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To All Concerned Parties

Real Estate Investment Trust Securities Issuer
1-1-21 Toranomon, Minato-ku, Tokyo
marimo Regional Revitalization REIT, Inc.
Representative: Takashi Kitagata, Executive Director
(Securities Code: 3470)

Asset Manager
Marimo Asset Management Co., Ltd.
Representative: Takashi Kitagata, CEO
Contact: Katsuhiro Shimada, Financial Management Officer
TEL: +81-3-6205-4755

Notice Concerning Revision of Operating and Dividend Forecasts for the Fiscal Period Ending June 2019

marimo Regional Revitalization REIT, Inc. ("marimo REIT") announces the following revision of the operating and dividend forecasts (the "Forecasts") for the fiscal period ending June 2019 (from January 1, 2019 to June 30, 2019) announced in "(REIT) Financial Report for the Fiscal Period Ended June 2018" dated August 17, 2018.

1. Revision of Operating and Dividend Forecasts for the Fiscal Period Ending June 2019

	Operating revenue	Operating income	Ordinary income	Net income	Dividends per unit (including dividends in excess of earnings)	Dividends per unit (excluding dividends in excess of earnings)	Dividends in excess of earnings per unit
Previous forecasts (A)	1,086 million yen	461 million yen	387 million yen	386 million yen	3,404 yen	2,918 yen	486 yen
Revised forecasts (B)	1,111 million yen	467 million yen	391 million yen	390 million yen	3,455 yen	2,953 yen	502 yen
Amount of increase (decrease) (B–A)	24 million yen	6 million yen	4 million yen	4 million yen	51 yen	35 yen	16 yen
Rate of increase (decrease)	2.2 %	1.4 %	1.2 %	1.2 %	1.5 %	1.2 %	3.3 %

(Reference) Fiscal period ending June 2019
Forecast number of investment units issued and outstanding at end of period: 132,340 units; Forecast net income per unit: 2,953 yen

(Note 1) The revision of the operating and dividend forecasts for the fiscal period ending June 2019 is the revision at this point in time. Accordingly, the actual figures may vary. The forecasts are not a guarantee of the amount of dividends and dividends in excess of earnings.

(Note 2) The forecasts may be revised in the event a discrepancy above a certain level from the forecasts above is expected.

(Note 3) Monetary figures are rounded down to the nearest specified unit. Percentage figures are rounded to the first decimal place.

2. Reason for Revision

The revision is mainly attributable to the acquisition of real estate trust beneficiary right (ArtizA Higashi-Shimada) (the "Acquisition") and the borrowing of funds with the Acquisition announced in "Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Right" and "Notice Concerning Borrowing of Funds" separately announced today being taken into account, resulting in change in the assumptions underlying the forecasts for the fiscal period ending June 2019 (6th fiscal period) (from January 1, 2019 to June 30, 2019) and the operating and dividend forecasts thus being revised.

There is no revision of the operating and dividend forecasts for the fiscal period ending December 2018 (5th fiscal period) at this point in time.

* This material is distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism
* Website of marimo REIT: https://www.marimo-reit.co.jp/en/

marimo Regional Revitalization REIT, Inc.

Assumptions Underlying the Operating Forecasts for the Fiscal Period Ending June 2019

Item	Assumptions
Accounting period	● Fiscal period ending June 2019 (6th fiscal period) (from January 1, 2019 to June 30, 2019) (181 days)
Assets under management	● The assumption is that marimo REIT will continue to hold real trust beneficiary rights to 25 properties held as of December 19, 2018 (the "portfolio assets") through to the end of the fiscal period ending June 2019, and that marimo REIT will acquire real estate trust beneficiary right (ArtizA Higashi-Shimada) on January 4, 2019 (the "Asset to be Acquired") and continue to hold such through to the end of the fiscal period ending June 2019. ● In actual practice, change may arise due to acquisition of new properties, disposition of portfolio properties, etc.
Operating revenue	● Operating revenue from leasing of the portfolio assets is calculated on the basis of rent, etc. stated in lease contracts in effect as of December 19, 2018, historical data, etc. Operating revenue from leasing of the Asset to be Acquired is calculated on the basis of the content of lease contracts provided by the current beneficiary, etc. and past tenants, market trends, etc. as well as the content of lease contracts scheduled to be in effect on the scheduled acquisition date, and by taking into account various factors such as the assumed occupancy rate and rent fluctuation projections based on post-acquisition tenant move-in/move-out and rent level projections. ● The assumption is that there will be no delinquent or unpaid rent by tenants.
Operating expenses	● Of operating expenses from leasing, which are the main operating expenses, the expenses other than depreciation are calculated on the basis of historical data, etc. and by reflecting the factors causing fluctuation in expenses. ● Operating income from leasing after operating expenses from leasing (including depreciation) are deducted (excluding gain on sales of real estate properties) is expected to be 631 million yen for the fiscal period ending June 2019. ● In general, fixed asset tax, city planning tax, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the previous beneficiary, etc. upon transactions of real estate, etc. For the asset to be acquired in the Acquisition, the amount equivalent to the reimbursement is included in the cost of acquisition and thus not expensed for the fiscal period ending June 2019. Accordingly, fixed asset tax, city planning tax, etc. for fiscal year 2020 are expensed starting from the fiscal period ending June 2020. For the portfolio assets plus the Asset to be Acquired for a total of 26 properties, the amount of the effect in the case that fixed asset tax, city planning tax, etc. are expensed for the full period is expected to be 83 million yen for the fiscal period ending June 2020. Furthermore, the amount of the effect of the acquisition of the Asset to be Acquired is expected to be 1 million yen for the fiscal period ending June 2020. ● Repair expenses for buildings based on medium- to long-term repair plans formulated by the Asset Manager are expected to be 33 million yen for the fiscal period ending June 2019. Furthermore, emergency repair expenses possibly arising from unforeseeable factors causing building damage, etc., the amount generally varying materially from fiscal year to fiscal year and not being an amount that arises periodically, etc. may result in repair expenses for each accounting period differing materially from the forecast amount. ● Depreciation is calculated by the straight-line method inclusive of incidental expenses, etc. and is expected to be 222 million yen for the fiscal period ending June 2019.
Non-operating expenses	● Interest expenses and other borrowing related expenses are expected to be 70 million yen for the fiscal period ending June 2019. ● Amortization of investment unit issuance expenses is expected to be 5 million yen for the fiscal period ending June 2019.
Loans	● The assumption is that, with the acquisition of the Asset to be Acquired, a total amount of 700 million yen will be borrowed on January 4, 2019 (the "New Borrowing") for allocation to part of the funds for acquisition of the Asset to be Acquired and incidental expenses. (For details on the New Borrowing, please refer to "Notice Concerning Borrowing of Funds" dated today.) ● The assumption is that total interest-bearing liabilities will be 13,787 million yen at the end of the fiscal period ending June 2019.
Investment units	● The assumption is the total number of investment units issued and outstanding as of December 19, 2018 of 132,340 units. ● The assumption is that there will be no change in the number of investment units due to issuance of new investment units, etc. through to the end of the fiscal period ending June 2019.
Dividends per unit (excluding dividends in excess of earnings)	● Dividends per unit (excluding dividends in excess of earnings) is calculated based on the assumption that distribution will be in accordance with the policy on distribution of cash provided in marimo REIT's Articles of Incorporation. ● Dividends per unit (excluding dividends in excess of earnings) may vary due to various factors, such as fluctuation in rent revenue accompanying change in assets under management, change in tenants or other event, or incurrence of unexpected repairs.

Item	Assumptions
Dividends in excess of earnings per unit	● Dividends in excess of earnings per unit is calculated in accordance with the policy provided in marimo REIT's Articles of Incorporation and the management guidelines that are the internal rules of the Asset Manager. ● Distribution in excess of earnings is calculated based on the assumption that the sum total amount of taxation and accounting discrepancies are distributed as allowance for temporary difference adjustments for the purpose of tax reduction. ● As of December 19, 2018, marimo REIT deems there to be no specific concerns of substantial deterioration in the external economic environment, real estate market conditions and financial status of marimo REIT. ● For the fiscal period ending June 2019, there are high needs to retain certain funds to respond in the event that opportunities to acquire new properties as investments serving to enhance the income-producing potential of the portfolio or such arise, but in light of marimo REIT's financial status, projected likelihood of refinancing borrowings, etc., the view is that it is not in a state that calls for prioritized allocation of funds to reducing interest-bearing liabilities, etc. in the concerned period. ● Depreciation for the portfolio assets is expected to be 222 million yen for the fiscal period ending June 2019. Meanwhile, the 6-month average amount of the total amount of the estimated amount of emergency repair expenses, estimated amount of short-term repair expenses and estimated amount of long-term repair expenses (each falling under the category of renewal expenses (capital expenditures)) stated in the engineering report for the portfolio assets is 60 million yen. In addition, the planned amount of repairs (those falling under the category of capital expenditures) currently assumed by marimo REIT is no more than 59 million yen for the fiscal period ending June 2019. Therefore, even if an amount equivalent to the funds expected as reserve for the purpose of future capital expenditures for maintaining the function of buildings, etc. or working capital, etc., and certain funds in preparation for investment that would serve to enhance the income-producing potential of the portfolio as described above are retained from the cash and deposits on hand in an amount equivalent to depreciation on the last day of each accounting period, there is still expected to be residual free cash flows. ● In light of the above, as of December 19, 2018, execution of distribution in excess of earnings is deemed to be reasonable for the fiscal period ending June 2019. As such, for the fiscal period ending June 2019, total dividends in excess of earnings is expected to be 66 million yen of which total dividends of allowance for temporary difference adjustments is 1 million yen and other distribution in excess of earnings is 65 million yen (Note 1). In this case, the concerned total dividends in excess of earnings is expected to be the amount equivalent to 29.8% of the depreciation expected to be incurred in the concerned accounting period, and payout ratio (Note 2) is expected to be 74.5%. (Note 1) Distribution in excess of earnings shall be executed only when total appraisal value of real estate, etc. held as at the end of the accounting period (refers to the appraisal value in the real estate appraisal report with the end of the accounting period as the date of value that was obtained for real estate, etc. held by marimo REIT) exceeds total book value of real estate, etc. for the concerned accounting period plus total planned capital expenditures (refers to the total amount of reserve for capital expenditures) for the concerned accounting period's next period, but after also considering other options, such as utilization for repair expenses and capital expenditures and allocation to funds for repayment of borrowings or acquisition of new properties. To that end, distribution in excess of earnings is not executed even in the 6th fiscal period (fiscal period ending June 2019) regardless of the forecast above in the event that such conditions are not met. In addition, as of December 19, 2018, marimo REIT adopts the policy of distributing an amount decided by marimo REIT each accounting period that is not to exceed the amount provided in the rules of The Investment Trusts Association, Japan ("JITA"), no more than the amount equivalent to 30% of depreciation for the concerned accounting period and within the scope not to exceed payout ratio of 75% as cash in excess of earnings. Accordingly, the distribution in excess of earnings may not take place or the amount of dividends in excess of earnings may decrease in the fiscal period ending June 2019 in the event of conflict with these limits. Moreover, in the event substantial deterioration in the external economic environment, real estate market conditions, financial status of marimo REIT, etc. newly arise in the future, the policy as of December 19, 2018 to execute distribution in excess of earnings as part of cash management in the fiscal period ending June 2019 may be changed and there may also be cases where the distribution in excess of earnings may not take place or the amount of dividends in excess of earnings may decrease even in the fiscal period ending June 2019. For instance, each accounting period's limits on the amount of dividends in excess of earnings like those above may be revised in the case large-scale additional incorporation of new assets or other factors lead to large fluctuation in the revenue and expense structure of the portfolio or such newly arising; in the case of material change in the financial environment, real estate investment trust market conditions, etc.; or in other cases in the period up to when the distribution in excess of earnings for the concerned accounting period is ultimately executed. (Note 2) "Payout ratio" refers to the ratio of total dividends including distribution in excess of earnings to the amount of net income plus depreciation. The same shall apply hereinafter.
Other	● The assumption is that there will be no amendment of laws and regulations, tax systems, accounting standards, listing regulations, JITA rules, etc. that will impact the forecast figures above. ● The assumption is that there will be no unforeseen material change in general economic trends, real estate market conditions, etc.