

marimo Regional
Revitalization REIT, Inc.



Presentation Material

4th Fiscal Period
(Ended June 30, 2018)



marimo Regional Revitalization REIT, Inc.



(Securities Code: 3470)

01

First Public Offering Since Listing

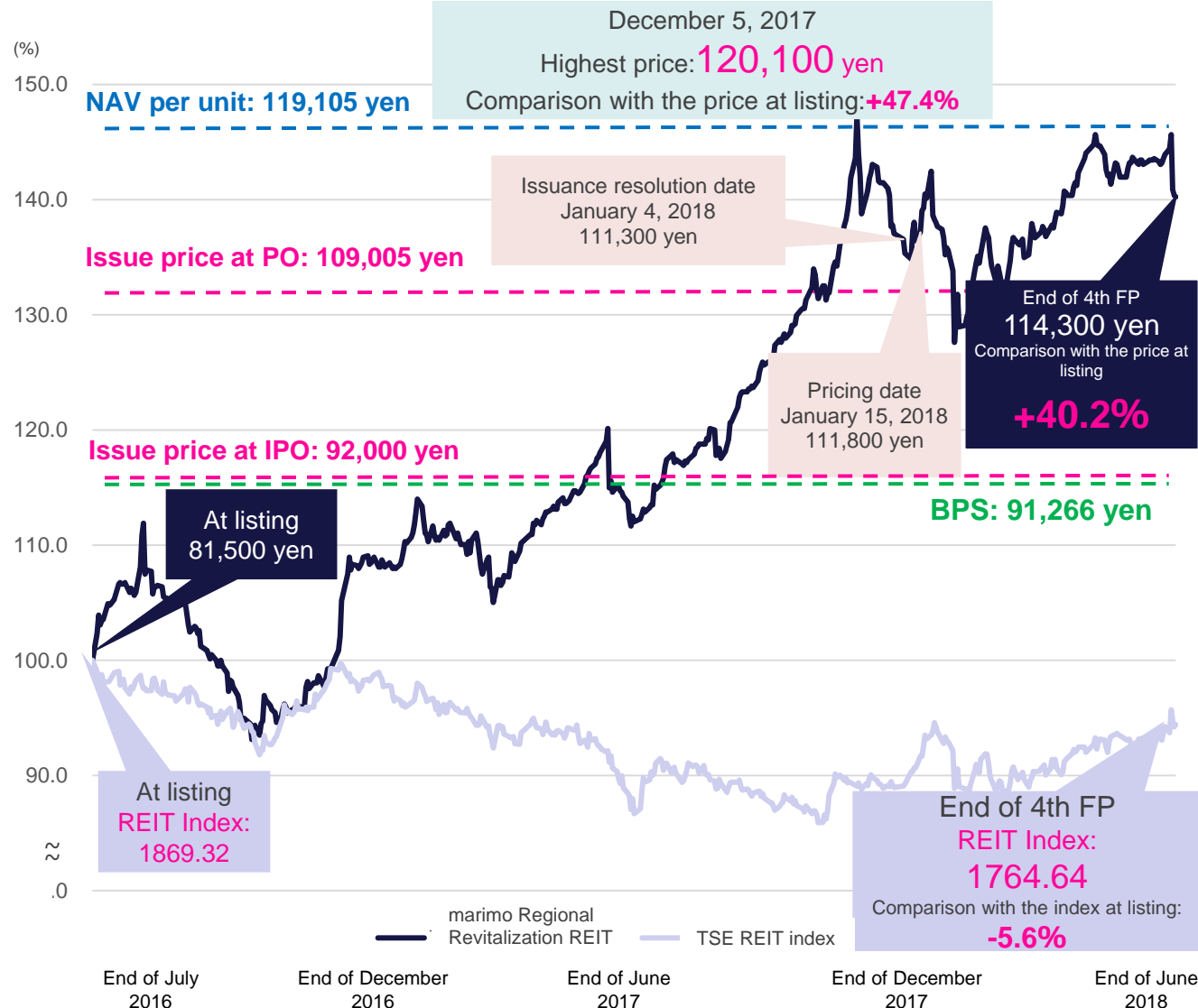


Summary of 1st Public Offering Summary of Offering and Change in Investment Unit Price



Steady increase in the investment unit price and implementation of the first public offering since listing

Type of offering	Primary offering and third-party allotment
Total amount of offering	Primary offering: 4,142 million yen Third-party allotment: 196 million yen Total: 4,338 million yen
Number of newly issued investment units	Primary offering: 39,500 units Third-party allotment: 1,872 units Total: 41,372 units
Issue price	109,005 yen
Issuance resolution date	January 4, 2018
Pricing date	January 15, 2018
Subscription period	January 16 to January 17, 2018
Delivery date	January 23, 2018



(1) The TSE REIT index is indexed to the closing price of the investment unit price of July 29, 2016 (the listing date). NAV per unit and BPS (net assets per unit) are as of the end of the 2nd FP (June 30, 2017).

(2) NAV per unit is calculated with the following formula: (Net assets - Total dividends + Unrealized gain) / Number of investment units issued and outstanding. The same applies hereafter.

(3) Acquisition price is the transaction price of each property (not including consumption tax, regional consumption tax, transaction fees or other expenses) rounded down to the nearest million yen. The same applies hereafter.

Summary of Newly Acquired Assets

Secured profitability and stability through regional investment centering on properties developed and owned by the sponsors

Number of properties	Total acquisition price	Total appraisal value at acquisition
7 properties	7.70 billion yen	8.416 billion yen
Average building age	Average appraisal NOI yield	Average appraisal NOI yield after depreciation
8.9 years	6.2%	5.0%

Newly acquired asset	Location	Building exterior	Acquisition price (million yen)	Appraisal value at acquisition (million yen)	Appraisal NOI yield (%)	Acquisition channel
★ Artiza Kamimaezu II	Naka Ward, Nagoya City, Aichi		720	761	5.3	Developed by sponsor
★ Artiza Chiyoda	Naka Ward, Nagoya City, Aichi		980	1,070	5.3	Developed by sponsor
★ MRR Kumamoto	Chuo Ward, Kumamoto City, Kumamoto		2,120	2,280	6.8	Warehousing
MRR Sasebo	Sasebo City, Nagasaki		990	1,260	7.4	Warehousing
MRR Itoshima	Itoshima City, Fukuoka		900	970	6.0	Warehousing
MRR Akita	Akita City, Akita		840	875	6.7	Warehousing
Supercenter TRIAL Togitsu Store (land with leasehold interest)	Togitsu Town, Nishi-Sonogi County, Nagasaki		1,150	1,200	5.0	Warehousing

★**Preferential Negotiation Rights for Sales Transactions**

- (1) Average building age is the weighted average of the building ages as of October 31, 2017 by acquisition price. Similar calculation methods are used hereafter (however, the reference date for building age is indicated separately for each).
- (2) (Average) appraisal NOI yield refers to the ratio of (total) net operating income based on the direct capitalization method indicated in the real estate appraisal report (appraisal NOI) against the (total) acquisition price. The same applies hereafter.
- (3) (Average) appraisal NOI yield after depreciation refers to the ratio of the amount in which the total of actual or expected depreciation of all assets is deducted from (total) appraisal NOI against (total) acquisition price. The same applies hereafter.
- (4) Acquisition price is the transaction price of each property (not including consumption tax, regional consumption tax, transaction fees or other expenses) rounded down to the nearest million yen. The same applies hereafter.
- (5) Appraisal value at acquisition refers to the appraisal value indicated in each of the real estate appraisal reports dated October 31, 2017.
- (6) ACTY Kumamoto changed its name to MRR Kumamoto on June 1, 2018 with an aim to establish a brand image of marimo REIT.

Highlights of Acquired Properties

MRR Kumamoto



Location	1-9-25 Minamikumamoto, Chuo Ward, Kumamoto City, Kumamoto
Acquisition price	2,120 million yen
Appraisal value	2,300 million yen
Appraisal NOI yield	6.7%
Constructed	Commercial building, etc.: October 2008 Parking lot building: January 1986
No. of parking spaces	259



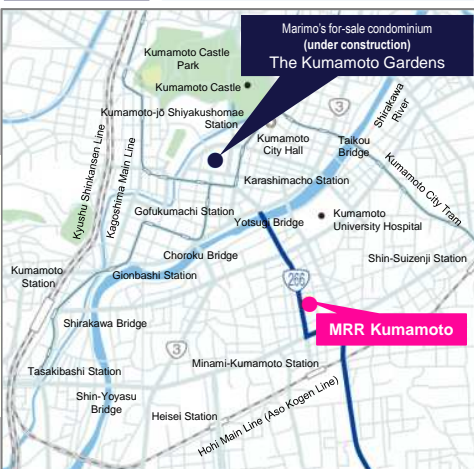
Property descriptions

The property is located in an urban district within approximately 1 km of the center of Kumamoto City where there is a mix of offices and residences nearby. It faces the Hamasen By-pass on a main arterial road heading south from Kumamoto City (National Road 104 and National Road 266) and access by car is excellent.

It is a complex facility comprised of residences (44 units), offices (7 sections), a retail facility (6 tenants) and a large multistory parking lot (259 spaces). Stable profitability is expected going forward as the main tenants in the retail facility, Renaissance and Don Quijote, have performed very stably in recent years.

* "Appraisal value" and "Appraisal NOI yield" are as of June 30, 2018. The same applies hereinafter.

(Note) The image is a architectural rendering of The Kumamoto Gardens, which is to be constructed based on an urban redevelopment project plan as of June 30, 2018, and of the entire project, in which marimo REIT is involved. Marimo REIT has no specific plans to acquire the property, and there is no guarantee that it may be acquired in the future.

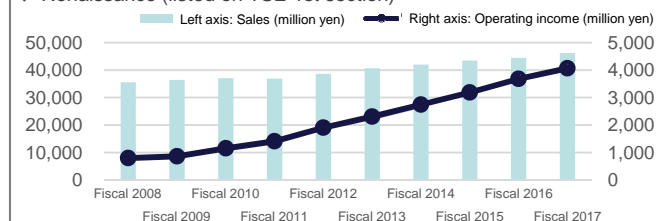


Outline of The Kumamoto Gardens (Note)

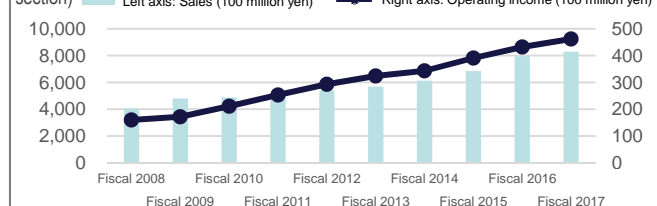
- Located in Sakuramachi, Chuo Ward in the center of Kumamoto City
- Excellent convenience of Kumamoto City's Sakuramachi District Class 1 Urban Area Redevelopment Project which comprises of a diversity of facilities such as a bus terminal, retail facility (retail and restaurants), cinema complex and hotel public facility (tentative name: Kumamoto Castle Hall)

Main tenant

◆ Renaissance (listed on TSE 1st section)



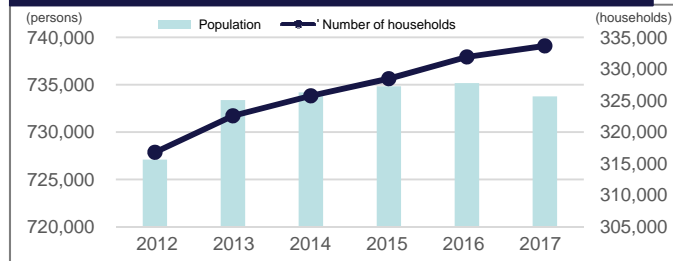
◆ Don Quijote (its parent company, Don Quijote Holdings Co., Ltd., is listed on TSE 1st section)



(Note) The sales and operating income of Don Quijote Holdings Co., Ltd. is indicated.

Source: Prepared by the asset manager based on the websites of Renaissance Inc. and Don Quijote Holdings Co., Ltd.

Change in the Total Population and Number of Households in Kumamoto City



Source: Prepared by the asset manager based on Kumamoto City's "Population Estimates and Population Trends."

Trade Area Population of Minamikumamoto, Chuo Ward, Kumamoto City

Population within 5 km radius: 390,986 persons
(Up 1.6% from 2012)

Source: Prepared by the asset manager based on "National Census Results for 2010 and 2015" on the portal site of official statistics of Japan (e-Stat) (<http://www.e-stat.go.jp/>)

Highlights of Acquired Properties

■ Supercenter TRIAL Togitsu Store (land with leasehold interest)



Location	3613 Shinkai, Hinamigo, Togitsucho, Nishisonogi County, Nagasaki
Acquisition price	1,150 million yen
Appraisal value	1,200 million yen
Appraisal NOI yield	5.0%
Constructed	-
No. of parking spaces	224

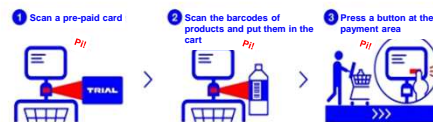
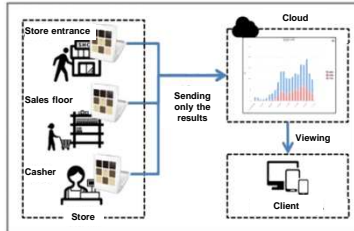
Property descriptions

Togitsucho, Nishisonogi County is a town on the border with Nagasaki City, and the subject land is located approximately 10 km to the north of Nagasaki Station. The property stands on National Route 206, which is a main arterial road for local residents. Having a large 12-hour weekday traffic volume of 24,000 to 29,000 vehicles as well as 224 parking spaces and excellent visibility among others, it is an ideal location for a roadside retail store with good accessibility.

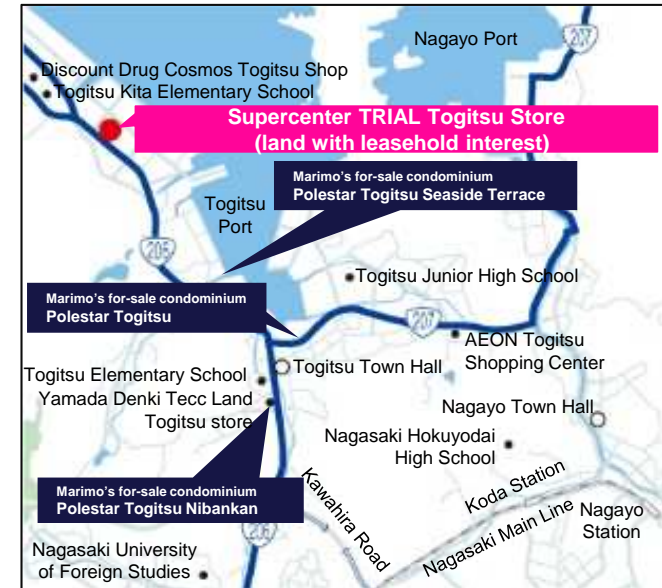
Innovative initiatives by TRIAL Company

With an aim of transforming distribution systems using technologies under the slogan of "distribution information revolution," TRIAL Company, Inc. ("TRIAL") has increased the number of supermarket stores by capitalizing on the know-how it possesses as an IT firm.

Supercenter Trial Island City Store opened in Fukuoka in February this year is installed with smart cameras originally developed by TRIAL, which are capable of analyzing consumer trends, as well as smart cameras based on Vieureka platform developed by Panasonic, which are capable of analyzing customer movements. Based on the analysis of these 700 cameras in total, the store further enhances customer satisfaction by seeking easier-to-find display, improving product lineup and preventing stockouts. It has also introduced carts with tablet payment function developed jointly with Remmo, to eliminate the waiting time at the cashier. With these technologies, it has become a smart store which realized Japan's first "smart shopping experience."



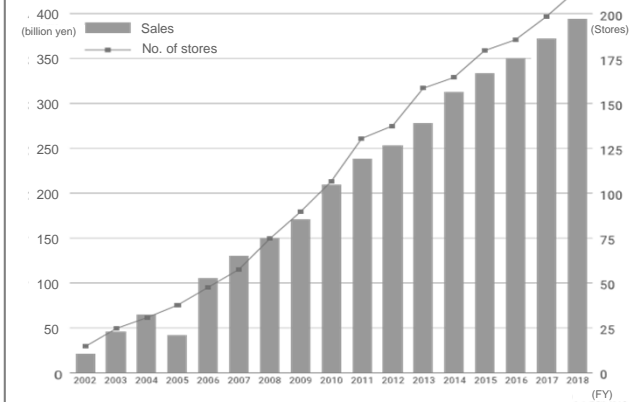
*Excerpted from "NEWS RELEASE" of TRIAL Company, Inc. dated February 13, 2018. The above-mentioned smart cameras, etc. are not introduced at Supercenter TRIAL Togitsu Store.



(Note) Concerning Marimo's for-sale condominiums, there are no specific plans for marimo REIT to acquire the properties as of the date of this document and there is no guarantee it can acquire them in the future.

Main tenant

The main business of the TRIAL Group is a retail business centering on supercenters. By having functions of logistics, product development and production within the group, it has increased both sales and the number of stores through realization of a low-cost structure.



Source: Excerpt from the website of TRIAL Company, Inc.

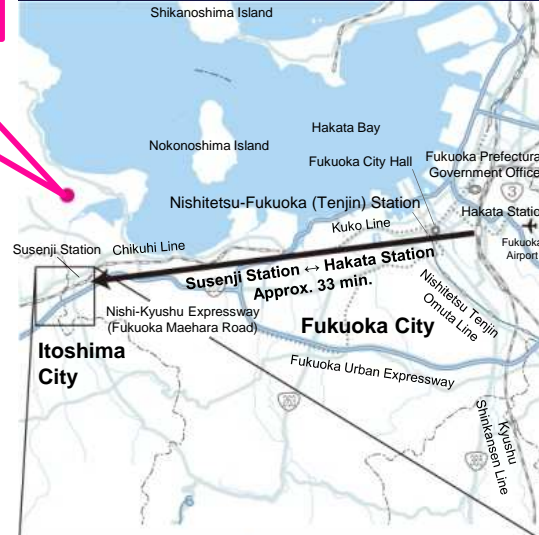
Highlights of Acquired Properties

MRR Itoshima



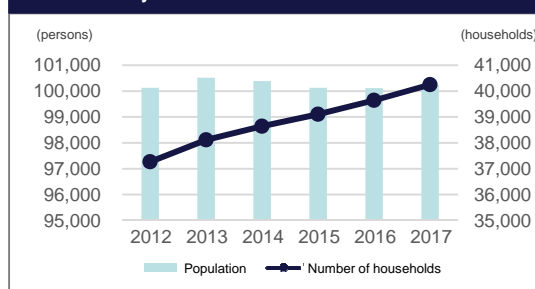
**Kyushu University
New Campus**

Artiza series in Fukuoka City
Track record of developing 4 for-rent condominium buildings



Location	5-23-6 Takata, Itoshima City, Fukuoka
Acquisition price	900 million yen
Appraisal value	982 million yen
Appraisal NOI yield	6.0%
Constructed	July 2008
No. of parking spaces	136

Change in the Total Population and Number of Households in Itoshima City



Source: Prepared by the asset manager based on Itoshima City's "Population Estimates and Population Trends."



Property descriptions

The property is located in a popular residential area with excellent access to the city center of near by Fukuoka City for which it is a commuter town. The population of Itoshima City has increased since part of the campus of Kyushu University (32,000 students) relocated from Fukuoka City in 2014 and residences, retail facilities and such are rapidly developing. National Road 202 which the property adjoins is the only arterial road running east and west in Itoshima City, so there is much traffic during both day and night.

Along the road is a commercial area with various supermarkets, hardware stores, drug stores, gas stations, leading fast fashion shops, restaurants, entertainment facilities, etc. The property is a commercial complex whose tenants are a DVD rental shop, karaoke parlor and internet cafe, and the parking area is large with 136 spaces.

Highlights of Acquired Properties

MRR Sasebo



Property descriptions

The property is located approx. 2.4 km southeast of Sasebo Station on the JR Sasebo Line and Matsuura Railway Nishi-Kyushu Line. It is a complex-type shopping center with 131 parking spaces and is comprised of 5 tenants (a sports shop, 100 yen shop, fishing gear shop, restaurant and real estate broker). The shop composition gives it a strong specialty feel overall.



Location	978-6 Yamatocho, Sasebo City, Nagasaki
Acquisition price	990 million yen
Appraisal value	1,270 million yen
Appraisal NOI yield	7.4%
Constructed	April 2008
No. of parking spaces	131

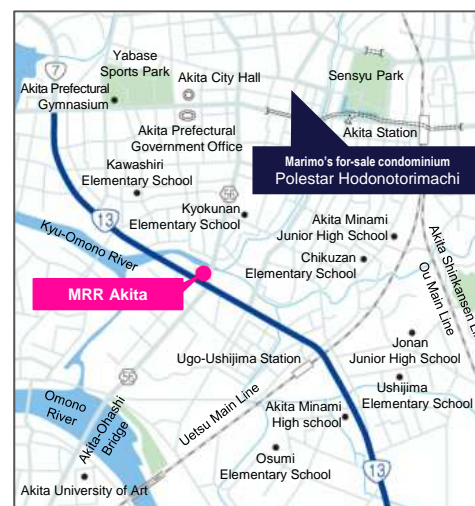
(Note) Regarding each of marimo's for-sale condominiums, marimo REIT has no specific plans for acquisitions, nor is there any guarantee that it may be acquired in the future.

MRR Akita



Property descriptions

National Road 13 which is in front of the property is the largest main arterial road within a 7 km radius, and because Prefectural Road 56 which intersects the nearby road is also a main arterial road with much automobile traffic, the location has excellent access by car coming from every direction in the trade area. The property is land with leasehold interest and commercial complex of an amusement facility with 149 parking spaces in an area with the most roadside shops in Akita City. The 3 tenants on the land are a used automobile dealer (Gulliver; Construction completed in February 2017), a men's wear shop (Aoki; Construction completed in March 2017) and a conveyor belt sushi restaurant (Kurasushi; Construction completed in March 2017) and the land and building for the amusement facility is leased to Sega World.



Location	1-1-16 Barajima, Akita City, Akita
Acquisition price	840 million yen (Note)
Appraisal value	879 million yen (Note)
Appraisal NOI yield	6.7%
Constructed	April 1994
No. of parking spaces	149

(Note 1) While there are 4 buildings on the site, only 1 building is included in the trust beneficiary interest in trust property owned by marimo REIT. The remaining 3 buildings are owned by the party leasing the land from the trustee.

(Note 2) Regarding each of marimo's for-sale condominiums, marimo REIT has no specific plans for acquisitions, nor is there any guarantee that it may be acquired in the future.

Highlights of Acquired Properties

Artiza Kamimaezu II



Location	17-30 Fujimicho, Naka Ward, Nagoya City, Aichi
Acquisition price	720 million yen
Appraisal value	770 million yen
Appraisal NOI yield	5.3%
Constructed	February 2016
No. of leasable units	30 single units and 20 compact units
Occupancy rate	94.7%

Property descriptions

The property is located a 7-minute walk from Kamimaezu Station on the Nagoya Municipal Subway Meijo Line and Tsurumai Line which is only 2 stations (approximately 3 minutes) away from Sakae Station, the center of the Sakae area which is Nagoya's leading commercial district, and so proximity to the city center is excellent.

There are many mid- to high-rise apartment buildings, office buildings, etc. along the arterial road in the area. With a convenience store to the west side across the road at the front, a supermarket located an approx. 3-minute walk to the east and the Osu Shopping Street within 1 km which is Nagoya's greatest shopping street, the area is very convenient with many shops selling daily goods, clothing and general goods as well as restaurants.

Artiza Chiyoda

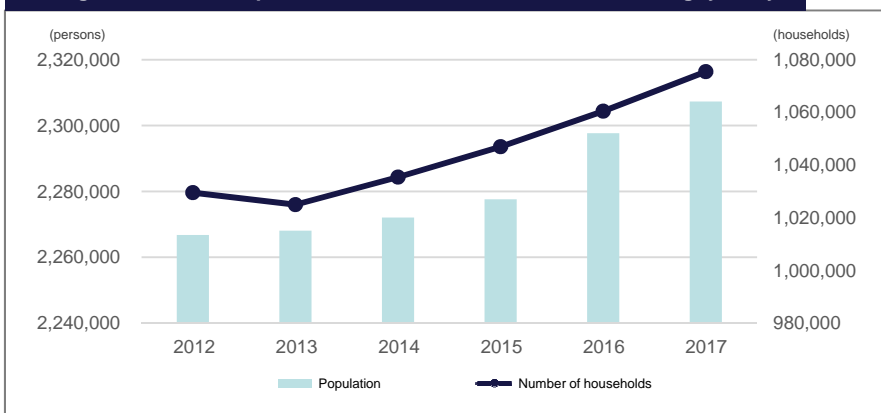


Location	4-4-22 Chiyoda, Naka Ward, Nagoya City, Aichi
Acquisition price	980 million yen
Appraisal value	1,080 million yen
Appraisal NOI yield	5.3%
Constructed	September 2017
No. of leasable units	78 single units
Occupancy rate	93.7%

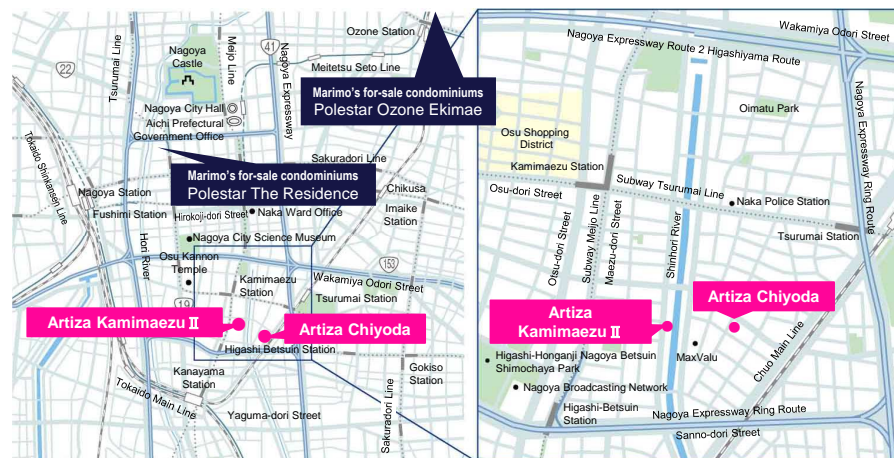
Property descriptions

The Chiyoda area is located in the southeast section of Naka Ward, Nagoya City. It prospered as the Sakae district, Nagoya City's central commercial area, and as an area in front of a temple in the past, and it is adjacent to the Osu district which is currently being revitalized with shops targeting younger generations and electronics stores. The property is an 8-minute walk from Tsurumai Station on the Nagoya Municipal Subway Tsurumai Line. The living environment is excellent as there are convenient facilities such as supermarkets nearby.

Change in the Total Population and Number of Households in Nagoya City



Source: Prepared by the asset manager based on Nagoya City's "Population Estimates and Population Trends."



(Note) Regarding each of marimo's for-sale condominiums, marimo REIT has no specific plans for acquisitions, nor is there any guarantee that it may be acquired in the future.

02

Summary of Financial Results for 4th Fiscal Period



Financial outcome

LTV to total assets

end of 3rd FP end of 4th FP
49.5% → **47.8%**

Portfolio status

Dividends per unit

Forecasts for the 4th FP (1) Results of the 4th FP
3,425 yen → **3,441** yen

Investment unit price

end of 3rd FP end of 4th FP
111,700 yen → **114,300** yen

Asset size

end of 3rd FP end of 4th FP
16.825 billion yen → **24.525** billion yen

NAV per unit

end of 3rd FP end of 4th FP
120,709 yen → **121,786** yen

Average building age (2)

end of 3rd FP end of 4th FP
13.9 years → **13.0** years

(1) The forecast for the 4th Fiscal Period is the forecast announced on February 19, 2018 (includes dividends in excess of earnings).

(2) Each of the average building age is the weighted average of the building ages as of the end of 3rd FP or the end of 4th FP by acquisition price.

	Forecasts for the 4th FP (1) (a)	Results of the 4th FP (b)	Variation (b)-(a)
Operating revenue (million yen) (2)	1,033	1,057	+ 24
Operating income (million yen) (2)	461	472	+ 11
Ordinary income (million yen) (2)	390	395	+ 5
Net income (million yen) (2)	389	394	+ 5
Dividends per unit (yen) (excluding dividends in excess of earnings)... ^①	2,940	2,982	+ 42
Dividends in excess of earnings per unit (yen)... ^②	485	459	-26
Dividends per unit (yen)... ^① + ^② (including dividends in excess of earnings)	3,425	3,441	+ 16

Factors (unit: million yen)

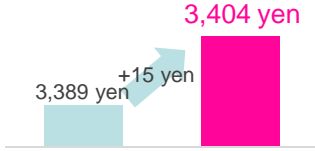
Operating revenue	+24
Increase in lease business revenue	+3
Increase in utilities expenses	+6
Cancellation penalty, etc (MRR Sasebo)	+6
Increase in other income (Income from key money, restoration costs, etc.)	+9
Operating expenses	-13
Expenses for changing signboards (MRR Kumamoto)	-2
Increase in repair costs	-2
Increase in advertising expenses	-6
Increase in other expenses	-3

(Note) + indicates net income increasing factor
 - indicates net income decreasing factor

(1) Announced on February 19, 2018

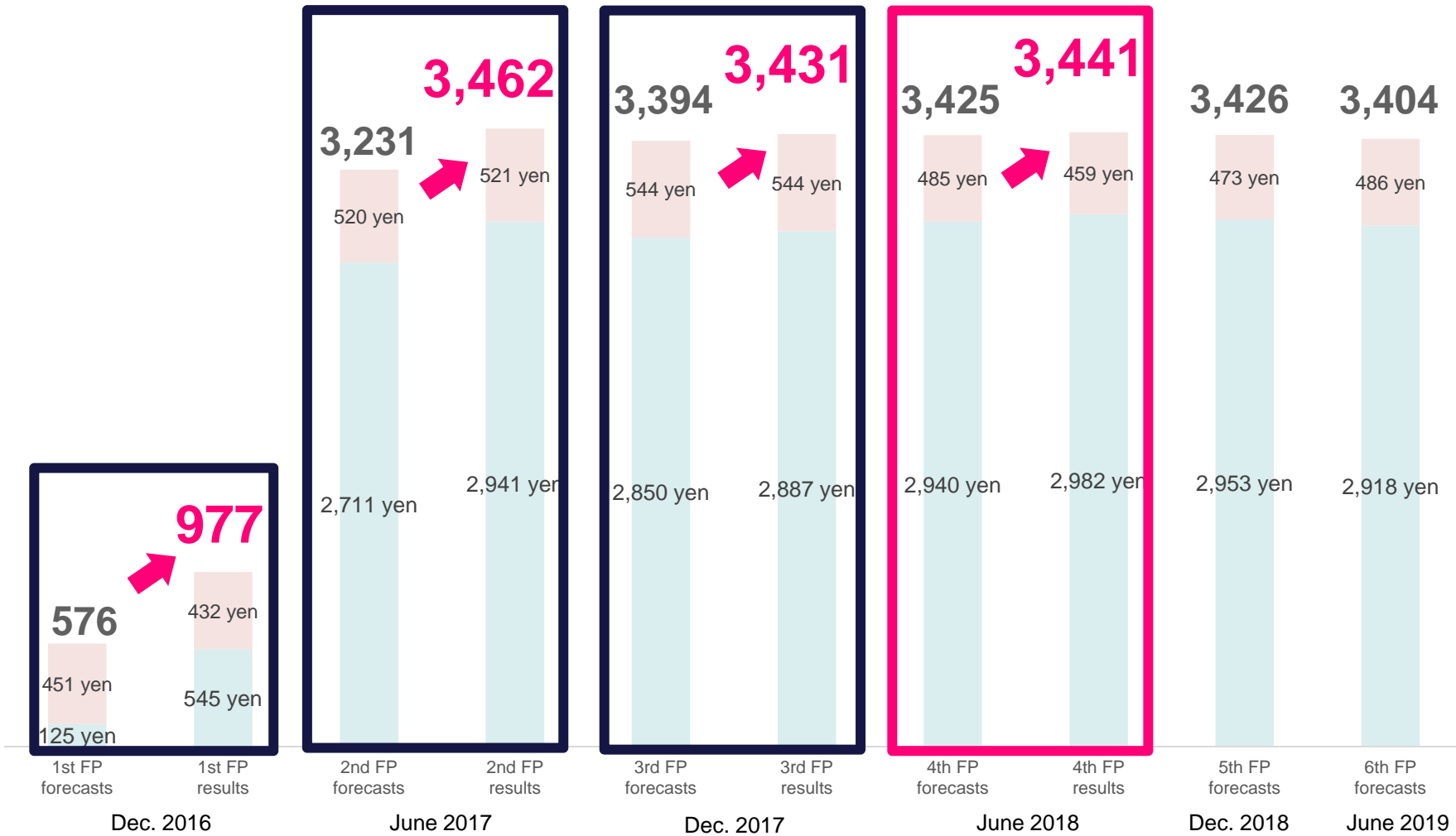
(2) Rounded down to the nearest specified unit

5th Fiscal Period (ending December 2018) and 6th Fiscal Period (ending June 2019) Earnings Forecasts (Note 1)

	4th Fiscal Period ended June 2018	5th Fiscal Period ending December 2018	Variation	6th Fiscal Period ending June 2019	Variation	Assumptions for the forecasts for the 5th FP and 6th FP
	Results (A)	Forecast (B)	(B)-(A)	Forecast (C)	(C)-(B)	
Operating revenue (million yen) (2)	1,057	1,086	+29	1,086	±0	Forecast for the 5th FP Operating revenue +29 Increase from absence of per-day rent of properties acquired in the 4th FP (Jan. 1 to Jan. 22) +29
Operating income (million yen) (2)	472	467	-4	461	-6	Operating expenses -33 Increase in repair costs -13 Increase of asset management fee -18 Increase in other expenses -1
Ordinary income (million yen) (2)	395	391	-3	387	-4	Forecast for the 6th FP Operating expenses -6 Decrease in repair costs +19 Increase of fixed asset tax and city planning tax of properties acquired in the 4th FP -26 Decrease in other expenses +1
Net income (million yen) (2)	394	390	-3	386	-4	
Dividends per unit (yen) (excluding dividends in excess of earnings)...①	2,982	2,953	-29	2,918	-35	(Note) + indicates net income increasing factor - indicates net income decreasing factor
Dividends in excess of net income per unit (yen)...②	459	473	+14	486	+13	
Dividends per unit (yen)... ① + ② (including dividends in excess of earnings)	3,441	3,426	-15	3,404	-22	Reference (Comparison of steady basis dividend per unit) 

- (1) The forecasts for the 5th Fiscal Period and 6th Fiscal Period do not guarantee actual results.
(2) Rounded down to the nearest specified unit

Dividends per unit (including dividends in excess of earnings)



(1) We do not guarantee the achievement of forecasts for 5h FP and 6th FP.

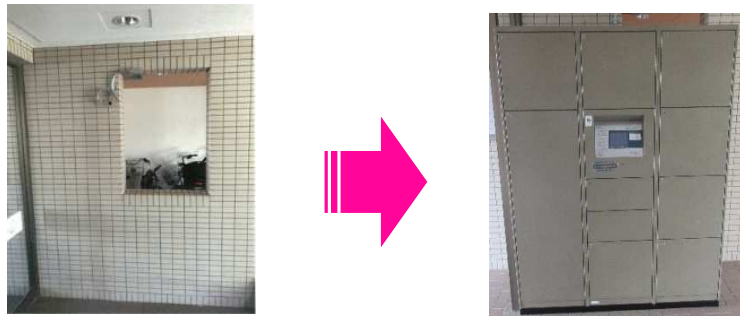
03

Management Results for 4th Fiscal Period



Efforts for Improving Customer Satisfaction

- Replacement of gas-powered water heater (Artiza Sobudai and Artiza Tsuzuki Chuo Koen)
- Repair of exterior walls of shop (MRR Omuta)
- Installation of delivery box (Artiza Tsuzuki Chuo Koen)



■ Promotion of leasing

Some rooms were decorated with interior design and small articles, creating spaces like model rooms to increase appeal to potential renters.

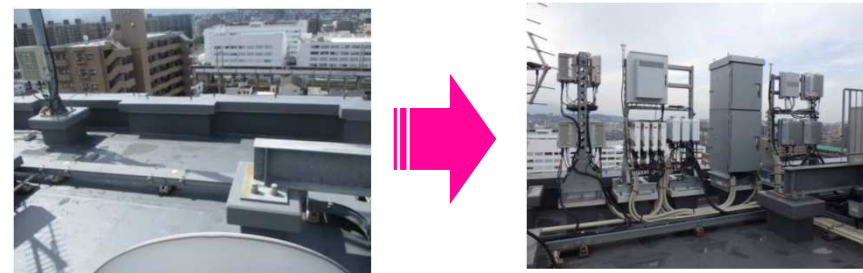


Efforts for Increasing Revenues

- Increase of revenue by bringing in base station antenna for cellphones (Artiza Hakata Ekimae)



Base station for cellphones and such was brought on to the rooftop. Increase in income is expected.



■ Renovation (Artiza Tsuzuki Chuo Koen)



4th Fiscal Period Pursuing Increase of Asset Value (2)

Efforts for Reducing Cost

- Installation of LED lighting in common areas
(Tarumi Ekimae Gold Building, MRR Sasebo and MRR Itoshima (partial))

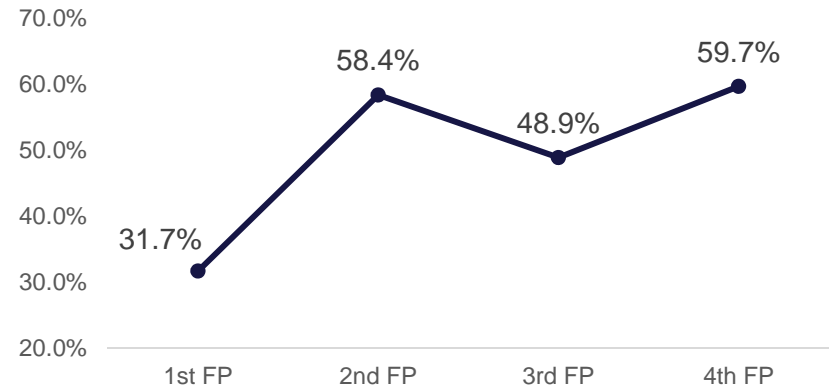


Environmental conservation

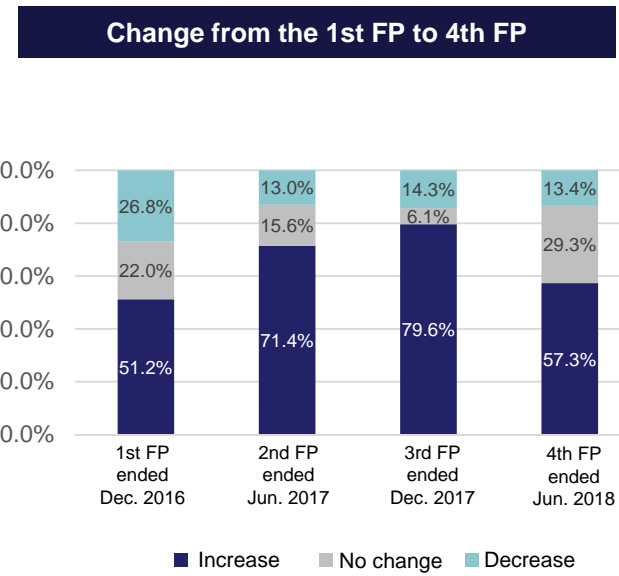
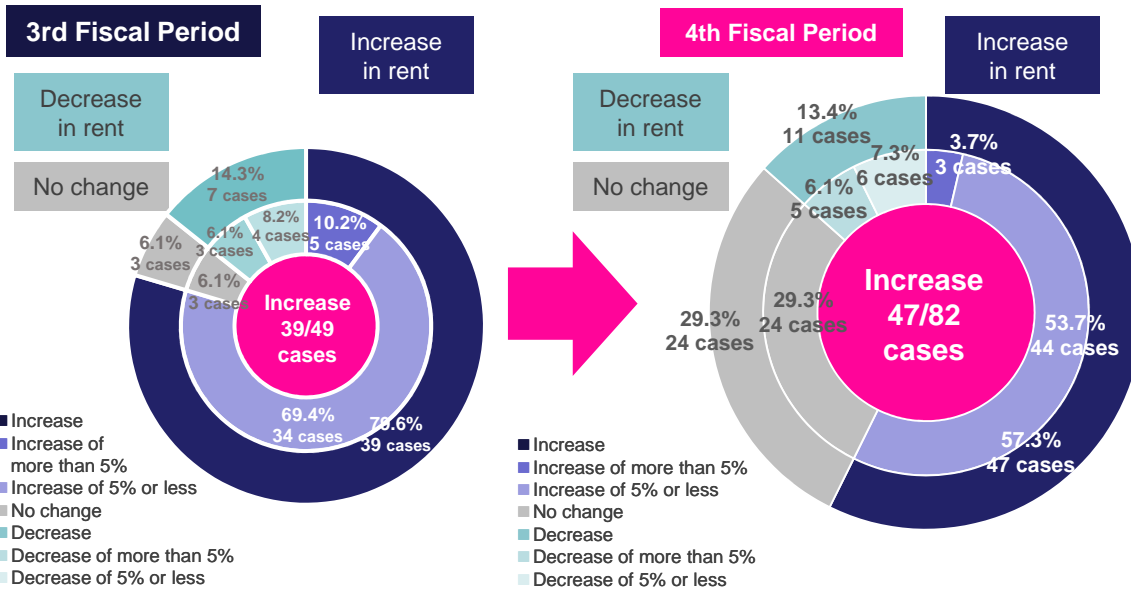
Cost reduction

ECO

Change in Target Downtime (within 60 days) Achievement Ratio

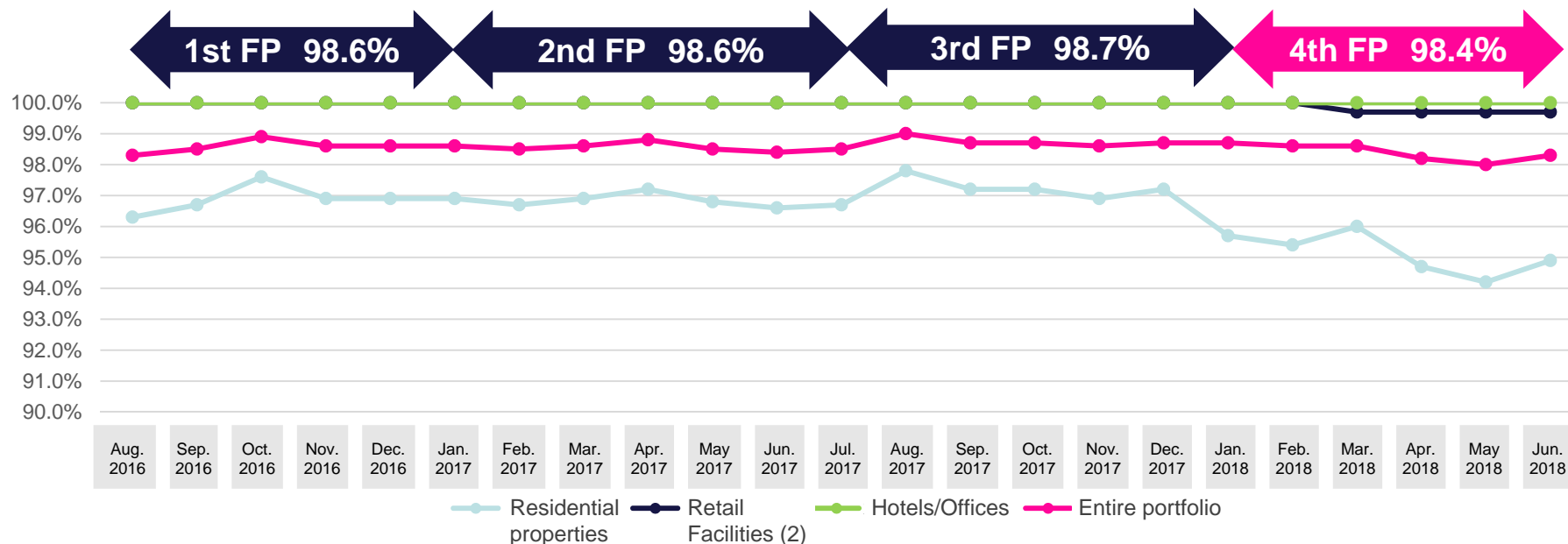


Increase/Decrease in Residential Rent



Maintaining Stable Average Occupancy Rate

Average occupancy rate for entire portfolio during fiscal periods



Occupancy rate (%) (1)	1st FP (Dec. 2016)	2nd FP (June 2017)	3rd FP (Dec. 2017)	4th FP (June 2018)					
	End of December	End of June	End of December	End of January	End of February	End of March	End of April	End of May	End of June
Residential properties	96.9	96.6	97.2	95.7	95.4	96.0	94.7	94.2	94.9
Retail Facilities	100.0	100.0	100.0	100.0	100.0	99.7	99.7	99.7	99.7
Hotels/Offices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Entire portfolio	98.6	98.4	98.7	98.7	98.6	98.6	98.2	98.0	98.3

(1) For 1st to 3rd FPs, occupancy rates at the end of the fiscal period are indicated; and for 4th FP, those at the end of the month are indicated.

(2) Average occupancy rate for retail facilities was 100.0% at any time between August 2016 and February 2018.

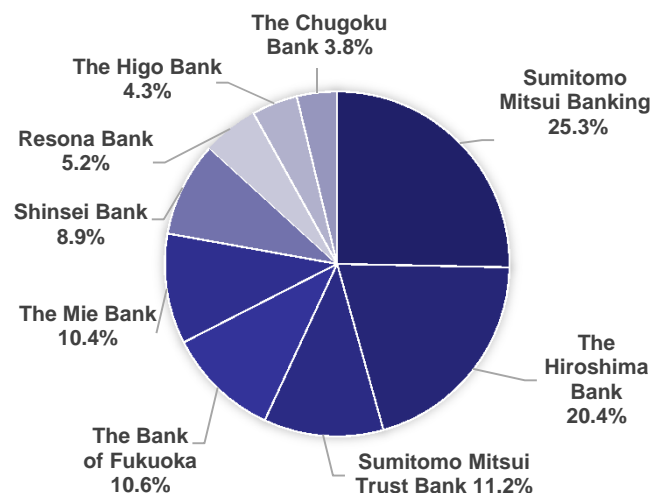
4th Fiscal Period Financial Status (fiscal period ended June 2018)

[unit: million yen]

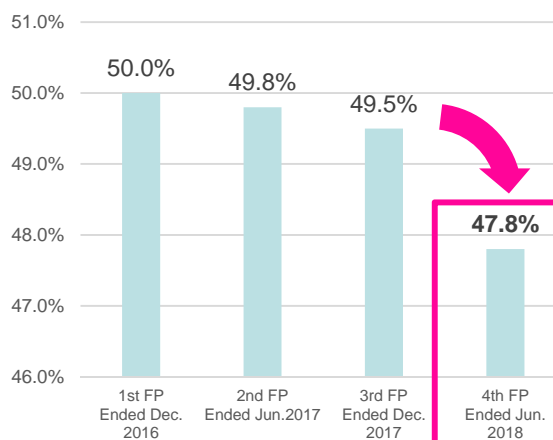
Lender	Balance of borrowings at end of 3rd FP	Amount repaid in 4th FP	New borrowings in 4th FP	Balance of borrowings at end of 4th FP	Floating or fixed	Interest rate	Borrowing date	Maturity date	Remarks
Syndicate of lenders arranged by Sumitomo Mitsui Banking ・Sumitomo Mitsui Banking ・The Hiroshima Bank ・Sumitomo Mitsui Trust Bank ・The Bank of Fukuoka ・The Mie Bank ・Shinsei Bank ・Resona Bank ・The Higo Bank NEW ・The Chugoku Bank	640	640		—	Floating	1M TIBOR + 0.2%	Jun. 1 2017	Jun. 1 2018 (Note)	Unsecured & unguaranteed
	500	500		—		3M TIBOR + 0.2%	Aug. 1 2017	Aug. 1 2018 (Note)	
	3,330			3,330	fixed	3M TIBOR + 0.6%	Aug. 1 2016	Aug. 1 2019	
	3,500			3,500		0.86669%		Aug. 2 2021	
	1,462.5	15		1,447.5		1.09908%		Aug. 1 2023	
				4,840	Floating	3M TIBOR + 0.6%	Jan. 23 2018	Feb. 1 2021	
			145	145		3M TIBOR + 0.2%		Feb. 1 2019	
Total	9,432.5	1,155	4,985	13,262.5					

(Note) Early repayment was implemented on January 23, 2018.

Diversification status of lenders



LTV to total assets



Average remaining period

2.96 years

Average interest rate

0.76%

Long-term debt ratio

100%

Focused on presentation for individual investors in an effort to spread awareness

IR Activities in the 4th Fiscal Period (Jan. to Jun. 2018)

- | | |
|---|------------------------|
| 1. SMBC Nikko Securities
J-REIT Seminar (Fukuoka) | February 23 (Friday) |
| 2. Real Estate Sustainability & Energy-Efficiency Diffusion
20th Re-Seed Seminar (Tokyo) | February 23 (Friday) |
| 3. Tokyo Stock Exchange, Nikkei Radio and Pronexus
J-REIT Fan 2018 (Tokyo) | February 24 (Saturday) |
| 4. ARES
Nation-Wide J-REIT Promotion Caravan (Hiroshima) | March 1 (Thursday) |
| 5. SMBC Nikko Securities
J-REIT Seminar (Niigata) | March 8 (Thursday) |
| 6. Nikko Investor Relations
Joint IR for individual investors (Nagoya) | March 17 (Saturday) |
| 7. Nihon Securities Journal
Joint IR for individual investors (Osaka) | April 18 (Wednesday) |
| 8. Nihon Securities Journal
Joint IR for individual investors (Nagoya) | May 28 (Monday) |



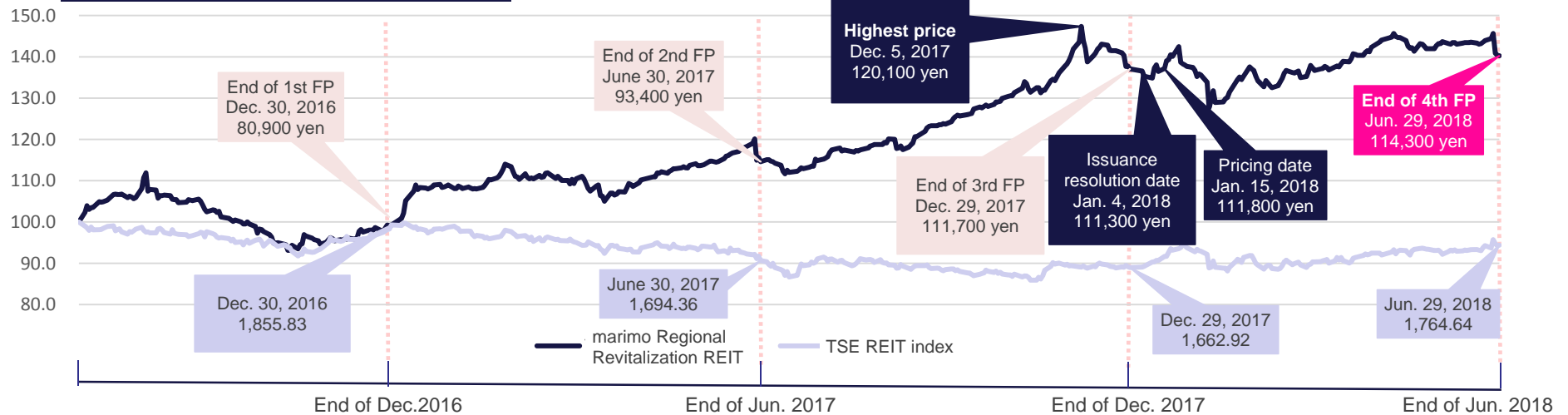
IR Activities Scheduled for the 5th Fiscal Period (Jul. to Dec. 2018)

- | | | | |
|---|---|--|------------------------|
| 1. SMBC Nikko Securities IR for individual investors (Nagasaki) | September 6 (Thursday) | 6. Radio Nikkei The Money | October 9 (Tuesday) |
| 2. SMBC Nikko Securities J-REIT Seminar (Sapporo) | September 12 (Wednesday) | 7. SMBC Nikko Securities J-REIT Fair (Tokyo) | October 20 (Saturday) |
| 3. ARES J-REIT Fair (Tokyo) | September 21 and 22 (Friday and Saturday) | 8. Daiwa J-REIT Caravan (Fukuoka) | November 22 (Thursday) |
| 4. Nomura Securities IR for individual investors (Tokyo) | September 25 (Tuesday) | 9. Tokyo Stock Exchange, Nikkei Radio and Pronexus
J-REIT Fan 2018 Autumn (Tokyo) | November 24 (Saturday) |
| 5. ARES Nation-Wide J-REIT Promotion Caravan (Tenjin) | September 28 (Friday) | 10. SMBC Nikko
"Property Conference Tokyo 2018" (Tokyo) | December 6 (Thursday) |

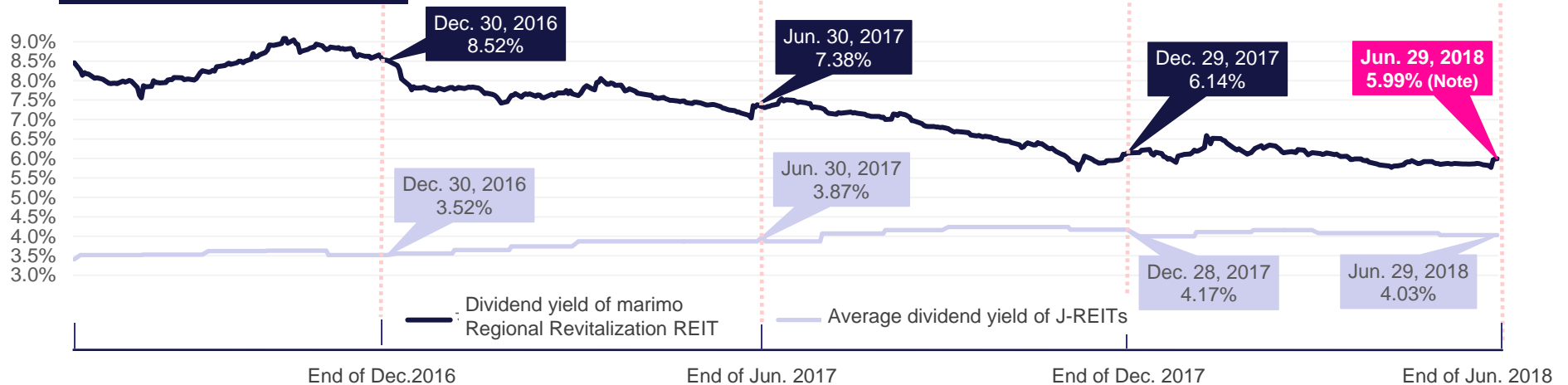
Change in Investment Unit Price and Dividend Yield

Change in investment unit price

*Indexed with the closing price on July 29, 2016 set as 100.



Change in dividend yield



(Note) Calculated by dividing the sum of forecast dividends of 3,425 yen for the 4th FP and 3,426 yen for the 5th FP by the closing price on June 29, 2018.

04

Future Initiatives



Points to consider upon selection

- (1) Number of parking spaces
- (2) Location along arterial roads/traffic volume
- (3) Resistance to e-commerce

➔ **Stability of cash flows**

Since regional areas are largely dependent on automobiles, we assume that people go shopping by car after work and go to resorts or go shopping on weekends with families by car.

Number of cars owned per household

As of March 31, 2017

Tokyo metropolitan area	Regional areas
0.702	1.216

Source: Statistics by Automobile Inspection & Registration Information Association (announced on August 15, 2017)

(Example) Number of parking spaces of existing facilities

Facility name	No. of parking spaces
MRR Kumamoto	259
MRR Sasebo	131
MRR Itoshima	136
MRR Akita	149
Supercenter TRIAL Togitsu Store (land with leasehold interest)	224

Source: Prepared based on in-house documents

Closely check the number of parking spaces

(Example) Traffic volume in the surrounding areas of MRR Sasebo

	24-hour traffic volume of motor vehicles	Congestion benchmark
Closest point	50,742	1.71
Prefectural average	9,876	0.73

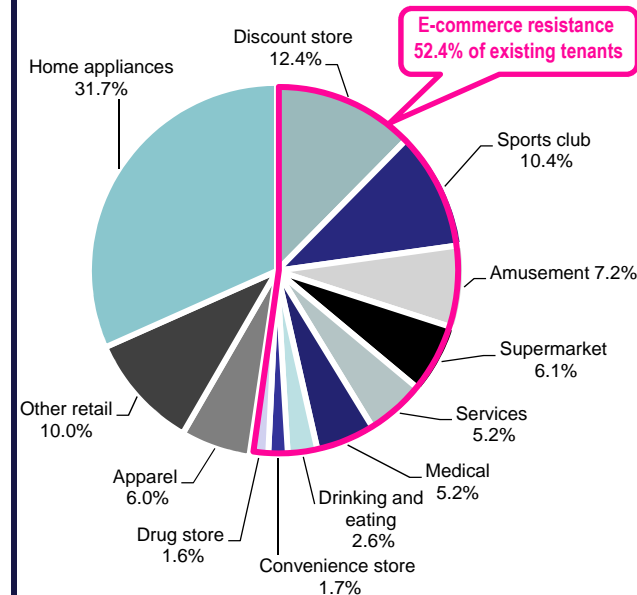
Explanation on congestion benchmark

1.00 or lower	No congestion and traffic is smooth.
1.25~1.75	Not only during the peak hours but congestion is also likely to occur at an accelerated pace during other hours around the peak time.
2.00 or higher	Chronic congestion, with around 70% of the 12-hour daytime period seeing congestion.

Source: Road Traffic Census FY2015

Closely check the traffic volume and congestion benchmark

Attributes of existing tenants



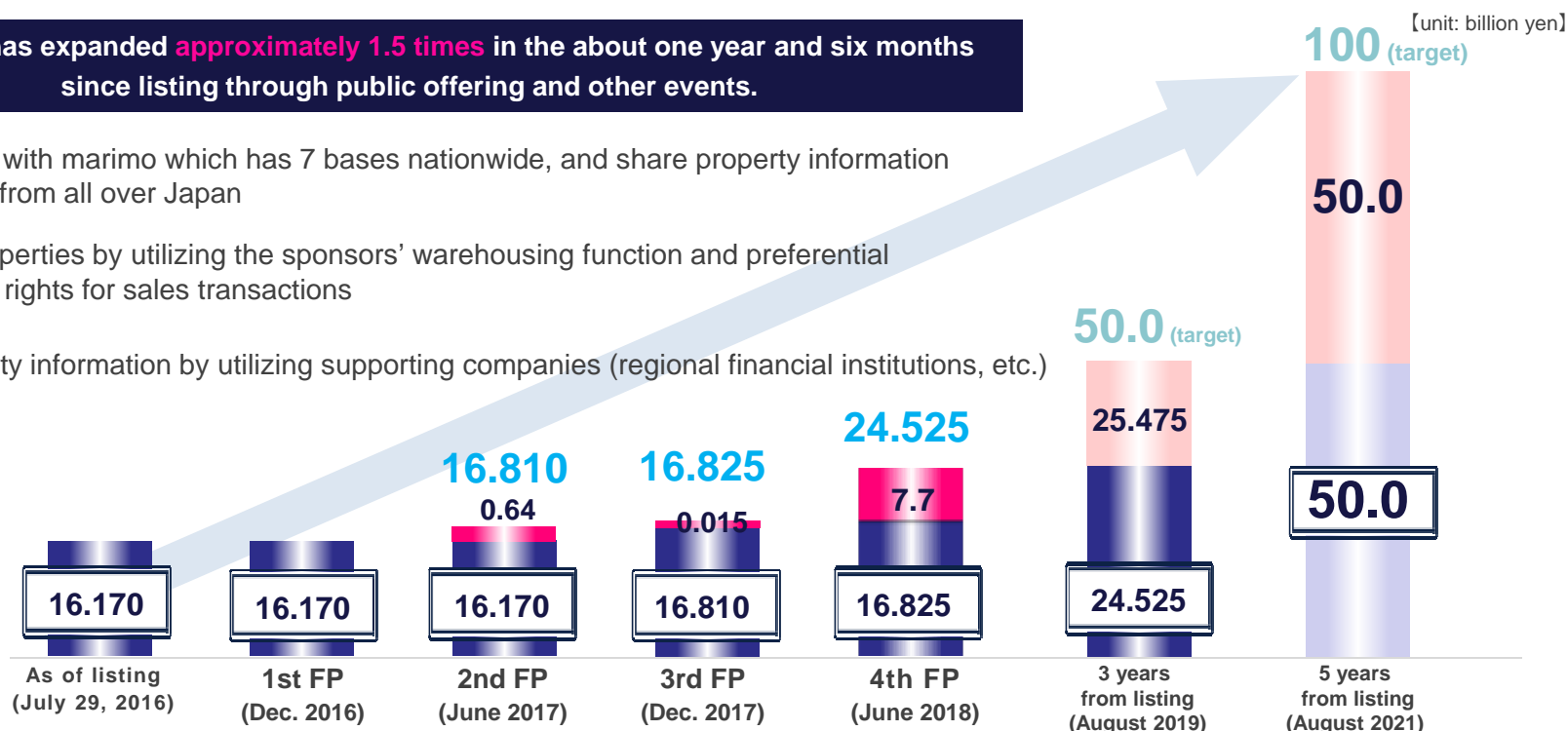
*Part of "Other retail" and "Supermarket" have been reclassified into "Discount store" from September 14, 2018 to subdivide the attribute of existing tenants.

Closely check e-commerce resistance

External Growth Expand Size of Portfolio

Asset size has expanded **approximately 1.5 times** in the about one year and six months since listing through public offering and other events.

- 1) Collaborate with marimo which has 7 bases nationwide, and share property information that comes from all over Japan
- 2) Acquire properties by utilizing the sponsors' warehousing function and preferential negotiation rights for sales transactions
- 3) Gain property information by utilizing supporting companies (regional financial institutions, etc.)



Aiming for enhancing unitholder value with the expansion of asset size.

	End of 1st FP	End of 2nd FP	End of 3rd FP	End of 4th FP	5th FP forecast	6th FP forecast
Dividend per unit (yen)	977 Variation from forecast +69.6%	3,462 Variation from forecast +7.2%	3,431 Variation from forecast +1.1%	3,441 Variation from forecast +0.5%	3,426	3,404
NAV per unit (yen)	113,679	119,105 Variation from previous FP +4.8%	120,709 Variation from Previous FP +1.3%	121,786 Variation from previous FP +0.9%	—	—

(1) Asset size for August 2019 and August 2021 indicate our targets and no actual change in the size of the portfolio is guaranteed.

(2) We do not guarantee the achievement of forecasts for the 5th FP and 6th FP.

External Growth Preferential Negotiation Rights for Sales Transactions

Preferential negotiation rights for sales transactions

Developed by sponsor

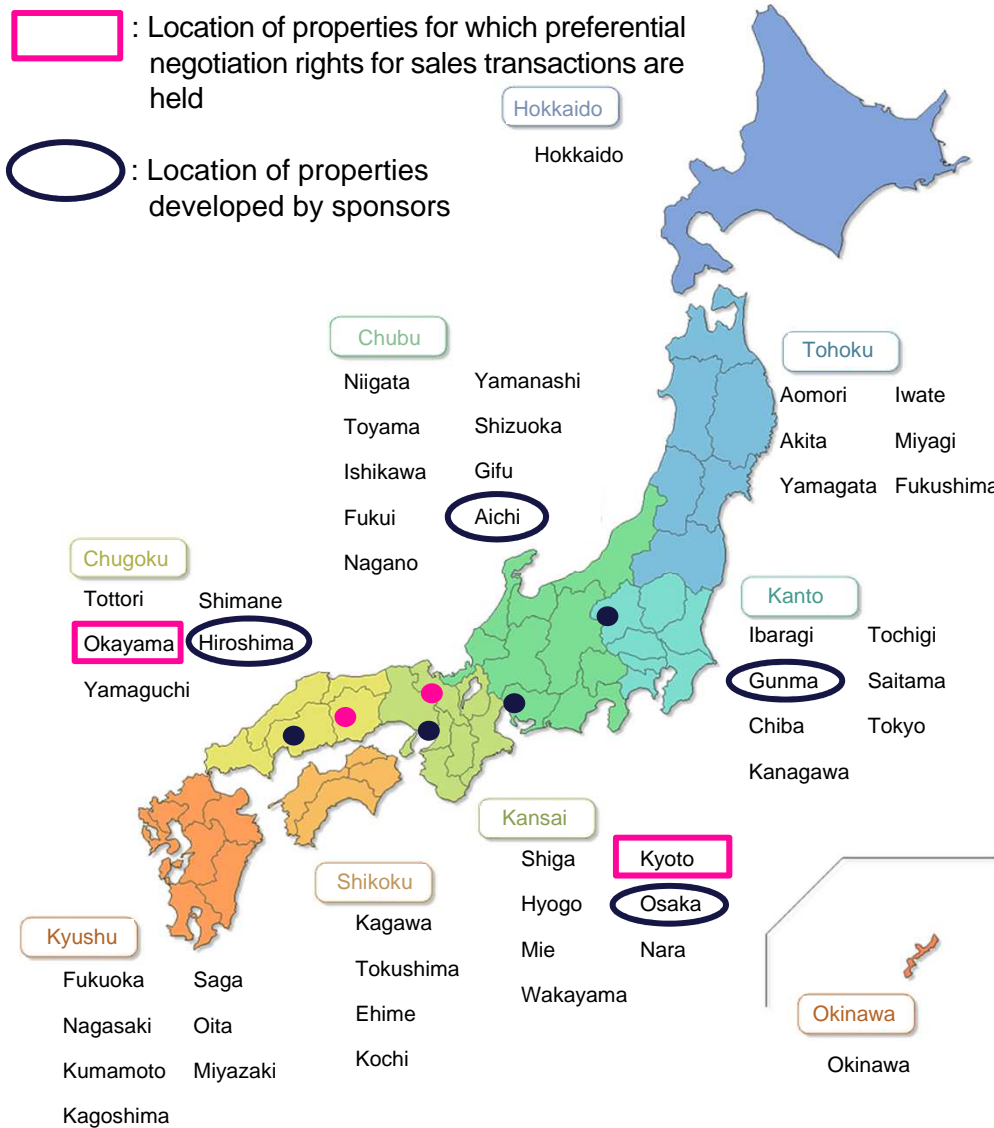
Artiza Higashi-Shimada
Location: Okayama City, Okayama
Constructed: December 2016
Units: 52

Developed by sponsor

Hotel Resol Kyoto Kawaramachi Sanjo (1)
Location: Kyoto City, Kyoto
Constructed: March 2018
Units: 144

Properties developed by sponsors

Location	Main type	Units/ Guestrooms	Constructed
Hiroshima City, Hiroshima	Hotel ⁽²⁾	228	Jun. 2018
Nagoya City, Nagoya	Residential	30	Feb. 2019 (scheduled)
Takasaki City, Gunma	Residential	54	Sep. 2019 (scheduled)
Osaka City, Osaka	Residential	91	Jan. 2020 (scheduled)
Nagoya City, Aichi	Residential	40	Feb. 2020 (scheduled)



(1) The hotel was previously indicated as "(tentative name) Resol Hotel Kyoto," but now is officially named as "Hotel Resol Kyoto Kawaramachi Sanjo."
 (2) The property is owned by a special purpose company with equity investment by Marimo Co., Ltd.
 (3) There are no plans for marimo REIT to acquire the properties as of the date of this document and there is no guarantee it can acquire them in the future.

05

Appendix



Basic principle = “Strengthen Japan from regional areas”

Regional revitalization

marimo REIT’s idea on regional revitalization is to create regional societies where nationwide people can live their unique lifestyle pleasantly while having hope for their region’s future by reducing the “monocentric concentration in Tokyo.”

Creation of employment

Revitalization of regional economy

Revitalization of “towns” through investing in regional real estate

marimo Regional Revitalization REIT, Inc.

Expertise in
real estate development
and urban redevelopment



Provide property information (Note)



(Note) The Michinoku Bank, The Chugoku Bank, The Hiroshima Bank and The Ashikaga Bank are to provide property information voluntarily at their own discretion.

Overview of the Sponsor, Marimo

Company name	Marimo Co., Ltd.
Headquarters address	1-17-23, Kougokita, Nishi Ward, Hiroshima
Established	September 1, 1970
Global operation	Japan, China, Malaysia, etc.
Net sales (Non-consolidated)	50.7 billion yen (as of July 31, 2017)
Employees	215 (as of July 31, 2017)
Business description (Including business description of subsidiaries)	Planning, development, designing, supervising and sales business of for-sale residential properties, real estate securitization business and sales of overseas for-sale condominiums

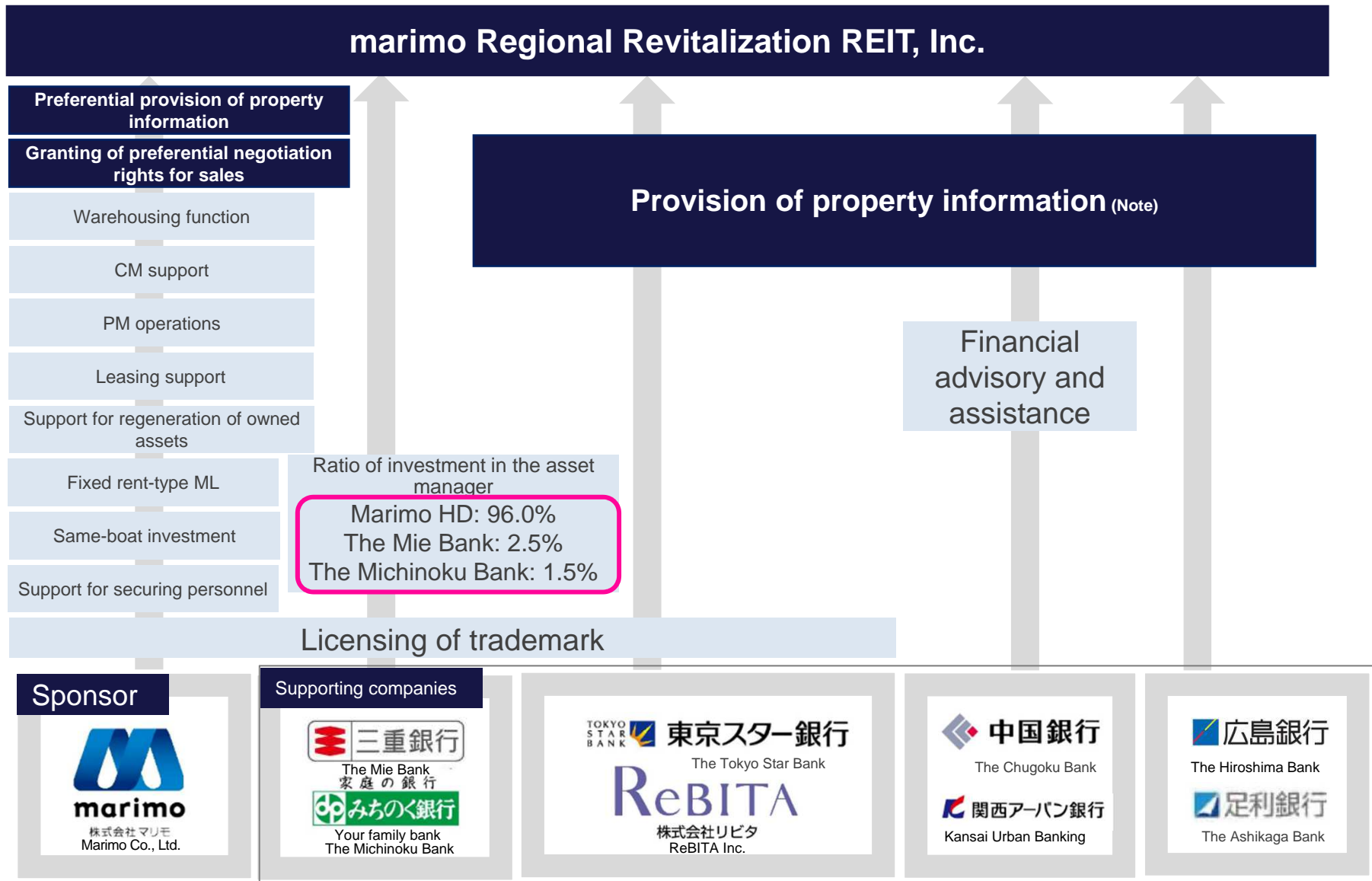
Since foundation in 1970,
Achieved surplus for 47 consecutive fiscal periods

Track record of for-sale condominium development (as of May 31, 2018)
379 structures with 24,463 units in 133 cities over 43 prefectures nationwide

Urban redevelopment business (Note)	Domestic for-rent condominium business	Income property direction business
<p>The Kumamoto Gardens</p> 	 	 

(Note) The graphic of the urban redevelopment project is the rendering of The Kumamoto Gardens, which is scheduled to be constructed based on the urban redevelopment project as of June 30, 2018 in which Marimo is involved, and the entire said project. There are no plans for marimo REIT to acquire the properties as of the date of this document and there is no guarantee it can acquire them in the future.

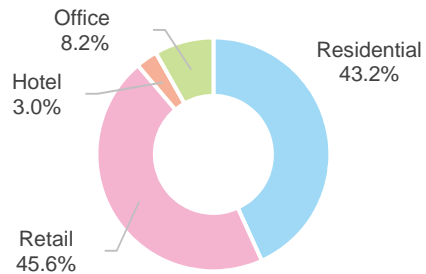
System of Sponsor and Supporting Companies marimo Regional Revitalization REIT, Inc.



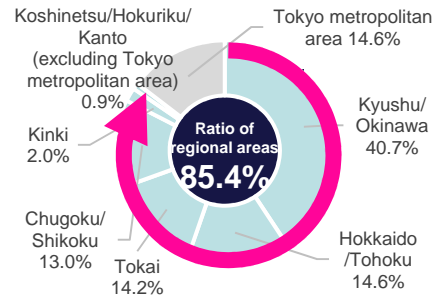
(Note) The Michinoku Bank, Chugoku Bank, The Hiroshima Bank and The Ashikaga Bank shall provide property information voluntarily upon the discretion of each.

Portfolio List (as of June 30, 2018)

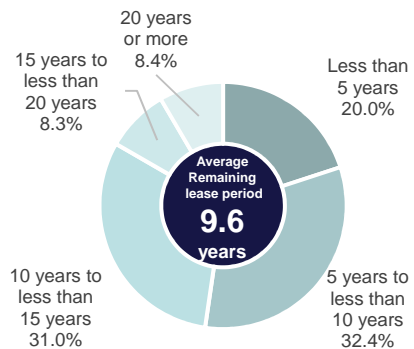
Investment ratio by type (based on acquisition price)



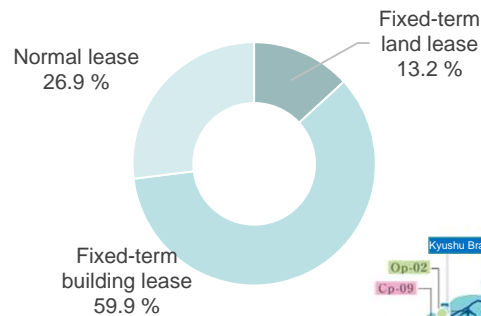
Investment ratio by region (based on acquisition price)



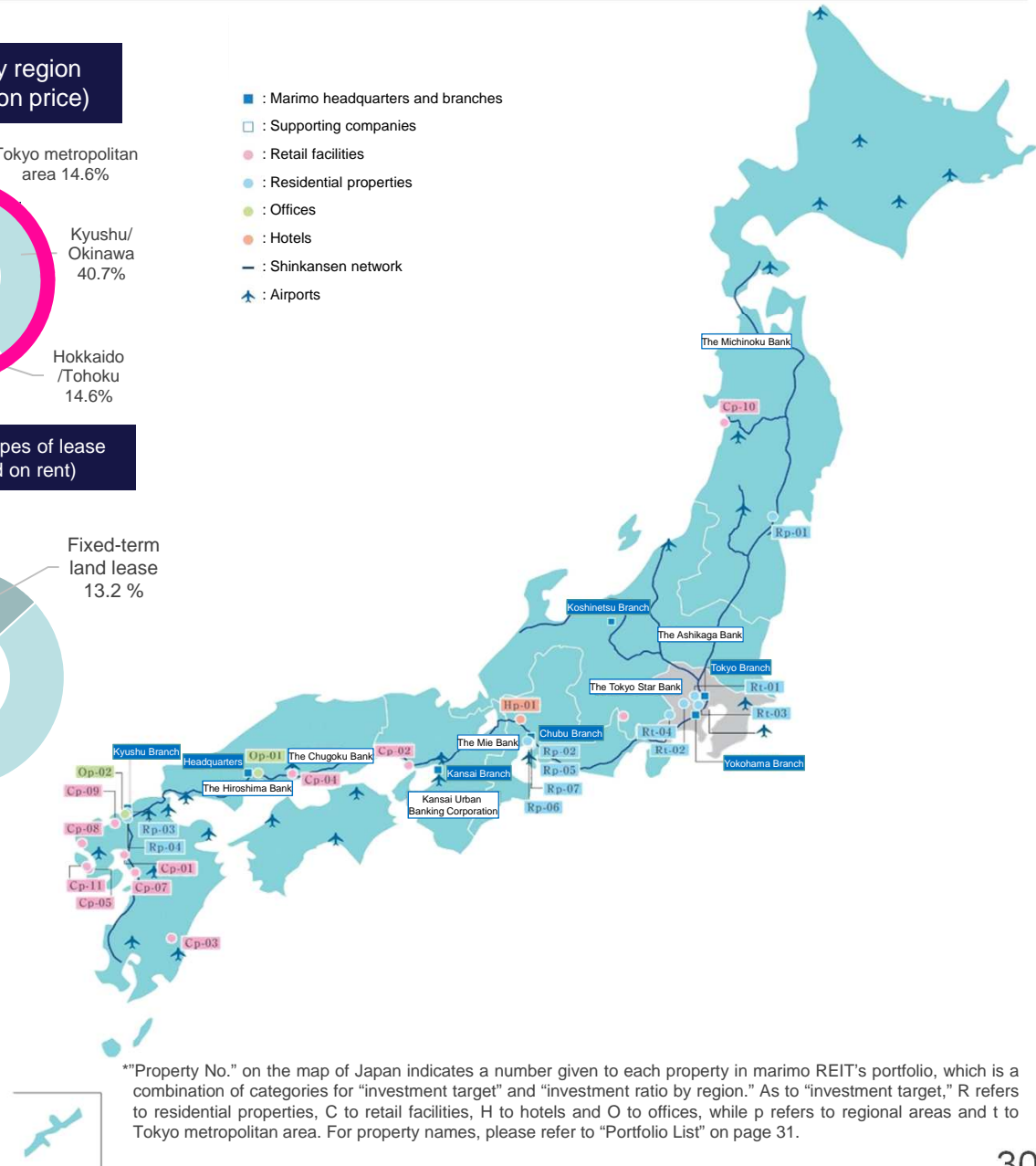
Average remaining lease period (based on rent)



Composition ratio of types of lease agreements (based on rent)



- : Marimo headquarters and branches
- : Supporting companies
- : Retail facilities
- : Residential properties
- : Offices
- : Hotels
- : Shinkansen network
- ✈ : Airports



**"Property No." on the map of Japan indicates a number given to each property in marimo REIT's portfolio, which is a combination of categories for "investment target" and "investment ratio by region." As to "investment target," R refers to residential properties, C to retail facilities, H to hotels and O to offices, while p refers to regional areas and t to Tokyo metropolitan area. For property names, please refer to "Portfolio List" on page 31.

Portfolio List (fiscal period ended June 2018)

Property No.	Property name	Location	Category	Acquisition price	Book value at the end of 4th FP	Appraisal value at the end of 3rd FP	Appraisal value at the end of 4th FP	Terminal capitalization rate at the end of 3rd FP	Terminal capitalization rate at the end of 4th FP	Appraised NOI yield
Rp-01	Artiza Sendai Kakyoin	Sendai City, Miyagi	Residential properties	2,730	2,706	3,630	3,640	5.5%	5.5%	7.5%
Rp-02	Artiza Kamimaezu	Nagoya City, Aichi	Residential properties	400	399	522	525	5.2%	5.2%	6.9%
Rp-03	Artiza Hakata Premium	Fukuoka City, Fukuoka	Residential properties	1,060	1,041	1,230	1,240	5.3%	5.2%	6.7%
Rp-04	Artiza Hakataeki-Minami	Fukuoka City, Fukuoka	Residential properties	500	494	557	564	5.2%	5.1%	6.4%
Rp-05	Artiza Higashi-Betsuin	Nagoya City, Aichi	Residential properties	640	650	659	667	5.0%	4.9%	5.0%
Rp-06	Artiza Kamimaezu II	Nagoya City, Aichi	Residential properties	720	739	-	770	-	5.0%	5.3%
Rp-07	Artiza Chiyoda	Nagoya City, Aichi	Residential properties	980	1,006	-	1,080	-	4.9%	5.3%
Rt-01	Artiza Ikejiri	Setagaya Ward, Tokyo	Residential properties	610	613	681	681	4.2%	4.2%	4.6%
Rt-02	Artiza Tsuzuki Chuo Koen	Yokohama City, Kanagawa	Residential properties	1,050	1,082	1,100	1,100	5.2%	5.2%	6.0%
Rt-03	Artiza Kawasaki East	Kawasaki City, Kanagawa	Residential properties	780	783	885	886	5.4%	5.4%	6.7%
Rt-04	Artiza Sobudai	Zama City, Kanagawa	Residential properties	1,130	1,148	1,290	1,290	5.4%	5.4%	6.8%
Cp-01	MRR Omuta	Omuta City, Fukuoka	Retail facilities	1,265	1,250	1,280	1,280	6.6%	6.6%	7.0%
Cp-02	Tarumiekimae Gold Building	Kobe City, Hyogo	Retail facilities	500	488	524	538	6.2%	6.1%	6.5%
Cp-03	Foodaly Aoba Store	Miyazaki City, Miyazaki	Retail facilities	250	240	400	405	6.4%	6.3%	10.3%
Cp-04	Yamada Denki Tecc Land Mihara Store	Mihara City, Hiroshima	Retail facilities	2,000	1,949	2,690	2,730	6.4%	6.3%	8.7%
Cp-05	Yamada Denki Tecc Land Togitsu Store	Nishi-Sonogi County, Nagasaki	Retail facilities	950	938	1,100	1,120	6.5%	6.4%	7.9%
Cp-06	Seven-Eleven Kofu Aioi 1-chome Store (land with leasehold interest)	Kofu City, Yamanashi	Retail facilities	220	223	220	220	7.0%	7.1%	6.6%
Cp-07	MRR Kumamoto	Kumamoto City, Kumamoto	Retail facilities	2,120	2,182	-	2,300	-	5.9%	6.7%
Cp-08	MRR Sasebo	Sasebo City, Nagasaki	Retail facilities	990	1,009	-	1,270	-	5.8%	7.4%
Cp-09	MRR Itoshima	Itoshima City, Fukuoka	Retail facilities	900	914	-	982	-	5.4%	6.0%
Cp-10	MRR Akita	Akita City, Akita	Retail facilities	840	852	-	879	-	6.8%	6.7%
Cp-11	Supercenter TRIAL Togitsu Store (land with leasehold interest)	Nishi-Sonogi County, Nagasaki	Retail facilities	1,150	1,170	-	1,200	-	5.0%	5.0%
Hp-01	Route-Inn Ichinomiya Ekimae	Ichinomiya City, Aichi	Hotels	740	709	838	841	6.1%	6.1%	6.9%
Op-01	MRR Delta Building	Hiroshima City, Hiroshima	Offices	1,200	1,187	1,280	1,280	5.8%	5.7%	6.4%
Op-02	PLEAST Hakata Gion Bldg.	Fukuoka City, Fukuoka	Offices	800	783	975	983	5.2%	5.1%	6.1%
Total / average			25 properties	24,525	24,569	19,861	28,471	-	-	6.7%

[Unit: million yen]

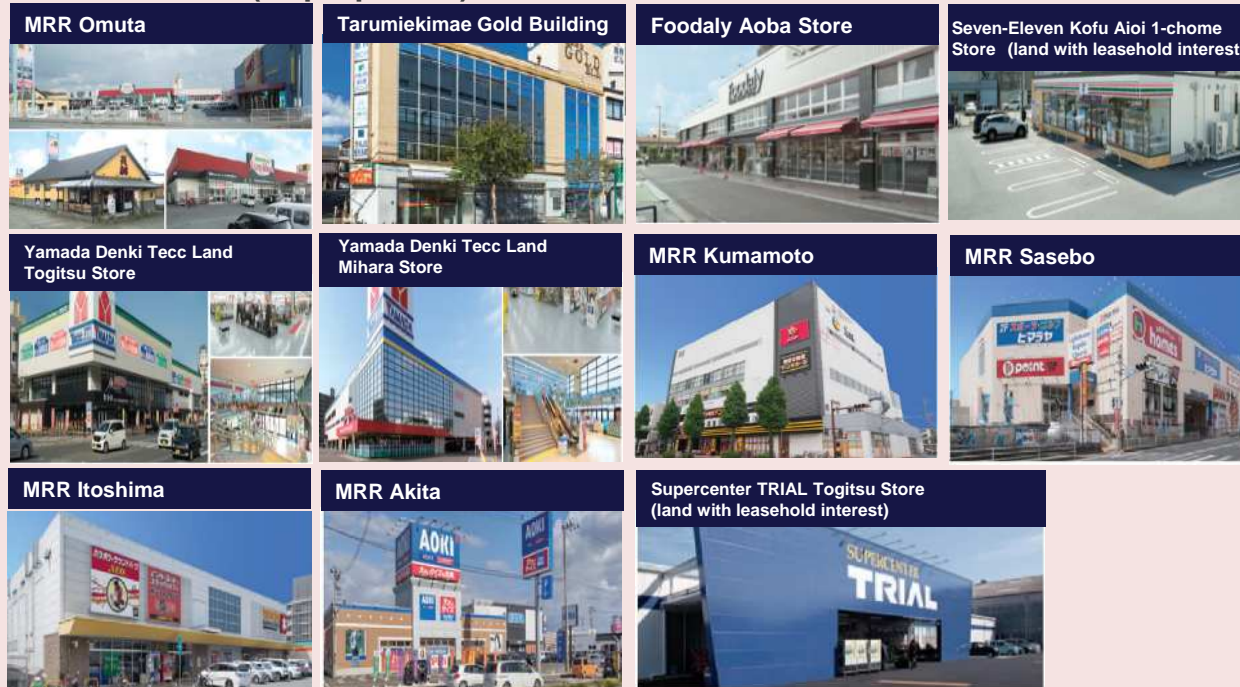
(Note) Appraisal NOI yield is calculated as: Appraisal NOI at the end of 4th FP/Acquisition price.

Photos of Properties

Residential properties (11 properties)



Retail facilities (11 properties)



Hotels (1 property)



Offices (2 properties)



Balance of Individual Properties (1)

Investment area		Regional area					Tokyo metropolitan area			
Property no.		Rp-01	Rp-02	Rp-03	Rp-04	Rp-05	Rt-01	Rt-02	Rt-03	Rt-04
Property name		Artiza Sendai Kakyoin	Artiza Kamimaezu	Artiza Hakata Premium	Artiza Hakataeki-Minami	Artiza Higashi-Betsuin	Artiza Ikejiri	Artiza Tsuzuki Chuo Koen	Artiza Kawasaki East	Artiza Sobudai
Acquisition date		August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016	June 1, 2017	August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016
Price information	Acquisition price (million yen)	2,730	400	1,060	500	640	610	1,050	780	1,130
	Investment ratio (%)	11.1	1.6	4.3	2.0	2.6	2.5	4.3	3.2	4.6
	Period-end book value (Note 1) (million yen)	2,706	399	1,041	494	650	613	1,082	783	1,148
Leasing information	Leasable area (Note 1) (m ²)	9,810.37	1,096.48	3,804.39	1,691.50	1,336.50	641.16	3,731.75	3,055.80	5,703.73
	Leased area (Note 1) (m ²)	9,159.37	1,071.56	3,675.08	1,666.88	1,336.50	568.12	3,374.00	3,055.80	5,430.50
	Occupancy rate (Note 1) (%)	93.4	97.7	96.6	98.5	100.0	88.6	90.4	100.0	95.2
Balance (Note 2)	(1) Number of operating days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(2) Total lease business revenue (thousand yen)	130,403	17,626	48,230	23,269	22,394	17,500	41,431	30,073	53,639
	Lease business revenue	123,783	17,369	45,988	21,861	21,093	16,593	39,768	30,073	51,909
	Other lease business revenue	6,619	257	2,242	1,408	1,300	907	1,662	–	1,729
	(3) Total lease business expenses (thousand yen)	27,480	3,442	13,138	6,098	5,795	5,319	10,796	3,886	15,711
	Management fees	9,303	1,328	3,952	2,134	2,092	1,769	3,795	1,062	5,235
	Taxes and public dues	7,693	1,338	3,268	1,559	1,619	767	2,867	2,318	3,730
	Utility costs	975	144	502	363	158	141	244	–	474
	Repair costs	8,528	121	4,759	1,577	569	2,346	3,465	151	5,226
	Insurance fees	493	70	190	78	101	42	195	130	327
	Trust fees	220	225	220	220	225	225	225	225	225
	Other lease business expenses	265	213	246	164	1,029	27	3	–	491
	(4) NOI (= (2) – (3)) (thousand yen)	102,923	14,184	35,091	17,170	16,598	12,180	30,634	26,186	37,928
(5) Depreciation (thousand yen)	30,160	4,403	16,305	7,019	6,569	2,462	3,331	5,367	10,047	
(6) Lease business income (= (4) – (5)) (thousand yen)	72,762	9,780	18,786	10,150	10,029	9,718	27,303	20,818	27,881	
(7) Capital expenditures (thousand yen)	350	–	137	–	–	–	15,205	6,727	8,343	
(8) NCF (= (4) – (7)) (thousand yen)	102,572	14,184	34,954	17,170	16,598	12,180	15,429	19,458	29,585	

(Note 1) Figures are as of the end of the 4th Fiscal Period.

(Note 2) The balance is for the 4th Fiscal Period.

Balance of Individual Properties (2)

Investment area		Regional area								
Property no.		Cp-01	Cp-02	Cp-03	Cp-04	Cp-05	Cp-06	Hp-01	Op-01	Op-02
Property name		MRR Omuta	Tarumiekimae Gold Building	Foodaly Aoba Store	Yamada Denki Tecc Land Mihara Store	Yamada Denki Tecc Land Togitsu Store	Seven-Eleven Kofu Aioi 1-chome Store (land with leasehold interest)	Route-Inn Ichinomiya Ekimae	MRR Delta Building	PLEAST Hakata Gion Bldg.
Acquisition date		August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016
Price information	Acquisition price (million yen)	1,265	500	250	2,000	950	220	740	1,200	800
	Investment ratio (%)	5.2	2.0	1.0	8.2	3.9	0.9	3.0	4.9	3.3
	Period-end book value (Note 1) (million yen)	1,250	488	240	1,949	938	223	709	1,187	783
Leasing information	Leasable area (Note 1) (m ²)	6,485.11	678.57	1,729.30	11,579.19	5,998.15	904.27	3,860.81	3,053.57	1,931.47
	Leased area (Note 1) (m ²)	6,485.11	678.57	1,729.30	11,579.19	5,998.15	904.27	3,860.81	3,053.57	1,931.47
	Occupancy rate (Note 1) (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Balance (Note 2)	(1) Number of operating days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(2) Total lease business revenue (thousand yen)	56,184	21,122	16,308	*	*	7,800	*	56,404	30,000
	Lease business revenue	56,133	19,434	16,308	*	*	7,800	*	51,041	30,000
	Other lease business revenue	51	1,687	–	–	–	–	–	5,363	–
	(3) Total lease business expenses (thousand yen)	10,961	3,640	3,255	*	*	766	*	18,624	5,212
	Management fees	2,333	1,324	489	*	*	234	*	3,714	2,319
	Taxes and public dues	4,893	723	1,111	8,732	3,033	296	3,974	5,066	2,391
	Utility costs	78	1,281	–	–	–	–	–	5,704	–
	Repair costs	1,070	13	–	–	–	–	–	3,401	98
	Insurance fees	163	27	45	376	239	–	180	247	114
	Trust fees	225	220	220	220	225	220	225	220	220
Other lease business expenses	2,196	49	1,388	15	3,853	15	–	271	69	
(4) NOI (= (2) – (3)) (thousand yen)	45,223	17,482	13,052	*	*	7,033	*	37,779	24,787	
(5) Depreciation (thousand yen)	14,699	4,951	3,963	18,695	6,268	–	10,844	14,711	6,802	
(6) Lease business income (= (4) – (5)) (thousand yen)	30,523	12,530	9,088	*	*	7,033	*	23,067	17,984	
(7) Capital expenditures (thousand yen)	3,004	166	–	–	846	–	–	6,371	–	
(8) NCF (= (4) – (7)) (thousand yen)	42,219	17,315	13,052	*	*	7,033	*	31,408	24,787	

* Figures are undisclosed as the consent of the tenant could not be obtained. Furthermore, while the tenant of Yamada Denki Tecc Land Mihara Store is Marimo Co., Ltd., there is an item of concern in the contract with the end tenant and so the figures are undisclosed as consent of the end tenant could not be obtained.

(Note 1) Figures are as of the end of the 4th Fiscal Period. Furthermore, the leasable area and leased area of Yamada Denki Tecc Land Mihara Store and Yamada Denki Tecc Land Togitsu Store include the areas of the 1F automobile garage (piloti-type parking lot section under the building) and the warehouse building.

(Note 2) The balance is for the 4th Fiscal Period.

Balance of Individual Properties (3)

Investment area			Regional area						
Property no.			Rp-06	Rp-07	Cp-07	Cp-08	Cp-09	Cp-10	Cp-11
Property name			Artiza Kamimaezu II	Artiza Chiyoda	MRR Kumamoto	MRR Sasebo	MRR Itoshima	MRR Akita	Supercenter TRIAL Togitsu Store (land with leasehold interest)
Acquisition date			January 23, 2018	January 23, 2018	January 23, 2018	January 23, 2018	January 23, 2018	January 23, 2018	January 23, 2018
Price information	Acquisition price (million yen)		720	980	2,120	990	900	840	1,150
	Investment ratio (%)		2.9	4.0	8.6	4.0	3.7	3.4	4.7
	Period-end book value (Note 1) (million yen)		739	1,006	2,182	1,009	914	852	1,170
Leasing information	Leasable area (Note 1) (m ²)		1,557.90	2,062.06	11,157.71	5,070.01	2,842.78	8,416.10	13,719.74
	Leased area (Note 1) (m ²)		1,475.27	1,931.46	11,157.71	4,872.23	2,842.78	8,416.10	13,719.74
	Occupancy rate (Note 1) (%)		94.7	93.7	100.0	96.1	100.0	100.0	100.0
Balance (Note 2)	(1) Number of operating days		159 days	159 days	159 days	159 days	159 days	159 days	159 days
	(2) Total lease business revenue (thousand yen)		20,380	28,861	103,467	54,848	36,184	28,304	*
		Lease business revenue	19,370	25,544	91,925	42,864	29,498	28,304	*
		Other lease business revenue	1,010	3,317	11,542	11,984	6,685	–	–
	(3) Total lease business expenses (thousand yen)		3,559	8,463	32,615	14,173	10,350	2,492	*
		Management fees	1,957	7,409	13,505	4,805	2,735	849	*
		Taxes and public dues	–	–	–	0	–	–	–
		Utility costs	162	164	15,254	6,053	6,377	–	–
		Repair costs	825	–	2,821	2,880	802	258	–
		Insurance fees	82	106	540	223	78	30	–
		Trust fees	196	196	218	196	218	196	196
		Other lease business expenses	335	586	275	14	139	1,158	60
	(4) NOI (= (2) – (3)) (thousand yen)		16,821	20,397	70,852	40,675	25,833	25,811	*
(5) Depreciation (thousand yen)		6,175	9,170	19,790	6,390	3,090	911	–	
(6) Lease business income (= (4) – (5)) (thousand yen)		10,645	11,227	51,061	34,285	22,742	24,900	*	
(7) Capital expenditures (thousand yen)		–	–	2,640	5,667	2,400	–	–	
(8) NCF (= (4) – (7)) (thousand yen)		16,821	20,397	68,212	35,007	23,433	25,811	*	

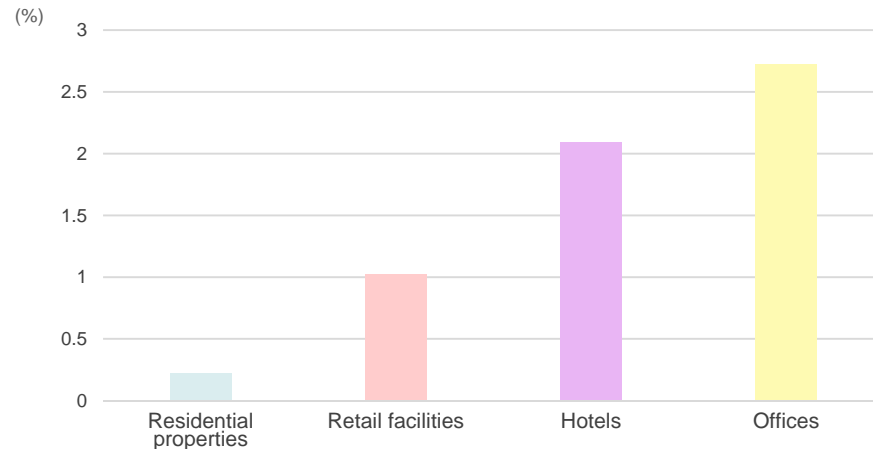
* Figures are undisclosed as the consent of the tenant could not be obtained.

(Note 1) Figures are as of the end of the 4th Fiscal Period.

(Note 2) The balance is for the 4th Fiscal Period.

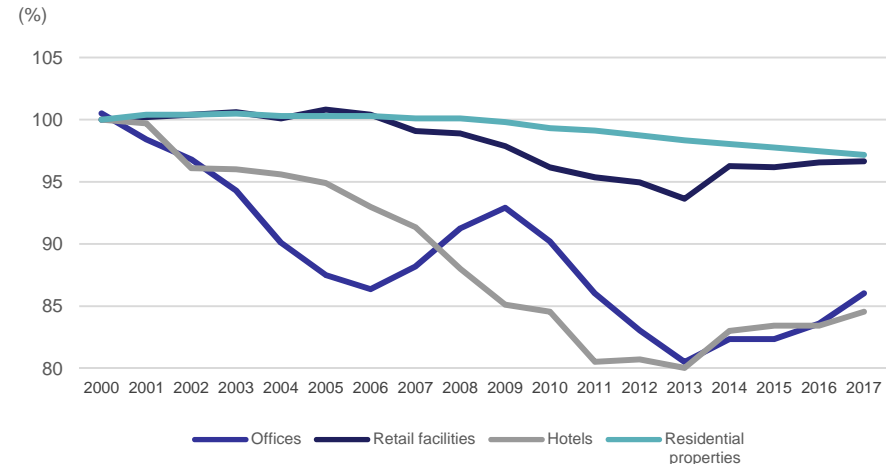
Residential Properties and Retail Facilities Market Data

Standard Deviation of Rate of Change of Rent Level by Real Estate Type



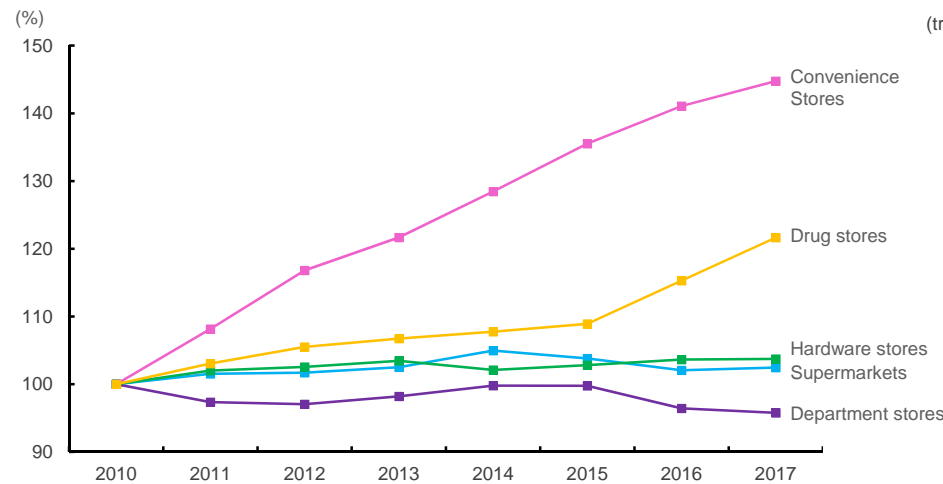
Source: Prepared by the asset manager based on the Bank of Japan's Corporate Service Index and the Statistic Bureau's (Ministry of Internal Affairs and Communications) Consumer Price Index (from 2000 to 2017).

Corporate Service Index and Consumer Price Index (2000 = 100)



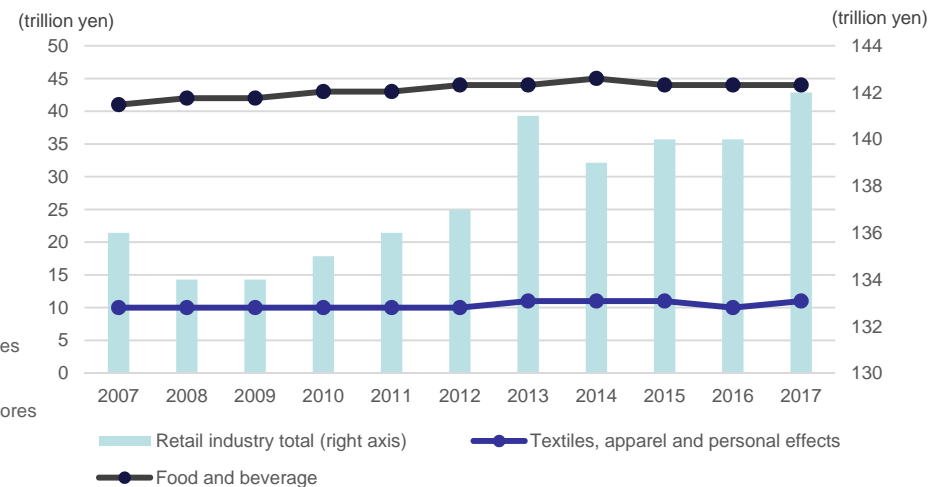
Source: Prepared by the asset manager based on the Bank of Japan's Corporate Service Index and the Statistic Bureau's (Ministry of Internal Affairs and Communications) Consumer Price Index

Change in Annual Sales of Various Retailers



Source: Prepared by the asset manager based on data from the Ministry of Economy, Trade and Industry's Current Survey of Commerce, Japan DIY Industry Association and Japan Association of Chain Drug Stores' FY2017 Japan Drug Store Survey (2010 = 100).

Change in Sales in the Retail Industry Overall and in Daily Necessities



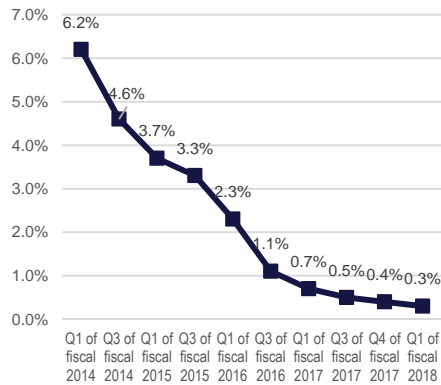
Source: Prepared by the asset manager based on the Ministry of Economy, Trade and Industry's Current Survey of Commerce and Commercial Sales Value by Type of Business and Comparison with Previous Year (fiscal year, period and month).

Offices Vacancy Rate and Contracted Rents

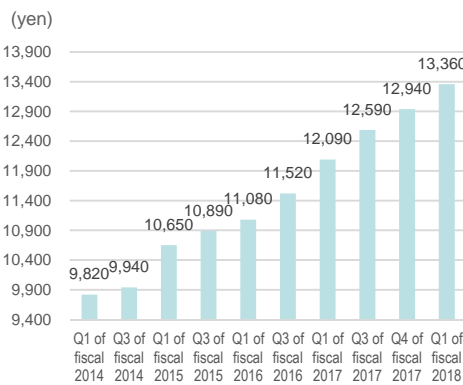
Rent continue to increase in major cities and vacancy rates also continue to decline

Sapporo City

Vacancy rate

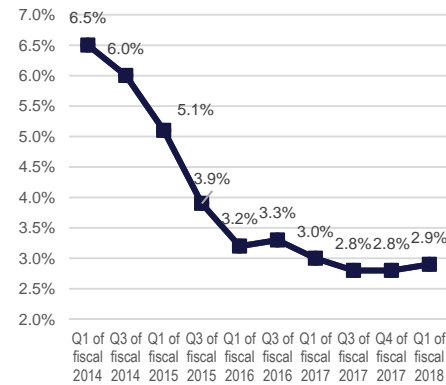


Assumed contracted rents

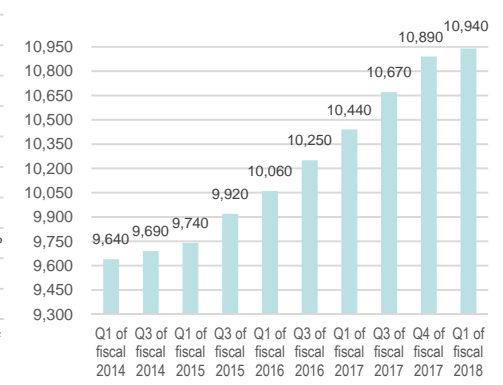


Hiroshima City

Vacancy rate

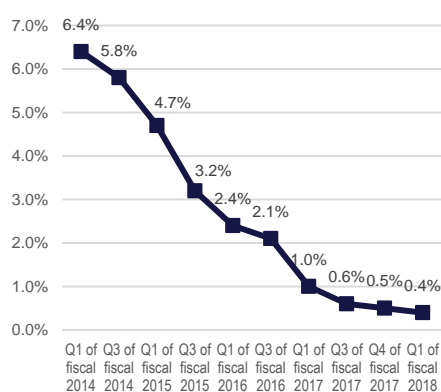


Assumed contracted rents

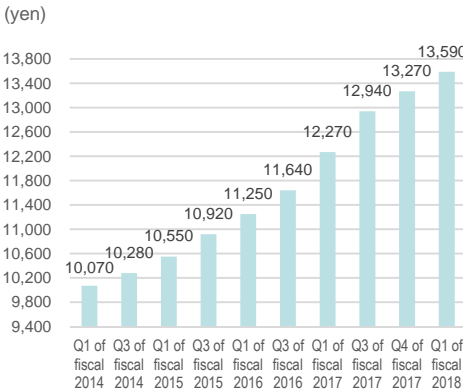


Fukuoka City

Vacancy rate

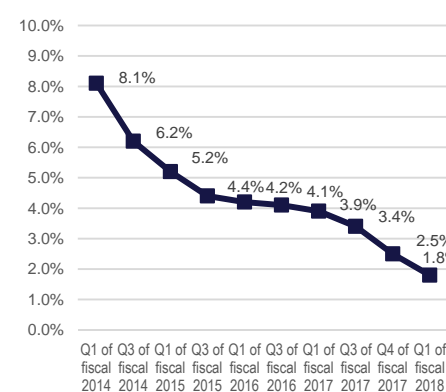


Assumed contracted rents

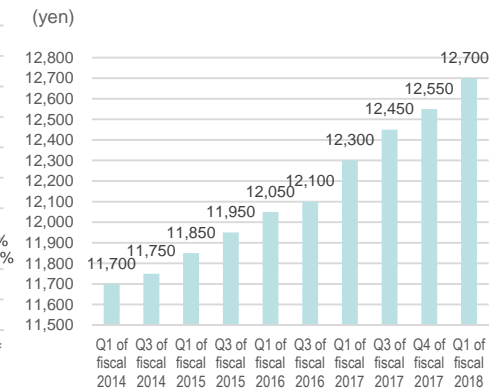


Nagoya City

Vacancy rate



Assumed contracted rents

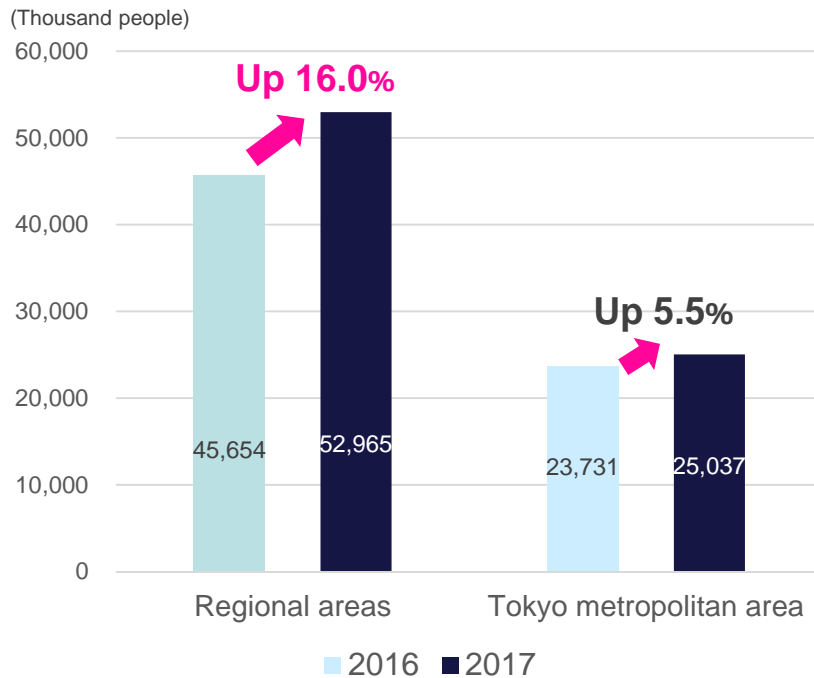


Source: Prepared by the asset manager based on "Japan Office Market View" of CBRE, K.K. (Cited grade B data for assumed contracted rents for Nagoya City)



**Number of lodging foreign travelers in Japan
Comparison between regional areas and Tokyo metropolitan area**

**Total Number of Lodgers by Year
(2016 to 2017; unit: thousand people)**

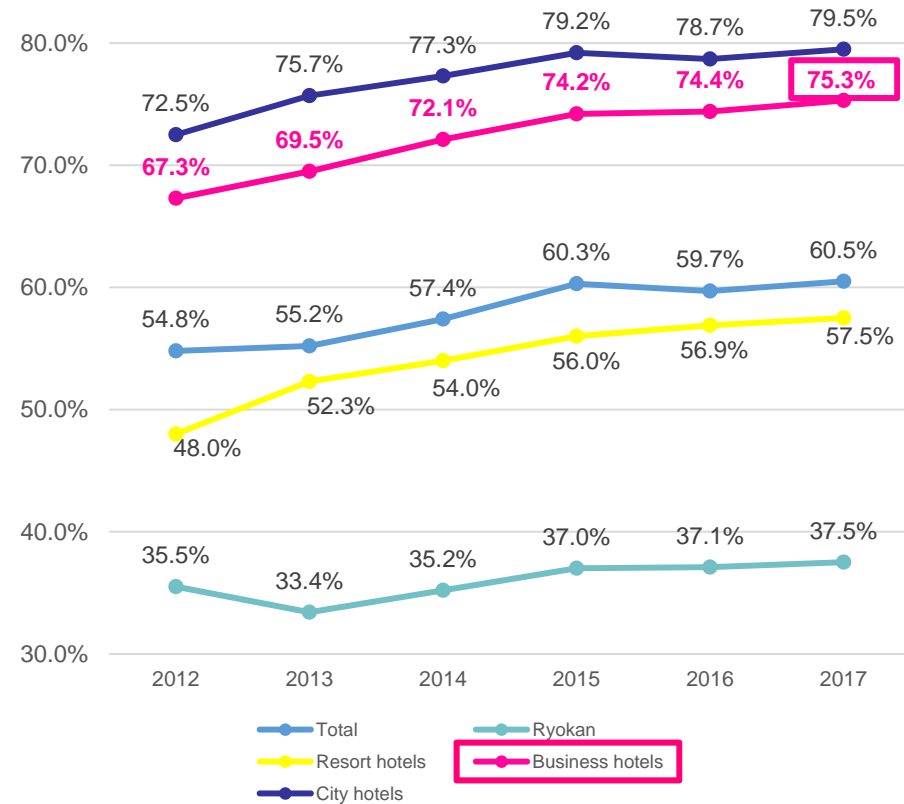


Regional areas: All areas other than the Tokyo metropolitan area
Tokyo metropolitan area: Tokyo, Chiba, Kanagawa and Saitama prefectures

Source: Prepared by the asset manager based on "Overnight Travel Statistics Survey" by the Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism

Steady performance of occupancy rate of business hotels

Occupancy Rate by Facility Type



B-to-C EC Market Size in Japan

Scale of B-to-C EC market and composition ratio of each business sector

	2016	2017	Growth rate
A. Retail sector	8,004.3 billion yen (EC ratio 5.43%)	8,600.8 billion yen (EC ratio 5.79%)	7.5%
B. Service-related sector	5,353.2 billion yen	5,956.8 billion yen	11.3%
C. Digital-related sector	1,778.2 billion yen	1,947.8 billion yen	9.5%
Total	15,135.8 billion yen	16,505.4 billion yen	9.1%

A. Retail sector

(1)	Food products, beverages, liquor
(2)	Home electrical appliances, AV equipment, PC/peripheral equipment, etc. (not including online games)
(3)	Books, video/music software (not including e-publishing in books)
(4)	Cosmetics, pharmaceutical products
(5)	Sundries, furniture, interior
(6)	Clothing, accessories, etc.
(7)	Automobiles, motorcycles, auto parts, etc.
(8)	Office products/stationery
(9)	Others

B. Service-related sector

(1)	Travel Service
(2)	Food service
(3)	Ticket sale
(4)	Financial service
(5)	Beauty service
(6)	Others (medical, insurance, housing-related, education, etc.)

C. Digital-related sector

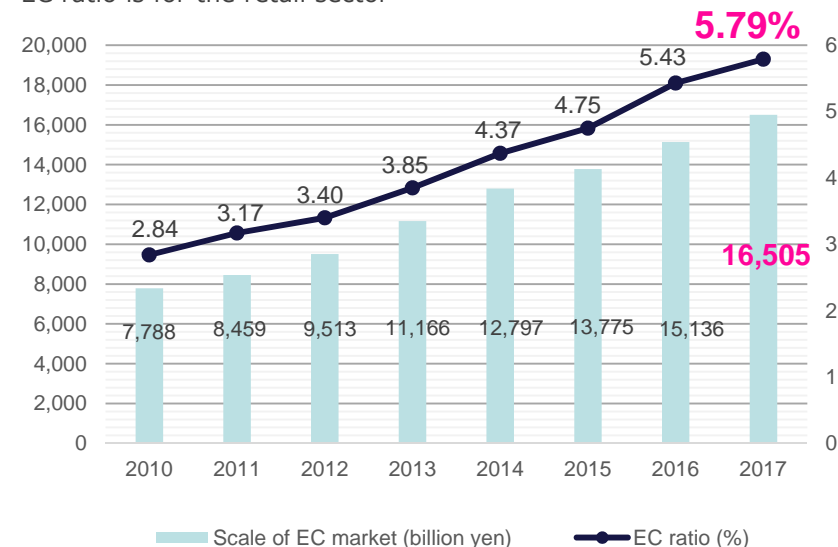
(1)	E-publishing (e-books, e-magazines)
(2)	Fee-based music streaming
(3)	Fee-based video streaming
(4)	Online games
(5)	Others

(Note) Business to consumer e-commerce is abbreviated as "B-to-C EC."

Source: "FY2017 Survey of Infrastructure Development Status for Data-driven Society in Japan (E-Commerce Market Survey)" by Information Economy Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry

Changes in scale of B-to-C EC market and EC ratio

*EC ratio is for the retail sector



Source: "FY2017 Survey of Infrastructure Development Status for Data-driven Society in Japan (E-Commerce Market Survey)" by Information Economy Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry

The scale of the B-to-C EC market is on an expanding trend, but the EC ratio for the retail sector is 5.79%

Dividends in Excess of Earnings

Policy on dividends in excess of earnings

Verify the most appropriate cash management from various aspects including capital expenditures, economic environment, real estate market conditions, financial status, repayment of borrowings and funds for acquiring new properties

- marimo REIT decides whether or not it will execute dividends in excess of earnings and the amount for the respective fiscal period after verifying the following (1) and (2)

Verification (1) Execute or not

(Execute when the following conditions are met)

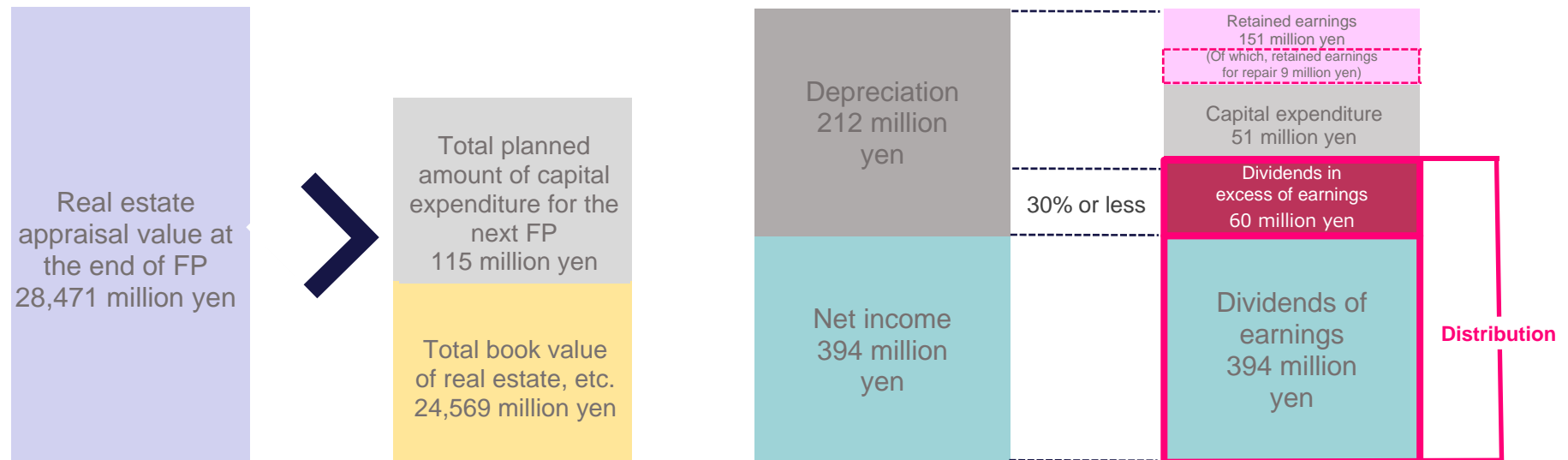
Verification (2) Amount of dividends in excess of earnings

30% of depreciation or less and 75% of payout ratio* or less

(The figure is the actual amount of the 4th FP)

$$\frac{\text{*Total amount of dividends (including dividends in excess of earnings)}}{\text{Net income + depreciation}} = 75.0\%$$

4th FP results



(Note) The above figures are as of the end of the 4th FP and do not indicate the ratio of distribution to net income or depreciation, or the ratio of dividends in excess of earnings. Dividends in excess of earnings may change in amount or may not be implemented due to economic conditions, trends in the real estate market, and the state of finances and the portfolio.

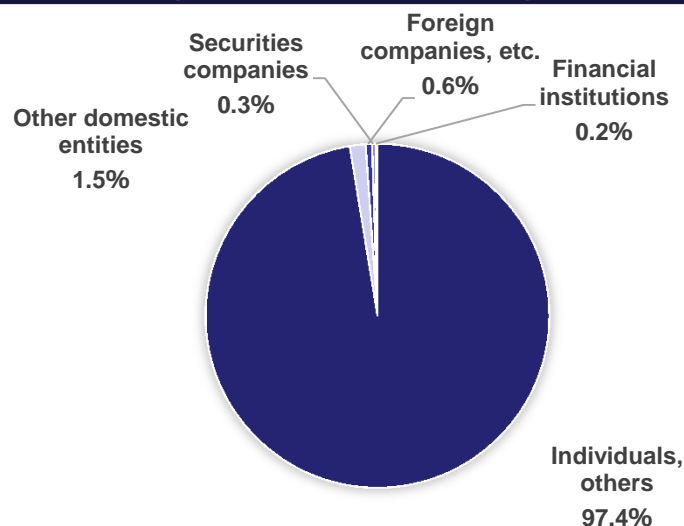
Balance Sheet and Statement of Income for the 4th Fiscal Period



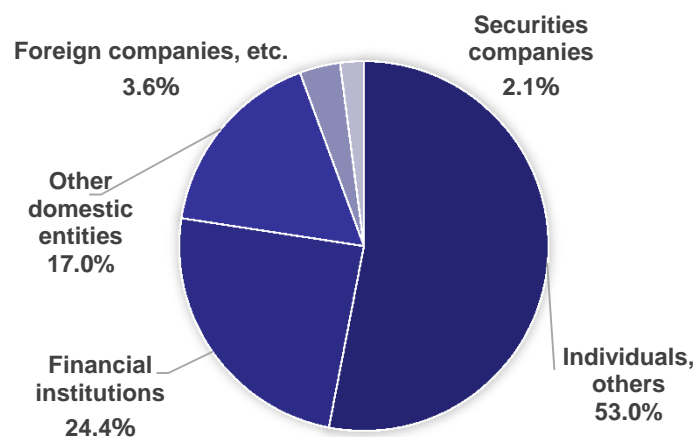
Balance Sheet for the 4th Fiscal Period (June 30, 2018)		Statement of Income for 4th fiscal period	From January 1, 2018 to June 30, 2018
Assets		Operating revenue	
Current assets		Lease business revenue	1,000,078
Cash and deposits	931,688	Other lease business revenue	57,770
Cash and deposits in trust	1,966,582	Total operating revenue	1,057,848
Operating accounts receivable	7,430	Operating expenses	
Prepaid expenses	35,118	Expenses related to rent business	447,063
Deferred tax assets	16	Asset management fee	79,465
Consumption taxes receivable	130,174	Asset custody fee	1,349
Other	323	Administrative service fees	12,886
Total current assets	3,071,334	Directors' compensations	2,400
Non-current assets		Taxes and dues	9,354
Property, plant and equipment		Other operating expenses	33,255
Buildings in trust	11,055,066	Total operating expenses	585,775
Accumulated depreciation	(636,970)	Operating income	472,073
Buildings in trust, net	10,418,095	Non-operating income	
Structures in trust	265,363	Interest income	12
Accumulated depreciation	(19,389)	Insurance income	384
Structures in trust, net	245,974	Total non-operating income	396
Machinery and equipment in trust	114,331	Non-operating expenses	
Accumulated depreciation	(10,439)	Interest expenses	48,386
Machinery and equipment in trust, net	103,892	Borrowing related expenses	22,433
Tools, furniture and fixtures in trust	7,510	Amortization of investment unit issuance expenses	5,629
Accumulated depreciation	(1,114)	Other	419
Tools, furniture and fixtures in trust, net	6,395	Total non-operating expenses	76,868
Land in trust	13,790,968	Ordinary income	395,601
Total property, plant and equipment	24,565,326	Net income before income taxes	395,601
Intangible assets		Income taxes - current	952
Leasehold rights in trust	4,221	Income taxes - deferred	(1)
Software	3,541	Total income taxes	951
Total intangible assets	7,762	Net income	394,650
Investments and other assets		Retained earnings brought forward	47
Guarantee deposits	10,000	Unappropriated retained earnings (undisposed loss)	394,697
Lease and guarantee deposits in trust	13,500		
Long-term prepaid expenses	50,115		
Total investments and other assets	73,615		
Total non-current assets	24,646,705		
Deferred assets			
Investment unit issuance expenses	28,146		
Total deferred assets	28,146		
Total assets	27,746,186		
Liabilities			
Current liabilities			
Operating accounts payable	147,348		
Short-term loans payable	–		
Current portion of long-term loans payable	175,000		
Accrued expenses	116,626		
Income taxes payable	950		
Accrued consumption taxes	–		
Advances received	169,145		
Current portion of tenant leasehold and security deposits in trust	51,817		
Other	7,022		
Total current liabilities	667,910		
Non-current liabilities			
Long-term loans payable	13,087,500		
Tenant leasehold and security deposits in trust	1,301,219		
Asset retirement obligations	18,222		
Other	193		
Total non-current liabilities	14,407,134		
Total liabilities	15,075,045		
Net assets			
Unitholders' equity			
Unitholders' capital	12,412,622		
Deduction from unitholders' capital			
Allowance for temporary difference adjustments	(3,092)		
Other deduction from unitholders' capital	(133,086)		
Total deduction from unitholders' capital	(136,179)		
Unitholders' capital, net	12,276,443		
Surplus			
Unappropriated retained earnings (undisposed loss)	394,697		
Total surplus	394,697		
Total unitholders' equity	12,671,141		
Total net assets	12,671,141		
Total liabilities and net assets	27,746,186		

Status of Investment Unitholders (as of end of June 2018)

**Ratio of Unitholders by Number
(8,507 unitholders in total)**



**Ratio of Investment Units by Number
(132,340 units in total)**



Rank	Name of unitholder	Number of investment units	Ownership ratio
1	Marimo Co., Ltd.	13,950	10.5%
2	The Master Trust Bank of Japan, Ltd. (trust account)	9,025	6.8%
3	Trust & Custody Services Bank, Ltd. (securities investment trust account)	8,998	6.8%
4	Japan Trustee Services Bank, Ltd. (trust account)	7,337	5.5%
5	The Nomura Trust and Banking Co., Ltd. (investment trust account)	4,052	3.1%
6	CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	1,342	1.0%
7	Sekai Shindo-kyo Syokyakuhikiatekin	1,034	0.8%
8	An individual	1,000	0.8%
8	An individual	1,000	0.8%
10	Ueda Yagi Tanshi Co., Ltd.	839	0.6%
Total		48,577	36.7% (Note)

(Note) Calculated by dividing the 48,577 investment units owned by the top 10 unitholders by the 132,340 investment units issued and outstanding, and rounded to the first decimal place.

- ▶ This material is solely intended to provide information and is not intended to seek or solicit investments or to serve as a recommendation to buy or to sell.

For those interested in the investment units of marimo Regional Revitalization REIT, Inc., please direct requests to securities companies. The final decision on investment should be made based on your own judgements and responsibility.

- ▶ This material is not a disclosure document or a management report based on the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations, listing regulations of the Tokyo Stock Exchange or regulations of the Investment Trusts Association nor is it based on other related laws, regulations or rules.
- ▶ Numerical numbers in this material are rounded down to the nearest units stated and ratios are rounded to the first decimal place when they are indicated without any other specification.
- ▶ Data, analyses, etc., in this material are based on performance in a specific period in the past, and are not guarantees of actual future investment results, changes, etc. In addition, the forward-looking statements contained in this material do not guarantee future performance.

Furthermore, analyses, judgments and other opinions of marimo Regional Revitalization REIT, Inc. and Marimo Asset Management Co., Ltd. contained in this material merely represent opinions as of the preparation date. Different views may exist and the opinions may be changed in the future.

It should also be noted that with real estate investment trusts there is a risk that, owing to fluctuations in the prices and profitability of the real estate under management, the actual value may decrease to a value below that of the principal sum invested.

- ▶ The information provided in this material is not audited and there are no warranties regarding the accuracy and completeness of the information.

Furthermore, please note in advance that the contents are subject to change or deletion without prior notice.

- ▶ Neither marimo Regional Revitalization REIT, Inc. nor Marimo Asset Management Co., Ltd. accept any responsibility of any kind for the consequences of investment activities or any acts carried out on the basis of this material.
- ▶ Any reproduction or alternative use of the content indicated in this material without prior permission is prohibited.
- ▶ Marimo Asset Management Co., Ltd. is a Financial Instruments Business Operator as stated in the Financial Instruments and Exchange Act (No. 2885 issued by the Director-General of the Kanto Finance Bureau (Kinsho) and a member of the Investment Trusts Association).

For inquiries concerning the materials: Contact IR Dept.at Mail: info@marimo-am.co.jp

Regional areas have hidden potential



**marimo Regional
Revitalization REIT, Inc.**