



February 18, 2021

To All Concerned Parties

Real Estate Investment Trust Securities Issuer  
1-1-21 Toranomom, 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: Katsuhiko Shimada, Financial Management Officer  
TEL: +81-3-6205-4755

### Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Right

marimo Regional Revitalization REIT, Inc. (“marimo REIT”) hereby announces that Marimo Asset Management Co., Ltd., to which marimo REIT entrusts management of its assets (the “Asset Manager”), decided today on the acquisition (the “Acquisition”) of domestic real estate trust beneficiary right (ArtizA Sengen-cho) (the “Asset to Be Acquired”) as described below.

#### 1. Outline of the Acquisition

| Property name     | Location          | Planned acquisition price<br>(million yen) (Note) |
|-------------------|-------------------|---|
| ArtizA Sengen-cho | Nagoya-shi, Aichi | 495   |

(Note) Planned acquisition price indicates the purchase price of the real estate trust beneficiary right planned to be stated in the trust beneficiary right sale and purchase agreement (excluding consumption tax, local consumption tax and other miscellaneous expense such as broker's commissions) for the Asset to Be Acquired, which is planned to be concluded on February 18, 2021. The same applies hereinafter.

- (1) Acquisition decision date : February 18, 2021  
(2) Planned sale and purchase agreement date : February 18, 2021  
(3) Planned payment date and planned acquisition date : February 26, 2021  
(4) Planned seller : Please refer to “4. Overview of Planned Seller” later in this document  
(5) Acquisition financing : Cash on hand and borrowings (Note)  
(6) Settlement method : Lump sum payment on the acquisition date

(Note) For details of the borrowings, please refer to “Notice Concerning Borrowing of Funds” separately announced today.

#### 2. Reason for the Acquisition

marimo REIT has comprehensively taken into account its portfolio building policy, trends of the real estate market, individual characteristics of the property, etc. in deciding on the Acquisition with an aim to reinforce the portfolio. The property, which is a residential property developed by Marimo Co., Ltd. (“Marimo”), satisfies the investment criteria of marimo REIT. marimo REIT recognized following points in deciding on the Acquisition.

- Located approximately a 3-minute walk from Sengen-cho Station on the Nagoya City Subway Tsurumai Line, the Asset to Be Acquired attracts a certain amount of demand as a residence in close proximity to a station. It also enjoys favorable access to the city center since it is only one stop (approximately 2 minutes) from Sengen-cho Station to Marunouchi Station, the closest station to Nagoya's office and government district. There are many convenient facilities for residents in the vicinity, including AEON Mall's Noritake-no-Mori Project (provisional name) located about 800 meters to the southwest which is scheduled to open in the fall of 2021. Given its convenience for daily living, transportation access, etc., the area is likely to expect due residential demand mainly from singles.
- The property is a relatively new residence with deserved recognition of quality in its interior, exterior, facilities and such. It expects persistent residential demand mainly for rental housing provided by companies, etc. and is likely to continue to see stable income.

### 3. Details of the Asset to Be Acquired

| Property name                                    |                         | Artiza Sengen-cho   |  | Asset Type                           | Residence                                    |   |
|--|-------------------------|---|--|--------------------------------------|--|---|
| <b>Outline of specified asset</b>                |                         |   |  |                                      |  |   |
| Planned acquisition date                         |                         | February 26, 2021   |  | Type of specified asset              | Real estate trust beneficiary right          |   |
| Planned acquisition price                        |                         | 495 million yen   |  | Appraisal value (Date of value)      | 517 million yen (December 31, 2020)          |   |
| Location (indication of residential address)     |                         | 1-19-30 Shinmichi, Nishi-ku, Nagoya-shi, Aichi  |  |                                      |  |   |
| Transportation                                   |                         | Approximately a 3-minute walk from Sengen-cho Station on the Nagoya City Subway Tsurumai Line |  |                                      |  |   |
| Land   | Lot number              | 1926 and 1927, Shinmichi 1-chome, Nishi-ku, Nagoya-shi, Aichi                                 |  | Building                             | Construction completion date                 | February 10, 2020   |
|  | Building coverage ratio | 80%   |  |                                      | Structure / number of floors                 | Reinforced concrete structure with flat roof/11F          |
|  | Floor-area ratio        | 400%  |  |                                      | Gross floor area                             | 1,161.45 m <sup>2</sup>                                   |
|  | Use district            | Commercial district   |  |                                      | Designer                                     | NITTO CONSTRUCTION CO., LTD. First-Class Architect Office |
|  | Site area               | 284.64 m <sup>2</sup>   |  |                                      | Builder                                      | NITTO CONSTRUCTION CO., LTD.                              |
|  | Form of ownership       | Proprietorship  |  |                                      | Form of ownership                            | Proprietorship  |
| Annual lease revenue (including common area fee) |                         | 34 million yen  |  | Security deposit and guarantee money | Security deposit: 2 million yen              |   |
| Leasable area                                    |                         | 1,093.60 m <sup>2</sup>   |  | Occupancy rate                       | 100%   |   |
| Master lease company                             |                         | Marimo Co., Ltd.  |  | Master lease type                    | Pass-through type                            |   |
| Property management company                      |                         | Marimo Co., Ltd.  |  | Trustee                              | Mitsubishi UFJ Trust and Banking Corporation |   |
| Planned trust establishment date                 |                         | February 26, 2021   |  | Planned trust term expiration date   | February 28, 2031                            |   |
| Whether pledged as collateral                    |                         | None  |  | Number of leasable units             | 40 single units                              |   |
| Probable Maximum Loss (Earthquake PML)           |                         | 8.3%  |  | Name of appraisal agency             | Japan Valuers Co., Ltd.                      |   |
| Notes:<br>No applicable matters.                 |                         |   |  |                                      |  |   |

(Note) Definitions of terms are as follows.

- “Asset type” indicates one of marimo REIT’s investment target properties (residential, retail, hotel, office and parking).
- “Planned acquisition date” indicates the date on which marimo REIT plans to acquire the real estate trust beneficiary right.
- “Type of specified asset” indicates the type of real estate and other assets as a specified asset.
- “Location (indication of residential address)” indicates the residential address description, in principle.
- “Transportation” indicates the time stated in the engineering report.
- “Lot number” for land indicate the location of the building stated in the registry.
- “Building coverage ratio” for land indicates, in principle, the maximum value (designated building coverage ratio) (in cases of multiple values, all of them) determined by City Planning in accordance with the land use district, etc. for the ratio of the construction area of the structure to the site area, as set forth in Article 53 of the Building Standards Act (Act No. 201 of 1950; as amended; hereinafter referred to as the “Building Standards Act”). Designated building coverage ratio may be mitigated, increased or decreased due to reasons such as being a fire-resistant building in a fire prevention district, and may differ from the actual building coverage ratio applied.
- “Floor-area ratio” for land indicates the maximum value (designated floor-area ratio) (in cases of multiple values, all of them) determined by City Planning in accordance with the land use district, etc. for the ratio of the gross floor area of the building to the site area, as set forth in Article 52 of the Building Standards Act. Designated floor-area ratio may be mitigated, increased or decreased due to reasons such as the width of roads connecting to the site, and may differ from the actual floor-area ratio applied.
- “Use district” for land indicates the type of land use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968; as amended).
- “Site area” for land is based on the description in the registry and may differ from the present state.
- “Form of ownership” for land and building indicates the type of right planned to be held by marimo REIT.
- “Construction completion date” for building indicates the date of new construction of the principal building stated in the registry.
- “Structure / number of floors” is based on the description in the registry regarding the principal building.
- “Gross floor area” for building indicates the floor area including those of ancillary buildings based on the description in the registry.
- “Designer” and “Builder” for building indicate company names at the time of designing and construction of the principal building.
- “Annual lease revenue” indicates an amount obtained by multiplying the monthly fixed rent (including common area fee) specified in the lease agreements (however, concerning lease agreements for the building, land (including flat parking lot) is excluded) concluded with the lessees of the Asset to Be Acquired as of December 31, 2020, by 12, rounded down to the nearest million yen. Furthermore, as to the Asset to Be Acquired, when a master lease agreement is concluded, “Annual lease revenue” indicates the amount of annual rent or monthly rent multiplied by 12, that are specified in the lease agreements concluded with end tenants, if the amount of rent is equal to the sum of rents specified in the lease agreements concluded with end tenants, rounded down to the nearest million yen.
- “Security deposit and guarantee money” indicates the sum amount of security deposit and guarantee money (rounded down to the nearest million yen) required at the time of moving in, for tenants who have already moved in. Furthermore, as to the Asset to Be Acquired, when a master lease agreement is concluded, the sum amount of security deposit, guarantee money, etc. specified in the lease agreements concluded with end tenants is indicated, if the amount of security deposit is equal to said sum amount, rounded down to the nearest million yen.
- “Leasable area” indicates an area marimo REIT considers leasable in the building of the Asset to Be Acquired.
- “Occupancy rate” indicates a figure obtained by dividing the total of leased areas shown in the lease agreements concluded with the tenants of the Asset to Be Acquired as of the end of December 2020 by the area marimo REIT considers leasable in the building of the Asset to Be Acquired, rounded to the first decimal place.
- “Master lease company” and “Property management company” refer to the master lease company and property management (“PM”) company planned for after the acquisition of the Asset to Be Acquired. “Master lease type” indicates the type of the master lease (either pass-through type or fixed-rent type) planned for after the acquisition.
- “Trustee” indicates the trustee for the Asset to Be Acquired planned for after the acquisition.
- “Whether pledged as collateral” indicates whether there is collateral that continues to exist after the acquisition by marimo REIT.
- “Number of leasable units” indicate the number of units (number of sections) marimo REIT is able to lease, by unit type.
- “Notes” indicate matters considered material in light of their impact on the valuation amount, profitability, and disposability of the Asset to Be Acquired, as well as matters considered material in relation to the right relations and use, etc. of the Asset to Be Acquired as of today.

#### 4. Overview of Planned Seller

|   |   |   |
|---|---|---|
| (1)   | Name                                      | Marimo Co., Ltd.  |
| (2)   | Location                                  | 1-17-23 Kougokita, Nishi-ku, Hiroshima-shi, Hiroshima   |
| (3)   | Name and title and of representative      | Makoto Fukagawa, President  |
| (4)   | Business description                      | Project planning/development/architectural designing/project supervision/marketing and sales of real estate; property liquidity; environmental health; overseas real estate development   |
| (5)   | Capital                                   | 100 million yen (as of July 31, 2020)   |
| (6)   | Date established                          | September 1, 1970   |
| (7)   | Net assets                                | 20,590 million yen (Based on the balance sheet as of July 31, 2020)   |
| (8)   | Total assets                              | 96,067 million yen (Based on the balance sheet as of July 31, 2020)   |
| (9)   | Major shareholders and shareholding ratio | Marimo Holdings Co., Ltd.: 100%   |
| (10) Relationship between marimo REIT/Asset Manager and the company |   |   |
|   | Capital ties                              | As of today, the company holds 10.5% (16,031 units) of the number of marimo REIT's investment units outstanding. In addition, the company is a subsidiary of Marimo Holdings Co., Ltd., which holds the 100% stake in the Asset Manager.  |
|   | Personnel ties                            | As of today, two of officers and employees of the Asset Manager are seconded from the company.  |
|   | Business ties                             | The company has entered into a sponsor pipeline and support agreement (as amended) with marimo REIT and the Asset Manager. In addition, the company has entered into a master lease agreement and property management agreement with marimo REIT. The company transferred five properties of its portfolio assets to marimo REIT for 3,920 million yen (total acquisition price) on January 21, 2020, based on a real estate trust beneficiary right sale and purchase agreement it entered with marimo REIT on January 6, 2020.  |
|   | Concerning Related Parties                | The company is a fellow subsidiary of the Asset Manager and falls under the category of related parties. In addition, the company falls under the category of interested persons, etc. defined in the Act on Investment Trusts and Investment Corporations. Furthermore, since the company is an interested person, etc. defined in the rules on transactions with interested persons, etc., which are the internal rules set by the Asset Manager, the Asset Manager has followed the decision-making procedures specified in the rules on transactions with interested persons, etc. upon conducting the transaction to acquire the Asset to Be Acquired. |

(Note) Acquisition price indicates the purchase price stated in the trust beneficiary right sale and purchase agreement (excluding consumption tax, local consumption tax and other miscellaneous expense such as broker's commissions) for the acquired assets.

#### 5. Information on Property Acquirers, Etc.

Status of property acquisition, etc. from interested persons, etc. of marimo REIT, special purpose companies (subsidiaries) of which decision-making bodies are controlled by the interested persons, etc. and other persons with special relationship (the “Persons of Special Interest”) is as follows. (①: Name of the company or the name of the person, ②: relationship with Persons of Special Interest, ③: Acquisition particulars and reason).

| Property name<br>(Location) | Previous owner/trust beneficiary   | Second previous owner/<br>trust beneficiary                              |
|-----------------------------|--|--|
|                             | ①, ②, ③<br>Acquisition (transfer) price<br>Acquisition (transfer) timing   | ①, ②, ③<br>Acquisition (transfer) price<br>Acquisition (transfer) timing |
| ArtizA Sengen-cho           | ① Marimo Co., Ltd.<br>② Sister company of the Asset Manager<br>③ A property developed by Marimo Co., Ltd.;<br>Acquired since it can expect stable operations over a medium- to long-term, after evaluating the market and marketability. | Not a person of special interest   |
|                             | Omitted since the previous owner/beneficiary had owned it for more than one year before transferring it to marimo REIT.  |  |
|                             | February 2020  |  |

#### 6. Transactions with Interested Persons, Etc.

Marimo, the fellow subsidiary of the Asset Manager, will be the seller of the Asset to Be Acquired and entrusted with property management and master lease management for the Asset to Be Acquired. Marimo falls under the category of interested persons, etc. defined in Article 201 of the Act on Investment Trusts and Investment Corporations and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, and under the category of interested person, etc. defined in the rules on transactions with interested persons, etc., which are the internal rules set by the Asset Manager. Therefore, the Asset Manager has followed procedures specified in the rules on transactions with interested persons, etc. (including consent based on approval of the Board of Directors of marimo REIT at a meeting to be held on February 18, 2020) in conducting acquisition transaction of the Asset to Be Acquired and concluding the agreement with these parties.

#### 7. Outline of Intermediation

There is no applicable intermediation pertaining to the above transaction.

#### 8. Future Outlook

The impact of the Acquisition on the management status forecast is minimal. For details, please refer to “(REIT) Financial Report for the Fiscal Period Ended December 2020” separately announced today.

## 9. Summary of Appraisal Statements

| Summary of Appraisal Statements                                   |                              |   |
|---|------------------------------|---|
| Property name   | ArtizA Sengen-cho            |   |
| Appraisal value   | 517 million yen              |   |
| Name of appraisal agency  | Japan Valuers Co., Ltd.      |   |
| Time of valuation   | December 31, 2020            |   |
| Items   | Details (Unit: thousand yen) | Summary, etc.   |
| Value based on income approach                                    | 517,000                      | In light of the characteristics of each method and the degree of equilibrium between the two values based on income approach, estimated by correlation of the value based on the direct capitalization method with the value based on the DCF method. |
| Value based on direct capitalization method                       | 519,000                      | Assessed upon capitalization using standardized net income which is recognized stable over the medium to long term.   |
| (1) Operating Revenue   | 33,785                       |   |
| ① Potential gross income  | 35,590                       | Recorded after taking into account the medium- to long-term competitiveness of the subject real property, based on the current rent levels, the new rent levels for similar real property within the same supply and demand area and their trends.    |
| ② Vacancy loss, etc.  | 1,804                        | Recorded taking into consideration the competitiveness of the subject real property, etc., based on the actual vacancy rate and the standard vacancy rate of similar real property.   |
| (2) Operating Expenses  | 8,360                        |   |
| a. Maintenance and management expenses                            | 1,201                        | Assessed through verification using the levels of maintenance and management expenses for similar real property, based on the property management agreement, etc.   |
| b. Water and utility fees   | 357                          | Assessed based on the levels of water and utility fees for similar real property.   |
| c. Repair costs and restoration costs for exclusive area portions | 1,016                        | Recorded costs for restoration to original condition for exclusive area portions, in addition to 30% of the 12-year average amount of repair and renewal costs in the engineering report.   |
| d. Property management fee  | 1,004                        | Assessed at 3.0% of effective gross income, based on the property management agreement.   |
| e. Tenant solicitation expenses, etc.                             | 917                          | Assessed taking into account tenant solicitation expenses assessed based on the levels for similar real property, the property management agreement, etc.   |
| f. Taxes and other public charges                                 | 3,048                        | For the land, assessed as residential land based on the value assessed for 2020. For the building, assessed based on the building replacement cost, etc.  |
| g. Non-life insurance premiums                                    | 113                          | Assessed based on the standard premium rate assumed from insurance premiums for similar real property.  |

|  |  |                        |   |
|--|--|------------------------|---|
|  | h. Other expense   | 702                    | Assessed based on the levels of expenses for similar real property.   |
|  | (3) Net Operating Income (NOI)   | 25,424                 |   |
|  | (4) Revenue from investment of lump sum payments   | 24                     | Assessed investment income using an investment yield of 1.0%.   |
|  | (5) Capital expenditures   | 518                    | Assessed at 70% of the 12-year average amount of repair and renewal costs in the engineering report.  |
|  | Net Income (NCF)   | 24,930                 |   |
|  | Capitalization rate  | 4.8%                   | Assessed using discount rate analysis as a premise, incorporating the prospects for net income that are not factored into the discount rate, etc., and referring to the yield of similar real property.   |
|  | Value based on DCF method  | 514,000                |   |
|  | Discount rate  | 4.6%                   | Assessed by combining the method of calculating by incorporating the individual characteristics of the real property into the yield of financial assets and the method of calculating from a comparison of cases of transaction of similar real property, and further referring to the results of The Japanese Real Estate Investor Survey. |
|  | Terminal capitalization rate   | 5.0%                   | Assessed by identifying the risks of comparison with capitalization rate from the characteristics of the real estate market, potential of the subject real property, etc.   |
|  | Cost method value  | 535,000                |   |
|  | Land ratio   | 41.1%                  |   |
|  | Building ratio   | 58.9%                  |   |
|  | Other matters taken into consideration by the appraisal agency when performing the appraisal | No applicable matters. |   |

\*Website of marimo REIT: <https://www.marimo-reit.co.jp/en/>

<Attached Materials>

Reference Material 1 Property Photo

Reference Material 2 Location Map

Reference Material 1    Property Photo



(Note) The photo of the Asset to Be Acquired represents the condition of the asset at the time the photo was taken, and thus the present state may differ due to changes, etc. over time.



Reference Material 2 Location Map

