



Supplementary Briefing Material

January 6, 2020

Securities Code: 3470

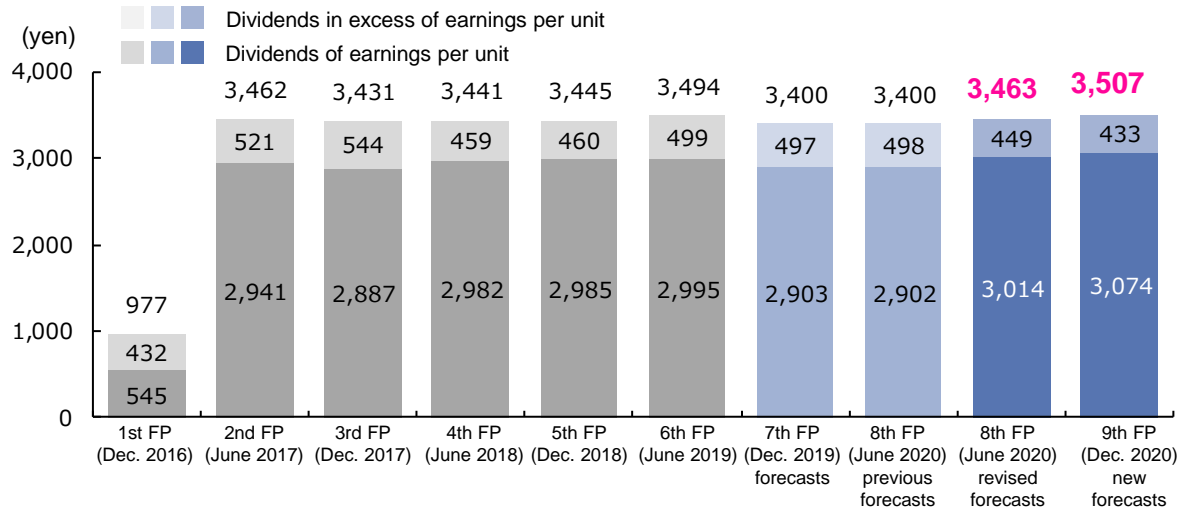


marimo Regional Revitalization REIT, Inc.

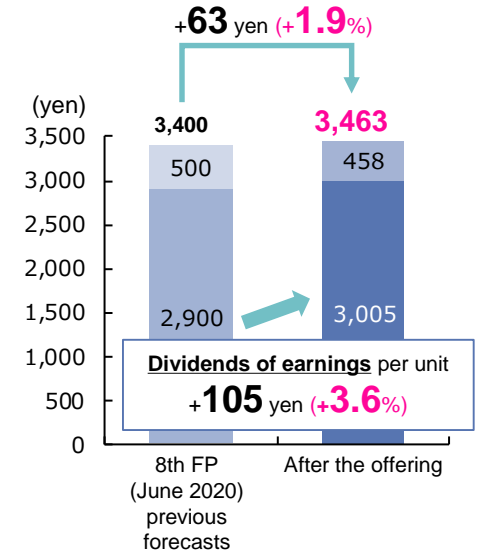
- This material is compiled of the content announced in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units,” “Notice Concerning Revision of Operating and Dividend Forecasts for the Fiscal Period Ending June 2020, and Operating and Dividend Forecasts for the Fiscal Period Ending December 2020,” “Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Rights and Accompanying Commencement of Leasing” and “Notice Concerning Borrowing of Funds” dated today, organized with the addition of information incidental thereto. The information provided in this material does not constitute disclosure documents or asset management reports pursuant to the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations, or cabinet orders, cabinet office orders, regulations and rules incidental thereto. In addition, this material has not been prepared for the purpose of soliciting acquisition of marimo REIT investment units or other conclusion of financial instruments transaction agreements. Investors should ensure that they have read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as any amendments thereto, before investing and make investment decisions at their own discretion and risk. In addition, any information on the website of marimo REIT (the “website”) on which this material is posted and any information posted on the links on the website or the materials on the website are not intended for such purposes as seeking or soliciting investment in or recommending the trading of specific products by marimo REIT.
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Enhancement of Dividends and NAV per Unit

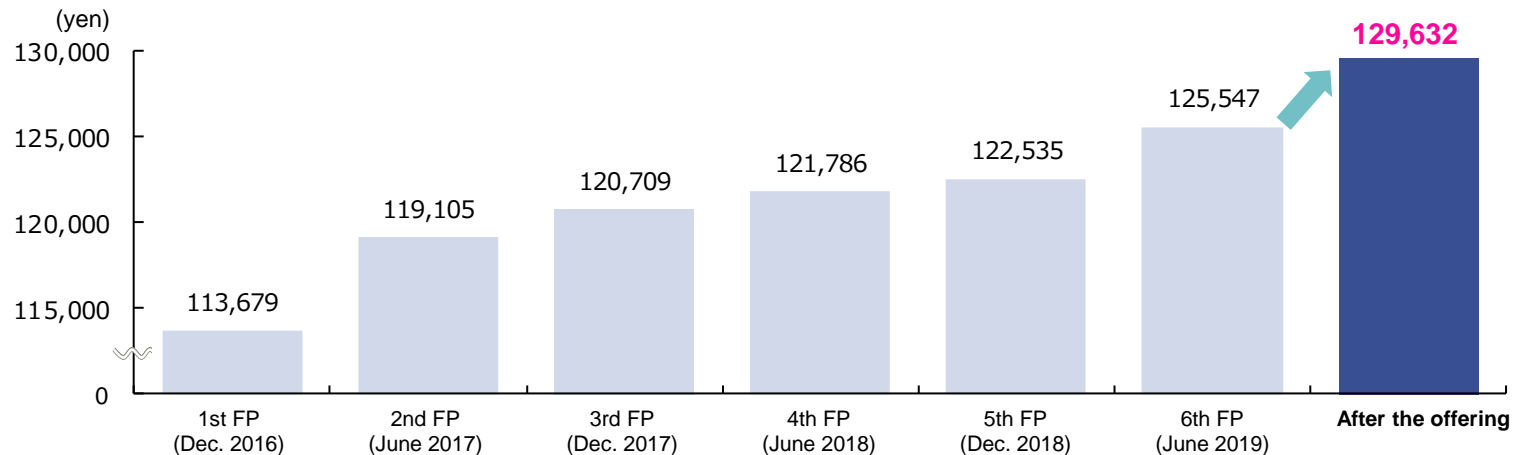
■ Changes in Dividends per Unit (Note 1)



■ Rise in Normalized Dividends per Unit (Note 2)



■ NAV per Unit (Note 3)



Overview of Financial Status

■ Main Financial Indicators After the Offering

LTV to Total Assets (Note 1)

48.9%

Long-term Debt Ratio (Note 1)

100.0%

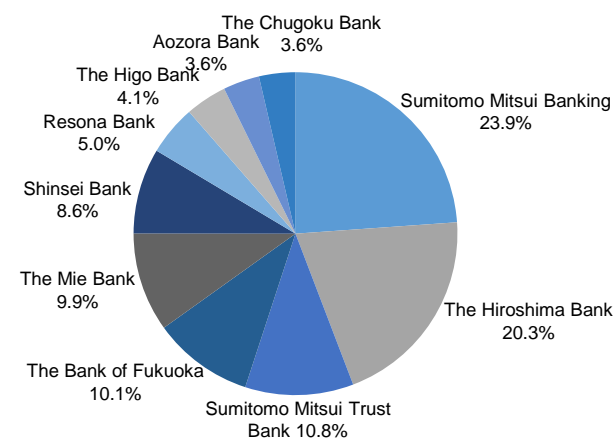
Average Interest Rate (Note 1)

0.78%

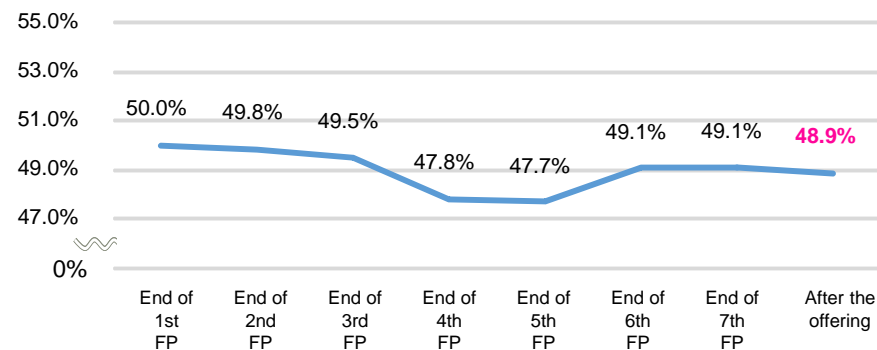
■ Status of Lenders (as at Jan. 6, 2020)

Lender		Balance of loans	Planned new borrowing (Note 2) (Note 3)	Balance after the offering
Loan syndicate with Sumitomo Mitsui Banking as arranger	Sumitomo Mitsui Banking	3,288 million yen		16,022 million yen
	The Hiroshima Bank	2,800 million yen		
	Sumitomo Mitsui Trust Bank	1,490 million yen		
	The Bank of Fukuoka	1,387 million yen		
	The Mie Bank	1,367 million yen		
	Shinsei Bank	1,180 million yen		
	Resona Bank	690 million yen		
	The Higo Bank	570 million yen		
	Aozora Bank	500 million yen		
	The Chugoku Bank	500 million yen		
Loan syndicate with Sumitomo Mitsui Banking as arranger	-		2,140 million yen	
Sumitomo Mitsui Banking	-		110 million yen	
Total		13,772 million yen	2,250 million yen	

■ Diversification Status of Lenders (as at end of Dec. 2019)



■ Changes in LTV to Total Assets

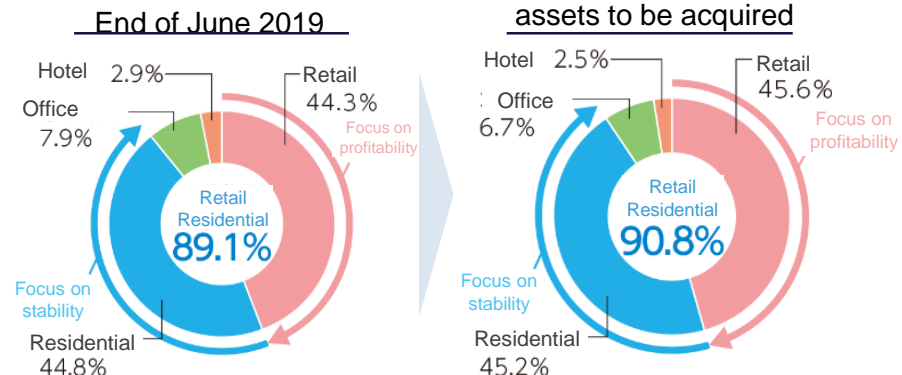


Portfolio Changes

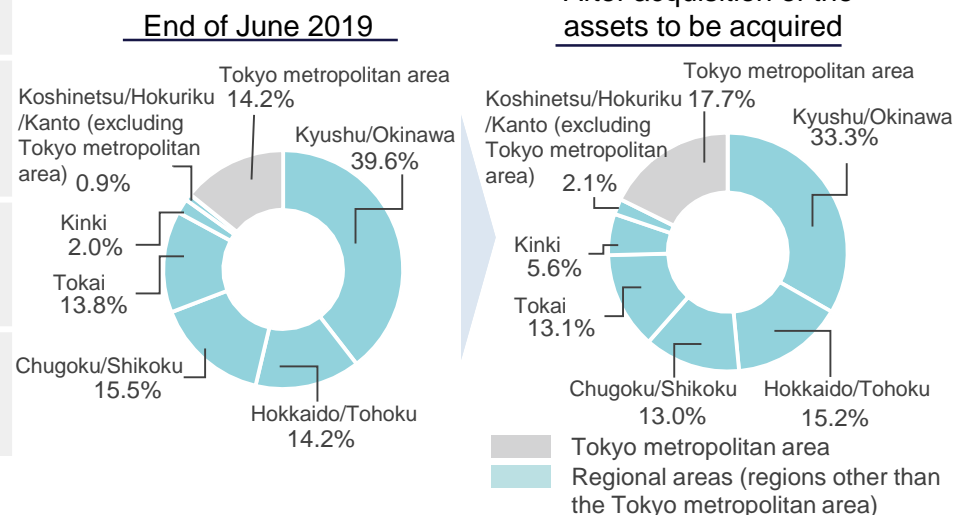
Changes in Portfolio Indicators

	End of 6th FP (June 2019)	Assets to be acquired	After the offering (Note 1)(Note 2)
Number of properties	26	6	31
Total (planned) acquisition price (million yen)	25,225	4,950	29,955
Total appraisal value (million yen)	29,496	5,727	35,003
Average appraisal NOI yield	6.7%	5.6%	6.5%
Average appraisal NOI yield after depreciation	4.9%	4.7%	4.9%
Average building age	14.1 years	9.2 years	13.5 years
Average occupancy rate (Note 3) (Note 4)	98.6%	98.1%	98.8%

Investment Ratio by Type (Note 5)



Investment Ratio by Region (Note 5) (Note 6)



Map of the Assets to be Acquired (Note)

Building a Diversified Portfolio Nationwide to Reduce Disaster Risk

Total Assets (to be) Acquired

Total **31** properties
Approx. **29,955** million yen

Koshinetsu/Hokuriku/Kanto (excluding Tokyo metropolitan area)

Rp-11 (Tentative name) Artiza Matsumoto **7.0%**



Warehousing

Tokai

Rp-09 Artiza Tsurumai **5.0%**



Developed by sponsor

Kinki

Rp-10 Artiza Awajeki-higashi **5.0%**



Developed by sponsor

Hokkaido/Tohoku

Cp-12 (Tentative name) MRR Akita II **7.1%**



Warehousing

Tokyo metropolitan area

Ct-02 (Tentative name)
MRR Kitamoto (land ownership interests)
4.9%



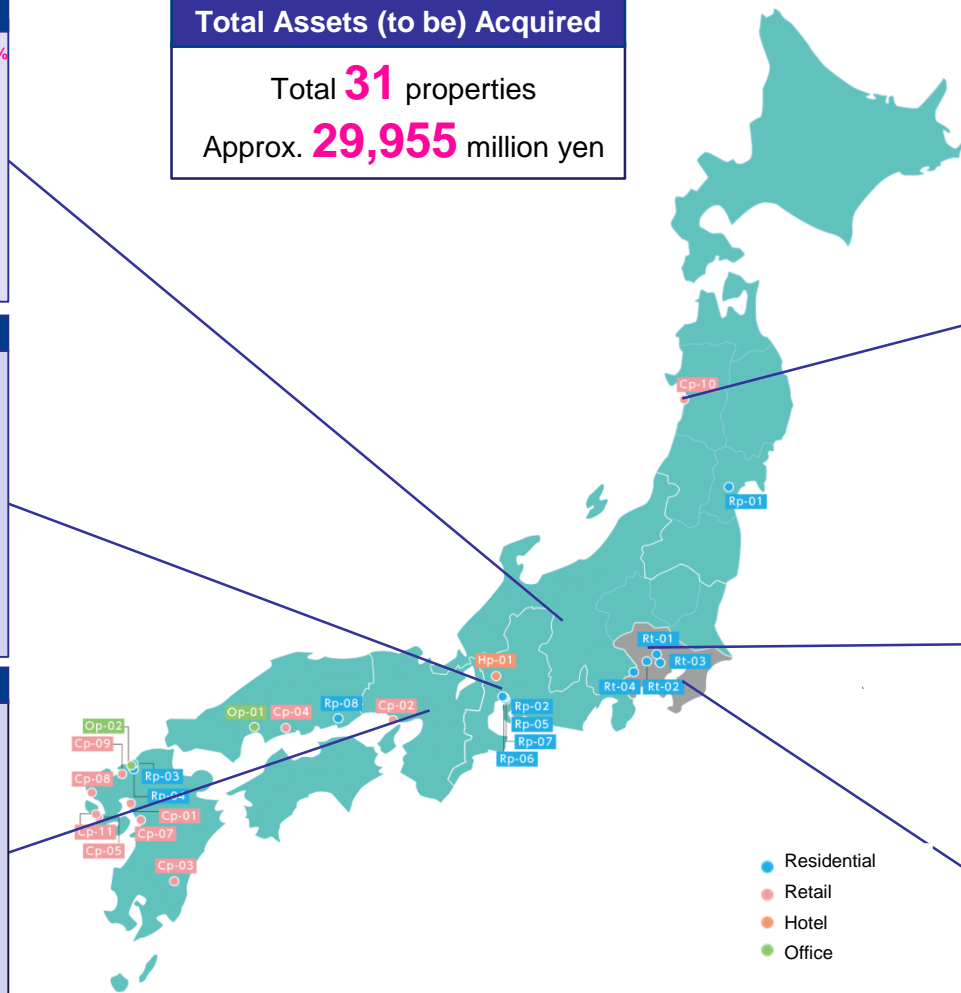
Asset Manager's independent pipeline

Tokyo metropolitan area

Ct-01 (Tentative name)
MRR Ichihara (land ownership interests)
5.0%



Warehousing



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- Note 1: The revised forecast figures for the fiscal period ending June 2020 (8th fiscal period) and the forecast figures for the fiscal period ending December 2020 (9th fiscal period) are based on certain assumptions. For details of the assumptions, please refer to “Notice Concerning Revision of Operating and Dividend Forecasts for the Fiscal Period Ending June 2020, and Operating and Dividend Forecasts for the Fiscal Period Ending December 2020” dated today.
- Note 2: “Normalized dividends per unit” refers to the estimated amount of dividends per unit arrived at when dividends per unit before and after incorporating the assets to be acquired are adjusted for temporary fluctuations in expenses arising from accounting for fixed asset tax, city planning tax, and other taxes and public dues (“taxes and dues”).
*Estimates are based on taxes and dues being recognized as expenses related to rent business from the time of acquisition of assets under management in the business period when taxes and dues are not expensed, due to taxes and dues being included in the cost of acquisition and taxes and dues not being assessed and determined at the time of acquisition
The earnings and dividends mentioned in these normalized dividends per unit are not intended as estimates of earnings and dividends for a specific accounting period, nor are they meant as forecasts of earnings and dividends for a specific accounting period or such. “Normalized dividends per unit” is not an indicator specified by business accounting standards generally accepted as fair and appropriate, nor is it audited by a financial auditor. The estimated amount should not be taken as a substitute indicator for other indicators presented in accordance with business accounting standards generally accepted as fair and appropriate. “Normalized dividends per unit” is also not in any sense a guarantee of whether or not distribution will be made in the future and the amount thereof.
- Note 3: “NAV per unit” at the end of each period is calculated by the following formula. The same shall apply hereinafter.
“NAV per unit” at end of each period = (Total net assets on balance sheet at end of period + Total appraisal value of portfolio assets at end of period – Total period-end book value of portfolio assets at end of period – Total dividends at end of period) ÷ Total number of marimo REIT investment units issued and outstanding at end of period

In addition, “NAV per unit” after the offering is calculated by the following formula. The same shall apply hereinafter.

NAV per unit after the offering = (Total net assets on balance sheet at end of 6th fiscal period (ended June 2019) + Total expected amount of issue amount of the offering* + Total appraisal value** of portfolio assets at end of 6th fiscal period (ended June 2019) – Appraisal value of “Seven-Eleven Kofu Aioi 1-chome Store (land ownership interests)” – Total period-end book value of portfolio assets at end of 6th fiscal period (ended June 2019) – Total period-end book value of “Seven-Eleven Kofu Aioi 1-chome Store (land ownership interests)” at end of 6th fiscal period (ended June 2019) + Total appraisal value** of the assets to be acquired – Total planned acquisition price of the assets to be acquired – Total dividends at end of 6th fiscal period (ended June 2019)) ÷ Total number of marimo REIT investment units issued and outstanding after the offering***

*The total expected amount of issue amount of the offering is expected to be 2,397,000,000 yen. The expected amount is calculated based on the closing price in regular trading of marimo REIT investment units on Tokyo Stock Exchange as of December 13, 2019 (Friday) (129,100 yen) and on the presumption that issue amount is 117,906 yen per unit of marimo REIT investment units. In addition, the assumption is that SMBC Nikko Securities Inc. will subscribe and make the payment for all of the number of investment units to be offered in the third-party allotment. Therefore, if the actual issue amount of the offering is lower than the abovementioned presumed amount, the total amount of issue amount of the offering will decrease from the abovementioned amount and the actual NAV per unit after acquisition of the assets to be acquired may be lower than the above. Conversely, if the actual issue amount is higher than the abovementioned presumed amount, the total amount of issue amount of the offering will increase from the abovementioned amount and the actual NAV per unit after acquisition of the assets to be acquired may be higher than the above.

**Real estate appraisal of each portfolio asset and each asset to be acquired is outsourced to Daiwa Real Estate Appraisal Co., Ltd., Japan Valuers Co., Ltd., Japan Real Estate Institute and The Tanizawa Sōgō Appraisal Co., Ltd. “Appraisal value” is calculated based on the real estate appraisal value stated in each real estate appraisal report with June 30, 2019 as the date of value for portfolio assets and with November 30, 2019 as the date of value for the assets to be acquired. The same shall apply hereinafter.

***The assumption is that SMBC Nikko Securities Inc. will subscribe and make the payment for all of the number of investment units to be offered in the third-party allotment. NAV per unit after the offering is the expected value as of the date of this document calculated under the presumptions above, and may not necessarily match the actual NAV per unit after the offering. The same shall apply hereinafter.

marimo REIT disposed of “Seven-Eleven Kofu Aioi 1-chome Store (land ownership interests),” a portfolio asset, on December 27, 2019. NAV per unit after the offering above is the figure in light of the disposition of the property.

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Note 1: "LTV to total assets," "Long-term debt ratio" and "Average interest rate" after the offering refer to the figures calculated by the following formula.

LTV to total assets = (Balance of interest-bearing liabilities as of the date of this document (13,772 million yen) + Planned loan amount of the new borrowing (2,250 million yen)) ÷ (Total assets at end of 6th fiscal period + Planned loan amount of the new borrowing + Expected amount of amount to be paid in in the offering)

Long-term debt ratio = (Balance of long-term loans (*) out of each borrowing as of the date of this document + Balance of long-term loans (*) out of the new borrowing) ÷ (Balance of loans as of the date of this document + Planned loan amount of the new borrowing (2,250 million yen))

Average interest rate = (Total of each interest payable annualized by multiplying the balance of loans as of the date of this document by each applicable interest rate (annual interest rate) (**)) as of the date of this document + Total of interest payable annualized by multiplying the planned loan amount of the new borrowing (2,250 million yen) by each applicable interest rate (annual interest rate) (***) assumed as of December 13, 2019) ÷ (Balance of interest-bearing liabilities as of the date of this document (13,772 million yen) + Planned loan amount of the new borrowing (2,250 million yen))

(*) "Long-term loans" refers to loans for a period from the drawdown date to the maturity date of more than one year, and includes those with a remaining period of one year or less.

(**) For loans with a floating rate, the interest rate may be converted into a fixed rate by entering into an interest rate swap agreement in the future, but the calculations above are based on the floating rate that currently applies rather than calculating by taking such possibility into consideration.

(***) The new borrowing is scheduled to be borrowing at a floating rate, but the JBA 3-month Japanese Yen TIBOR as at December 13, 2019 is used as the assumed interest rate for the new borrowing. The interest rate may be converted into a fixed rate by entering into an interest rate swap agreement in the future, but the calculations above are based on the assumed interest rate on the assumption that it is a floating rate rather than calculating by taking such possibility into consideration.

Note 2: The amount stated as "new borrowing" is the maximum amount of loan amount planned as of January 6, 2020. The final total loan amount is subject to change up until drawdown in light of such factors as the amount of proceeds from the primary offering. In addition, the planned upper limit of the borrowing is 2,250 million yen, but the actual loan amount is to be determined by the monetary loan agreement scheduled to be concluded after the issue amount of the offering is determined, and may vary depending on the amount of proceeds from the offering.

Note 3: For the new borrowing, the arranger has received a conditional commitment letter from the financial institutions, but no monetary loan agreement has been concluded as of January 6, 2020. Therefore, there is no guarantee that the new borrowing will actually take place, and the actual loan amount is also subject to change.

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Note 1: Each figure after the offering is calculated from the figures at the end of the 6th fiscal period or November 30, 2019 for the existing portfolio and the figures for the assets to be acquired, under certain presumptions, and may not necessarily match the actual figures.

Note 2: marimo REIT disposed of "Seven-Eleven Kofu Aioi 1-chome Store (land ownership interests)," a portfolio asset, on December 27, 2019. The following figures are the figures in light of the disposition of the property.

Note 3: "Average occupancy rate" refers to the occupancy rate (ratio of total leased area to total leasable area) on November 30, 2019. "(Total) leasable area" refers to the (total) area that marimo REIT considers leasable in the building (however, in cases of properties of land ownership interests, the land) of each property. "(Total) leased area" refers to the (total) area equivalent to the ownership interests of marimo REIT out of leasable area as of November 30, 2019 as shown in the lease agreements scheduled to be concluded or already concluded between marimo REIT and tenants or the drawing of the property. The same shall apply hereinafter.

Note 4: Of the assets to be acquired, "ArtizA Awajieki-higashi" was completed in October 2019 and is still being leased up as of the date of this document (the occupancy rate was 14.3% at the end of November 2019). For "ArtizA Awajieki-higashi," the property's trustee and Marimo Co., Ltd. plan to enter into a fixed-rent type master lease agreement for the period from January 21, 2020 to June 30, 2020 of content that includes that, regardless of the rent that Marimo Co., Ltd. receives from end tenants, Marimo Co., Ltd. shall pay the trustee rent equivalent to 95% of the assumed full-occupancy lease revenue. Given that, "Average occupancy rate of the assets to be acquired" and "Average occupancy rate after the offering" are calculated based on the assumption that the occupancy rate is 95%.

Note 5: Each ratio is calculated based on the (planned) acquisition price, rounded to the first decimal place. Therefore, the sum of the ratios may not necessarily add up to the total.

- Note 6: “Tohoku” refers to Aomori, Iwate, Akita, Miyagi, Fukushima and Yamagata prefectures.
“Kanto (excluding Tokyo metropolitan area)” refers to Ibaraki, Tochigi and Gunma prefectures.
“Tokyo metropolitan area” refers to Tokyo, Kanagawa, Chiba and Saitama prefectures.
“Koshinetsu” refers to Yamanashi, Nagano and Niigata prefectures.
“Hokuriku” refers to Toyama, Ishikawa and Fukui prefectures.
“Tokai” refers to Shizuoka, Aichi, Gifu and Mie prefectures.
“Kinki” refers to Shiga, Kyoto, Osaka, Nara, Wakayama and Hyogo prefectures.
“Chugoku” refers to Okayama, Hiroshima, Yamaguchi, Tottori and Shimane prefectures.
“Shikoku” refers to Kagawa, Kochi, Tokushima and Ehime prefectures.
“Kyushu” refers to Fukuoka, Oita, Miyazaki, Kagoshima, Kumamoto, Nagasaki and Saga prefectures.

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- Note: “Property number” is the number assigned property by property by combining the asset type classifications of “investment targets” and “investment ratio by region” for the portfolio assets and assets to be acquired of marimo REIT. “Investment targets” are represented by R for residential, C for retail, H for hotel and O for office, while p is for regional and t is for Tokyo metropolitan area. In cases of mixed-use properties of several uses (asset types), the investment target classification is based on the asset type that accounts for the largest percentage of lease revenue when full occupancy is assumed.

Regional areas have hidden potential



**marimo Regional
Revitalization REIT, Inc.**