

June 30, 2022

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  
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Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Right

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

Marimo Co., Ltd. (“Marimo”), the seller of the Asset to Be Acquired, falls under the category of interested persons, etc. defined in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (the “Investment Trusts Act”). Therefore, pursuant to the Investment Trusts Act, the Asset Manager has obtained the consent of marimo REIT based on approval of the Board of Directors of marimo REIT at a meeting held on June 30, 2022. Marimo also falls under the category of interested persons, 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 the decision-making procedure specified in the rules on transactions with interested persons, etc. (including approval of the Board of Directors of marimo REIT at a meeting held on June 30, 2022; the same shall apply hereinafter) in conducting the transaction for asset acquisition with Marimo.

1. Outline of the Acquisition

Property name	Location	Planned acquisition price (million yen) (Note)
ArtizA Kumamotoshinmachi	Kumamoto-shi, Kumamoto	520

(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 expenses such as broker's commissions) for the Asset to Be Acquired, which is planned to be concluded on June 30, 2022. The same applies hereinafter.

- (1) Acquisition decision date: June 30, 2022
- (2) Planned sale and purchase agreement date: June 30, 2022
- (3) Planned payment date and planned acquisition date: July 5, 2022
- (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
- (7) Intermediation: Not applicable

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

## 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, satisfies the investment criteria of marimo REIT. marimo REIT recognized the following points in deciding on the Acquisition.

- An approximate 4-minute walk from Urusanmachi Tram Stop on the Kumamoto City Transportation Bureau Kamikumamoto Line and also within walking distance of the heart of Kumamoto City, etc., the subject real property is favorably located in close proximity to the city center. In addition, the subject real property not only has features offering favorable convenience in terms of daily living, including “SAKURA MACHI Kumamoto,” a commercial complex with supermarket, drugstore, restaurant, retail store and other tenants, to the southeast, but also is positioned in a quiet area in close proximity to the verdant Furushirohoribata Park located adjacent to Kumamoto Castle, which makes the living environment further favorable.
- The building is a relatively new residential property with thirteen floors. Equipment includes hands-free intercoms with color monitors and parcel delivery lockers in addition to automated bathtubs with reheating functions, bathroom ventilation, heating and drying systems, toilets with electronic bidets, etc. found in the residential units and boasts a high level of sophistication even in comparison with surrounding rental condominiums.
- Even in terms of the exterior space, there are few high-rise buildings in the surrounding area, which makes the sunlight and ventilation conditions favorable and the view from the middle and high floors excellent as well.

## 3. Details of the Asset to Be Acquired

Property name	ArtizA Kumamotoshinmachi			Asset type	Residential
<b>Outline of specified asset</b>					
Planned acquisition date	July 5, 2022		Type of specified asset	Real estate trust beneficiary right	
Planned acquisition price	520 million yen		Appraisal value (Date of value)	524 million yen (May 31, 2022)	
Location (indication of residential address)	1-5-10 Shinmachi, Chuo-ku, Kumamoto-shi, Kumamoto				
Transportation	An approximate 4-minute walk from Urusanmachi Tram Stop on the Kumamoto City Transportation Bureau Kamikumamoto Line				
Land	Lot number	1-5-20 Shinmachi, Chuo-ku, Kumamoto-shi, Kumamoto	Building	Construction completion date	August 18, 2021
	Building coverage ratio	80%		Structure / Number of floors	Reinforced concrete structure with flat roof / 13F
	Floor-area ratio	400%		Gross floor area	1,666.62 m <sup>2</sup>
	Use district	Commercial district		Designer	Yugen Kaisha MON Sekkei Jimusho
	Site area	404.98 m <sup>2</sup>		Builder	Nissohken Co., Ltd.
	Form of ownership	Proprietorship		Form of ownership	Proprietorship
Annual lease revenue (including common area fee)	38 million yen		Security deposit and guarantee money	Security deposit: 0 million yen	
Leasable area	1,598.52 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	July 5, 2022		Planned trust term expiration date	End of July 2032	
Whether security is established	None		Number of leasable units	48 units	
Probable maximum loss (Earthquake PML value)	6.6%		Name of appraisal agency	Daiwa Real Estate Appraisal Co., Ltd.	

**Notes:**

Part of the asphalt pavement and the lid of a contamination stopper on the land are crossing the boundary with the city road on the east side (owner: City of Kumamoto). The decision to set the property as an investment target was made in light of the investment criteria and after confirming the content and counterparties of the crossing of boundary and considering the impact on profitability of investment target assets and stability of rights.

(Note) Definitions of terms are as follows:

- “Asset type” indicates one of marimo REIT’s investment target properties (residential, retail, hotel, office, logistics 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.
- “Planned acquisition price” indicates the purchase price of the real estate trust beneficiary right stated in the trust beneficiary right sale and purchase agreement (excluding consumption tax, local consumption tax and other miscellaneous expenses such as broker’s commissions) for the Asset to Be Acquired, rounded down to the nearest million yen.
- “Appraisal value” indicates the appraisal value stated in the real estate appraisal report for the Asset to Be Acquired obtained from Daiwa Real Estate Appraisal Co., Ltd.
- “Location (indication of residential address)” indicates, in principle, the indication of residential address.
- “Transportation” indicates the time stated in the engineering report.
- “Lot number” for land indicates 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; 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 the end of May 2022 by 12, rounded down to the nearest million yen. Furthermore, for 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, for 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 each lease agreement concluded with the tenants of the Asset to Be Acquired as of the end of May 2022 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 parties that are to be the master lease company and the property management company after the acquisition for 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 party that is to be the trustee after the acquisition for the Asset to Be Acquired.
- “Whether security is established” indicates whether there is security that continues to exist after the acquisition by marimo REIT.
- “Number of leasable units” indicates the number of units (number of sections) marimo REIT is able to lease.
- “Notes” indicates 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 Kogokita, Nishi-ku, Hiroshima-shi, Hiroshima
(3)	Name and title of representative	Makoto Fukagawa, President
(4)	Business description	Planning, development, design, supervision and marketing of for-sale residential properties, real estate securitization business, and overseas condominium sales business
(5)	Capital	100 million yen (as of July 31, 2021)
(6)	Date established	September 1, 1970
(7)	Net assets	21,270 million yen (based on the balance sheet as of July 31, 2021)
(8)	Total assets	92,904 million yen (based on the balance sheet as of July 31, 2021)
(9)	Major shareholders and shareholding ratio	Marimo Holdings, Inc.: 100%
(10) Relationship between marimo REIT / Asset Manager and the company		
	Capital ties	As of today, the company holds approximately 8.8% (16,866 units) of the number of marimo REIT’s investment units issued and outstanding. In addition, the company is a subsidiary of Marimo Holdings, Inc., which holds a 100% stake in the Asset Manager.
	Personnel ties	As of today, two of the 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. Disposition of three properties of its portfolio assets to marimo REIT for 2,371 million yen (total acquisition price) (Note) took place on January 19, 2022, or April 1, 2022, based on a real estate trust beneficiary right sale and purchase agreement entered with marimo REIT on January 4, 2022.
	Concerning related parties	The company is a sister company 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 Investment Trusts Act. The company also falls under the category of interested persons, 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 the decision-making procedure specified in the rules on transactions with interested persons, etc. in conducting the transaction for asset acquisition.

(Note) Acquisition price indicates the purchase price of the real estate trust beneficiary right stated in the trust beneficiary right sale and purchase agreement (excluding consumption tax, local consumption tax and other miscellaneous expenses 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 name of the person, ②: Relationship with Persons of Special Interest, ③: Acquisition particulars and reason).

Property name (Location)	Previous owner or trust beneficiary	Second previous owner or trust beneficiary
	①、②、③ Acquisition (transfer) price Acquisition (transfer) timing	①、②、③ Acquisition (transfer) price Acquisition (transfer) timing
ArtizA Kumamotoshinmachi	① Marimo Co., Ltd. ② Sister company of the Asset Manager ③ A property developed by Marimo Co., Ltd.; Acquired since it can expect stable operations over a medium- to long-term, after evaluating the market and marketability.	Other than Persons of Special Interest
	The description of acquisition price is omitted, because the period from the previous owner’s or trust beneficiary’s property acquisition to disposition to marimo REIT is more than one year.	
	March 2019 (land)	

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

Marimo, a sister company 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 Investment Trusts Act and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations as well as the category of interested persons, 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 the 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 held on June 30, 2022) in conducting the transaction for acquisition 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 operating forecasts of marimo REIT is minimal. Thus, there is no change to the operating forecasts announced in “(REIT) Financial Report for the Fiscal Period Ended December 2021” dated February 18, 2022.

#### 9. Summary of Appraisal Statements

Summary of Appraisal Statements	
Property name	ArtizA Kumamotoshinmachi
Appraisal value	524 million yen
Name of appraisal agency	Daiwa Real Estate Appraisal Co., Ltd.
Date of value	May 31, 2022

Items	Details (Unit: thousand yen)	Summary, etc.
Value based on income approach	524,000	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	532,000	Assessed as the standardized net income recognized as being stable over the medium to long term, discounted by the capitalization rate
(1) Operating revenue	36,408	
① Potential gross income	37,903	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.	1,495	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	9,053	
a. Maintenance and management expenses	1,480	Recorded after assessing through verification using the levels of maintenance and management expenses for similar real property, based on the building management agreement, etc.
b. Water and utility fees	341	Assessed based on the levels of water and utility fees for similar real property
c. Repair costs and restoration costs for exclusive area portions	1,015	Assessed referring to the repair costs for similar real property in the case of repair costs, and referring to the tenant replacement costs for similar real property, etc. in the case of restoration costs for exclusive area portions
d. Property management fee	1,076	Assessed referring to the property management fee rate for similar real property
e. Tenant solicitation expenses, etc.	1,052	Assessed after taking into consideration tenant solicitation expenses assessed based on the levels for similar real property
f. Taxes and other public charges	3,391	For the land, assessed based on the value assessed for 2022. For the building, assessed referring to the actual value for 2022.
g. Non-life insurance premiums	186	Assessed based on the standard premium rate assumed from insurance premiums for similar real property, etc.
h. Other expenses	508	Assessed based on the levels of expenses for similar real property, etc.
(3) Net operating income (NOI)	27,354	
(4) Revenue from investment of lump sum payments	0	Not recorded, because not expecting any transfer of lump sum payments
(5) Capital expenditures	1,305	Assessed referring to the renewal costs for similar real property
Net income (NCF)	26,048	
Capitalization rate	4.9%	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	520,000	
	Discount rate	4.7%	Assessed from a comparison with the discount rate for transaction of similar real property and the yield of other financial instruments, etc.
	Terminal capitalization rate	5.1%	Assessed taking into consideration the marketability of the subject real property at the time of expiration of the ownership period to the capitalization rate, etc.
	Cost method value	669,000	
	Land ratio	22.8%	
	Building ratio	77.2%	
	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, which represents the condition of the asset, was taken at a specific point in time. Thus, the present state may differ due to changes, etc. over time.



Reference Material 2      Location Map

