



January 6, 2020

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 Issuance of New Investment Units and Secondary Offering of Investment Units

marimo Regional Revitalization REIT, Inc. (“marimo REIT”) announces that, at the meeting of the Board of Directors of marimo REIT held today, the following resolution was passed concerning issuance of new investment units and secondary offering of investment units.

1. Issuance of New Investment Units Through Public Offering (Primary Offering)
 - (1) Number of investment units to be offered: 19,371 units
 - (2) Amount to be paid in (Issue amount): To be determined
The amount to be paid in (issue amount) shall be determined at the meeting of the Board of Directors of marimo REIT to be held on any date between January 14, 2020 (Tuesday) and January 17, 2020 (Friday) (the “pricing date”). Please note that the amount to be paid in (issue amount) shall refer to the amount per unit that marimo REIT is to receive as the amount paid in for new investment units.
 - (3) Total amount of amount to be paid in (issue amount): To be determined
 - (4) Issue price (Offer price): To be determined
The issue price (offer price) shall be determined on the pricing date, after taking into account the status of demand and other factors by setting an indicative price range, which shall be the price arrived at when the closing price in regular trading of investment units of marimo REIT (“marimo REIT investment units”) on Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) on the pricing date (if there is no closing price on that date, then the most recent closing price preceding that date) is multiplied by between 0.90 and 1.00 (rounded down to the nearest yen).
 - (5) Total amount of issue price (offer price): To be determined

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- (6) Offering method: The offering shall be a primary offering in which all investment units of the primary offering shall be purchased and underwritten by an underwriting syndicate with SMBC Nikko Securities Inc. as the lead manager (collectively referred to as the “underwriters”). The underwriters other than SMBC Nikko Securities Inc. shall be Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., and Daiwa Securities Co. Ltd.
- (7) Content of underwriting agreement: The underwriters shall pay in the total amount of amount to be paid in (issue amount) to marimo REIT on the payment due date stated in (10) below, and the amount of difference between the total amount of issue price (offer price) and the total amount of amount to be paid in (issue amount) shall be the proceeds of the underwriters. No underwriting fee shall be payable to the underwriters by marimo REIT.
- (8) Unit of subscription: 1 unit or more in multiples of 1 unit
- (9) Subscription period: From the business day following the pricing date to the date that marks two business days after the pricing date
- (10) Payment due date: The payment due date shall be any date between January 20, 2020 (Monday) and January 23, 2020 (Thursday). However, the date shall be four business days after the pricing date.
- (11) Delivery due date: The business day following the payment due date
- (12) The amount to be paid in (issue amount), issue price (offer price) and other matters necessary for this issuance of new investment units through public offering shall be determined at a future meeting of the Board of Directors of marimo REIT.
- (13) Each of the items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.

2. Secondary Offering of Investment Units (Secondary Offering Through Over-Allotment)

- (1) Number of investment units to be offered: 969 units
- The number of investment units to be offered above is the upper limit for the number of investment units of the secondary offering through over-allotment to be conducted, separate from the primary offering, by the lead manager of the primary offering (SMBC Nikko Securities Inc.) upon the primary offering, after taking into account the status of demand and other factors of the primary offering. There are cases where the number of investment units to be offered above may decrease, or the secondary offering through over-allotment itself may not take place at all, depending on the status of demand and other factors of the primary offering. The number of investment units to be offered shall be determined at the meeting

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- (2) Seller: SMBC Nikko Securities Inc.
- (3) Secondary offering price: To be determined
The secondary offering price shall be determined at the meeting of the Board of Directors of marimo REIT to be held on the pricing date. Furthermore, the secondary offering price shall be the same as the issue price (offer price) of the primary offering.
- (4) Total amount of secondary offering price: To be determined
- (5) Secondary offering method: The lead manager of the primary offering (SMBC Nikko Securities Inc.) shall conduct, separate from the primary offering, a secondary offering of marimo REIT investment units, which it shall borrow from Marimo Co., Ltd. (the “designated party”) in a number not to exceed 969 units (the “borrowed investment units”), after taking into account the status of demand and other factors of the primary offering.
- (6) Unit of subscription: 1 unit or more in multiples of 1 unit
- (7) Subscription period: The subscription period shall be the same as the subscription period of the primary offering.
- (8) Delivery due date: The delivery due date shall be the same as the delivery due date of the primary offering.
- (9) The secondary offering price and other matters necessary for this secondary offering of investment units shall be determined at a future meeting of the Board of Directors of marimo REIT.
- (10) Each of the items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.
3. Issuance of New Investment Units Through Third-Party Allotment (The Third-Party Allotment)
- (1) Number of investment units to be offered: 969 units
- (2) Amount to be paid in (Issue amount): To be determined
The amount to be paid in (issue amount) shall be determined at the meeting of the Board of Directors of marimo REIT to be held on the pricing date. Furthermore, the amount to be paid in (issue amount) shall be the same as the amount to be paid in (issue amount) of the primary offering.
- (3) Total amount of amount to be paid in (issue amount): To be determined
- (4) Allottee and number of investment units to be allotted: SMBC Nikko Securities Inc. 969 units
- (5) Unit of subscription: 1 unit or more in multiples of 1 unit
- (6) Subscription period (Subscription due date): February 14, 2020 (Friday)
- (7) Payment due date: February 17, 2020 (Monday)
- (8) The investment units not subscribed for by the subscription period (subscription due date) stated in (6) above shall not be issued.
- (9) The amount to be paid in (issue amount) and other matters necessary for this issuance of new investment units through third-party allotment (the “third-party allotment”) shall be determined at a future meeting of the Board of Directors of marimo REIT.

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- (10) If the primary offering is suspended, the issuance of new investment units through the third-party allotment shall also be suspended.
- (11) Each of the items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.

<Reference>

1. Secondary Offering Through Over-Allotment, Etc.

There are cases where the lead manager of the primary offering (SMBC Nikko Securities Inc.) may conduct, separate from the primary offering, a secondary offering (secondary offering through over-allotment) of marimo REIT investment units, which it shall borrow from the designated party in a number not to exceed 969 units, upon the primary offering, after taking into account the status of demand and other factors of the primary offering. The number of investment units to be offered in the secondary offering through over-allotment is planned to be 969 units. The concerned number of investment units to be offered is the upper limit for the number of investment units to be offered. There are cases where the number may decrease, or the secondary offering through over-allotment itself may not take place at all, depending on the status of demand and other factors.

Furthermore, in connection with the secondary offering through over-allotment, at the meeting of the Board of Directors of marimo REIT held on January 6, 2020 (Monday), marimo REIT passed a resolution to conduct the third-party allotment for 969 units of marimo REIT investment units in which the allottee is SMBC Nikko Securities Inc. with February 17, 2020 (Monday) as the payment due date in order for SMBC Nikko Securities Inc. to acquire the marimo REIT investment units necessary to return the borrowed investment units.

In addition, during the period from the day following the date on which the subscription period of the primary offering and secondary offering through over-allotment ends to February 13, 2020 (Thursday) (the “syndicate covering transaction period”), there are cases where SMBC Nikko Securities Inc. may purchase marimo REIT investment units on Tokyo Stock Exchange, which shall be in a number not to exceed the number of investment units of the secondary offering through over-allotment, for the purpose of returning the borrowed investment units (the “syndicate covering transaction”). All of the marimo REIT investment units purchased by SMBC Nikko Securities Inc. in the syndicate covering transaction shall be used to return the borrowed investment units. Furthermore, during the syndicate covering transaction period, there are cases where SMBC Nikko Securities Inc. may decide to not engage in the syndicate covering transaction at all, or end the syndicate covering transaction in a number not reaching the number of investment units of the secondary offering through over-allotment.

Moreover, there are cases where SMBC Nikko Securities Inc. may conduct a stabilizing transaction accompanying the primary offering and secondary offering through over-allotment, and all or part of the marimo REIT investment units purchased in the stabilizing transaction may be used to return the borrowed investment units.

SMBC Nikko Securities Inc. is scheduled to acquire marimo REIT investment units by accepting allotment pertaining to the third-party allotment in the number of investment units arrived at when the number of investment units purchased in the stabilizing transaction and syndicate covering transaction and used to return the borrowed investment units is deducted from the number of investment units of the secondary offering through over-allotment. For this reason, there are cases where the number of investment units to be issued in the third-party allotment may not be subscribed for, in whole or in part. As a result, the final number of investment units issued in the third-party allotment may decrease by that extent, or the issuance itself may not take place at all, due to forfeiture.

Furthermore, whether or not the secondary offering through over-allotment takes place and the number of investment units to be offered in the event that the secondary offering through over-allotment takes place shall be determined on the pricing date. In the event that the secondary offering through over-allotment does not take place, the borrowing of marimo REIT investment units by SMBC Nikko Securities Inc. from the designated party will not take place. Accordingly, SMBC Nikko Securities Inc. will not accept or subscribe for allotment pertaining to the third-party allotment. As a result, the issuance of new investment units through the third-party allotment will not take place at all, due to forfeiture. In addition, the syndicate covering transaction on Tokyo Stock Exchange, too, will not take place.

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2. Changes in Total Number of Investment Units Issued and Outstanding Due to This Issuance of New Investment Units			
Total number of investment units issued and outstanding at present:	132,340 units		
Increase in number of investment units due to issuance of new investment units through primary offering:	19,371 units		
Total number of investment units issued and outstanding after issuance of new investment units through primary offering:	151,711 units		
Increase in number of investment units due to issuance of new investment units through the third-party allotment:	969 units	(Note)	
Total number of investment units issued and outstanding after issuance of new investment units through the third-party allotment:	152,680 units	(Note)	

(Note) The number of investment units in the event that SMBC Nikko Securities Inc. subscribes for all of the number of investment units to be offered in the third-party allotment and the issuance takes place.

3. Purpose of and Reason for Issuance

In pursuit of securing “profitability” and “stability” and steady growth of the portfolio while aiming to continually enhance unitholder value over the medium to long term through procurement of funds by issuing new investment units and acquisition of new real estate trust beneficiary rights, marimo REIT decided to issue new investment units after consideration in light of market trends, the level of dividends per unit, etc.

4. Amount, Use and Planned Outlay Schedule of Funds to be Procured

(1) Amount of funds to be procured (estimated net proceeds)

2,397,000,000 yen (upper limit)

(Note) The sum total amount of 2,283,000,000 yen in proceeds from the primary offering and 114,000,000 yen (upper limit) in proceeds from the issuance of new investment units through the third-party allotment. In addition, the amount above is the expected amount calculated based on the closing price in regular trading of marimo REIT investment units on Tokyo Stock Exchange as of December 13, 2019 (Friday).

(2) Specific use and planned outlay schedule of funds to be procured

The proceeds from the primary offering (2,283,000,000 yen) will be allocated to part of the acquisition funds and acquisition related expenses of the specified assets (the meaning in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended); the same shall apply hereinafter) to be newly acquired by marimo REIT stated in “Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Rights and Accompanying Commencement of Leasing” dated today. Furthermore, the proceeds from the issuance of new investment units through the third-party allotment for which resolution was passed on the same date as the primary offering (114,000,000 yen (upper limit)) will be funds on hand to be allocated to acquisition of specified assets or repayment of borrowings in the future.

(Note) The funds to be procured are planned to be deposited with a financial institution for the period until outlay.

5. Designation of Party to be Allocated Investment Units

Of the marimo REIT investment units of the primary offering, the underwriters are scheduled to sell 2,081 units to the designated party, which marimo REIT has designated as a party to which investment units are to be sold.

6. Future Outlook

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.

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7. Most Recent Three Business Periods' Management Status, Equity Financing Status, Etc.

(1) Most recent three business periods' management status (Note 1)

	Fiscal period ended June 2018	Fiscal period ended December 2018	Fiscal period ended June 2019
Net income per unit (Note 2)	3,100 yen	2,984 yen	2,995 yen
Dividends per unit	3,441 yen	3,445 yen	3,494 yen
Actual payout ratio (Note 3)	100.0%	100.0%	100.0%
Net assets per unit	95,746 yen	95,290 yen	94,840 yen

(Note 1) As the settlement of accounts for the fiscal period ended December 2019 has not been completed as of today, the fiscal period ended June 2018, fiscal period ended December 2018 and fiscal period ended June 2019 are presented as the most recent three business periods in this "(1) Most recent three business periods' management status."

(Note 2) Net income per unit is calculated by dividing net income by the period's daily weighted average number of investment units (fiscal period ended June 2018: 127,281 units; fiscal period ended December 2018: 132,340 units; fiscal period ended June 2019: 132,340 units).

(Note 3) Payout ratio is the figure calculated by the following formula, rounded to the first decimal place.

Payout ratio = Total dividends (excluding dividends in excess of earnings) ÷ Net income × 100

(2) Most recent investment unit price status

① Most recent three business periods' status

	Fiscal period ended December 2018	Fiscal period ended June 2019	Fiscal period ended December 2019
Open	114,200 yen	103,100 yen	116,900 yen
High	117,200 yen	122,600 yen	136,700 yen
Low	103,900 yen	103,100 yen	115,400 yen
Close	104,100 yen	117,000 yen	129,700 yen

(Note) The open, high and low prices are based on the closing price in regular trading of marimo REIT investment units on Tokyo Stock Exchange.

② Most recent six months' status

	2019 July	August	September	October	November	December
Open	116,900 yen	118,800 yen	120,000 yen	125,400 yen	136,500 yen	133,800 yen
High	120,400 yen	119,800 yen	125,000 yen	136,700 yen	136,500 yen	133,800 yen
Low	115,400 yen	116,500 yen	119,300 yen	125,400 yen	123,300 yen	128,300 yen
Close	118,900 yen	119,700 yen	124,400 yen	135,600 yen	133,800 yen	129,700 yen

(Note) The open, high and low prices are based on the closing price in regular trading of marimo REIT investment units on Tokyo Stock Exchange.

③ Investment unit price on business day preceding issuance resolution date

	December 30, 2019
Open	128,400 yen
High	129,700 yen
Low	128,400 yen
Close	129,700 yen

(3) Most recent three business periods' equity financing status

Not applicable.

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8. Restrictions on Sale and Additional Issuance

- (1) With the primary offering, the plan is to request the designated party to make an arrangement with SMBC Nikko Securities Inc. to the effect that, without the prior written consent of SMBC Nikko Securities Inc., no sale of the 13,950 marimo REIT investment units that the designated party holds from before the primary offering and the 2,081 marimo REIT investment units that the designated party is scheduled to acquire in the primary offering shall be conducted during the period from the pricing date to the date on which 180 days have elapsed from the delivery due date of the primary offering.

In the event of the above, SMBC Nikko Securities Inc. is scheduled to have the authority to cancel the concerned restriction, in whole or in part, or shorten the concerned restriction period at its discretion.

- (2) With the primary offering, marimo REIT has reached an agreement with SMBC Nikko Securities Inc. to the effect that, without the prior written consent of SMBC Nikko Securities Inc., no issuance of marimo REIT investment units (provided, however, that this shall exclude issuance of marimo REIT investment units through the third-party allotment and split of investment units) shall be conducted during the period from the pricing date to the date on which 90 days have elapsed from the delivery due date of the primary offering.

In the event of the above, SMBC Nikko Securities Inc. has the authority to cancel the concerned restriction, in whole or in part, or shorten the concerned restriction period at its discretion.

* 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/>