

November 16, 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)

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Notice Concerning Revision of Operating and Dividend Forecasts
for the Fiscal Period Ending December 2021 and the Fiscal Period Ending June 2022

marimo Regional Revitalization REIT, Inc. (“marimo REIT”) announces the following revision of the operating and dividend forecasts for the fiscal period ending December 2021 (11th fiscal period) (from July 1, 2021, to December 31, 2021) and the fiscal period ending June 2022 (12th fiscal period) (from January 1, 2022, to June 30, 2022) announced in “(REIT) Financial Report for the Fiscal Period Ended June 2021” dated August 18, 2021.

1. Detail of the Revision

(1) Revision of Operating and Dividend Forecasts for the Fiscal Period Ending December 2021
(from July 1, 2021, to December 31, 2021)

	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)	1,281 million yen	557 million yen	445 million yen	444 million yen	3,401 yen	2,913 yen	488 yen
Revised forecasts (B)	1,395 million yen	638 million yen	534 million yen	533 million yen	3,850 yen	3,495 yen	355 yen
Amount of increase (decrease) (B-A)	114 million yen	80 million yen	88 million yen	88 million yen	449 yen	582 yen	(133) yen
Rate of increase (decrease)	8.9%	14.5%	19.9%	20.0%	13.2%	20.0%	(27.3)%

(Reference) Fiscal period ending December 2021

Forecast number of investment units issued and outstanding at end of period: 152,680 units

(2) Revision of Operating and Dividend Forecasts for the Fiscal Period Ending June 2022
(from January 1, 2022, to June 30, 2022)

	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)	1,293 million yen	559 million yen	447 million yen	446 million yen	3,417 yen	2,925 yen	492 yen
Revised forecasts (B)	1,387 million yen	634 million yen	522 million yen	521 million yen	3,806 yen	3,416 yen	390 yen
Amount of increase (decrease) (B-A)	94 million yen	74 million yen	74 million yen	74 million yen	389 yen	491 yen	(102) yen
Rate of increase (decrease)	7.3 %	13.4 %	16.7 %	16.8 %	11.4 %	16.8 %	(20.7) %

(Reference) Fiscal period ending June 2022

Forecast number of investment units issued and outstanding at end of period: 152,680 units

- (Note 1) The revision of the operating and dividend forecasts for the fiscal period ending December 2021 and the fiscal period ending June 2022 is the revision at this point in time. Accordingly, the actual operating revenue, operating income, net income, ordinary income, net income, dividends per unit and dividends in excess of earnings per unit may vary. The forecasts above are not a guarantee of the amount of dividends per unit and dividends in excess of earnings per unit.
- (Note 2) The forecasts above 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 and Announcement

marimo REIT is revising the operating and dividend forecasts for the fiscal period ending December 2021 (11th fiscal period) and the fiscal period ending June 2022 (12th fiscal period) announced in "(REIT) Financial Report for the Fiscal Period Ended June 2021" dated August 18, 2021, because those figures will change by 5% or more due to the posting of gain on disposition in line with the decision to dispose domestic real estate trust beneficiary right (ArtizA Hakataeki-Minami) as announced in "Notice Concerning Disposition of Domestic Real Estate Trust Beneficiary Right" dated today.

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

Assumptions Underlying the Operating Forecasts for the Fiscal Period Ending December 2021 and Fiscal Period Ending June 2022

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> Fiscal period ending December 2021 (11th fiscal period) (from July 1, 2021, to December 31, 2021) (184 days) Fiscal period ending June 2022 (12th fiscal period) (from January 1, 2022, to June 30, 2022) (181 days)
Assets under management	<ul style="list-style-type: none"> The assumption is that marimo REIT will dispose each of the 50% quasi co-ownership interest in ArtizA Hakataeki-Minami (the "Asset to be Disposed") on December 22, 2021, and January 26, 2022, and thereafter, continue to hold the real estate trust beneficiary rights to 31 properties (after excluding the Asset to be Disposed from the real estate trust beneficiary rights to 32 properties held as of today (the "portfolio assets")) through to the end of the fiscal period ending June 2022. In actual practice, change may arise due to acquisition of new properties, disposition of portfolio properties other than the Asset to be Disposed, etc.
Operating revenue	<ul style="list-style-type: none"> Operating revenue from leasing of the portfolio assets is calculated on the basis of rent, etc. stated in lease contracts in effect as of today, historical data, etc. Gain on disposition of the Asset to be Disposed is expected to be 120 million yen for the fiscal period ending December 2021 (11th fiscal period) and 120 million yen for the fiscal period ending June 2022 (12th fiscal period). The assumption is that there will be no delinquent or unpaid rent by tenants. Some degree of decrease in operating revenue from leasing, etc. due to the impact of COVID-19 is taken into account when calculation is made.
Operating expenses	<ul style="list-style-type: none"> 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 743 million yen for the fiscal period ending December 2021 and 725 million yen for the fiscal period ending June 2022. The total amount of fixed asset tax, city planning tax, etc. to be expensed is expected to be 98 million yen for the fiscal period ending December 2021 and 99 million yen for the fiscal period ending June 2022. 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. However, the amount equivalent to the reimbursement is included in the cost of acquisition. Repair expenses for buildings based on medium- to long-term repair plans formulated by Marimo Asset Management Co., Ltd. (hereinafter, the "Asset Manager") are expected to be 40 million yen for the fiscal period ending December 2021 and 40 million yen for the fiscal period ending June 2022. 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 and other future additional capital expenditures, and expected to be 250 million yen for the fiscal period ending December 2021 and 253 million yen for the fiscal period ending June 2022.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other borrowing related expenses are expected to be 105 million yen for the fiscal period ending December 2021 and 107 million yen for the fiscal period ending June 2022. Amortization of investment unit issuance expenses is expected to be 4 million yen for the fiscal period ending December 2021 and 4 million yen for the fiscal period ending June 2022.
Loans	<ul style="list-style-type: none"> The assumption is that internal reserves from a portion of depreciation will be used as the source of funds to repay principal of 15 million yen every fiscal period. The assumption is that total interest-bearing liabilities will be 16,152 million yen at the end of the fiscal period ending December 2021 and 16,137 million yen at the end of the fiscal period ending June 2022.
Investment units	<ul style="list-style-type: none"> The assumption is the total number of investment units issued and outstanding as of today of 152,680 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 2022.

Item	Assumptions
Dividends per unit (excluding dividends in excess of earnings)	<ul style="list-style-type: none"> • 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.
Dividends in excess of earnings per unit	<ul style="list-style-type: none"> • 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 today, 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 December 2021 and fiscal period ending June 2022, there are high needs to retain certain funds to respond in the event that opportunities for acquiring new properties as investment that would serve 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 marimo REIT is not in a state that calls for prioritized allocation of funds to reduce interest-bearing liabilities, etc. in both concerned accounting periods. As of today, execution of distribution in excess of earnings is deemed to be reasonable for the fiscal period ending December 2021 and fiscal period ending June 2022. As such, for the fiscal period ending December 2021, total dividends in excess of earnings is expected to be 54 million yen, of which total dividends of allowance for temporary difference adjustments is 1 million yen and total other dividends in excess of earnings is 53 million yen, and for the fiscal period ending June 2022, total dividends in excess of earnings is expected to be 59 million yen, of which total dividends of allowance for temporary difference adjustments is 1 million yen and other distribution in excess of earnings is 58 million yen (Note 1). <p>(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 obtained with the end of the accounting period as the date of value 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 11th fiscal period (fiscal period ending December 2021) and 12th fiscal period (fiscal period ending June 2022) regardless of the forecast above in the event that such conditions are not met.</p> <p>In addition, concerning the fiscal period ending December 2021 and fiscal period ending June 2022, as today, marimo REIT adopts the policy of distributing as cash in excess of earnings 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 (hereinafter, "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 (Note 2) of 75%. Accordingly, the distribution in excess of earnings may not take place or the amount of dividends in excess of earnings may decrease in the event of conflict with these limits.</p> <p>Moreover, in the event that substantial deterioration in the external economic environment, real estate market conditions, financial status of marimo REIT, etc. or such newly arise in the future, the policy as of today to execute distribution in excess of earnings as part of cash management in the fiscal period ending December 2021 and fiscal period ending June 2022 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</p>

Item	Assumptions
	<p>ending December 2021 and fiscal period ending June 2022. 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 that 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.</p> <p>(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.</p>
Other	<ul style="list-style-type: none"> • 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.