

May 22, 2025

To All Concerned Parties

Real Estate Investment Trust Securities Issuer
2-3-17 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 Disposition of Domestic Real Estate Trust Beneficiary Rights

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 disposition (the “Disposition”) of assets by marimo REIT as described below.

1. Overview of the Assets to Be Disposed

Type of specified asset	Trust beneficiary right (Note 2)	Trust beneficiary right
Name of asset to be disposed	MRR Omuta	ArtizA Kawasaki EAST
Planned disposition price (Note 3)	713 million yen	1,360 million yen
Book value (Note 4)	1,095 million yen	735 million yen
Gain/Loss from sale (estimate) (Note 5)	Loss from sale of 382 million yen	Gain from sale of 624 million yen
Buyer	Please refer to “4. Overview of Buyers” later in this document.	
Intermediation	Yes	None
Disposition decision date	May 22, 2025	
Planned sales contract conclusion date	May 23, 2025	
Planned disposition date	May 30, 2025	June 30, 2025
Settlement method	Payment of the sale price and delivery will be made on the planned disposition date	

(Note 1) Amounts are rounded down to the nearest million yen.

(Note 2) marimo REIT holds MRR Omuta in the form of trust beneficiary right as of today, but has reached an agreement with the buyer to deliver in the form of real estate in kind after having cancelled the trust agreement by the date of delivery. The same applies hereinafter.

(Note 3) “Planned disposition price” does not include the reimbursed amount equivalent to fixed asset tax and city planning tax as well as consumption tax, etc.

(Note 4) “Book value” indicates the amount as of the end of the fiscal period ended December 2024 (17th fiscal period).

(Note 5) “Gain/Loss from sale (estimate)” is the amount calculated by deducting the book value from the planned disposition price. The actual gain/loss from sale may differ from the gain/loss from sale (estimate) stated above. For MRR Omuta, real estate acquisition tax of 15 million yen, registration and license tax of 10 million yen and repair expenses associated with new tenant occupancy of 74 million yen are estimated to be incurred to deliver in the form of real estate in kind. These expenses are expected to be recorded as other sales expenses.

(Note 6) The purchase and sale agreement for the Disposition (the “Purchase and Sale Agreement”) falls within forward commitments, etc. by marimo REIT as stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. established by the Financial Services Agency. Under the Purchase and Sale Agreement, when it turns out that either marimo REIT or the buyer does not intentionally or negligently fulfill obligations stated in the Purchase and Sale Agreement, or materially violates the representations and warranties matters of marimo REIT or representations and warranties matters of the buyer stipulated in the Purchase and Sale Agreement and the purpose of the Purchase and Sale Agreement becomes unachievable, the agreement may be cancelled after making such demand. When such a cancellation is made, the cancelled party shall immediately pay an amount equivalent to 20% of the planned disposition price (excluding amount equivalent to consumption tax and local consumption tax) to the counterparty as cancellation penalty. However, since marimo REIT is the seller under the Purchase and Sale Agreement and there are no concerns over being unable to procure funds for execution of the Purchase and Sale Agreement, etc., marimo REIT believes that it is unlikely for marimo REIT to incur the aforementioned penalty and that the transaction is unlikely to materially impact the financial standing of marimo REIT.

(Note 7) MRR Omuta and ArtizA Kawasaki EAST are hereinafter collectively referred to as the “Assets to be Disposed.”



2. Reason for the Disposition

marimo REIT considers disposition or replacement of properties when such is judged to be appropriate over the medium to long term in building the portfolio by taking into account market conditions. marimo REIT considers disposition for properties of which profitability and such assumed at the time of acquisition cannot be expected as well as for properties facing concerns over future competitiveness due to factors such as change in the supply-demand balance and competitive environment of the area, and comprehensively judges the effects of replacement over the medium to long term in deciding on the assets for replacement.

MRR Omuta and Artiza Kawasaki EAST, the Assets to be Disposed, have been marimo REIT's portfolio assets since the IPO. As over 20 years have elapsed since the completion of construction for both, repair costs, capital expenditures and other life-cycle costs are expected to increase going forward.

In addition, in the case of MRR Omuta, the competitive environment continues to be tough as there are several large-scale retail properties aside from this retail property located in Omuta City. That is causing the situation to remain one in which downward rent revisions are constantly occurring upon tenant replacement. The situation is affecting the appraisal value and causing a discrepancy to arise between the book value and the appraisal value. With recently also the exit of the property's main tenant in March 2025, expenses are expected to arise from attracting a new tenant and the discrepancy between the book value and the appraisal value is thus expected to continue. In light of such an operating environment, marimo REIT has been working to improve profitability, yet also taking adequate time to keep up initiatives to sell the property through the Asset Manager's own channels, major brokers or local brokers, etc. Such efforts have resulted in the buyer's decision this time at a price falling below the book value but exceeding the appraisal value.

In the case of Artiza Kawasaki EAST on the other hand, over 27 years have elapsed since the completion of construction and large-scale repairs are thus expected to be required to be undergone going forward. marimo REIT has been considering the property's positioning in the portfolio and consistency with the future management strategy by comprehensively taking into account factors such as profitability and repair costs. Such has resulted in the judgment that disposition at a price substantially exceeding the book value and the most recent real estate appraisal value can be expected and that returning the gain from sale to unitholders would contribute to maximization of unitholder interests, and thus the disposition to the buyer being decided this time. marimo REIT will seek to have the proceeds from disposition of the property utilized in the initiatives for enhancement of capital efficiency while also keeping acquisition of replacement assets and purchase of own investment units in mind for management that is conscious of cost of capital.

For details, please refer to "Supplementary Briefing Material to Timely Disclosures" dated today.

3. Details of the Assets to Be Disposed

Name of asset to be disposed		MRR Omuta	ArtizA Kawasaki EAST
Type of specified asset		Real estate trust beneficiary right	Real estate trust beneficiary right
Trustee		Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation
Trust period		From April 27, 2016, to end of March 2026	From March 29, 2016, to end of March 2026
Location (Note 1)	Lot number	1586-2 Aza-Shiohama, Oaza-Tegama, Omuta-shi, etc.	2-6-1 Tamachi, Kawasaki-ku, Kawasaki-shi
	Indication of residential address	1586-2 Aza-Shiohama, Oaza-Tegama, Omuta-shi, Fukuoka	2-6-5 Tamachi, Kawasaki-ku, Kawasaki-shi, Kanagawa
Land	Form of ownership	Proprietorship	Proprietorship
	Use district	Quasi-industrial district	Quasi-industrial district
	Site area (Note 1)	20,039.48 m ²	1,628.25 m ²
	Building coverage ratio	60%	60%
	Floor-area ratio	200%	200%
Building	Form of ownership	Proprietorship	Proprietorship
	Main use	Store	Dormitory
	Completion date	① March 25, 2005 ② June 28, 2006 ③ March 25, 2005 ④ November 30, 2005 ⑤ March 25, 2005 ⑥ March 25, 2005 ⑦ March 25, 2005 ⑧ March 25, 2005 ⑨ August 3, 2017	March 25, 1998
	Gross floor area (Note 1)	① 837.00 m ² ② 1,136.15 m ² ③ 823.80 m ² ④ 335.97 m ² ⑤ 664.18 m ² ⑥ 115.80 m ² ⑦ 1,699.00 m ² ⑧ 810.79 m ² ⑨ 80.35 m ²	3,055.80 m ²
	Structure	① Steel-frame structure with alloy-plated steel plate roofing / 1F ② Steel-frame structure with alloy-plated steel plate roofing / 1F ③ Steel-frame structure with galvanized steel plate roofing / 1F ④ Wooden structure with galvanized steel plate roofing / 1F ⑤ Steel-frame structure with galvanized steel plate roofing / 1F ⑥ Steel-frame structure with galvanized steel plate roofing / 1F ⑦ Steel-frame structure with galvanized steel plate roofing / 1F ⑧ Steel-frame structure with alloy-plated steel plate roofing / 1F ⑨ Steel-frame structure with alloy-plated steel plate roofing / 1F	Reinforced concrete structure with flat roof / 6F
	Acquisition price	1,265 million yen	780 million yen
Planned disposition price		713 million yen	1,360 million yen
Book value (Note 2)		1,095 million yen	735 million yen
Difference between planned disposition price and book value		-382 million yen	624 million yen

Appraisal value	Appraisal method	Appraisal by Japan Real Estate Institute				Appraisal by Daiwa Real Estate Appraisal Co., Ltd.			
	Appraisal value	711 million yen				1,060 million yen			
	Date of value	May 1, 2025				May 1, 2025			
Details of lease (Note 3)									
	Master lease company	Marimo Co., Ltd.				Marimo Co., Ltd.			
	Total number of tenants	9				1			
	Total lease revenue (annual)	82 million yen				63 million yen			
	Security deposit and guarantee money	32 million yen				30 million yen			
	Total leased area	6,485.11 m ²				3,055.80 m ²			
	Total leasable area	6,485.11 m ²				3,055.80 m ²			
	Change in occupancy rate	End of June 2023	End of Dec. 2023	End of June 2024	End of Dec. 2024	End of June 2023	End of Dec. 2023	End of June 2024	End of Dec. 2024
		100%	100%	100%	100%	100%	100%	100%	100%
Other special notes		—				—			

(Note 1) “Location (lot number),” “Site area” and “Gross floor area” are based on the description in the register. “Location (indication of residential address)” indicates, in principle, the indication of residential address. In cases of properties that have no indication of residential address, the location of the building (if there are several, one of the locations) stated in the register.

(Note 2) “Book value” indicates the amount as of the end of the fiscal period ended December 2024 (17th fiscal period).

(Note 3) “Total number of tenants” indicates the number of end tenants for the Property as of today.

“Total lease revenue” indicates an amount obtained by multiplying the total monthly rent (sum of rent and common area fee. However, when the amount equivalent to the parking fee is included in the rent in the lease agreements, such amount will be included) in the currently effective lease agreements concluded with end tenants for the Property by 12 (rounded down to the nearest million yen).

“Security deposit and guarantee money” indicates the total amount of security deposit and guarantee money (rounded down to the nearest million yen) in the above lease agreements as of today.

“Total leased area” indicates the area leased to end tenants.

“Total leasable area” indicates the total area that can be leased.

“Completion date” indicates the date of construction of each building as there are several on the site.

4. Overview of Buyers

(1) MRR Omuta

(1)	Name	RED ZONE Co., Ltd.
(2)	Location	1655-3 Suwanomachi, Kurume-shi, Fukuoka
(3)	Name and title of representative	Shuji Ueno, Representative Director
(4)	Business description	1. Sale and installation of car accessories, car stereos and other automotive accessories 2. Sale and installation of tires, wheels, engine parts and other automotive parts 3. Manufacture and sale of various wire springs 4. Manufacture and sale of various leaf springs 5. Real estate leasing 6. Any services incidental to any of the preceding items
(5)	Capital	10 million yen
(6)	Date established	November 30, 1984
(7)	Net assets	1,726 million yen
(8)	Total assets	8,967 million yen
(9)	Major shareholders and shareholding ratio	Shuji Ueno: 55% Riri Ueno: 15% Eri Tashiro: 15% Sari Ueno: 15%
(10)	Relationship between marimo REIT / Asset Manager and the company	As of today, the buyer has no capital ties, personnel ties or business ties to be stated with marimo REIT and the Asset Manager. The buyer also does not fall under the category of related parties of marimo REIT or the Asset Manager.

(Note) Based on the information as of March 31, 2025.

(2) ArtizA Kawasaki EAST

(1)	Name	BIOSYSTEM CO.,LTD
(2)	Location	1-5-1 Tennodai, Abiko-shi, Chiba
(3)	Name and title of representative	Keiji Hanamoto, Representative Director
(4)	Business description	Real estate leasing, pharmaceutical sales, etc.
(5)	Capital	10 million yen
(6)	Date established	June 5, 1985
(7)	Net assets	4,128 million yen
(8)	Total assets	47,017 million yen
(9)	Major shareholders and shareholding ratio	2 individuals, of which 1 individual holds 55% and 1 individual holds 45%
(10)	Relationship between marimo REIT / Asset Manager and the company	As of today, the buyer has no capital ties, personnel ties or business ties to be stated with marimo REIT and the Asset Manager. The buyer also does not fall under the category of related parties of marimo REIT or the Asset Manager.

(Note) Based on the information as of May 31, 2024.

5. Outline of Intermediation

(1) MRR Omuta

(1)	Name	KYUSHU REALTY ASSOCIATES CO., LTD.
(2)	Location	1-4-1 Tenjin, Chuo-ku, Fukuoka-shi
(3)	Name and title of representative	Shigeru Kabashima, President & Representative Director
(4)	Business description	<ul style="list-style-type: none"> • Real estate sales, exchange, intermediation, appraisal and agency • Real estate consulting • Real estate investment advisory
(5)	Capital	25 million yen
(6)	Date established	September 27, 1983
(7)	Net assets	332 million yen (as of March 3, 2025)
(8)	Total assets	575 million yen (as of March 31, 2025)
(9)	Major shareholders and shareholding ratio	The Nishinippon Shimbun Building Inc.: 100%
(10)	Relationship between marimo REIT / Asset Manager and the company	As of today, the intermediary has no capital ties, personnel ties or business ties to be stated with marimo REIT and the Asset Manager. The intermediary also does not fall under the category of related parties of marimo REIT or the Asset Manager.

(Note) Amount of intermediary fee, etc.: Not disclosed, because consent has not been obtained from the intermediary.

(2) ArtizA Kawasaki EAST

None

6. Settlement Method, Etc.

Settlement will be made through payment of the sale price and delivery on each planned disposition date.

7. Future Outlook

For the outlook of the management status for the fiscal period ending June 2025 (from January 1, 2025, to June 30, 2025) after the disposition of the Assets to be Disposed, please refer to “Notice Concerning Revision of Operating and Dividend Forecasts for the Fiscal Period Ending June 2025” dated today.

8. Summary of Appraisal Statements

Summary of Appraisal Statements					
Property name		MRR Omuta			
Appraisal value		711 million yen			
Name of appraisal agency		Japan Real Estate Institute			
Date of value		May 1, 2025			
Items		Details (Unit: thousand yen)	Summary, etc.		
Value based on income approach		711,000	Deeming that value based on income approach which accurately replicates the price determination process from earnings aspects better matches the market, assessed by adopting value based on income approach while using cost method value only for reference.		
	Value based on direct capitalization method		718,000	Assessed net income that is stable over the medium to long term, discounted by the capitalization rate.	
	(1) Operating revenue	Potential gross income	76,196		
			Potential gross income	77,749	Assessed based on the rent level of the current contract, the new rent levels at similar real property within the same supply-demand zone and the trends of such, and by taking into account the subject real property's medium-to long-term competitiveness.
			Vacancy loss, etc.	1,553	Assessed based on the subject real property's actual vacancy rate and the standard vacancy rates at similar real property, and by taking into account the subject real property's competitiveness and such.
	(2) Operating expenses		20,928		
	a. Maintenance and management expenses		1,296	Assessed by judging that the building management services are of generally standard content, and so based on contract amounts and such and by verifying with the level of maintenance and management expenses at similar real property.	
	b. Utility costs		170	Assessed based on past actual results and by verifying with the level of utility costs at similar real property.	
	c. Repair costs		2,931	Assessed by judging the annual average repair costs stated in the engineering report to be appropriate based on verification with the level of repair costs at similar real property.	
	d. Property management fee		2,286	Assessed by judging that the property management contract is of generally standard content, and so based on said contract and by verifying with the level of property management fees at similar real property.	
	e. Tenant solicitation expenses, etc.		685	Recorded the annual average amount of expenses required for brokerage services, advertising, etc. performed in seeking new tenants and such assessed based on the expected tenant turnover period.	
	f. Taxes and other public charges		8,570	Assessed based on materials related to taxes and other public charges.	
	g. Non-life insurance premiums		595	Assessed by judging the contract amount to be appropriate and verifying with the level of non-life insurance premiums at similar real property.	
	h. Other expenses		4,395	Assessed sublease fees and non-statutory public property occupancy fees as other expenses.	
	(3) Net operating income (NOI)			55,268	
(4) Revenue from investment of lump sum payments			398	Assessed the investment yield by comprehensively taking into account the actual investment status of lump sum payments and such from both investment and financing perspectives.	

	(5) Capital expenditures	7,527	Assessed by judging the annual average renovation costs stated in the engineering report to be appropriate based on verification with the level of renovation costs at similar real property.
	Net income (NCF)	48,139	
	Capitalization rate	6.7%	Assessed by comprehensively taking into account the subject real property's competitiveness and such.
	Value based on DCF method	703,000	
	Discount rate	6.0%	Assessed by combining the method of obtaining the value through comparison with similar real property appraisals and such and the method of obtaining the value by adding the individual characteristics of the property to the yields of financial assets.
	Terminal capitalization rate	6.5%	Assessed by referring to the appraised yields on similar appraisal cases and such, and by comprehensively taking into account future trends in investment yields, general forecasts of future economic growth rates of the subject real property as an investment target, real estate price trends, etc.
	Cost method value	737,000	
	Land ratio	66.1%	
	Building ratio	33.9%	
	Other matters taken into consideration by the appraisal agency when performing the appraisal	Although the cost method value was lower compared with the value based on income approach, adopted the value based on income approach as the appraisal value, judging it to be more persuasive after comprehensive examination.	

Summary of Appraisal Statements			
Property name		ArtizA Kawasaki EAST	
Appraisal value		1,060 million yen	
Name of appraisal agency		Daiwa Real Estate Appraisal Co., Ltd.	
Date of value		May 1, 2025	
	Items	Details (Unit: thousand yen)	Summary, etc.
	Value based on income approach	1,060,000	
	Value based on direct capitalization method	1,090,000	Assessed net income that is stable over the medium to long term, discounted by the capitalization rate
	(1) Operating revenue	62,833	
	Potential gross income	62,833	Assessed based on the rent level of the current contract, the new rent levels at similar real property within the same supply-demand zone and the trends of such, and by taking into account the subject real property's medium-to long-term competitiveness
	Vacancy loss, etc.	—	Assessed based on the subject real property's actual vacancy rate and the standard vacancy rates at similar real property, and by taking into account the subject real property's competitiveness and such
	(2) Operating expenses	7,259	
	a. Maintenance and management expenses	678	Assessed by judging that the building management services are of generally standard content, and so based on contract amounts and such and by verifying with the level of maintenance and management expenses at similar real property
	b. Utility costs	—	Not recorded, because borne by the tenant to which the entire building is leased
	c. Repair costs	108	Assessed by judging the annual average repair costs stated in the engineering report to be appropriate based on verification with the level of repair costs at similar real property

	d. Property management fee	599	Assessed by judging that the property management contract is of generally standard content, and so based on said contract and by verifying with the level of property management fees at similar real property
	e. Tenant solicitation expenses, etc.	—	Not recorded, because not expecting any tenant replacement
	f. Taxes and other public charges	4,655	Assessed based on materials related to taxes and other public charges
	g. Non-life insurance premiums	491	Assessed by judging the contract amount to be appropriate and verifying with the level of non-life insurance premiums at similar real property
	h. Other expenses	726	Assessed other property operating expenses, such as supplies and reserves, by referring to the actual amount obtained from the client
	(3) Net operating income (NOI)	55,574	
	(4) Revenue from investment of lump sum payments	300	Assessed the investment yield by comprehensively taking into account the actual investment status of lump sum payments and such from both investment and financing perspectives
	(5) Capital expenditures	3,385	Assessed by judging the annual average renovation costs stated in the engineering report to be appropriate based on verification with the level of renovation costs at similar real property
	Net income (NCF)	52,488	
	Capitalization rate	4.8%	Assessed by comprehensively taking into account the subject real property's competitiveness and such
	Value based on DCF method	1,040,000	
	Discount rate	4.6%	Assessed by combining the method of obtaining the value through comparison with similar real property appraisals and such and the method of obtaining the value by adding the individual characteristics of the property to the yields of financial assets
	Terminal capitalization rate	5.0%	Assessed by referring to the appraised yields on similar appraisal cases and such, and by comprehensively taking into account future trends in investment yields, general forecasts of future economic growth rates of the subject real property as an investment target, real estate price trends, etc.
	Cost method value	1,020,000	
	Land ratio	85.1%	
	Building ratio	14.9%	
	Other matters taken into consideration by the appraisal agency when performing the appraisal	Although the cost method value was lower compared with the value based on income approach, adopted the value based on income approach as the appraisal value, judging it to be more persuasive after comprehensive examination	

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