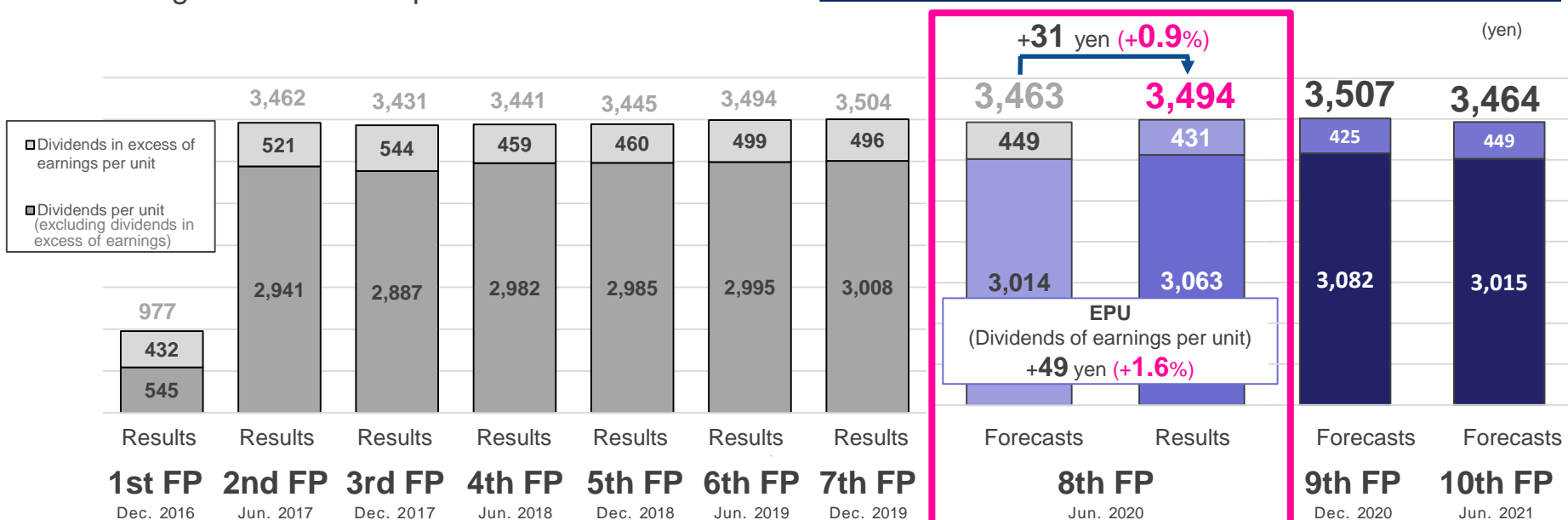


# Changes in Dividends per Unit and NAV



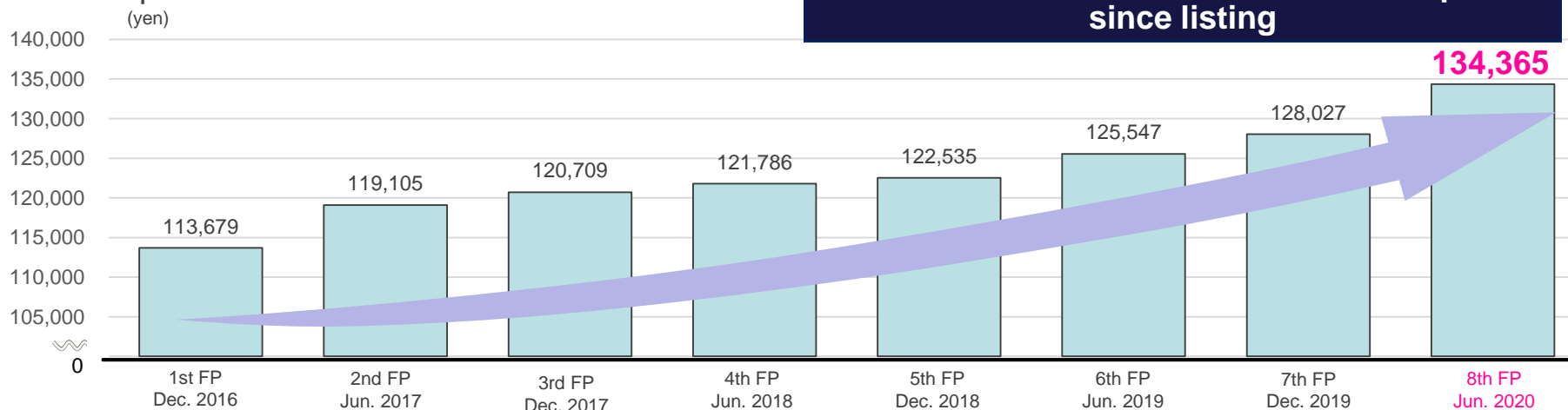
## Changes in Dividends per Unit

Stable dividends and steady growth of EPU



## NAV per Unit

NAV increased for seventh consecutive period since listing



(Note) The forecasts for the 9th Fiscal Period and 10th Fiscal Period do not guarantee actual results.

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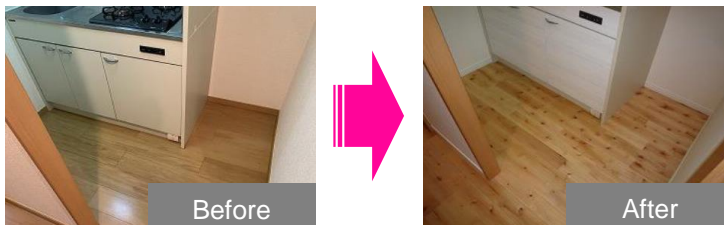
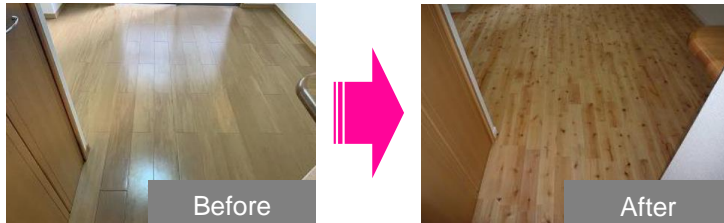
## Management Results for 8th Fiscal Period



## Efforts for increasing income and reducing costs

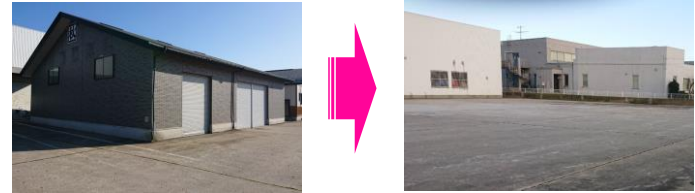
### ■ Efforts for Increasing Income

- Increase in rent by applying solid wood flooring (Artiza Hakataeki-Minami)



- Construct of new parking lot (MRR Akita II)

→ A new parking lot was constructed on the site after removing the building which led to increase in rent (leasing the entire parking lot)



- Implementation of subleasing of motorbike parking space (Artiza Awajieki-higashi)

→ Space for 5 bikes out of spaces for 7 bikes are the subject



- Increase in rent associated with leasing to new tenant (MRR Sasebo)
- Increase in rent associated with renewal of contracts with existing tenants (MRR Kumamoto, MRR Delta Building)

Anticipating an increase in income by approximately **2 million yen** (anticipation per period)

### ■ Efforts for Reducing Costs

- Reconsidering building maintenance agreement (MRR Kumamoto)
- Reconsidering elevator maintenance agreement (Artiza Sobudai)
- Introduction of electronic breaker (Artiza Sobudai, Artiza Kamimaezu)

Anticipating cost reduction by approximately **1.5 million yen** (anticipation per period)

## Efforts for Improving Customer Satisfaction

- Implemented painting work on exterior wall of parking ... MRR Kumamoto
- Installed disaster response vending machines ..... MRR Kumamoto
- Implemented elevator repair work ..... ArtizA Sobudai



Painting work on exterior wall of parking

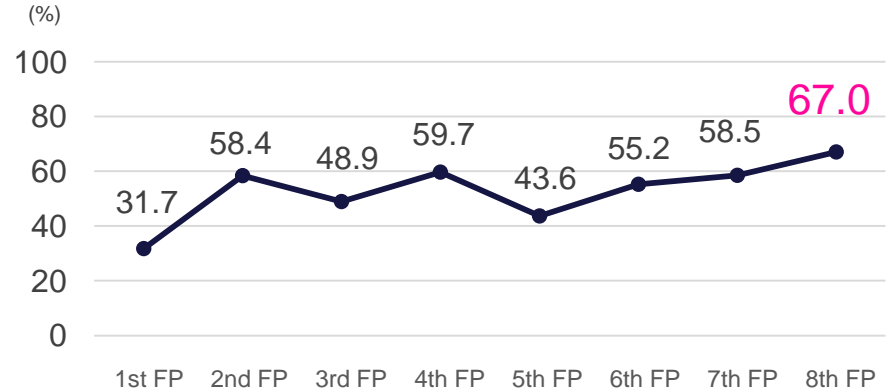


Disaster response vending machines



Elevator repair work

## Change in Target Downtime (within 60 days) Achievement Ratio

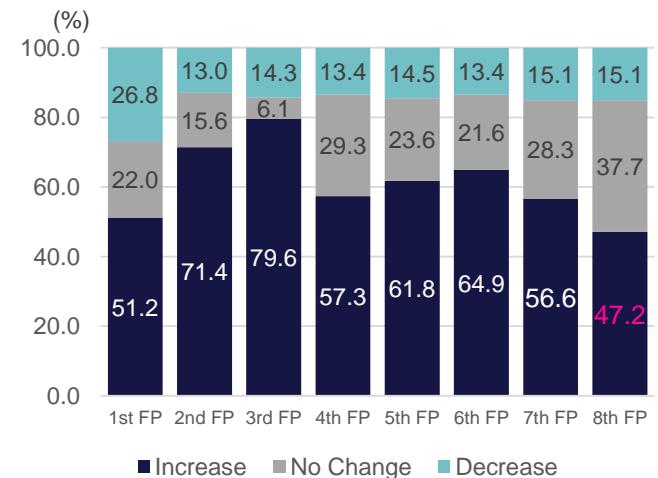
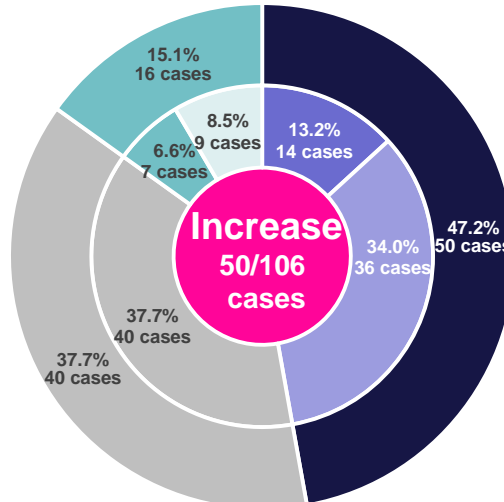
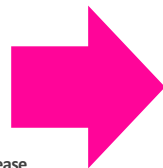
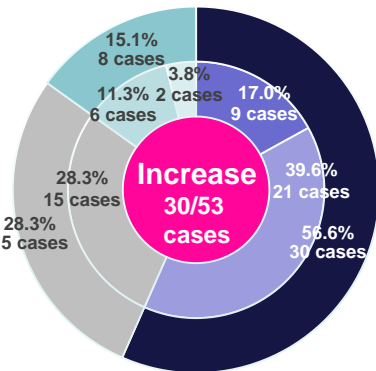


## Increase/Decrease in Residential Rent

### 7th Fiscal Period

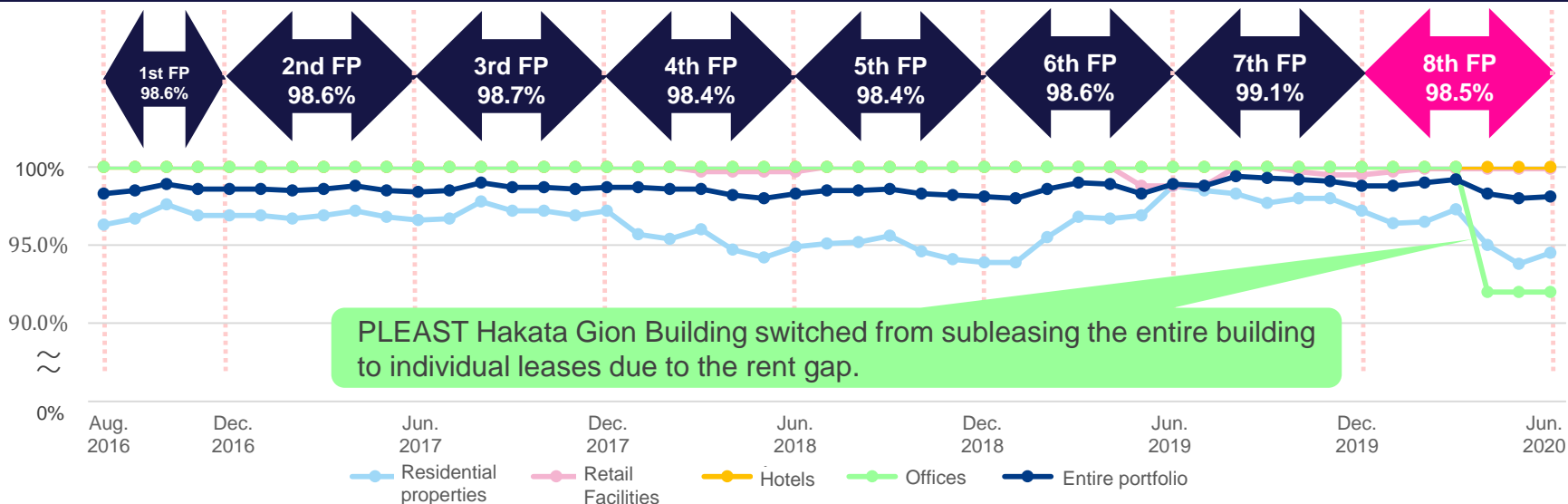
### 8th Fiscal Period

### Change from the 1st FP to 8th FP





## Average occupancy rate for entire portfolio during fiscal periods



Occupancy rate (%) <sup>(Note)</sup>	1st FP (Dec. 2016)	2nd FP (Jun. 2017)	3rd FP (Dec. 2017)	4th FP (Jun. 2018)	5th FP (Dec. 2018)	6th FP (Jun. 2019)	7th FP (Dec. 2019)	8th FP (Jun. 2020)					
	End of December	End of June	End of December	End of June	End of December	End of June	End of December	End of Jan.	End of Feb.	End of Mar.	End of Apr.	End of May	End of Jun.
Residential properties	96.9	96.6	97.2	94.9	93.9	98.8	97.2	96.4	96.5	97.3	95.0	93.8	94.5
Retail facilities	100	100	100	99.7	100	98.8	99.5	99.7	99.9	99.9	99.9	99.9	99.9
Hotels	100	100	100	100	100	100	100	100	100	100	100	100	100
Offices	100	100	100	100	100	100	100	100	100	100	92.0	92.0	92.0
Entire portfolio	98.6	98.4	98.7	98.3	98.1	98.9	98.8	98.8	99.0	99.2	98.3	98.0	98.1

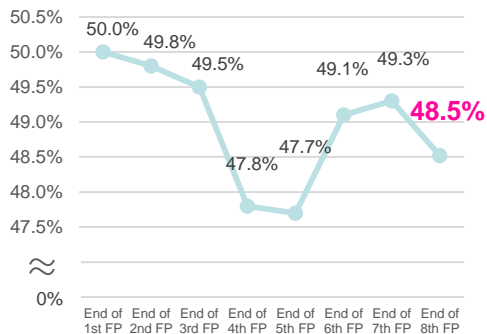
(Note) For 1st to 7th FPs, occupancy rates at the end of the fiscal period are indicated; and for 8th FP, those at the end of the month are indicated.

# Financial Status (period ended June 2020)

(million yen, rounded down to nearest specified unit)

Lender	Balance of borrowings at end of 7th FP	New borrowings in 8th FP	Amount repaid in 8th FP	Balance of borrowings at end of 8th FP	Floating or fixed	Interest rate	Borrowing date	Maturity date	Remarks
Syndicate of lenders arranged by Sumitomo Mitsui Banking	3,500	—	—	3,500	Fixed	0.86669%	Aug. 1, 2016	Aug. 2, 2021	Unsecured & unguaranteed
• Sumitomo Mitsui Banking	1,402	—	15	1,387		1.09908%		Aug. 1, 2023	
• The Hiroshima Bank	4,840	—	—	4,840	Floating	3M TIBOR +0.6%	Jan. 23, 2018	Feb. 1, 2021	
• Sumitomo Mitsui Trust Bank					Floating	3M TIBOR +0.6%	Aug. 1, 2019	Aug. 1, 2022	
• The Mie Bank	2,015	—	—	2,015	Floating	3M TIBOR +0.6%	Aug. 1, 2019	Aug. 1, 2024	
• Shinsei Bank	2,015	—	—	2,015	Floating	3M TIBOR +0.8%			
• The Bank of Fukuoka	—	2,140	—	2,140	Floating	3M TIBOR +0.6%	Jan. 21, 2020	Jan. 21, 2023	
• Aozora Bank									
• Resona Bank									
• The Higo Bank									
• The Chugoku Bank	—	110	110	—	Floating	1M TIBOR +0.2%	Jan. 21, 2020	Jan. 21, 2021	
• Sumitomo Mitsui Banking									
<b>Total</b>	<b>13,772</b>	<b>2,250</b>	<b>125</b>	<b>15,897</b>					

## LTV to Total Assets



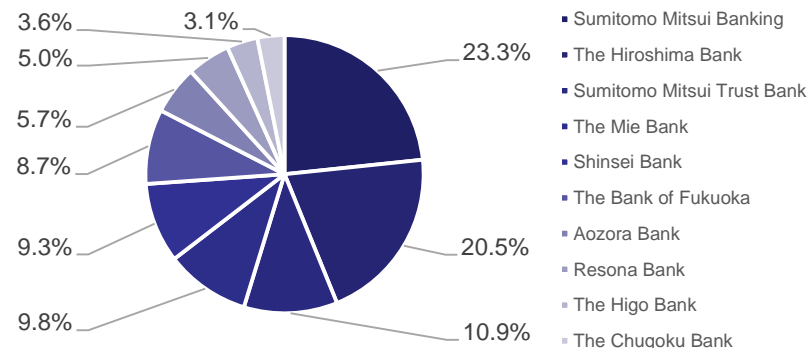
## Average Interest Rate

**0.78%**

## Long-term Debt Ratio

**100.0%**

## Diversification Status of Lenders



## IR Activities in the 8th Fiscal Period (Jan. to Jun. 2020)

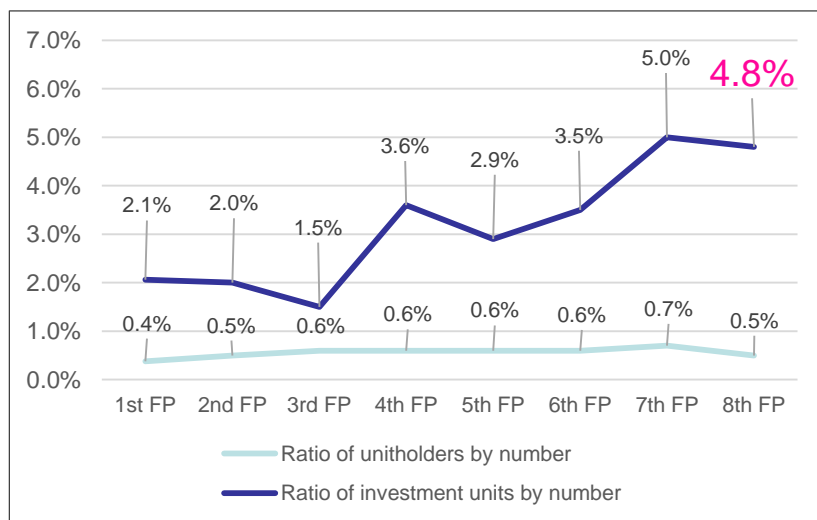
### IR for foreign institutional investors

#### (1) Teleconference for foreign institutional investors

(Hong Kong 4)  
(Singapore 3)

#### (2) Change in foreign investors, etc.

→ The ratio of foreign investors holding investment units is increasing



### IR for Japanese institutional investors

(1) 7th Fiscal Period Financial Results Briefing (Tokyo) Feb. 20

(2) Visitation to Japanese institutional investors (Nationwide) Feb. to Mar.

### IR seminar for individual investors

(1) Company information session on web for individual investors (SMBC Nikko Securities)

→ Video distribution period: May 12-Aug. 31

URL: [https://www.irmovie.jp/nir2/?conts=marimo\\_202005\\_7Dsk](https://www.irmovie.jp/nir2/?conts=marimo_202005_7Dsk)

marimo Regional Revitalization REIT, Inc.  
マリモ地方創生リート投資法人

個人投資家様向けWeb会社説明会

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スポンサー マリモの概要

株式会社マリモは2020年に設立50周年

ポートフォリオマップ(2020年1月時点)

物件写真(2020年1月時点)\*\*

本投資法人のポイント①(収益性・安定性)

本投資法人のポイント②(収益性・安定性)

2020年5月  
個人投資家様向けWeb会社説明会資料  
証券コード: 3470

マリモ地方創生リート投資法人

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説明会プレゼンター  
マリモ・アセットマネジメント株式会社  
代表取締役社長  
北方 隆士

Video on seminar

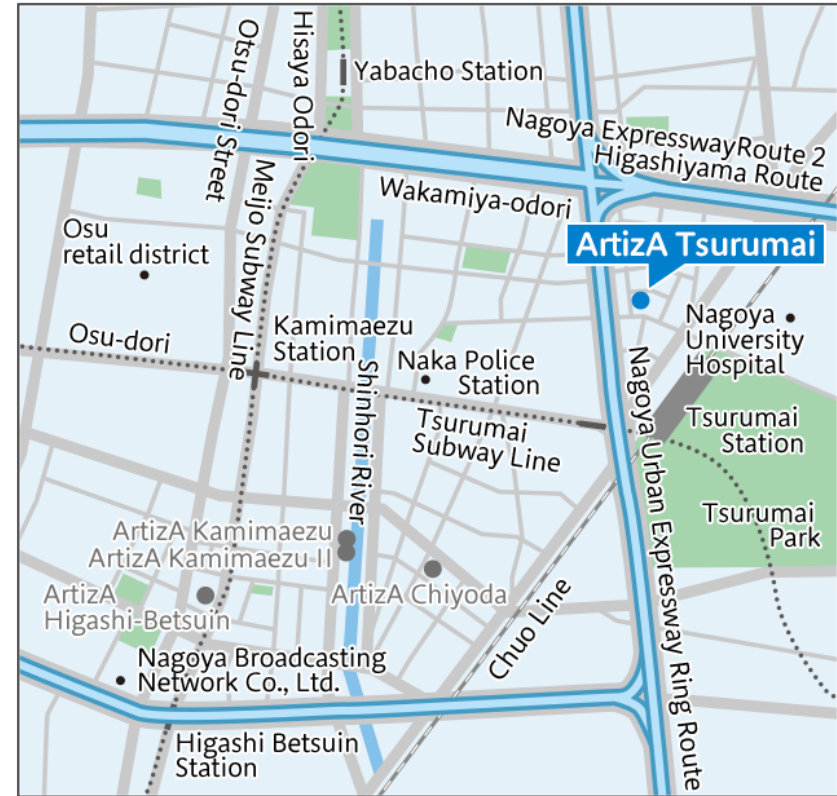
04

## Newly Acquired Properties and Asset Size



# Artiza Tsurumai

Developed by sponsor

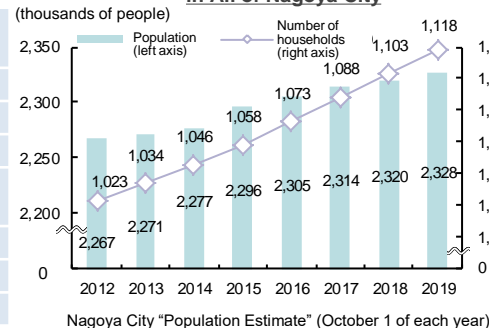


## Property characteristics and highlights

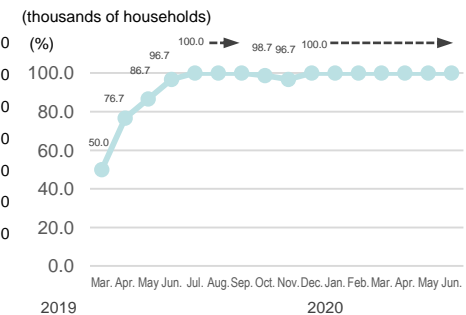
- The property is located approximately a 4-minute walk from Tsurumai Station on the JR Chuo Main Line and approximately a 5-minute walk from Tsurumai Station on the Nagoya City Subway Tsurumai Line, and thus has two stations on two lines available for use. The area offers excellent convenience with several retail facilities within walking distance.
- The building is new and was completed in February 2019. It has sufficient facility specifications as a condominium for singles, and as the area has high demand from singles, stable occupancy is expected.
- The Chiyoda area where the property is located is an area that is expected to have relatively stable residential demand, given its proximity to the city center and its high convenience.

<b>Location (Japanese addressing system)</b>	5-17-23 Chiyoda, Naka Ward, Nagoya City, Aichi Prefecture
<b>Acquisition price</b>	430 million yen
<b>Appraisal value</b>	468 million yen
<b>Appraisal NOI yield</b>	4.9%
<b>Occupancy rate (as of June 30, 2020)</b>	100.0%
<b>Site area</b>	213.21 m <sup>2</sup>
<b>Completion date</b>	February 2019
<b>Structure</b>	Reinforced concrete structure, flat roof, 11 floors

**Population and Number of Households in All of Nagoya City**

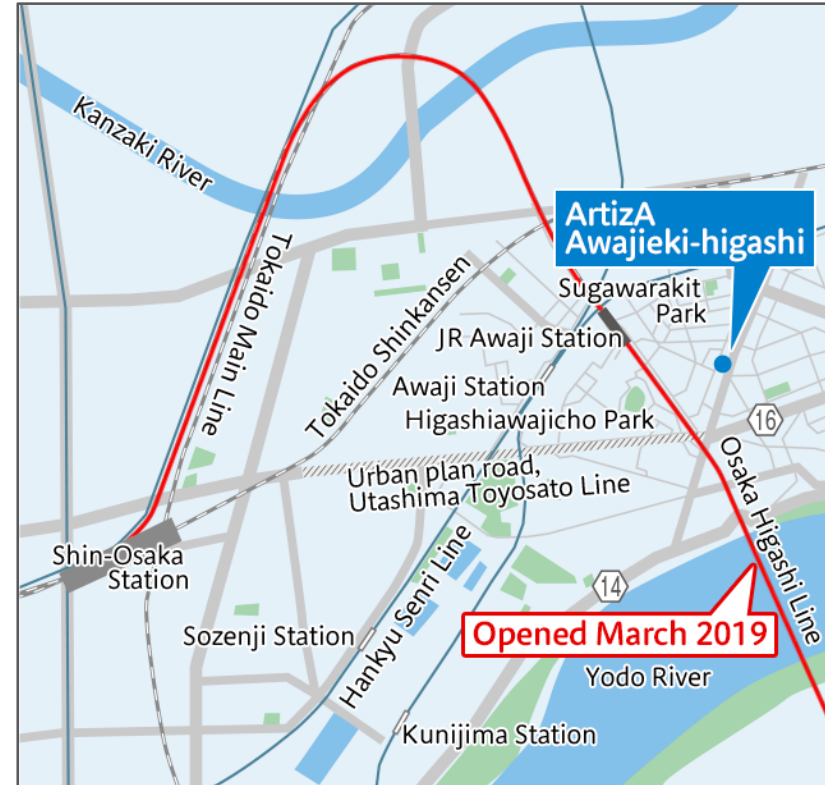


**Change in Occupancy Rate**



# ArtizA Awajieki-higashi

Developed by sponsor

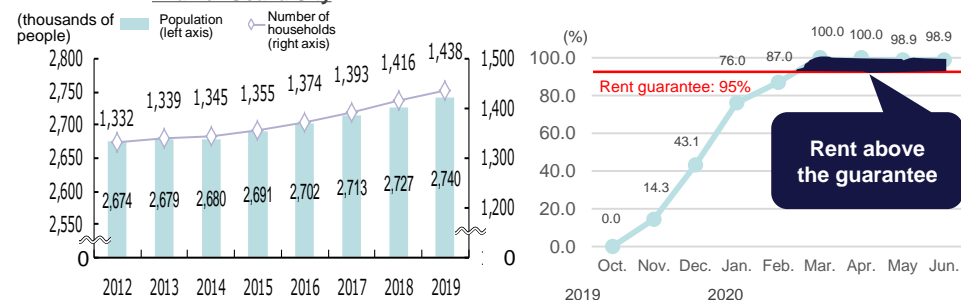


## Property characteristics and highlights

- The property is located approximately a 6-minute walk from JR-Awaji Station on the JR Osaka Higashi Line, which started service in March 2019. It is also within walking distance from Awaji Station on two other lines: the Hankyu Kyoto Line and Hankyu Senri Line. The building has excellent access to the city center.
- The building is new and was completed in October 2019. It has sufficient facility specifications as a condominium for singles, and as the area has high demand from singles, stable occupancy is expected.
- As redevelopments such as the elevation of Awaji Station on the Hankyu Line, the connection of Awaji Station on the Hankyu Line and JR Line, opening of the Utashima Toyosato Line which is a major road connecting eastern area and western area to Shin-Osaka Station are scheduled, there is potential that development in the area will increasingly continue.
- Income was stable during the period from January 21, 2020, to June 30, 2020, due to rent guarantee from the sponsor (equivalent to 95% of expected rental income during full occupancy).

<b>Location (Japanese addressing system)</b>	7-1-29 Sugahara, Higashiyodogawa Ward, Osaka City, Osaka Prefecture
<b>Acquisition price</b>	1,180 million yen
<b>Appraisal value</b>	1,300 million yen
<b>Appraisal NOI yield</b>	5.0%
<b>Occupancy rate (as of June 30, 2020)</b>	98.9%
<b>Site area</b>	856.49 m <sup>2</sup>
<b>Completion date</b>	October 2019
<b>Structure</b>	Reinforced concrete structure, flat roof, 14 floors

**Population and number of households in all of Osaka City**



Source: Osaka City "Population Estimate" (October 1 of each year)

**Rent above the guarantee**

# ArtizA Matsumoto

## Warehousing



### Property characteristics and highlights

- The property is located approximately a 6-minute walk from Matsumoto Station on both the JR Shinonoi Line and Oito Line.
- As there is a bus terminal in front of the Matsumoto Station, people can take the bus around Matsumoto City, in addition to the express bus going towards Shinjuku and Nagoya.
- Matsumoto City, where the property is located, is a highly popular area, having ranked 2nd in the "2019 Places to Live in the Hokuriku/Koshinetsu Area." The area also has a rich history as a castle town, and the Kaichi Elementary School, which is in the school district that the property belongs to, is a popular school in the city known for its history.
- Stable demand is expected as convenience facilities such as convenience stores, clinics, and post offices are within walking distance.
- As a result of implementation of an ordinance that includes height restrictions after the construction of the property completed, construction of buildings of the same scale as the property will not be allowed in the future. This has given the property a distinct advantage in the area.

<b>Location (Japanese addressing system)</b>	1-1-28 Oote, Matsumoto City, Nagano Prefecture
<b>Acquisition price</b>	640 million yen
<b>Appraisal value</b>	667 million yen
<b>Appraisal NOI yield</b>	7.0%
<b>Occupancy rate (as of June 30, 2020)</b>	78.5%
<b>Site area</b>	1,528.65 m <sup>2</sup> (Note)
<b>Completion date</b>	March 1998
<b>Structure</b>	Reinforced concrete structure, flat roof, 10 floors

(Note) The measured area of the land is 1,668.51 m<sup>2</sup>, and this area includes the setback portion (50.65 m<sup>2</sup>).

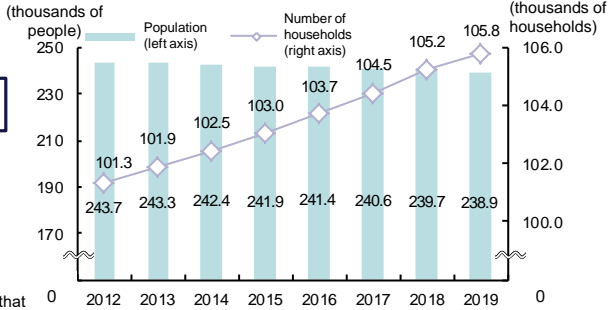
(Note) Regarding each of marimo's for-sale condominiums, marimo REIT has no specific plans for acquisitions, nor is there any guarantee that it can be acquired in the future as of the date of this document.

### 2019 Places to Live in the Hokuriku/Koshinetsu Area Rankings

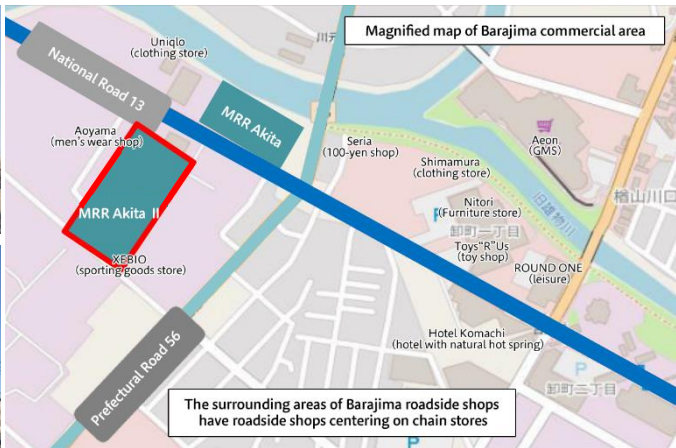
1st	Kanazawa City, Ishikawa Prefecture
<b>2nd</b>	<b>Matsumoto City, Nagano Prefecture</b>
3rd	Niigata City, Niigata Prefecture
4th	Hokuto City, Yamanashi Prefecture
5th	Joetsu City, Niigata Prefecture

Source: seikatsu-guide.com "Ranking Places that People Want to Live by Region"

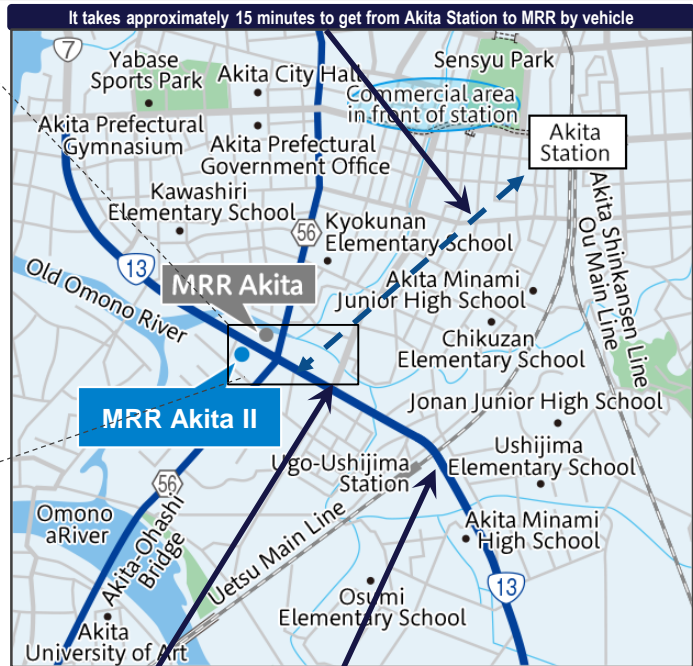
### Population and Number of Households in Matsumoto City



Source: Matsumoto City "Matsumoto City Statistics" (October 1 for each year)



© OpenStreetMap contributors



### Property characteristics and highlights

- National Route 13, which faces the property, is a main arterial road, and Prefectural Road 56 that crosses the national road nearby is also a main arterial road with high vehicle traffic. With these two main arterial roads nearby, the property is easily approachable from various directions of the trading area.
- In addition to MRR Akita, a property owned by marimo REIT, there are many complex facilities and retail stores in the area, and the high vehicle traffic from National Route 13 also makes the location highly sought after for commercial needs in Akita City.
- The property is comprised of two tenants (a sporting goods store and a men's wear shop), and as both tenants have high credit ratings as major players in their respective industries, stable revenues can be expected because they have been continuously open for a long period.

The Barajima commercial area has many large retail stores (shops with an area of 1,000 m<sup>2</sup> or greater) with 14 facilities located within a radius of 1 km. As for business type, there are many large specialty stores such as furniture and home appliance stores, and roadside retail facilities concentrate in the area.

National Road 13 is the main arterial road with the most vehicle traffic within a 7-km radius (Congestion benchmark: 1.64) Prefectural Road 56 is also a main arterial road of the trading area with much vehicle traffic (Congestion benchmark: 1.37)

<b>Location (Japanese addressing system)</b>	1-4-63 Barajima, Akita City, Akita Prefecture
<b>Acquisition price</b>	970 million yen
<b>Appraisal value</b>	1,040 million yen
<b>Appraisal NOI yield</b>	7.4%
<b>Occupancy rate (as of June 30, 2020)</b>	100%
<b>Site area</b>	14,902.48 m <sup>2</sup>
<b>Completion date</b>	March 2004/April 1985
<b>Structure</b>	Steel framed structure, alloy plated steel sheet roof, 1 floor Steel framed structure, galvanized steel sheet roof, 2 floors
<b>Number of parking spaces</b>	254

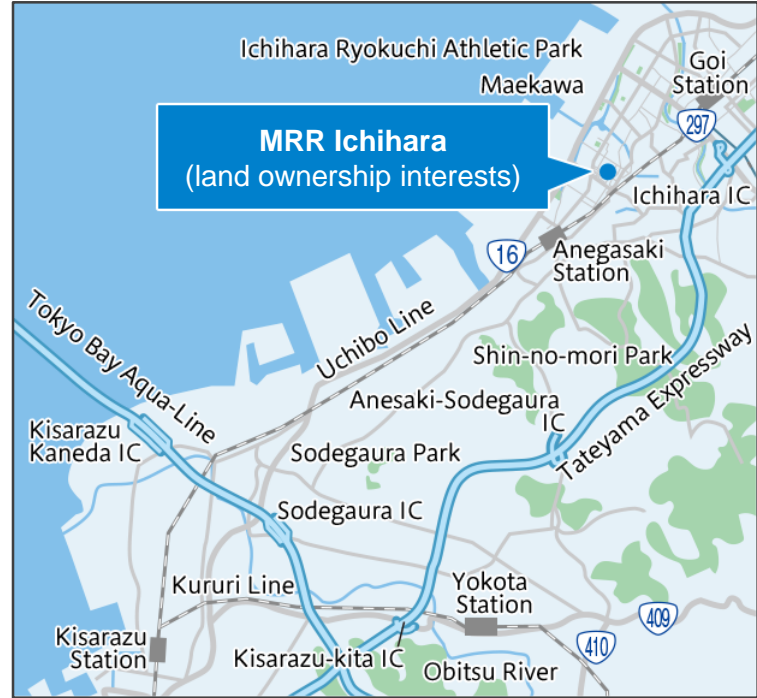
### Traffic Volume in the Surrounding Areas of MRR Akita II

	24-hour traffic volume of motor vehicles	Congestion benchmark	Explanation on congestion benchmark	
Neighboring areas	43,692	1.64	~1.00	No congestion and traffic is smooth.
Prefectural average	4,695	0.49	1.25~1.75	Not only during peak hours. Congestion is likely to occur at an accelerated pace during other hours around the peak time also.
			2.00~	Chronic congestion, with around 70% of the 12-hour daytime period seeing congestion.

Source: Road Traffic Census FY2015



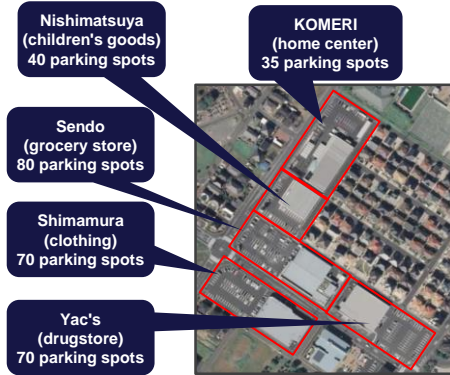
## Land for lifestyle-oriented retail stores in a detached residential area



### Property characteristics and highlights

- This property is located approximately 5.8 km from JR Goi Station in the center of downtown Ichihara City. There are schools and parks, etc., in the neighboring area, and the property serves as land for the community-based roadside stores in a residential district.
- An urban planned road is set to operate in the area and will likely open in the next two to three years. Once completed, the property will be easily accessible from the urban planned road connecting the area south to the JR Uchibo Line's Anegasaki Station to the area south to the Goi Station, which is expected to attract customers from the southern part of the JR Uchibo Line. The future prospects of the property are high.
- Tenants are primarily stores used on a daily basis, including Shimamura (clothing), KOMERI (home center), Nishimatsuya (children's goods), Sendo (grocery store), and Yac's (drugstore).

<b>Location</b>	6-7 Chigusa, Ichihara City, Chiba Prefecture
<b>Acquisition price</b>	700 million yen
<b>Appraisal value</b>	1,190 million yen
<b>Appraisal NOI yield</b>	5.0%
<b>Number of parking spaces</b>	295 (total)



# K's Denki Kitamoto Store

(land ownership interests)

Asset manager's  
independent  
acquisition channel

## Land for retail facility along National Route 17 that opened in January 2020



### Property characteristics and highlights

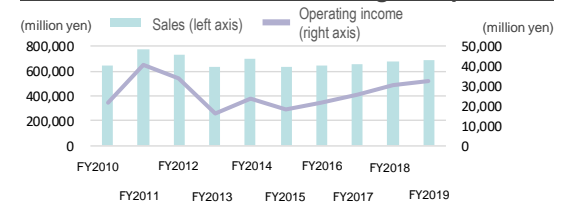
- There is a well-developed transportation network stretching from the southeast to the northwest, with railways such as JR Takasaki Line and the JR Joetsu Shinkansen Line, and roads such as National Route 17 and bypass roads, as well as the former Kyu-nakasendo Road (Prefectural Route 164).
- The location enjoys strong commercial demand since it is easily approachable by car from the trade area that stretches widely from the southeast to northwest along National Route 17, a main arterial road.
- In the commercial zone, while there are no shopping malls that attract large numbers of customers from wide area, a commercial zone has been formed by roadside stores along National Route 17.
- In recent years, the development of the surrounding roads (Ageo Bypass) has progressed and the property is expected to continue attracting solid demand for commercial land.
- Stable occupancy is expected as long-term fixed leasehold agreements for business-use have been concluded with tenants.

(Note) Regarding each of marimo's for-sale condominiums, marimo REIT has no specific plans for acquisitions, nor is there any guarantee that it can be acquired in the future as of the date of this document.

It has a larger warehouse space than usual and can be used as a distribution center for existing stores in the neighboring area and as an EC distribution center. With the dominance of multiple stores including these existing stores, it is expected that competition will accelerate within the commercial zone.

<b>Location</b>	4-46 Fukai, Kitamoto City, Saitama Prefecture
<b>Acquisition price</b>	1,030 million yen
<b>Appraisal value</b>	1,120 million yen
<b>Appraisal NOI yield</b>	4.9%
<b>Number of parking spaces</b>	136

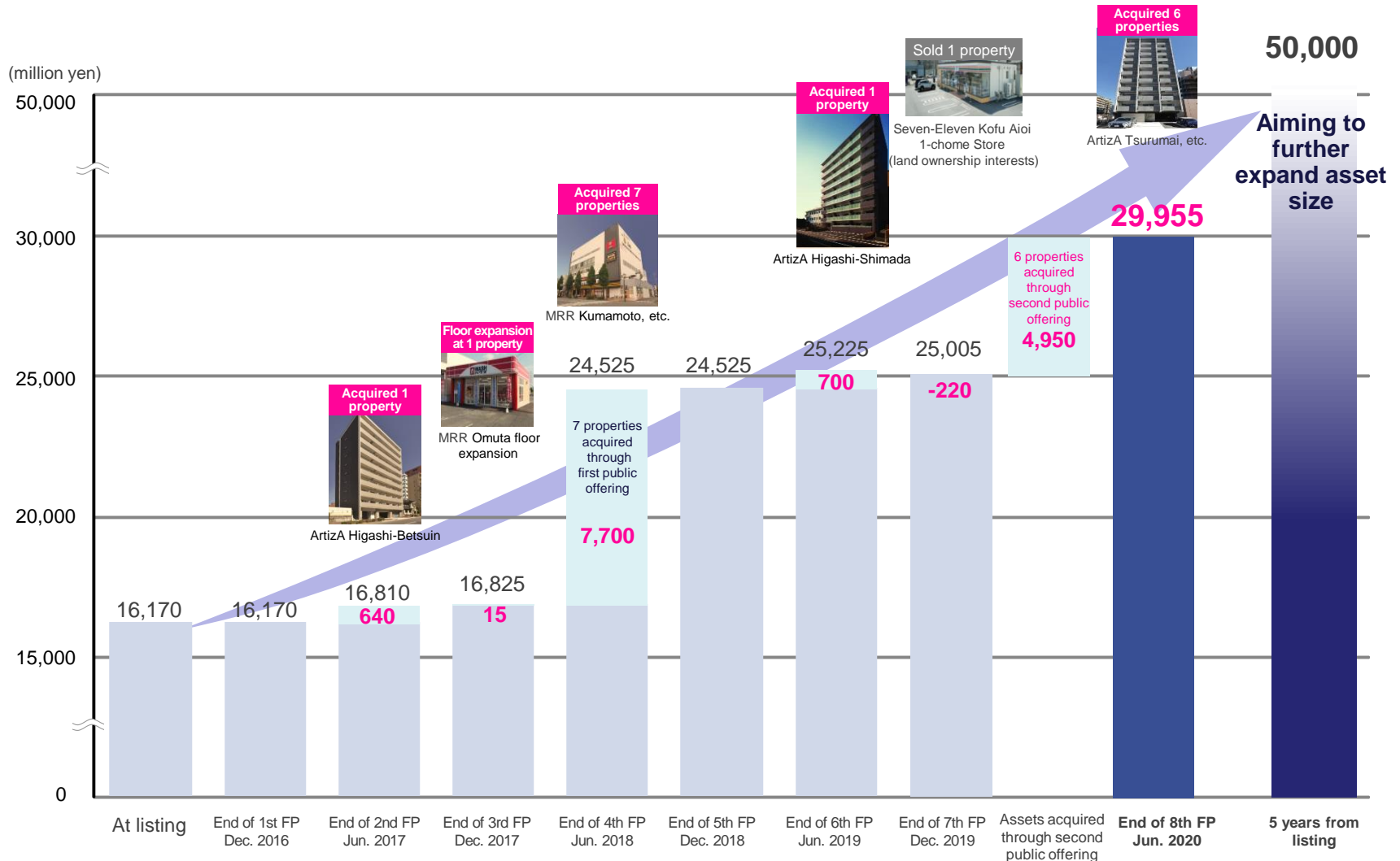
### Business Results of K's Holdings Corporation



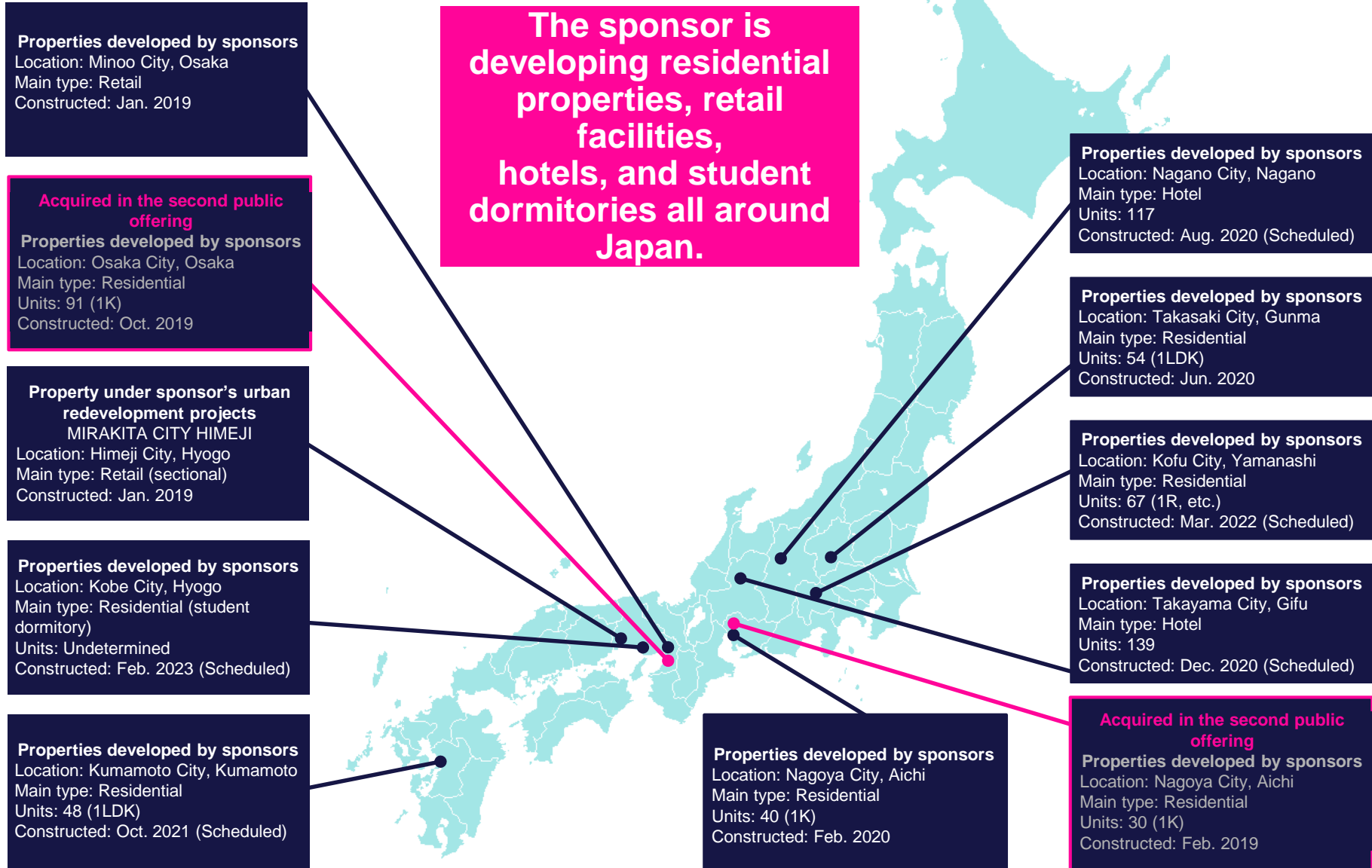
Source: Compiled by the asset manager based on K's Holdings Corporation's website

# Steady Expansion of Asset Size

A total of six assets were acquired for **4,950 million yen**, and the asset size expanded to **29,955 million yen**



# Sponsor Pipeline



(Note) As to properties developed by sponsors, there are no plans for marimo REIT to acquire the properties as of the date of this document and there is no guarantee it can acquire them in the future.

# Portfolio List (1) (8th Fiscal Period)

Property No.	Property name	Location	Acquisition price (million yen)	Book value at end of fiscal period (million yen) <sup>(Note 1)</sup>	Appraisal value (million yen)	Terminal capitalization rate	Appraisal NOI yield	Constructed (Note 2)	Occupancy rate (Note 3)	
Residential properties	Rp-01	ArtizA Sendai Kakyoin	Sendai City, Miyagi	2,730	2,591	3,790	5.3%	7.5%	Jan. 2009	92.1%
	Rp-02	ArtizA Kamimaezu	Nagoya City, Aichi	400	384	547	5.0%	6.9%	Mar. 2014	90.9%
	Rp-03	ArtizA Hakata Premium	Fukuoka City, Fukuoka	1,060	985	1,260	5.2%	6.8%	Feb. 2006	96.6%
	Rp-04	ArtizA Hakataeki-Minami	Fukuoka City, Fukuoka	500	471	564	5.1%	6.5%	Jun. 2006	97.1%
	Rp-05	ArtizA Higashi-Betsuin	Nagoya City, Aichi	640	624	677	4.9%	5.1%	Feb. 2016	98.1%
	Rp-06	ArtizA Kamimaezu II	Nagoya City, Aichi	720	716	770	5.0%	5.3%	Feb. 2016	100.0%
	Rp-07	ArtizA Chiyoda	Nagoya City, Aichi	980	970	1,110	4.7%	5.2%	Sep. 2017	98.7%
	Rp-08	ArtizA Higashi-Shimada	Okayama City, Okayama	700	704	731	5.2%	5.4%	Dec. 2016	94.2%
	Rt-01	ArtizA Ikejiri	Setagaya Ward, Tokyo	610	604	735	4.0%	4.8%	Mar. 2014	100.0%
	Rt-02	ArtizA Tsuzuki Chuo Koen	Yokohama City, Kanagawa	1,050	1,077	1,150	5.0%	6.1%	Apr. 1989	95.2%
	Rt-03	ArtizA Kawasaki East	Kawasaki City, Kanagawa	780	763	934	5.2%	6.7%	Mar. 1998	100.0%
Rt-04	ArtizA Sobudai	Zama City, Kanagawa	1,130	1,166	1,350	5.2%	6.9%	Feb. 1993	95.2%	
Rp-09	ArtizA Tsurumai	Nagoya City, Aichi	430	444	468	4.6%	4.9%	Feb. 2019	100.0%	
Rp-10	ArtizA Awajieki-higashi	Osaka City, Osaka	1,180	1,210	1,300	4.6%	5.0%	Oct. 2019	98.9%	
Rp-11	ArtizA Matsumoto	Matsumoto City, Nagano	640	659	667	5.9%	7.0%	Mar. 1998	78.5%	

(Note 1): "Book value at end of fiscal period" refers to the book value as of June 30, 2020. The same applies hereafter.

(Note 2): "Constructed" refers to the date of new construction of the main building as recorded on the registry. The same applies hereafter.

(Note 3): "Occupancy rate" refers to the figure obtained by dividing the total leased area indicated on each lease agreement concluded with the tenants of each asset as of June 30, 2020, by the building's (or in the case of land ownership interests, the land's) leasable area determined by marimo REIT, which is then rounded to the first decimal place. The same applies hereafter.

# Portfolio List (2) (8th Fiscal Period)

Property No.	Property name	Location	Acquisition price (million yen)	Book value at end of fiscal period (million yen)	Appraisal value (million yen)	Terminal capitalization rate	Appraisal NOI yield	Constructed	Occupancy rate	
Retail Facilities	Cp-01	MRR Omuta	Omuta City, Fukuoka	1,265	1,196	1,130	6.3%	6.0%	Mar. 2005 <sup>(Note 1)</sup>	100.0%
	Cp-02	Tariumekimae Gold Building	Kobe City, Hyogo	500	471	552	6.1%	6.7%	Jun. 2008	100.0%
	Cp-03	Foodaly Aoba Store	Miyazaki City, Miyazaki	250	224	396	6.3%	10.1%	Apr. 2009	100.0%
	Cp-04	Yamada Denki Tecc Land Mihara Store	Mihara City, Hiroshima	2,000	1,874	2,750	6.3%	8.7%	Sep. 2008	100.0%
	Cp-05	Yamada Denki Tecc Land Togitsu Store	Nishi-Sonogi County, Nagasaki	950	913	1,120	6.4%	8.0%	May 1981	100.0%
	Cp-07	MRR Kumamoto	Kumamoto City, Kumamoto	2,120	2,150	2,480	5.9%	7.2%	(1) Oct. 2008 (2) Jan. 1986 <sup>(Note 2)</sup>	98.7%
	Cp-08	MRR Sasebo	Sasebo City, Nagasaki	990	984	1,290	5.8%	7.5%	Apr. 2008	100.0%
	Cp-09	MRR Itoshima	Itoshima City, Fukuoka	900	908	979	5.4%	6.0%	Jul. 2008	100.0%
	Cp-10	MRR Akita	Akita City, Akita	840	852	878	6.9%	6.7%	Apr. 1994	100.0%
	Cp-11	Supercenter TRIAL Togitsu Store (land ownership interests)	Nishi-Sonogi County, Nagasaki	1,150	1,170	1,210	5.0%	5.0%	-	100.0%
	Cp-12	MRR Akita II	Akita City, Akita	970	984	1,040	6.8%	7.4%	(1) Mar. 2004 (2) Apr. 1985 <sup>(Note 2)</sup>	100.0%
	Ct-01	MRR Ichihara (land ownership interests)	Ichihara City, Chiba	700	717	1,190	-	5.0%	-	100.0%
Ct-02	K's Denki Kitamoto Store (land ownership interests)	Kitamoto City, Saitama	1,030	1,047	1,120	4.5%	4.9%	-	100.0%	
Hotels	Hp-01	Route-Inn Ichinomiya Ekimae	Ichinomiya City, Aichi	740	671	834	6.1%	6.9%	May 2008	100.0%
Offices	Op-01	MRR Delta Building	Hiroshima City, Hiroshima	1,200	1,142	1,290	5.7%	6.4%	Nov. 2002	100.0%
	Op-02	PLEAST Hakata Gion Bldg.	Fukuoka City, Fukuoka	800	756	1,230	5.0%	7.6%	Aug. 2008	79.4%
<b>Total</b>		<b>31 properties</b>	<b>29,955</b>	<b>29,441</b>	<b>35,542</b>	<b>-</b>	<b>6.6%</b>	<b>-</b>	<b>98.1%</b>	

(Note 1): As multiple buildings exist on the property, the date of construction of the building with the largest gross floor area is recorded.

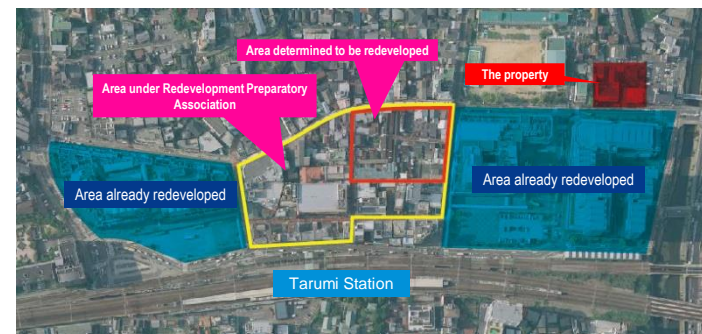
(Note 2): As two buildings exist on the property, the date of construction of each building is recorded.

## Appendix



# Property Introduction (1)

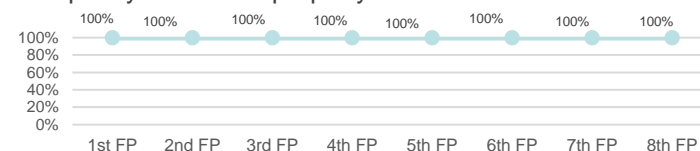
## Tarumiekimae Gold Building (maintaining stable occupancy rate as many of the tenants are clinics)



Source: Geospatial Information Authority of Japan's aerial photograph processed by the asset manager

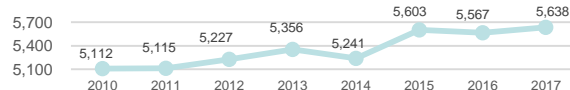
Location	Appraisal NOI yield	Occupancy rate
Kobe City, Hyogo	6.7% (Note 1)	100% (Note 1)
Acquisition price	Appraisal value	Completion date
500 million yen	552 million yen (Note 1)	Jun. 2008

### Occupancy rate of the property



### Property descriptions

Number of passengers getting on and off at Sanyo-Tarumi Station



- Approximately 350m northeast of Tarumi Station on the JR Sanyo Main Line and Sanyo-Tarumi Station on the Sanyo Electric Railway (approximately a 5-minute walk)
- With many medium-rise shop/office buildings, etc., the neighboring area has much pedestrian traffic.
- In addition, the area also have financial institutions, and favorable access from the station creates an excellent commercial district environment.
- With bus stop also located nearby, the location offers good access even for elderly people
- Population of approximately 1.52 million (Kobe City as of June 1, 2020)

(Note 1) "Appraisal NOI yield", "Occupancy rate" and "Appraisal value" are the figures as of the end of June 2020.

Tenants			
3rd floor	Clinic (ophthalmology)	Contact lens seller	Pharmacy office
2nd floor	Clinic (gastroenterology)		Clinic (psychosomatic)
1st floor	Pharmacy	Clinic (orthopedics)	



# Property Introduction (2)

**PLEAST Hakata Gion Building (switched to individual leases, appraisal value increased by approximately 20% from the previous fiscal period)**



<b>Location</b>	Fukuoka City, Fukuoka
<b>Appraisal NOI yield</b>	6.2% → 7.6%
<b>Occupancy rate</b>	79.4 % (end of June 2020)
<b>Acquisition price</b>	800 million yen
<b>Appraisal value</b>	1,020 million yen → 1,230 million yen
<b>Completion date</b>	Aug. 2008

## Property descriptions

- The property is located approximately 130 meters southwest of Gion Station on the Fukuoka City Subway Kuko Line (approximately a 1-minute walk).
- As Gion Station is only one stop from Hakata Station or around 6 to 7 minutes on foot, accessing the city center is extremely easy.
- There are many retail stores and restaurants around the neighboring area.
- The neighboring area belongs to a commercial district with many medium-rise office buildings, etc.

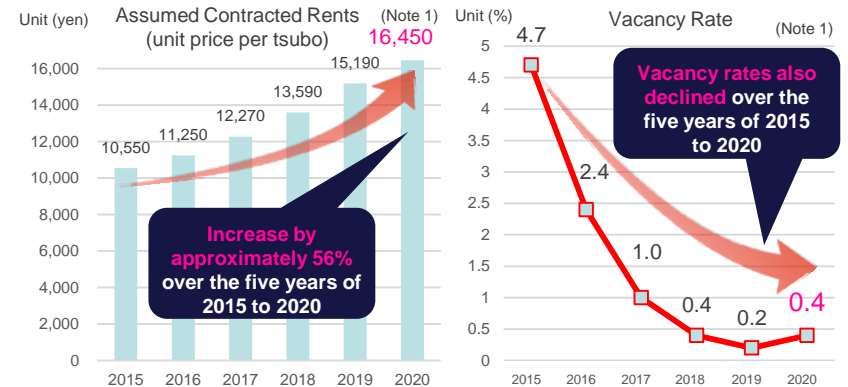
### ■ (until April 26, 2020)

- Subleasing the entire building
- Unit rent: 8,450 yen per tsubo
- Expiration of fixed-term lease agreement: April 26, 2020

### ■ After April 27, 2020

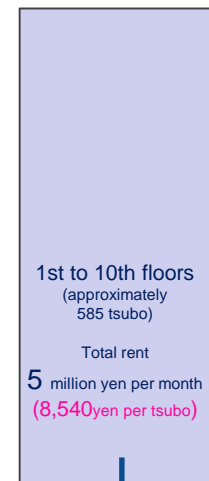
- Switched to individual leases
- Current tenants continued to lease the 1st through 7th floors
- Tenants have occupied the 9th floor
- Tenants have been decided for the 10th floor, and looking for tenants for the 8th floor (asking rent: 16,000 yen per tsubo)

## Office market in Fukuoka City remains favorable



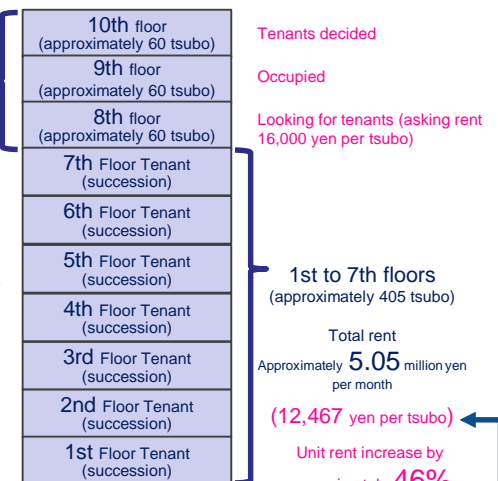
(Note 1) Prepared by the asset manager based on CBRE's "Japan Office Market Review"

### ◆ Subleasing the entire building (until April 26, 2020)



Potential for increase

### ◆ Individual leases (April 27, 2020 and thereafter)



# Overview of marimo REIT – Portfolio Building Policy –



Investment ratio	Investment area classification			Type				
				Residential properties	Retail facilities	Hotels	Offices	Parking properties
70% or more	Regional areas	<b>[Regional cities]</b>	Cities with, in principle, populations of 200,000 people or more other than those in the Tokyo metropolitan area <small>(Note)</small>	●	●	●	●	●
		<b>[Other regions]</b>	Nationwide regions other than regional cities and Tokyo metropolitan area		●	●		●
30% or less	Tokyo metropolitan area	Tokyo, Kanagawa, Chiba and Saitama prefectures		●	●			
Minimum investment amount (based on acquisition price per property)				300 million yen or more	200 million yen or more	300 million yen or more	500 million yen or more	200 million yen or more
Maximum investment amount (based on acquisition price per property)				Up to 25% of asset size after property acquisition				
Ratio of land ownership interests				Up to 15% of asset size after property acquisition				

(Note) Even if a city has a population of less than 200,000 people, a city with a population slightly less than this may be treated as a regional city in consideration of the industrial situation, demographics and other various circumstances.

## Basic principle = “Strengthen Japan from regional areas”

### Regional revitalization

marimo REIT’s idea on regional revitalization is to create regional societies where nationwide people can live their unique lifestyle pleasantly while having hope for their region’s future by reducing the “monocentric concentration in Tokyo.”



Creation of employment



Revitalization of regional  
economy

Revitalization of “towns” through investing in regional real estate

**marimo Regional Revitalization REIT, Inc.**

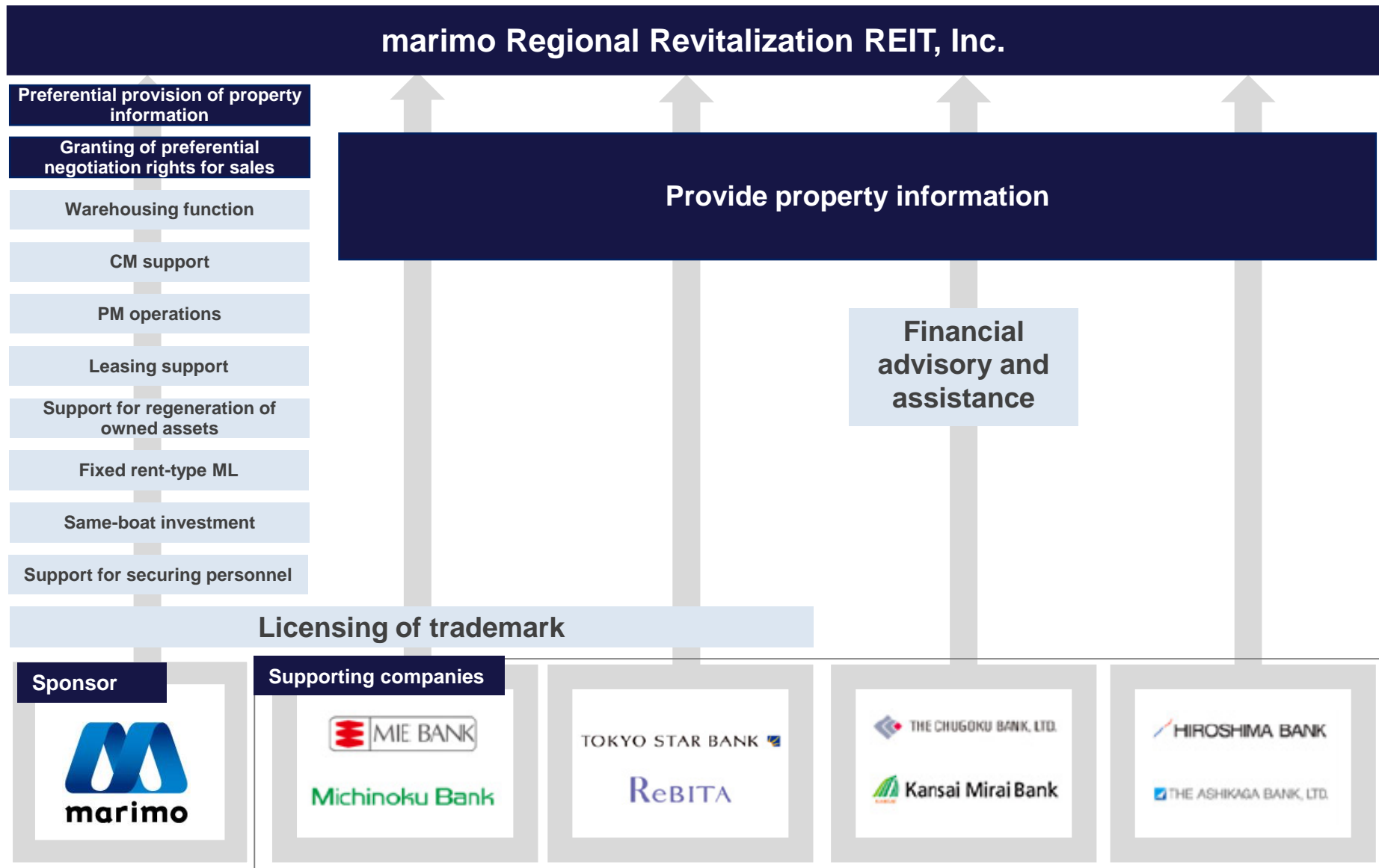
Expertise in  
real estate development  
and urban redevelopment



Provide property information (Note)



(Note) The Michinoku Bank, The Chugoku Bank, The Hiroshima Bank and The Ashikaga Bank are to provide property information voluntarily at their own discretion.



# Overview of the Sponsor, Marimo

<b>Company name</b>	Marimo Co., Ltd.
<b>Headquarters address</b>	1-17-23, Kougokita, Nishi Ward, Hiroshima
<b>Established</b>	September 1, 1970
<b>Global operation</b>	Japan, China
<b>Net sales (Non-consolidated)</b>	41.5 billion yen (as of July 31, 2019)
<b>Business description</b> (Including business description of subsidiaries)	Planning, development, designing, supervising and sales business of for-sale residential properties, real estate securitization business, environmental hygiene business, and sales of overseas for-sale condominiums

**Track record of for-sale condominium development  
(as of June 30, 2020)**  
409 structures with 26,745 units  
in over 44 prefectures nationwide

<b>History of Marimo</b>	
Sep. 1970	Established AI Architectural Design Co., Ltd. (currently Marimo Co., Ltd) in Hiroshima City
Oct. 1990	Completed construction of “Grandeur Tosu,” the first for-sale condominium
Jan. 2009	Started the Condominium Restoration Project (purchase and resale)
Aug. 2009	Established a local entity in Shanghai, China
Apr. 2010	Joined “Keyaki Avenue First-class Urban Redevelopment Project” (Wakayama City) as the first urban redevelopment project
Jan. 2014	Launched income property direction business on a full scale
Mar. 2014	Launched domestic for-rent condominium business
<b>Jun. 2015</b>	<b>Established Marimo Asset Management Co., Ltd.</b> Established GM Associe Co., Ltd.
Aug. 2015	Made Prec Co., Ltd. (currently Marimo House Co., Ltd.) a subsidiary
Oct. 2015	Established Marimo Consulting Co., Ltd. Made Yurick Home Co., Ltd. a subsidiary
<b>Jul. 2016</b>	<b>Listing of marimo Regional Revitalization REIT, Inc.</b>
Nov. 2016	Reorganized into a group with Marimo Holdings Co., Ltd. as the holding company
May 2017	Began sales of 532 units out of 1,260 units in 18 buildings at “Shangya Yuan” in the 1st FP in China (All units were sold out in the same month)
<b>Jan. 2018</b>	<b>marimo Regional Revitalization REIT, Inc. conducted 1st public offering</b>
<b>Jan. 2020</b>	<b>marimo Regional Revitalization REIT, Inc. concluded 2nd public offering</b>

# Introduction of Marimo group

## Current major business development by Marimo

For-sale condominium business	By continuing to enter even into regional cities where other companies do not advance into and providing high-quality residences, contribute to realization of living in downtown and compact city.
Urban redevelopment business	Contribute to revitalization of downtown areas in regional cities by utilizing the enthusiasm for “energizing the regional areas” and the know-how cultivated in the for- sale condominium business.
Income property business	Improve sustainability of profit by not only supplying properties as the sponsor of marimo Regional Revitalization REIT, Inc., but also by implementing renovation of stores, residences and offices as well as their leasing.
Overseas for-sale condominium business	Conducted sales of residences with interior design in overseas market. Developed “Polestar Garden” series and sold all of 2,113 units in China. Developed a condominium business in Kuala Lumpur, Malaysia as well.



**Kumamoto City, Kumamoto**

**The Kumamoto Gardens**

• Kumamoto City's Sakuramachi District Class 1 Urban Area Redevelopment Project



**Shibuya Ward, Tokyo**

### ■ Ebisu-Nishi Ichome Building

- Acquired a narrow land which is difficult to be developed as a single site along with the adjacent land, after negotiating with the owner of the adjacent land.
- Constructed a retail building on the site and invited DAIICHIKOSHO, the leading company in the karaoke industry, as a new tenant

## Marimo Group's SDGs Declaration



### MARIMO GROUP'S CONTRIBUTION TO SDGs

*Marimo Group's Vision "Altruism and Appreciation"*  
Marimo supports SDGs and contributes through action-oriented approaches.

*Makoto Fukagawa*  
President of Marimo Holdings

#### Providing solutions for better living

Building sustainable communities, stimulating local activities and maintaining a safe environment through our business creations

- ACTIONS -

- Focusing on our local communities as a comprehensive real estate developer through:
  - Condominiums
  - Residential housings
  - Urban redevelopment business, and
  - Re-creation real estate business
- Reactivating local communities and employment opportunities
- Providing healthy eating options by Marimo Honzou Yakuzen Academy (Chinese Traditional Health Food)

#### Improving the working-life of our people

Complying with rules and setting Diversity Management to encourage a working-style reform

- ACTIONS -

- Providing preventive measures to harassment including a helpline
- Enhancing gender equality by enabling flexible work options based on employees' lifestyles (flexible working hours, hourly vacation leave system)
- Hiring foreign nationals, training and developing their business skills, encouraging business development in their home countries
- Supporting personal improvement (professional qualifications, English speaking classes)




#### Reducing our carbon footprint

Encouraging internal and external energy saving plans to contribute to achieving a low-carbon society

- ACTIONS -

**ESCO (Energy Service Company) Business**

- Providing energy solutions including designs and implementation of energy savings projects, retrofitting, energy conservation, energy infrastructure outsourcing, power generation and energy supply, and risk management.
- Promoting an air-quality control system
- Using and Promoting our LED lights efficiency plan
- Preventing water pollution by using ozonation treatment

**Internal Energy Saving Plan**

- Applying LED lights and motion sensor lighting controls in the head office

#### Revitalizing regional economy, establishing social businesses

Tackling social issues (aging population, environment and disasters, etc.) by creating social businesses and investments to regional communities

- ACTIONS -

- Establishing and investing in regional communities through "Regional Revitalization J-REIT"
- Supporting local communities at development sites by making connections through "Sunagari Design Project" (cleaning towns, hosting community activities, etc.)
- Supporting school construction in emerging nations (i.e. Cambodia & Laos)
- Welcoming foreign nationals' internships
- Establishing more social businesses






**SUSTAINABLE DEVELOPMENT GOALS**

"The Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 Goals are all interconnected, and in order to leave no one behind, it is important that we achieve them all by 2030." From United Nations official website

Marimo SDGs Contribution 2020

## Marimo Group's Initiatives

### Environment

Conducted by  
marimo REIT

#### ■ Initiatives to reduce environmental burden

In addition to promoting the efficient use of energy in our owned assets by adopting LED lighting, using thermal insulation paint, and installing electronic breaker, the Group is endeavoring to reduce CO<sub>2</sub> emissions through energy conservation.



Adopted LED lighting  
for emergency lights  
(MRR Kumamoto)



Installed electronic breaker  
(Artiza Kamimaezu)  
(Artiza Sobudai)

### Social

Conducted by  
Sponsor

#### ■ Support for School Construction in Emerging Nations

(construction costs, backpacks, stationary, etc.)

- \* (1) Bour Secondary School Cambodia
- \* (2) Au Ampil Elementary School, Cambodia
- \* (3) Muan Mue Secondary School, Laos



New

#### ■ Nonprofit Organization (NPO) Hiroshima Hirogaru Deai-no-Hiroba JUNOALL

JUNOALL is an organization that supports people who are looking for partner to marry with, and has a proven track record across Japan. Marimo Co., Ltd. agrees with this objective, and supports the establishment and the activities of the NPO Hiroshima Hirogaru Deai-no-Hiroba JUNOALL in Hiroshima.



### Governance

#### ■ Human resources development training

Implemented training for full-time officers and employees on following topics

- Monthly: "Report of cases of leakage of personal information, etc."
- As needed: "Training by lawyer (twice a year)," "Personal information protection training by outside experts", etc.

#### ■ Sponsors' same-boat investments

Same-boat investments are conducted in order to share the profits between marimo REIT's unitholders and Marimo Group.

- Marimo Co., Ltd. holds 16,031 investment units of marimo REIT (ratio: 10.5%). (as of June 30, 2020)



Photo for reference

# B-to-C EC Market Size in Japan

## Scale of B-to-C EC (Note 1) Market and Composition Ratio of Each Business Sector

	2017	2018	Growth rate
A. Retail sector	8,600.8 billion yen (EC ratio 5.79%)	9,299.2 billion yen (EC ratio 6.22%)	8.12%
B. Service-related sector	5,956.8 billion yen	6,647.1 billion yen	11.6%
C. Digital-related sector	1,947.8 billion yen	2,038.2 billion yen	4.6%
Total	16,505.4 billion yen	17,984.5 billion yen	9.0%

### A. Retail sector

(1)	Food products, beverages, liquor
(2)	Home electrical appliances, AV equipment, PC/peripheral equipment, etc. (not including online games)
(3)	Books, video/music software (not including e-publishing in books)
(4)	Cosmetics, pharmaceutical products
(5)	Sundries, furniture, interior
(6)	Clothing, accessories, etc.
(7)	Automobiles, motorcycles, auto parts, etc.
(8)	Office products/stationery
(9)	Others

### B. Service-related sector

(1)	Travel service
(2)	Food service
(3)	Ticket sale
(4)	Financial service
(5)	Beauty service
(6)	Others (medical, insurance, housing-related, education, etc.)

### C. Digital-related sector

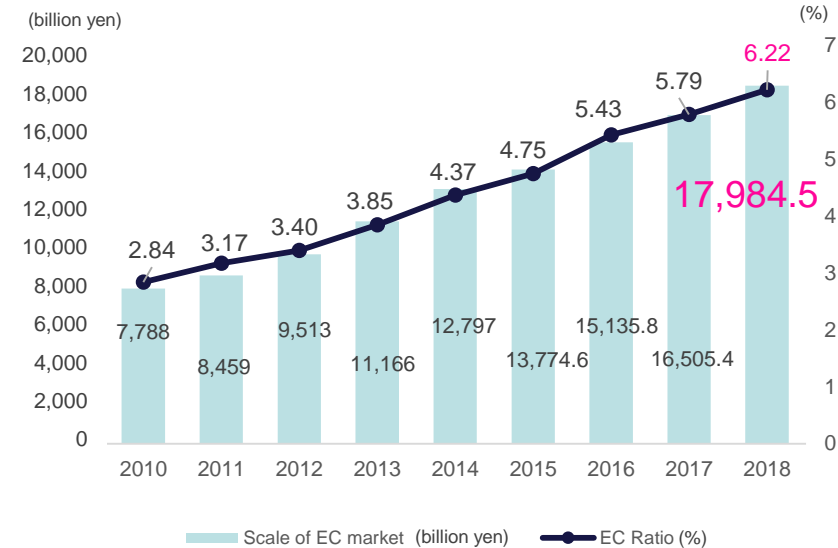
(1)	E-publishing (e-books, e-magazines)
(2)	Fee-based music streaming
(3)	Fee-based video streaming
(4)	Online games
(5)	Others

(Note 1) Business to consumer e-commerce is abbreviated as "B-to-C EC."

Source: "FY2018 Survey of Infrastructure Development Status for Data-driven Society in Japan (E-Commerce Market Survey)" by Information Economy Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry

## Changes in Scale of B-to-C EC Market and EC Ratio (Note 2)

\*EC ratio is for the retail sector



(Note 2) EC ratio indicates the ratio of e-commerce market size against the transaction amount of all types of commerce (commerce market size)

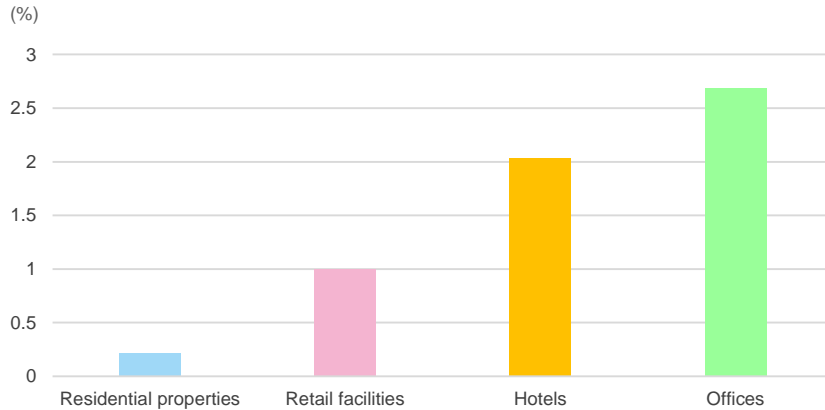
Source: "FY2018 Survey of Infrastructure Development Status for Data-driven Society in Japan (E-Commerce Market Survey)" by Information Economy Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry

The scale of the B-to-C EC market is on an expanding trend, but the EC ratio in 2018 for the retail sector is 6.22%



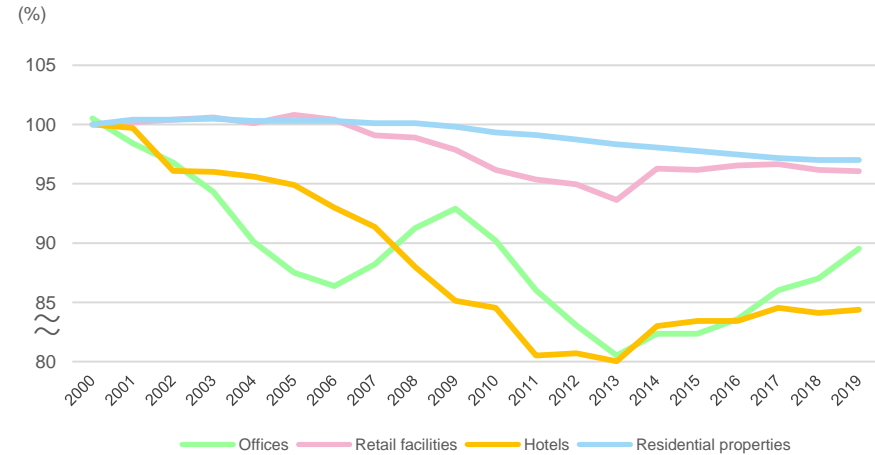
# Residential Properties and Retail Facilities Market Data

## Standard Deviation of Rate of Change of Rent Level by Real Estate Type



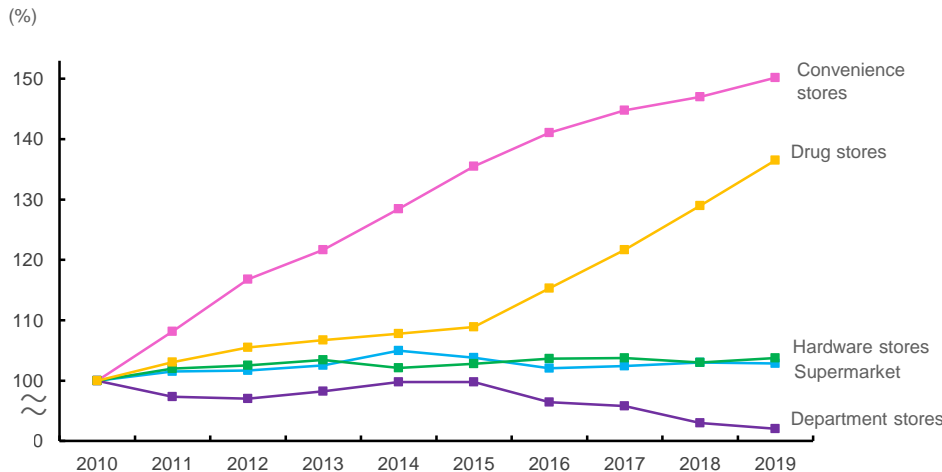
Source: Prepared by the asset manager based on the Bank of Japan's Corporate Service Index and the Statistic Bureau's (Ministry of Internal Affairs and Communications) Consumer Price Index (from 2000 to 2019).

## Corporate Service Index and Consumer Price Index (2000 = 100)



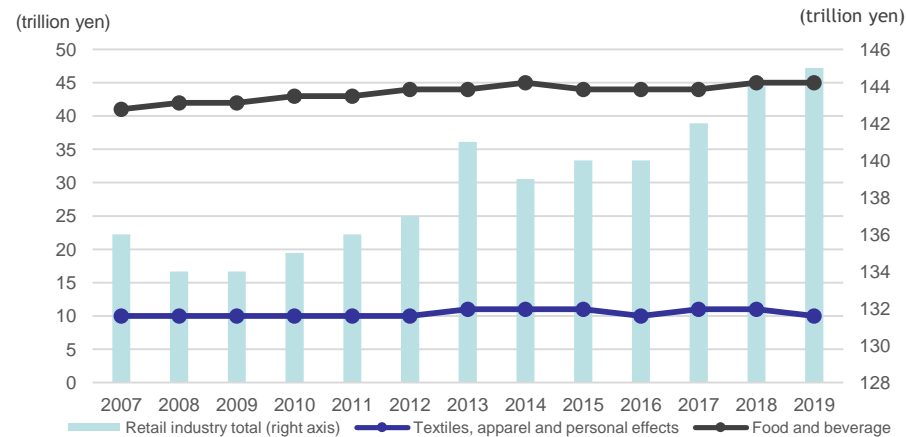
Source: Prepared by the asset manager based on the Bank of Japan's Corporate Service Index and the Statistic Bureau's (Ministry of Internal Affairs and Communications) Consumer Price Index.

## Change in Annual Sales of Various Retailers



Source: Prepared by the asset manager based on data from the Ministry of Economy, Trade and Industry's Current Survey of Commerce, Japan DIY Industry Association and Japan Association of Chain Drug Stores' FY2019 Japan Drug Store Survey (2010 = 100).

## Change in Sales in the Retail Industry Overall and in Daily Necessities



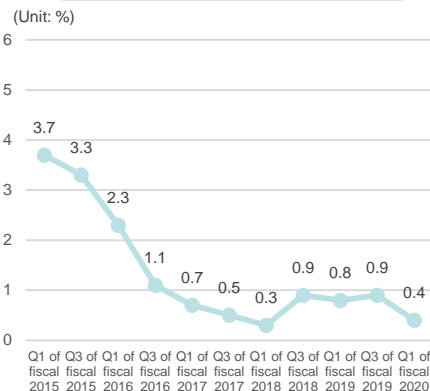
Source: Prepared by the asset manager based on the Ministry of Economy, Trade and Industry's Current Survey of Commerce and Commercial Sales Value by Type of Business and Comparison with Previous Year (fiscal year, period and month).



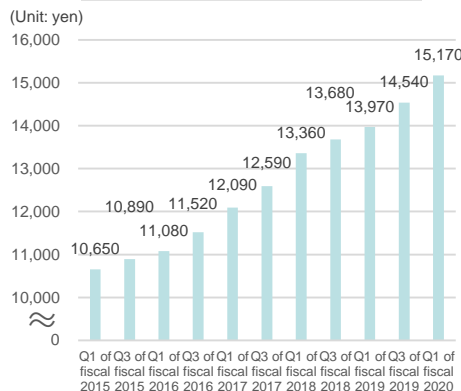
## Rent continues to increase in major cities and vacancy rates turned to decline again

### Sapporo City

#### Vacancy rate

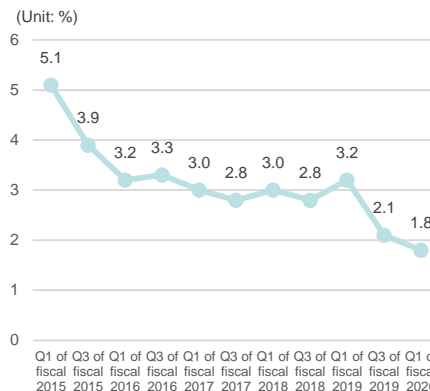


#### Assumed contracted rents

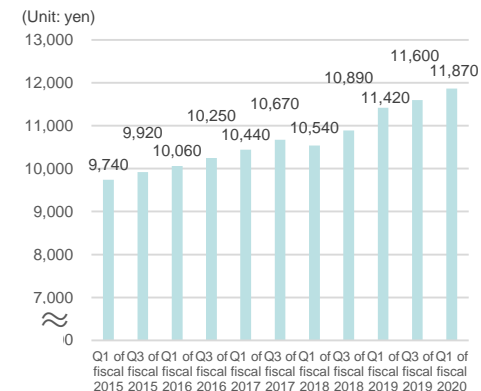


### Hiroshima City

#### Vacancy rate

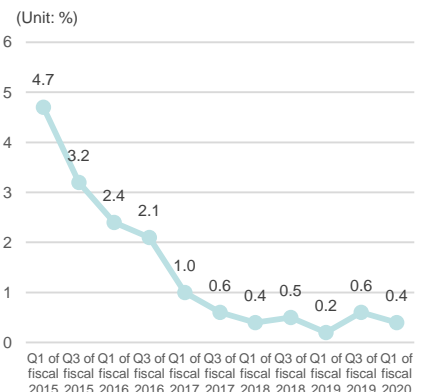


#### Assumed contracted rents

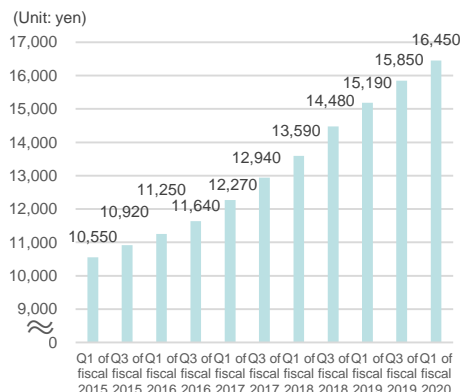


### Fukuoka City

#### Vacancy rate

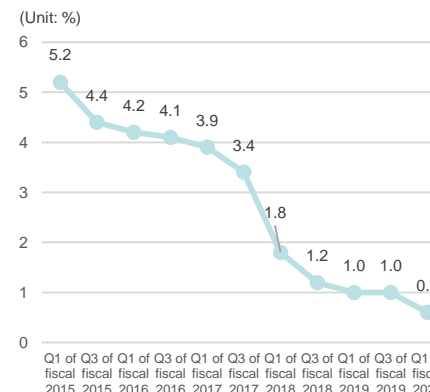


#### Assumed contracted rents

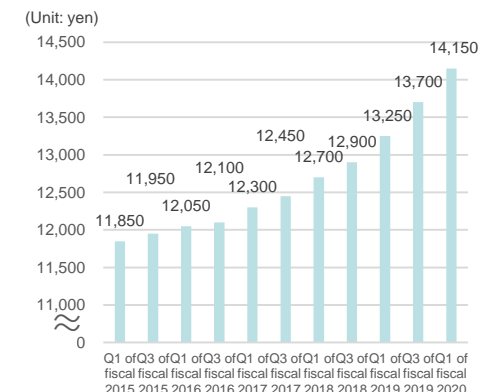


### Nagoya City

#### Vacancy rate



#### Assumed contracted rents

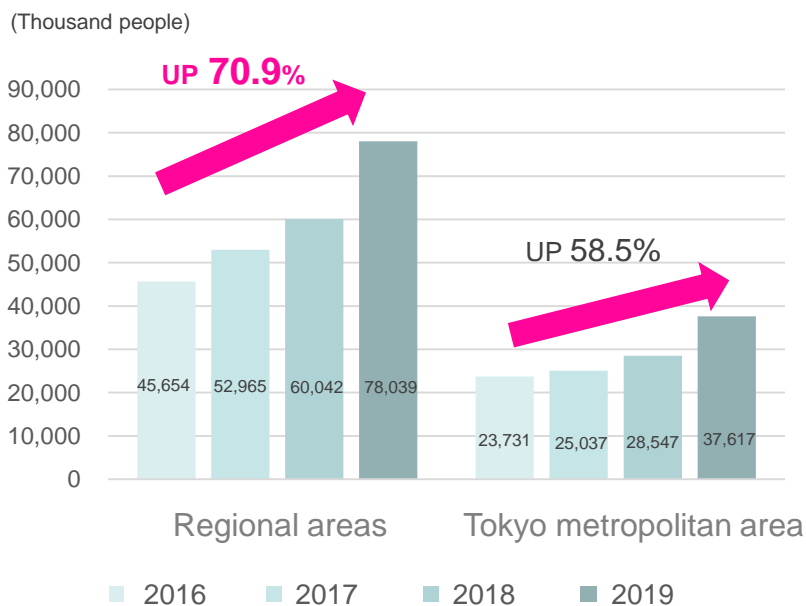


Source: Prepared by the asset manager based on "Japan Office Market View" of CBRE, K.K. (Cited grade B data for assumed contracted rents for Nagoya City)



### Number of lodging foreign travelers in Japan Comparison between regional areas and Tokyo metropolitan area

**Total Number of Lodgers by Year  
(2016 to 2019; thousand people)**

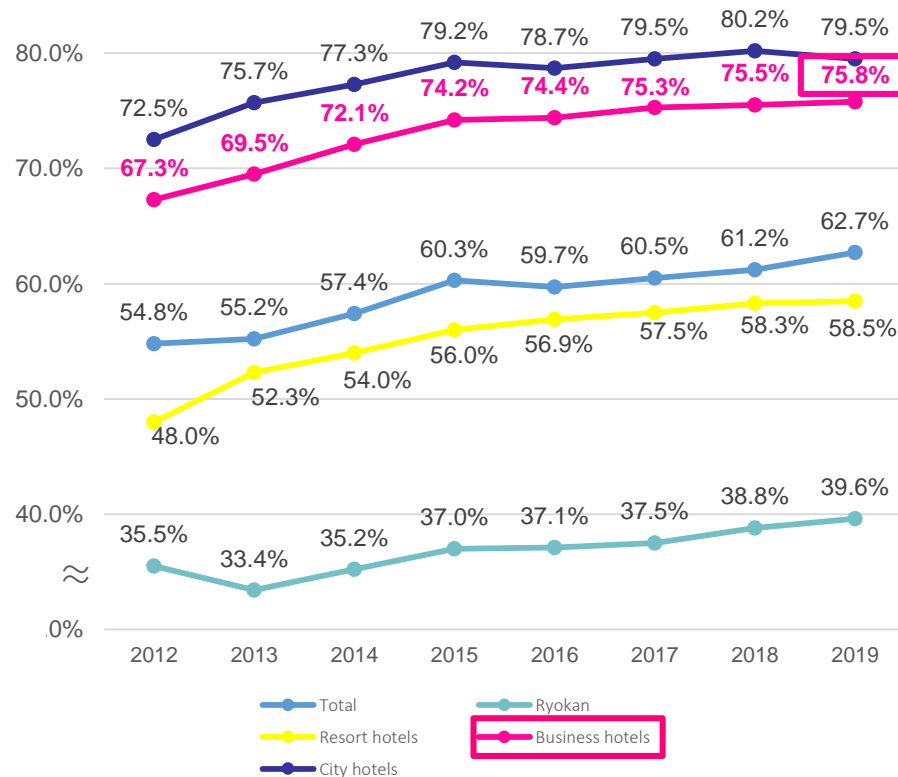


Regional areas: All areas other than the Tokyo metropolitan area  
Tokyo metropolitan area: Tokyo, Chiba, Kanagawa and Saitama prefectures

Source: Prepared by the asset manager based on "Overnight Travel Statistics Survey" by the Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism

### Steady performance of occupancy rate of business hotels

**Occupancy Rate by Facility Type**



## Policy on dividends in excess of earnings

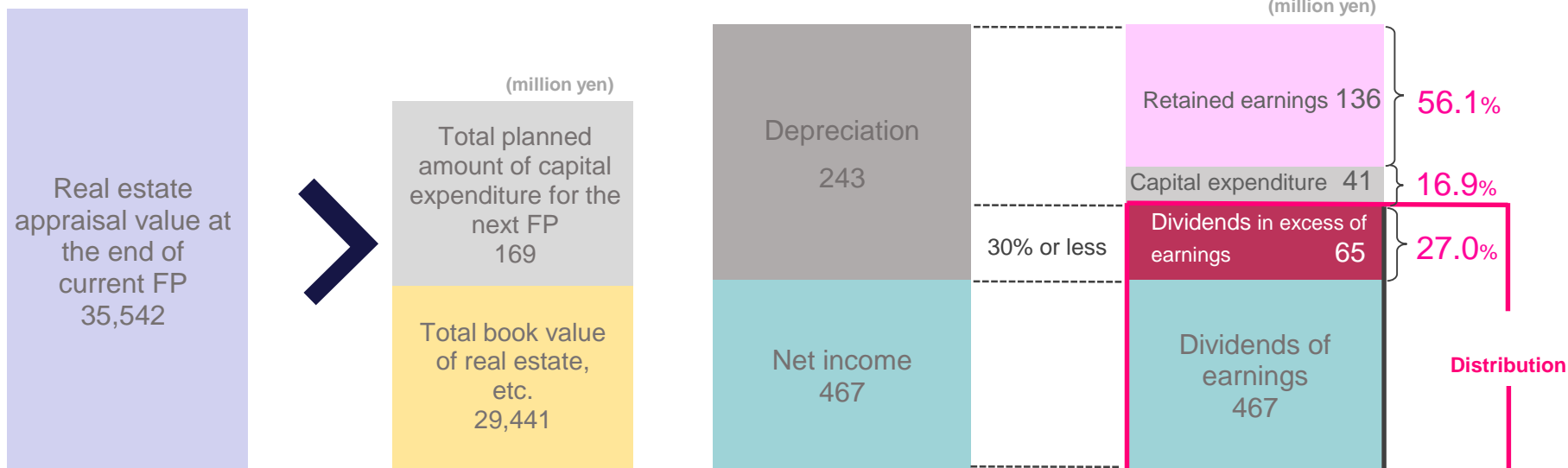
Verify the most appropriate cash management from various aspects including capital expenditures, economic environment, real estate market conditions, financial status, repayment of borrowings and funds for acquiring new properties

- marimo REIT decides whether it will execute dividends in excess of earnings and the amount for the respective fiscal period after verifying the following (1) and (2)

Verification (1) Execute or not  
(Execute when the following conditions are met)

Verification (2) Amount of dividends in excess of earnings  
30% of depreciation or less and 75% of payout ratio or less  
(The figure is the actual amount of the 8th FP)

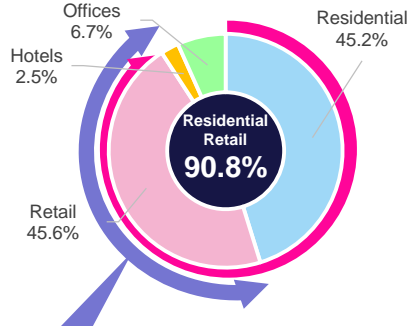
\*Total amount of dividends (including dividends in excess of earnings) **8th FP results = 75.0%**



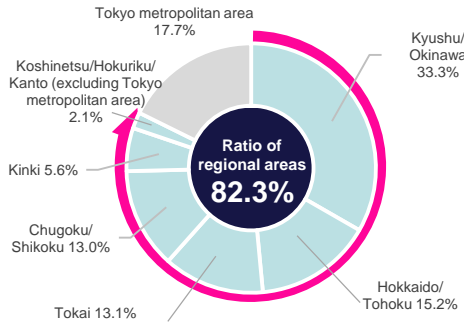
(Note) The above figures are as of the end of the 8th FP and do not indicate the ratio of distribution to net income or depreciation, or the ratio of dividends in excess of earnings. Dividends in excess of earnings may change in amount or may not be implemented due to economic conditions, trends in the real estate market, and the state of finances and the portfolio.

# Portfolio Map (as of June 30, 2020)

Investment Ratio by Type  
(based on acquisition price)



Investment Ratio by Region  
(based on acquisition price)

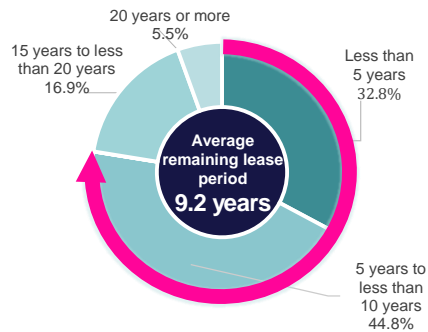


**Aim to create a diversified portfolio nationwide to reduce risk from disasters**

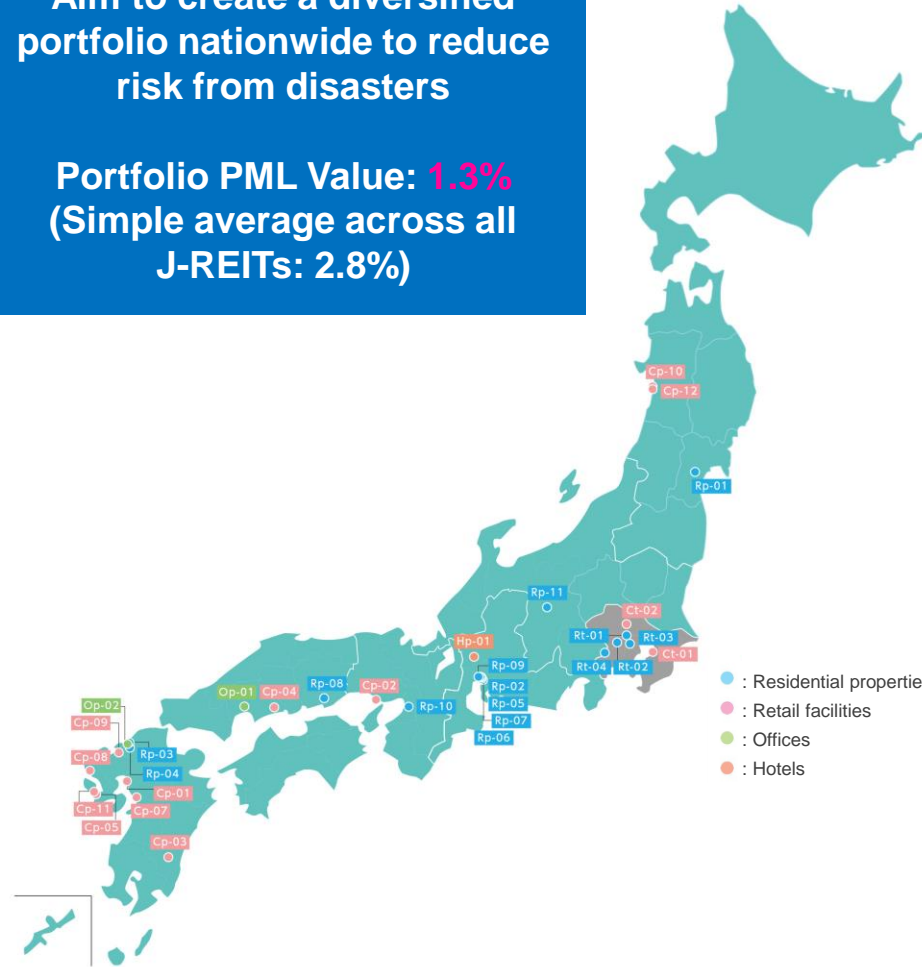
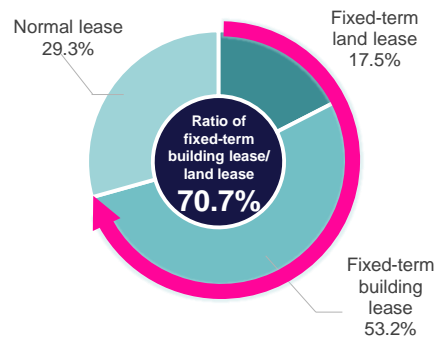
**Portfolio PML Value: 1.3%**  
(Simple average across all J-REITs: 2.8%)

All retail facilities and hotels have fixed-rent lease agreements

Average Remaining Lease Period (based on rent) (\*)



Composition Ratio of Types of Lease Agreements (based on rent)



\* "Property No." on the map of Japan indicates a number given to each property in marimo REIT's portfolio, which is a combination of categories for "investment target" and "investment ratio by region. For property names, please refer to "Portfolio List" on page 29/30. "As to "investment target," R refers to residential properties, C to retail facilities, H to hotels and O to offices, while p refers to regional areas and t to Tokyo metropolitan area.

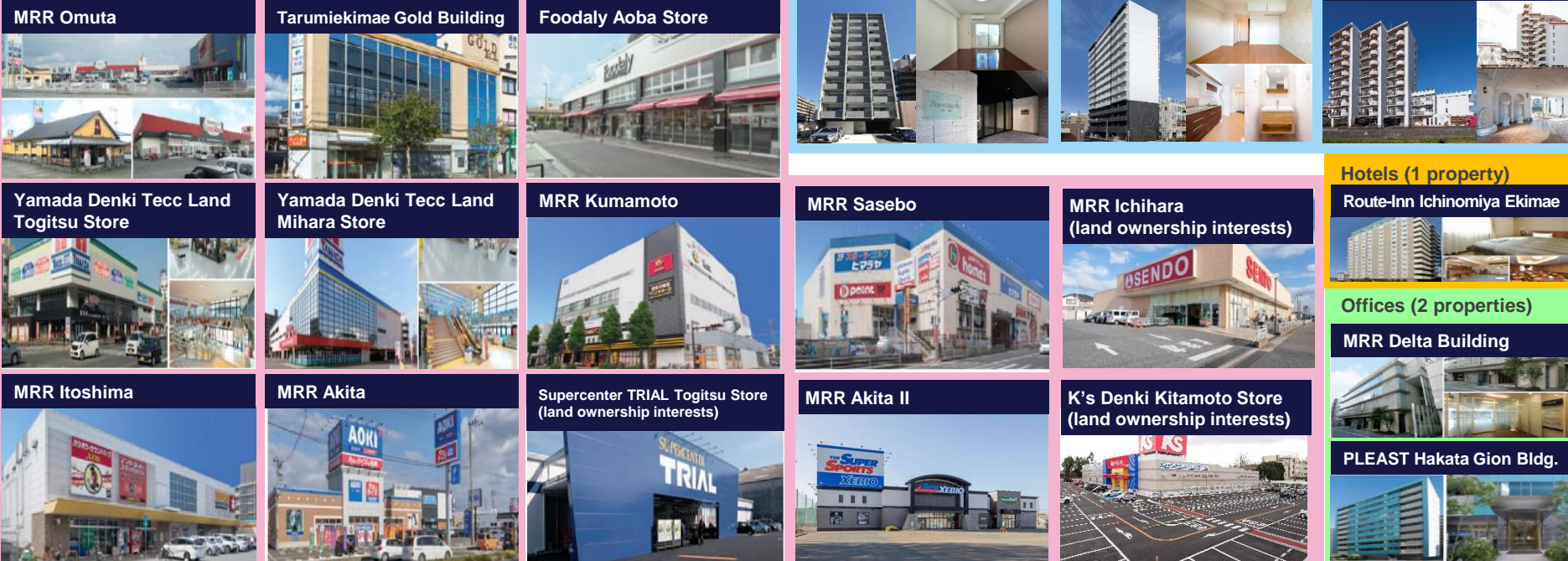
\* "Average remaining lease period" is the average (weighted average) obtained by: (Monthly rent (yen) x Remaining (years))/Monthly rent (yen).

# Photos of Properties (fiscal period ended June 2020)

## Residential properties (15 properties)



## Retail facilities (13 properties)



# Balance of Individual Properties (1) (Period ended June 30, 2020)



**marimo Regional  
Revitalization REIT, Inc.**

Investment area			Regional area							
Property no.			Rp-01	Rp-02	Rp-03	Rp-04	Rp-05	Rp-06	Rp-07	Rp-08
Property name			ArtizA Sendai Kakyoin	ArtizA Kamimaezu	ArtizA Hakata Premium	ArtizA Hakataeki-Minami	ArtizA Higashi-Betsuin	ArtizA Kamimaezu II	ArtizA Chiyoda	ArtizA Higashi-Shimada
Acquisition date			Aug. 1, 2016	Aug. 1, 2016	Aug. 1, 2016	Aug. 1, 2016	Jun. 1, 2017	Jan. 23, 2018	Jan. 23, 2018	Jan. 4, 2019
Price information	Acquisition price	(million yen)	2,730	400	1,060	500	640	720	980	700
	Investment ratio	(%)	9.1	1.3	3.5	1.7	2.1	2.4	3.3	2.3
	Period-end book value (Note 1)	(million yen)	2,591	384	985	471	624	716	970	704
Leasing information	Leasable area (Note 1)	(m <sup>2</sup> )	9,810.37	1,096.48	3,804.39	1,691.50	1,336.50	1,557.90	2,062.06	1,809.60
	Leased area (Note 1)	(m <sup>2</sup> )	9,039.58	996.80	3,675.08	1,642.38	1,311.75	1,557.90	2,035.94	1,705.20
	Occupancy rate (Note 1)	(%)	92.1	90.9	96.6	97.1	98.1	100.0	98.7	94.2
Balance (Note 2)	(1) Number of operating days		182	182	182	182	182	182	182	182
	(2) Total lease business revenue	(thousand yen)	133,201	18,416	49,504	23,248	22,507	25,522	35,464	26,357
	Lease business revenue		125,721	14,691	47,765	22,128	22,225	24,245	34,015	25,566
	Other lease business revenue		7,480	3,725	1,738	1,119	282	1,277	1,449	791
	(3) Total lease business expenses	(thousand yen)	25,113	10,977	10,985	5,150	4,654	6,144	7,930	6,192
	Management fees		10,437	3,624	3,451	1,715	1,477	2,185	2,501	3,002
	Taxes and public dues		7,706	1,346	3,312	1,583	1,620	1,753	2,577	1,800
	Utility costs		868	130	403	305	177	176	175	157
	Repair costs		5,374	5,473	3,237	1,146	195	1,074	925	349
	Insurance fees		337	48	130	53	65	65	86	66
	Trust fees		220	225	220	220	225	225	225	225
	Other lease business expenses		169	128	230	125	893	662	1,438	591
	(4) NOI (= (2) – (3) )	(thousand yen)	108,088	7,439	38,518	18,098	17,852	19,378	27,534	20,164
	(5) Depreciation	(thousand yen)	30,122	4,524	17,192	7,328	6,569	6,238	9,170	7,622
	(6) Lease business income (= (4) – (5) )	(thousand yen)	77,965	2,914	21,325	10,769	11,283	13,140	18,364	12,542
(7) Capital expenditures	(thousand yen)	1,119	1,469	1,478	1,512	–	–	–	–	
(8) NCF (= (4) – (7) )	(thousand yen)	106,968	5,969	37,039	16,586	17,852	19,378	27,534	20,164	

(Note 1) Figures are as of the end of the 8th Fiscal Period.

(Note 2) The balance is for the 8th Fiscal Period.

# Balance of Individual Properties (2) (Period ended June 30, 2020)



Investment area			Region						
Property no.			Rp-09	Rp-10	Rp-11	Cp-01	Cp-02	Cp-03	Cp-04
Property name			ArtizA Tsurumai	ArtizA Awajieki-higashi	ArtizA Matsumoto	MRR Omuta	Tarumiekimae Gold Building	Foodaly Aoba Store	Yamada Denki Tecc Land Mihara Store
Acquisition date			Jan. 21, 2020	Jan. 21, 2020	Jan. 21, 2020	Aug. 1, 2016	Aug. 1, 2016	Aug. 1, 2016	Aug. 1, 2016
Price information	Acquisition price	(million yen)	430	1,180	640	1,265	500	250	2,000
	Investment ratio	(%)	1.4	3.9	2.1	4.2	1.7	0.8	6.7
	Period-end book value	(Note 1) (million yen)	444	1,210	659	1,196	471	224	1,874
Leasing information	Leasable area	(Note 1) (m <sup>2</sup> )	841.50	2,180.10	3,012.53	6,485.11	678.57	1,729.30	11,579.19
	Leased area	(Note 1) (m <sup>2</sup> )	841.50	2,155.81	2,365.94	6,485.11	678.57	1,729.30	11,579.19
	Occupancy rate	(Note 1) (%)	100.0	98.9	78.5	100.0	100.0	100.0	100.0
Balance (Note 2)	(1) Number of operating days		162	162	162	182	182	182	182
	(2) Total lease business revenue	(thousand yen)	12,881	35,949	24,517	49,859	20,987	16,308	*
	Lease business revenue		12,728	34,234	23,644	49,804	19,434	16,308	*
	Other lease business revenue		153	1,714	872	54	1,552	–	–
	(3) Total lease business expenses	(thousand yen)	1,667	7,333	6,397	10,987	3,328	3,580	*
	Management fees		937	6,591	3,247	2,254	1,176	489	*
	Taxes and public dues		–	–	–	4,694	715	1,109	8,566
	Utility costs		110	276	414	82	1,162	–	–
	Repair costs		33	44	2,163	1,420	–	–	–
	Insurance fees		7	12	15	113	18	55	257
	Trust fees		200	200	200	225	220	220	220
	Other lease business expenses		377	208	356	2,197	34	1,706	17
	(4) NOI (= (2) – (3))	(thousand yen)	11,214	28,616	18,119	38,872	17,658	12,728	*
(5) Depreciation	(thousand yen)	3,386	7,687	5,552	14,661	4,981	3,922	18,695	
(6) Lease business income (= (4) – (5))	(thousand yen)	7,828	20,928	12,567	24,210	12,676	8,805	*	
(7) Capital expenditures	(thousand yen)	–	–	1,691	–	–	–	–	
(8) NCF (= (4) – (7))	(thousand yen)	11,214	28,616	16,428	38,872	17,658	12,728	*	

\* Figures are undisclosed as the consent of the tenant could not be obtained. Furthermore, while the tenant of Yamada Denki Tecc Land Mihara Store is Marimo Co., Ltd., there is an item of concern in the contract with the end tenant and so the figures are undisclosed as consent of the end tenant could not be obtained.

(Note 1) Figures are as of the end of the 8th Fiscal Period. Furthermore, the leasable area and leased area of Yamada Denki Tecc Land Mihara Store include the areas of the 1F automobile garage (piloti-type parking lot section under the building) and the warehouse building.

(Note 2) The balance is for the 8th Fiscal Period.



# Balance of Individual Properties (3) (Period ended June 30, 2020)



Investment area			Region						
Property no.			Cp-05	Cp-07	Cp-08	Cp-09	Cp-10	Cp-11	Cp-12
Property name			Yamada Denki Tecc Land Togitsu Store	MRR Kumamoto	MRR Sasebo	MRR Itoshima	MRR Akita	Supercenter TRIAL Togitsu Store (land ownership interests)	MRR Akita II
Acquisition date			Aug. 1, 2016	Jan. 23, 2018	Jan. 23, 2018	Jan. 23, 2018	Jan. 23, 2018	Jan. 23, 2018	Jan. 21, 2020
Price information	Acquisition price	(million yen)	950	2,120	990	900	840	1,150	970
	Investment ratio	(%)	3.2	7.1	3.3	3.0	2.8	3.8	3.2
	Period-end book value (Note 1)	(million yen)	913	2,150	984	908	852	1,170	984
Leasing information	Leasable area (Note 1)	(m <sup>2</sup> )	5,998.15	11,157.71	5,070.01	2,842.78	8,416.10	13,719.74	5,587.25
	Leased area (Note 1)	(m <sup>2</sup> )	5,998.15	11,018.04	5,070.01	2,842.78	8,416.10	13,719.74	5,587.25
	Occupancy rate (Note 1)	(%)	100.0	98.7	100.0	100.0	100.0	100.0	100.0
Balance (Note 2)	(1) Number of operating days		182	182	182	182	182	182	162
	(2) Total lease business revenue	(thousand yen)	*	115,122	55,018	39,073	31,200	*	37,276
	Lease business revenue		*	104,687	48,826	32,855	31,200	*	37,276
	Other lease business revenue		–	10,435	6,191	6,217	–	–	–
	(3) Total lease business expenses	(thousand yen)	*	42,130	19,643	11,413	4,045	*	1,615
	Management fees		*	13,907	6,226	3,293	913	*	1,333
	Taxes and public dues		3,033	10,753	4,462	2,139	1,565	3,074	–
	Utility costs		–	11,759	5,083	5,417	–	–	–
	Repair costs		–	4,978	3,481	233	117	–	65
	Insurance fees		163	431	164	61	23	–	17
	Trust fees		225	250	225	250	225	225	200
	Other lease business expenses		3,853	50	–	17	1,200	–	–
	(4) NOI (= (2) – (3))	(thousand yen)	*	72,992	35,375	27,659	27,154	*	35,660
(5) Depreciation	(thousand yen)	6,303	20,735	6,568	3,411	917	–	6,161	
(6) Lease business income (= (4) – (5))	(thousand yen)	*	52,257	28,806	24,248	26,237	*	29,498	
(7) Capital expenditures	(thousand yen)	–	25,312	–	–	–	–	–	
(8) NCF (= (4) – (7))	(thousand yen)	*	47,679	35,375	27,659	27,154	*	35,660	

\* Figures are undisclosed as the consent of the tenant could not be obtained.

(Note 1) Figures are as of the end of the 8th Fiscal Period. Furthermore, the leasable area and leased area of Yamada Denki Tecc Land Mihara Store include the areas of the 1F automobile garage (piloti-type parking lot section under the building) and the warehouse building.

(Note 2) The balance is for the 8th Fiscal Period.

# Balance of Individual Properties (4) (Period ended June 30, 2020)



Investment area			Region			Tokyo metropolitan area					
Property no.			Hp-01	Op-01	Op-02	Rt-01	Rt-02	Rt-03	Rt-04	Ct-01	Ct-02
Property name			Route-Inn Ichinomiya Ekimae	MRR Delta Building	PLEAST Hakata Gion Bldg.	ArtizA Ikejiri	ArtizA Tsuzuki Chuo Koen	ArtizA Kawasaki EAST	ArtizA Sobudai	MRR Ichihara (land ownership interests)	K's Denki Kitamoto Store (land ownership interests)
Acquisition date			Aug. 1, 2016	Aug. 1, 2016	Aug. 1, 2016	Aug. 1, 2016	Aug. 1, 2016	Aug. 1, 2016	Aug. 1, 2016	Jan. 21, 2020	Jan. 21, 2020
Price information	Acquisition price	(million yen)	740	1,200	800	610	1,050	780	1,130	700	1,030
	Investment ratio	(%)	2.5	4.0	2.7	2.0	3.5	2.6	3.8	2.3	3.4
	Period-end book value (Note 1)	(million yen)	671	1,142	756	604	1,077	763	1,166	717	1,047
Leasing information	Leasable area (Note 1)	(m <sup>2</sup> )	3,860.81	3,053.57	1,931.47	641.16	3,731.75	3,055.80	5,703.73	18,326.76	11,451.00
	Leased area (Note 1)	(m <sup>2</sup> )	3,860.81	3,053.57	1,533.75	641.16	3,554.01	3,055.80	5,430.50	18,326.76	11,451.00
	Occupancy rate (Note 1)	(%)	100.0	100.0	79.4	100.0	95.2	100.0	95.2	100.0	100.0
Balance (Note 2)	(1) Number of operating days		182	182	182	182	182	182	182	162	162
	(2) Total lease business revenue	(thousand yen)	*	56,248	32,736	18,498	41,481	30,310	53,845	18,961	*
	Lease business revenue		*	51,322	32,072	17,490	39,457	30,060	52,340	18,961	*
	Other lease business revenue		—	4,925	664	1,008	2,023	250	1,504	—	—
	(3) Total lease business expenses	(thousand yen)	*	14,878	9,101	3,407	10,195	6,054	11,872	311	*
	Management fees		*	3,691	2,828	1,822	3,555	3,430	4,142	111	*
	Taxes and public dues		3,930	5,050	2,497	873	2,872	2,310	3,729	—	—
	Utility costs		—	5,100	1,020	225	273	—	441	—	—
	Repair costs		—	382	2,320	205	3,135	—	2,708	—	—
	Insurance fees		123	168	78	29	132	89	222	—	—
	Trust fees		225	220	220	225	225	225	225	200	200
	Other lease business expenses		—	264	137	27	—	—	401	—	—
	(4) NOI (= (2) – (3) )	(thousand yen)	*	41,369	23,635	15,091	31,285	24,255	41,972	18,649	*
(5) Depreciation	(thousand yen)	10,824	14,847	6,802	2,476	3,612	5,010	7,723	—	—	
(6) Lease business income (= (4) – (5) )	(thousand yen)	*	26,522	16,832	12,614	27,673	19,244	34,248	18,649	*	
(7) Capital expenditures	(thousand yen)	—	—	—	—	1,544	—	7,046	—	—	
(8) NCF (= (4) – (7) )	(thousand yen)	*	41,369	23,635	15,091	29,741	24,255	34,926	18,649	*	

\* Figures are undisclosed as the consent of the tenant could not be obtained.

(Note 1) Figures are as of the end of the 8th Fiscal Period.

(Note 2) The balance is for the 8th Fiscal Period.

# 8th Fiscal Period Balance Sheet and Statement of Income

(unit: thousand yen)

## Balance Sheet for the 8th Fiscal Period (June 30, 2020)

Assets		Liabilities	
Current assets		Current liabilities	
Cash and deposits	921,559	Operating accounts payable	124,802
Cash and deposits in trust	2,160,966	Current portion of long-term loans payable	4,870,000
Operating accounts receivable	11,035	Accrued expenses	147,565
Prepaid expenses	54,314	Income taxes payable	944
Consumption taxes receivable	59,542	Accrued consumption taxes	—
Other	—	Advances received	200,580
<b>Total current assets</b>	<b>3,207,419</b>	Current portion of tenant leasehold and security deposits in trust	48,121
Non-current assets		Other	6,849
Property, plant and equipment		<b>Total current liabilities</b>	<b>5,398,864</b>
Buildings in trust	12,939,840	Non-current liabilities	
Accumulated depreciation	(1,490,003)	Long-term loans payable	11,027,500
Buildings in trust, net	11,449,837	Tenant leasehold and security deposits in trust	1,373,594
Structures in trust	324,513	Asset retirement obligations	18,300
Accumulated depreciation	(44,438)	Other	163
Structures in trust, net	280,074	<b>Total non-current liabilities</b>	<b>12,419,558</b>
Machinery and equipment in trust	118,437	<b>Total liabilities</b>	<b>17,818,422</b>
Accumulated depreciation	(21,759)	Net assets	
Machinery and equipment in trust, net	96,678	Unitholders' equity	
Tools, furniture and fixtures in trust	34,803	Unitholders' capital	14,869,979
Accumulated depreciation	(7,388)	Deduction from unitholders' capital	
Tools, furniture and fixtures in trust, net	27,414	Allowance for temporary difference adjustments	(7,724)
Land in trust	17,584,254	Other deduction from unitholders' capital	(381,753)
<b>Total property, plant and equipment</b>	<b>29,438,259</b>	<b>Total deduction from unitholders' capital</b>	<b>(389,477)</b>
Intangible assets		Unitholders' capital, net	14,480,501
Leasehold rights in trust	3,712	Surplus	
Software	1,179	Unappropriated retained earnings (undisposed loss)	467,732
<b>Total intangible assets</b>	<b>4,891</b>	<b>Total surplus</b>	<b>467,732</b>
Investments and other assets		<b>Total unitholders' equity</b>	<b>14,948,234</b>
Long-term prepaid expenses	63,611	<b>Total net assets</b>	<b>14,948,234</b>
Deferred tax assets	16	Total liabilities and net assets	
Guarantee deposits	10,000	<b>32,766,657</b>	
Lease and guarantee deposits in trust	13,500		
<b>Total investments and other assets</b>	<b>87,128</b>		
<b>Total non-current assets</b>	<b>29,530,279</b>		
Deferred assets			
Investment unit issuance expenses	28,958		
<b>Total deferred assets</b>	<b>28,958</b>		
<b>Total assets</b>	<b>32,766,657</b>		

## Statement of Income for the 8th Fiscal Period

From January 1, 2020 to June 30, 2020

Operating revenue	
Lease business revenue	1,210,246
Other lease business revenue	55,433
Gain on sales of real estate properties	—
<b>Total operating revenue</b>	<b>1,265,679</b>
Operating expenses	
Expenses related to rent business	520,645
Asset management fee	107,749
Asset custody fee	1,595
Administrative service fees	13,217
Directors' compensations	2,400
Taxes and dues	15,337
Other operating expenses	33,320
<b>Total operating expenses</b>	<b>694,266</b>
<b>Operating income</b>	<b>571,413</b>
Non-operating income	
Interest income	14
Reversal of distributions payable	275
Interest on refund	—
Insurance income	315
<b>Total non-operating income</b>	<b>605</b>
Non-operating expenses	
Interest expenses	60,765
Borrowing related expenses	32,358
Amortization of investment unit issuance expenses	10,295
<b>Total non-operating expenses</b>	<b>103,419</b>
<b>Ordinary income</b>	<b>468,599</b>
<b>Net income before income taxes</b>	<b>468,599</b>
Income taxes - current	946
Income taxes - deferred	(2)
<b>Total income taxes</b>	<b>943</b>
<b>Net income</b>	<b>467,655</b>
Retained earnings brought forward	76
Unappropriated retained earnings (undisposed loss)	467,732

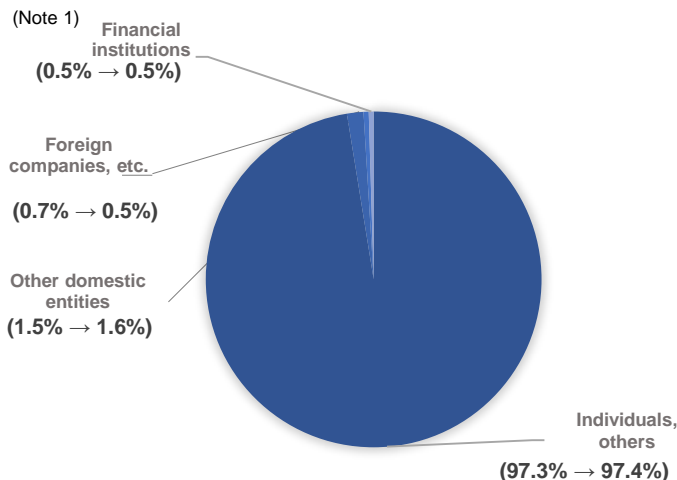
# Status of Investment Unitholders

(Fiscal Period Ended June 30, 2020)

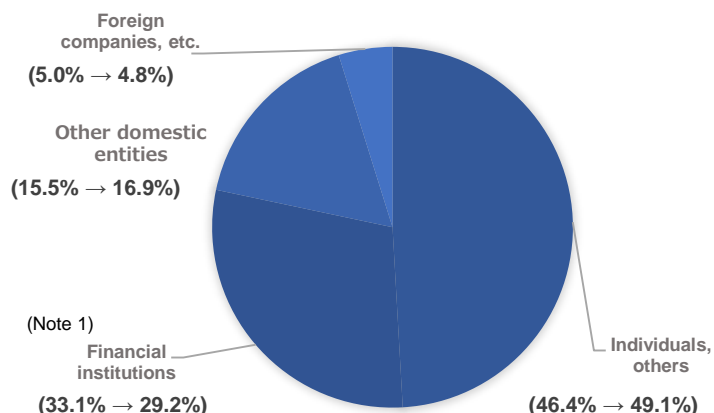


**marimo Regional  
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## Ratio of Unitholders by Number (9,800 unitholders in total)



## Ratio of Investment Units by Number (152,680 units in total)



(Note 1) The ratio for financial institutions includes the ownership of securities companies.

Rank	Name of unitholder	Number of investment units	Ownership ratio
1	Marimo Co., Ltd.	16,031	10.5%
2	The Master Trust Bank of Japan, Ltd. (trust account)	12,303	8.1%
3	Japan Trustee Services Bank, Ltd. (trust account)	9,421	6.2%
4	The Nomura Trust and Banking Co., Ltd. (investment trust account)	6,017	3.9%
5	Trust & Custody Services Bank, Ltd. (securities investment trust account)	2,538	1.7%
6	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2,149	1.4%
7	Yonezawa Shinkin Bank	2,000	1.3%
8	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	1,915	1.3%
9	BNY FOR GCM CLIENT ACCOUNTS (E) ISG	1,908	1.2%
10	Ueda Yagi Tanshi Co., Ltd.	1,755	1.1%
	Total	56,037	36.7% (Note 2)

(Note 2) Calculated by dividing the 56,037 investment units owned by the top 10 unitholders by the 152,680 investment units issued and outstanding and rounding to the first decimal place.

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Regional areas have hidden potential



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