

## Summary of Financial Results for the Fiscal Period Ended February 2014 (REIT)

April 14, 2014

REIT Issuer: SIA REIT, Inc. Stock Exchange Listing: Tokyo Stock Exchange  
 Securities Code: 3290 URL: <http://www.sia-reit.com/en/>  
 Representative: (Title) Executive Director (Name) Hiroyuki Katsuno  
 Asset Management Company: Simplex REIT Partners Inc.  
 Representative: (Title) President and Representative Director (Name) Hiroyuki Katsuno  
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Scheduled date of submission of securities report: May 30, 2014  
 Scheduled date of commencement of distribution payment: May 22, 2014  
 Preparation of supplementary financial results briefing materials: Yes  
 Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

## 1. Status of Management and Assets for the Fiscal Period Ended February 2014 (June 25, 2013 to February 28, 2014)

(1) Management status (% figures are the percentage of increase (decrease) compared with the previous period)

Fiscal period	Operating revenue		Operating profit		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Feb. 2014	2,493	—	1,199	—	368	—	366	—

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	yen	%	%	%
Ended Feb. 2014	8,413	1.1	0.4	14.8

(Note 1) The calculation period for the fiscal period ended February 2014 of SIA REIT is a period of 249 days from June 25, 2013 to February 28, 2014, but the actual asset management period is a period of 142 days from October 10, 2013 to February 28, 2014.

(Note 2) The net income per unit calculated based on the daily weighted average number of investment units with October 10, 2013, which is the date of commencement of the actual asset management period for the fiscal period ended February 2014, deemed as the beginning of the fiscal period (75,100 units) is 4,884 yen.

(Note 3) Ratio of net income to equity and ratio of ordinary income to total assets are each calculated based on the weighted average equity amount and total assets amount with October 10, 2013, which is the date of commencement of the actual asset management period, deemed as the beginning of the fiscal period.

(Note 4) The percentage figures for operating revenue, operating income, ordinary income and net income are the percentage of increase (decrease) compared with the previous fiscal period, but are not applicable for the fiscal period ended February 2014 because it is the first fiscal period.

## (2) Distributions status

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)	Total distributions	Distribution per unit in excess of earnings	Total distributions in excess of earnings	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	%	%
Ended Feb. 2014	4,884	366	0	0	99.9	1.0

(Note) Distribution payout ratio is calculated by the following formula because new investment units were issued during the fiscal period (rounded down to one decimal place).

$$\text{Distribution payout ratio} = \text{Total distributions (excluding distributions in excess of earnings)} \div \text{Net income} \times 100$$

## (3) Financial position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Feb. 2014	82,428	33,005	40.0	439,484

## (4) Status of cash flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Feb. 2014	(357)	(71,008)	76,664	5,299

2. Forecast of Financial Results for the Fiscal Period Ending August 2014 (March 1, 2014 to August 31, 2014) and Fiscal Period Ending February 2015 (September 1, 2014 to February 28, 2015)

(% figures are the percentage of increase (decrease) compared with the previous period)

Fiscal period	Operating revenue		Operating profit		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ending Aug. 2014	3,109	24.7	1,301	8.5	1,002	172.3	1,001	172.9
Ending Feb. 2015	3,155	1.5	1,158	(11.0)	849	(15.2)	848	(15.2)

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)		Distribution per unit in excess of earnings	
	yen		yen	
Ending Aug. 2014	13,331		0	
Ending Feb. 2015	11,300		0	

(Reference) Forecast net income per unit (fiscal period ending August 2014): 13,331 yen

Forecast net income per unit (fiscal period ending February 2015): 11,300 yen

\* Other

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- ① Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than ①: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatement: No

(2) Number of investment units issued and outstanding

- ① Number of investment units issued and outstanding (including own investment units) at end of period
- ② Number of own investment units at end of period

Fiscal period ended February 2014	75,100 units
Fiscal period ended February 2014	— units

(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to “Notes on Per Unit Information” on page 19.

\* Presentation of the status of implementation of audit procedures

At the time of disclosure of this summary of financial results, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

\* Explanation of the appropriate use of the forecast of management status, and other matters of special note

The management status outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by SIA REIT. Accordingly, actual management status and other results may differ materially due to a variety of factors. In addition, the forecast is not a guarantee of the amount of distributions. For the assumptions for the forecast of management status, please refer to “Assumptions for the Forecast of Management Status for the Fiscal Periods Ending August 2014 and February 2015” presented on page 5.

## 1. Associated Corporations of the Investment Corporation

Disclosure is omitted because there is no significant change in the name, operational roles and overview of associated business operations of the investment corporation SIA REIT, Inc. and the associated corporations of SIA REIT (including other main associated parties of SIA REIT) from those of “Structure of the Investment Corporation” in the securities report (submitted on September 4, 2013; including amendments thereto).

## 2. Management Policy and Management Status

### (1) Management Policy

Disclosure is omitted because there is no significant change from “Investment Policy,” “Investment Targets” and “Distribution Policy” in the securities report (submitted on September 4, 2013; including amendments thereto).

### (2) Management Status

#### ① Overview of the Fiscal Period under Review

##### (A) Brief History of the Investment Corporation

SIA REIT aims to maximize unitholder value through the pursuit of “profitability” and “stability” by investing in Class-A and Class-B office buildings and urban retail facilities in which the SIA Group has a wealth of management expertise.

SIA REIT was incorporated on June 25, 2013 with Simplex REIT Partners Inc. (hereafter referred to as the “Asset Management Company”) as the organizer and with investments in capital of 200 million yen (400 units). In addition, SIA REIT implemented an issuance of new investment units through public offering (74,700 units) with October 8, 2013 as the payment date and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3290) on October 9, 2013. As a result, the number of investment units issued and outstanding as of February 28, 2014 was 75,100 units.

(Note 1) The SIA Group comprises not only Simplex REIT Partners Inc. but also Simplex Investment Advisors Inc. (SIA), which is the sponsor of SIA REIT, and Simplex Real Estate Management Inc. (SRM). SRM is the real estate private placement fund manager for the SIA Group.

(Note 2) “Class S” refers to office buildings located in the three central wards of Tokyo (Chiyoda Ward, Chuo Ward and Minato Ward) with a standard floor area of 200 tsubos (approx. 660 m<sup>2</sup>) or more. “Class A” refers to office buildings located in the five central wards of Tokyo (Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward and Shibuya Ward) with a standard floor area of 100 tsubos (approx. 330 m<sup>2</sup>) or more but less than 200 tsubos, and office buildings located in the Tokyo metropolitan area (Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture) outside the three central wards, Osaka City, Nagoya City, Sapporo City and Fukuoka City with a standard floor area of more than 200 tsubos. “Class B” refers to office buildings located in the five central wards of Tokyo with a standard floor area of 50 tsubos (approx. 165 m<sup>2</sup>) or more but less than 100 tsubos, office buildings located in the Tokyo metropolitan area outside the five central wards, Osaka City, Nagoya City, Sapporo City and Fukuoka City with a standard floor area of 100 tsubos or more but less than 200 tsubos, and office buildings in ordinance-designated cities or their equivalent other than Osaka City, Nagoya City, Sapporo City and Fukuoka City with a standard floor area of more than 100 tsubos.

##### (B) Investment Environment and Management Performance

In the fiscal period under review (fiscal period ended February 2014 (1st fiscal period) (June 25, 2013 to February 28, 2014)), the Japanese economy was on a recovery path due in part to the flexible fiscal policy of the so-called Abenomics and Bank of Japan’s introduction of a monetary easing policy.

In the real estate leasing market, backed by economic recovery and improvement in corporate earnings, the office supply-demand balance was improving, albeit gradually, vacancy rates continued to trend toward improvement and rents also showed signs of taking a turn from bottoming out.

Under such circumstances, SIA REIT commenced actual management with the acquisition of 20 properties (acquisition price total: 74,726 million yen) on October 10, 2013 by using the proceeds from issuance of new investment units through public offering and debt financing.

As a result, SIA REIT’s assets under management at the end of the fiscal period ended February 2014 was a portfolio of assets totaling 20 properties (acquisition price total: 74,726 million yen) and total leasable area of 143,755.12 m<sup>2</sup>. In addition, the occupancy rate at the end of the fiscal period ended February 2014 was 88.5%.

##### (C) Overview of Fund Procurement

SIA REIT implemented an issuance of new investment units through public offering (74,700 units) with October 8, 2013 as the payment date and listed on the J-REIT section of the Tokyo Stock Exchange on October 9, 2013. As a result, as at February 28, 2014, unitholders’ capital was 32,638 million yen and the number of investment units issued and outstanding was 75,100 units.

In addition, SIA REIT borrowed 44,140 million yen on October 10, 2013 to allocate to funds for the acquisition of specified assets and related costs. As a result, as at February 28, 2014, the balance of loans outstanding was 44,140 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 53.5%.

## (D) Overview of Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period ended February 2014 was operating revenue of 2,493 million yen, operating income of 1,199 million yen, ordinary income of 368 million yen and net income of 366 million yen.

Concerning distributions, in view of distributing almost the entire amount of unappropriated retained earnings to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation), SIA REIT declared distribution per investment unit of 4,884 yen.

## ② Outlook for the Next Fiscal Period

## (A) Future Investment Environment

The Japanese economy ahead is seen to continue to be on a recovery path, despite concerns over consumption trends owing to the consumption tax hike and concerns over the Ukraine and other overseas situation.

In the real estate leasing market, the trend of improvement in vacancy rates is seen to continue and the trend of rents taking a turn from bottoming out is seen to keep gradually spreading.

## (B) Future Management Policy and Challenges to Address

With the aim of achieving stable growth over the medium to long term, SIA REIT will seek to expand asset size by acquiring competitive assets (external growth) and maintain and increase the asset value of assets under management by operating and managing them to maximize their competitiveness (internal growth).

In order to achieve the growth strategy in both aspects of external growth and internal growth as described above, it is the policy of SIA REIT to take full advantage of the unique investment expertise and business and other resources of the Asset Management Company and the rest of the SIA Group.

## (a) External Growth

Based on the policy to build a portfolio comprising mainly Class-A and Class-B office buildings and urban retail facilities, SIA REIT will aim to expand asset size, while maintaining and enhancing the portfolio quality by conducting investment having assessed the location, building specifications, tenant attributes, etc. of individual properties.

With the Tokyo metropolitan area, which offers the prospect of stable rental demand over the medium to long term and is a relatively large market size, as the primary investment target region and also making carefully selected investments in ordinance-designated cities or their equivalent, which offer the prospect of higher returns than the Tokyo metropolitan area, SIA REIT will seek to build a portfolio that focuses on stable income yet also considers for enhancement of revenue through regional diversification.

(Note 1) "Tokyo metropolitan area" refers to Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture.

(Note 2) Ordinance-designated regional cities and major regional cities equivalent to ordinance-designated regional cities are collectively referred to as "ordinance-designated cities or their equivalent." "Ordinance-designated regional cities" refers to ordinance-designated cities located outside the Tokyo metropolitan area. "Major regional cities" refers to non-ordinance-designated regional cities located outside the Tokyo metropolitan area that are the location of a prefectural government (prefectural capitals) or their equivalent.

## (b) Internal Growth

SIA REIT will seek to maintain and enhance occupancy rates and enhance lease business revenue and expenditure by utilizing the unique expertise of the Asset Management Company, along with utilizing the expertise and support of the rest of the SIA Group, in operating and managing assets under management and also by taking the following initiatives.

- ◆ Strengthen collaboration with property management companies and brokers
- ◆ Build tenant relations
- ◆ Maintain and enhance property value through appropriate investment
- ◆ Strengthen environmental initiatives for which there is strong demand from society

## ③ Subsequent Events

Not applicable.

Assumptions for the Forecast of Management Status for the Fiscal Periods Ending August 2014 and February 2015

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>➤ Fiscal period ending August 2014 (2nd fiscal period) (March 1, 2014 to August 31, 2014) (184 days)</li> <li>➤ Fiscal period ending February 2015 (3rd fiscal period) (September 1, 2014 to February 28, 2015) (181 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>➤ Concerning the real estate and real estate trust beneficiary rights (total of 20 properties) held as of February 28, 2014, it is assumed that no changes (acquisition of new properties, disposition of portfolio properties, etc.) will take place until the end of the fiscal period ending February 2015.</li> <li>➤ A change in assets under management may occur from acquiring new properties other than the assets planned for acquisition, disposition of portfolio properties, etc.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>➤ The calculation of property-related operating revenue assumes that there will be no late or delinquent payments of rent by tenants, given the current portfolio assets' tenant trends, market trends, etc.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>➤ Of property-related expenses, which are the main component of operating expenses, expenses other than depreciation are calculated on a historical data basis and by reflecting factors causing fluctuations in expenses.</li> <li>➤ Depreciation is calculated using the straight-line method, including ancillary costs, etc. Depreciation is estimated to be 424 million yen in the fiscal period ending August 2014 and 429 million yen in the fiscal period ending February 2015.</li> <li>➤ Fixed asset tax, city planning tax, etc. are estimated to be 262 million yen in the fiscal period ending August 2014 and 261 million yen in the fiscal period ending February 2015.</li> <li>➤ Repair expenses are recognized in the amount deemed necessary based on the repair plan formulated by the asset management company (Simplex REIT Partners Inc.) for each property. However, repair expenses may greatly differ from the forecast amount because increased or additional repair expenses may arise due to unforeseeable factors.</li> <li>➤ The Articles of Incorporation of SIA REIT provides that, of the fees payable to the asset management company, a part of the management fees will arise starting from the fiscal period ending February 2015 or the fiscal period ending August 2015. In addition, the rate has been set low until the fiscal period ending August 2014 based on an agreement that part of the fees will fall within the maximum limit set by the Articles of Incorporation. Therefore, the management fees for the fiscal period ending August 2014 will be lower than the management fees calculated based on the provisions that apply to the fiscal period ending February 2015 and subsequent fiscal periods, and are estimated to be 82 million yen in the fiscal period ending August 2014 and 223 million yen in the fiscal period ending February 2015.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>➤ Interest expenses and borrowing related expenses are expected to be 299 million yen in the fiscal period ending August 2014 and 308 million yen in the fiscal period ending February 2015.</li> </ul>
Loans	<ul style="list-style-type: none"> <li>➤ The balance of loans outstanding as of February 28, 2014 is 44,140 million yen.</li> <li>➤ In the fiscal period ending August 2014, a refund of consumption tax is anticipated from property acquisitions and the proceeds from this refund are expected to be used for early loan repayment of 1,550 million yen. In addition, contractual loan repayment of 200 million yen is expected.</li> <li>➤ In the fiscal period ending February 2015, 13,632 million yen in loans will become due for repayment (excluding the 1,550 million yen early repayment that is planned to be made during the fiscal period ending August 2014). Other than contractual repayment of 166 million yen, these are expected to be refinanced in the entire amount.</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>➤ The 75,100 units that are the investment units issued and outstanding as of today is assumed.</li> <li>➤ It is assumed that there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending February 2015.</li> </ul>
Distribution per unit	<ul style="list-style-type: none"> <li>➤ Distribution per unit (excluding distribution in excess of earnings) is calculated by assuming the cash distribution policy stipulated in the Articles of Incorporation of SIA REIT.</li> <li>➤ Distribution per unit is subject to change due to a variety of factors, including fluctuations in rent revenue caused by change in assets under management, relocation of tenants, etc. or occurrence of unforeseen repairs.</li> </ul>
Distribution per unit in excess of earnings	<ul style="list-style-type: none"> <li>➤ There are no plans at this time to distribute cash in excess of earnings.</li> </ul>
Other	<ul style="list-style-type: none"> <li>➤ It is assumed that there will be no revision of laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above.</li> <li>➤ It is assumed that there will be no serious unforeseen change in general economic trends, real estate market conditions, etc.</li> </ul>

## (3) Investment Risks

Disclosure is omitted because there is no significant change from "Investment Risks" in the securities report (submitted on September 4, 2013).

## 3. Financial Statements

## (1) Balance Sheet

(Unit: thousand yen)

	1st fiscal period (As of Feb. 28, 2014)
<b>Assets</b>	
Current assets	
Cash and deposits	1,145,304
Cash and deposits in trust	*1 4,153,926
Operating accounts receivable	90,714
Prepaid expenses	147,058
Deferred tax assets	24
Consumption taxes receivable	1,601,187
Other	566
Total current assets	7,138,782
Non-current assets	
Property, plant and equipment	
Buildings	3,590,669
Accumulated depreciation	(52,795)
Buildings, net	*1 3,537,873
Structures	9,045
Accumulated depreciation	(252)
Structures, net	*1 8,793
Machinery and equipment	62,025
Accumulated depreciation	(5,159)
Machinery and equipment, net	*1 56,865
Land	*1 3,770,347
Buildings in trust	29,043,032
Accumulated depreciation	(290,400)
Buildings in trust, net	*1 28,752,632
Structures in trust	3,020
Accumulated depreciation	(175)
Structures in trust, net	*1 2,844
Tools, furniture and fixtures in trust	3,454
Accumulated depreciation	(54)
Tools, furniture and fixtures in trust, net	*1 3,400
Land in trust	*1 35,551,960
Total property, plant and equipment	71,684,718
Intangible assets	
Leasehold rights in trust	*1 3,365,647
Other	2,857
Total intangible assets	3,368,504
Investments and other assets	
Lease and guarantee deposits	17,020
Long-term prepaid expenses	219,786
Total investments and other assets	236,806
Total non-current assets	75,290,029
<b>Total assets</b>	<b>82,428,812</b>

(Unit: thousand yen)	
1st fiscal period (As of Feb. 28, 2014)	
<b>Liabilities</b>	
Current liabilities	
Operating accounts payable	212,120
Short-term loans payable	*1 15,050,000
Current portion of long-term loans payable	*1 332,500
Accounts payable - other	106,518
Accrued expenses	108,499
Income taxes payable	1,238
Advances received	470,268
Other	1,495
Total current liabilities	16,282,641
Non-current liabilities	
Long-term loans payable	*1 28,757,500
Tenant leasehold and security deposits	324,143
Tenant leasehold and security deposits in trust	4,043,431
Other	15,802
Total non-current liabilities	33,140,877
Total liabilities	49,423,518
<b>Net assets</b>	
Unitholders' equity	
Unitholders' capital	32,638,475
Surplus	
Unappropriated retained earnings (undisposed loss)	366,818
Total surplus	366,818
Total unitholders' equity	33,005,293
Total net assets	*2 33,005,293
Total liabilities and net assets	82,428,812

## (2) Statement of Income

(Unit: thousand yen)

	1st fiscal period (From: June 25, 2013 To: Feb. 28, 2014)
Operating revenue	
Rent revenue - real estate	*1 2,176,477
Other lease business revenue	*1 317,248
Total operating revenue	2,493,726
Operating expenses	
Expenses related to rent business	*1 1,201,341
Asset management fee	64,127
Asset custody fee	1,680
Administrative service fees	9,991
Directors' compensations	5,814
Other operating expenses	10,775
Total operating expenses	1,293,731
Operating profit	1,199,994
Non-operating income	
Interest income	371
Total non-operating income	371
Non-operating expenses	
Interest expenses	178,188
Borrowing related expenses	469,113
Deferred organization expenses	71,378
Investment unit issuance expenses	113,519
Other	57
Total non-operating expenses	832,258
Recurring profit	368,107
Income before income taxes	368,107
Income taxes – current	1,313
Income taxes – deferred	(24)
Total income taxes	1,288
Net income	366,818
Unappropriated retained earnings (undisposed loss)	366,818



## (3) Statement of Unitholders' Equity

1st fiscal period (June 25, 2013 to February 28, 2014)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	—	—	—	—	—
Changes of items during period					
Issuance of new investment units	32,638,475			32,638,475	32,638,475
Net income		366,818	366,818	366,818	366,818
Total changes of items during period	32,638,475	366,818	366,818	33,005,293	33,005,293
Balance at end of current period	32,638,475	366,818	366,818	33,005,293	33,005,293

## (4) Statement of Cash Distributions

(Unit: yen)

	1st fiscal period From: June 25, 2013 To: Feb. 28, 2014
	Amount
I. Unappropriated retained earnings	366,818,955
II. Amount of distributions	366,788,400
[Amount of distributions per investment unit]	[4,884]
III. Retained earnings carried forward	30,555

Method of calculating the amount of distributions	<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of SIA REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of SIA REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, SIA REIT decided to pay out distributions of earnings of 366,788,400 yen, which is the largest integral multiple of the number of investment units issued and outstanding (75,100 units) in an amount not in excess of unappropriated retained earnings. SIA REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of SIA REIT.</p>
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## (5) Statement of Cash Flows

(Unit: thousand yen)

	1st fiscal period (From: June 25, 2013 To: Feb. 28, 2014)
Cash flows from operating activities	
Income before income taxes	368,107
Depreciation	348,930
Deferred organization expenses	71,378
Investment unit issuance expenses	113,519
Interest income	(371)
Interest expenses	178,188
Decrease (increase) in operating accounts receivable	(90,714)
Decrease (increase) in consumption taxes refund receivable	(1,601,187)
Decrease (increase) in prepaid expenses	(147,058)
Increase (decrease) in operating accounts payable	212,120
Increase (decrease) in accounts payable - other	79,405
Increase (decrease) in advances received	470,268
Decrease (increase) in long-term prepaid expenses	(219,786)
Deferred organization expenses paid	(71,341)
Other, net	928
Subtotal	(287,609)
Interest income received	371
Interest expenses paid	(69,688)
Income taxes paid	(75)
Net cash provided by (used in) operating activities	(357,002)
Cash flows from investing activities	
Purchase of property, plant and equipment	(7,432,087)
Purchase of property, plant and equipment in trust	(64,574,393)
Purchase of intangible assets	(2,950)
Purchase of intangible assets in trust	(3,365,647)
Payments for lease and guarantee deposits	(17,020)
Proceeds from tenant leasehold and security deposits	324,143
Repayments of tenant leasehold and security deposits in trust	(355,007)
Proceeds from tenant leasehold and security deposits in trust	4,398,439
Proceeds from long-term deposits received	15,802
Net cash provided by (used in) investing activities	(71,008,721)
Cash flows from financing activities	
Increase in short-term loans payable	15,050,000
Proceeds from long-term loans payable	29,090,000
Proceeds from issuance of investment units	32,524,955
Net cash provided by (used in) investing activities	76,664,955
Net increase (decrease) in cash and cash equivalents	5,299,230
Cash and cash equivalents at beginning of period	—
Cash and cash equivalents at end of period	*1 5,299,230

## (6) Notes on the Going Concern Assumption

Not applicable.

## (7) Notes on Matters Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>① Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of core property, plant and equipment is as follows: Buildings 5~59 years Structures 4~15 years Machinery and equipment 5 years Tools, furniture and fixtures 6~15 years</p> <p>② Intangible assets (including trust assets) The straight-line method is adopted.</p> <p>③ Long-term prepaid expenses The straight-line method is adopted.</p>
2. Accounting for deferred assets	<p>① Deferred organization expenses The entire amount is expensed as incurred.</p> <p>② Investment unit issuance expenses The entire amount is expensed as incurred.</p>
3. Standards for recognition of revenue and expenses	<p>Accounting for fixed asset tax, etc. Of the tax amount assessed and determined for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held, the method adopted is that the amount corresponding to the relevant calculation period is expensed as expenses related to rent business.</p> <p>The amount equivalent to fixed asset tax, etc. in the fiscal year including the acquisition date paid to the seller as reimbursement upon acquisition of real estate, etc. is included in the cost of acquisition of the relevant real estate, etc. and not recognized as expenses. The amount equivalent to fixed asset tax, etc. included in the cost of acquisition of real estate, etc. in the fiscal period ended February 2014 is 119,189 thousand yen.</p>
4. Scope of funds in the statement of cash flows	<p>The funds (cash and cash equivalents) in the statement of cash flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.</p>
5. Other significant matters serving as the basis for preparing financial statements	<p>① Accounting for trust beneficiary rights in real estate, etc. Concerning trust beneficiary rights in real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and statement of income.</p> <p>The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <p>(1) Cash and deposits in trust (2) Buildings in trust; structures in trust; tools, furniture and fixtures in trust; and land in trust (3) Leasehold rights in trust (4) Tenant leasehold and security deposits in trust</p> <p>② Accounting for consumption tax, etc. Concerning accounting for consumption tax and local consumption tax, these taxes are excluded. Non-deductible consumption tax in the acquisition of assets is included in the cost of acquisition of the respective asset.</p>

## (8) Notes to the Financial Statements

[Notes to the Balance Sheet]

## \*1. Assets pledged as collateral and secured liabilities

The following are the assets pledged as collateral.

	(Unit: thousand yen)
	1st fiscal period
	(As of Feb. 28, 2014)
Cash and deposits in trust	4,153,926
Buildings	3,537,873
Structures	8,793
Machinery and equipment	56,865
Land	3,770,347
Buildings in trust	28,752,632
Structures in trust	2,844
Tools, furniture and fixtures in trust	3,400
Land in trust	35,551,960
Leasehold rights in trust	3,365,647
Total	79,204,291

The following are the secured liabilities.

	(Unit: thousand yen)
	1st fiscal period
	(As of Feb. 28, 2014)
Short-term loans payable	15,050,000
Current portion of long-term loans payable	332,500
Long-term loans payable	28,757,500
Total	44,140,000

## \*2. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

	(Unit: thousand yen)
	1st fiscal period
	(As of Feb. 28, 2014)
	50,000

## [Notes to the Statement of Income]

## \*1. Breakdown of property-related operating income (loss)

	(Unit: thousand yen)
	1st fiscal period
	( From: June 25, 2013 )
	( To: Feb. 28, 2014 )
A. Property-related operating revenue	
Rent revenue - real estate	
Rent revenue	1,574,221
Common area charges revenue	482,545
Parking revenue	93,548
Other rent revenue	26,162
Total	2,176,477
Other lease business revenue	
Utilities revenue	308,460
Other revenue	8,788
Total	317,248
Total property-related operating revenue	2,493,726
B. Property-related operating expenses	
Expenses related to rent business	
Property management fees	323,539
Utilities expenses	396,024
Taxes and public dues	145
Insurance premiums	4,824
Repair expenses	82,635
Trust fees	7,535
Depreciation	348,837
Other sundry expenses	37,799
Total property-related operating expenses	1,201,341
C. Property-related operating income (loss) [A- B]	1,292,384

## [Notes to the Statement of Unitholders' Equity]

## 1. Total number of investment units authorized and number of investment units issued and outstanding

	1st fiscal period
	( From: June 25, 2013 )
	( To: Feb. 28, 2014 )
Total number of investment units authorized	2,000,000 units
Number of investment units issued and outstanding	75,100 units

## [Notes to the Statement of Cash Flows]

## \*1. Reconciliation of cash and cash equivalents at end of period to the amount of balance sheet accounts

	(Unit: thousand yen)
	1st fiscal period
	( From: June 25, 2013 )
	( To: Feb. 28, 2014 )
	(As of Feb. 28, 2014)
Cash and deposits	1,145,304
Cash and deposits in trust	4,153,926
Cash and cash equivalents	5,299,230

## [Notes on Financial Instruments]

## 1. Matters concerning status of financial instruments

## (1) Policy for handling financial instruments

SIA REIT procures funds through issuance of investment units, borrowing from financial institutions or issuance of investment corporation bonds, etc. upon acquisition of new assets under management, etc.

SIA REIT limits derivative transactions to those for investing funds for the purpose of hedging the risk of fluctuations in interest rates on loans, etc. and other risks.

## (2) Description of financial instruments and associated risks, and risk management structure

The uses of the funds from loans are primarily funds for acquisition of assets under management, repayment of existing loans, etc. Concerning the liquidity risk and interest rate fluctuation risk associated with such fund procurement, SIA REIT manages and limits the concerned risks by diversifying the lending financial institutions, as well as considering and implementing effective use of surplus funds, procurement of funds from the capital market through issuance of investment units, etc. and other various procurement of funds.

In addition, loans with floating interest rates are exposed to the risk of the interest rate payable rising. SIA REIT manages the concerned risk by adjusting the ratio of loans with floating interest rates (ratio of the balance of loans with floating interest rates to the amount of loans in total) depending on the financial environment, etc., as well as making derivative transactions (interest-rate swap transactions, etc.) available as a hedging instrument for hedging the risk of floating interest rates rising and converting the interest expenses to fixed interest rates.

Deposits are those for investing SIA REIT's surplus funds and are exposed to the credit risk of, for example, failure of the financial institutions that are holding the deposits., but SIA REIT exercises prudence by limiting the deposit period to short term, taking security and liquidity into consideration and taking the market environment and status of cash flows fully into account.

Tenant leasehold and security deposits are deposits from tenants and are exposed to the risk of return of the deposits to tenants due to tenants moving out of properties. SIA REIT limits the concerned risk by setting aside an amount in the range that will not hinder the return of deposits.

## (3) Supplementary explanation on matters concerning fair value, etc. of financial instruments

The fair value of financial instruments, aside from values based on market price, includes values based on reasonable calculation when there is no market price. Certain assumptions, etc. are adopted in the calculation of the concerned values. Accordingly, there may be cases where the concerned values will vary when different assumptions, etc. are adopted.

## 2. Matters concerning fair value, etc. of financial instruments

The following are the carrying amount and fair value as of February 28, 2014, and the amount of difference between these. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	1,145,304	1,145,304	—
(2) Cash and deposits in trust	4,153,926	4,153,926	—
Assets total	5,299,230	5,299,230	—
(3) Short-term loans payable	15,050,000	15,050,000	—
(4) Current portion of long-term loans payable	332,500	332,835	335
(5) Long-term loans payable	28,757,500	28,824,200	66,700
Liabilities total	44,140,000	44,207,036	67,036

(Note 1) Method of calculating the fair value of financial instruments

## (1) Cash and deposits; (2) Cash and deposits in trust; (3) Short-term loans payable

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

## (4) Current portion of long-term loans payable; (5) Long-term loans payable

As long-term loans payable with floating interest rates reflect market interest rates within a short period of time, the fair value is thought to be approximately the same as the book value and is thus stated at that book value. In addition, the fair value of long-term loans payable with fixed interest rates is calculated based on the method of calculating by discounting the sum total amount of principal and interest by the interest rate that is estimated as being applicable in the event of a similar new drawdown.

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(Note 2) Financial instruments for which discerning of fair value is recognized to be extremely difficult

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust are not subject to valuation at fair value because discerning of the fair value is recognized to be extremely difficult as cash flows cannot be reasonably estimated due to there being no market price and difficulty of calculating the actual deposit period from when lessees move in to when they move out. The following is the carrying amount for each of tenant leasehold and security deposits and tenant leasehold and security deposits in trust.

(Unit: thousand yen)

Account	1st fiscal period (As of Feb. 28, 2014)
Tenant leasehold and security deposits	324,143
Tenant leasehold and security deposits in trust	4,043,431
Total	4,367,574

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts

1st fiscal period (June 25, 2013 to February 28, 2014)

(Unit: thousand yen)

	Due within 1 year
Cash and deposits	1,145,304
Cash and deposits in trust	4,153,926
Total	5,299,230

(Note 4) Amount of repayment of long-term loans payable and other interest-bearing liabilities scheduled to be due after the date of settlement of accounts

1st fiscal period (June 25, 2013 to February 28, 2014)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	15,050,000	—	—	—	—	—
Long-term loans payable	332,500	332,500	13,630,000	265,000	13,427,500	1,102,500
Total	15,382,500	332,500	13,630,000	265,000	13,427,500	1,102,500

## [Notes on Related-Party Transactions]

## 1. Parent company, major corporate unitholder, etc.

1st fiscal period (June 25, 2013 to February 28, 2014)

Type	Name of company, etc.	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2)	Account item	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Other associated company	Simplex Investment Advisors Inc.	Chiyoda-ku, Tokyo	100,000	Real estate business	15.0% directly held by related party	—	Seller	Purchase of real estate	7,350,000	—	—

(Note 1) In deciding on transaction terms and conditions, decisions are made based on the actual market situation and price negotiations.

(Note 2) Of the amounts above, the amount of the transaction does not include consumption tax, etc., while the balance at the end of the period includes consumption tax, etc.

## 2. Associated company, etc.

1st fiscal period (June 25, 2013 to February 28, 2014)

Not applicable.



## 3. Fellow subsidiary, etc.

1st fiscal period (June 25, 2013 to February 28, 2014)

Type	Name of company, etc.	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2)	Account item	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Subsidiary of other associated company	Simplex REIT Partners Inc.	Chiyoda-ku, Tokyo	50,000	Investment management business	—	Concurrent holding of positions by directors 1 person	Entrustment with asset management business operations	Payment of asset management fee	437,757	Accounts payable - other	67,333
								Payment of organizer fee	65,000	—	—
Subsidiary of other associated company	G.K. Shinmaru Fudosan	Chiyoda-ku, Tokyo	2,000	Acquisition, management, disposal, etc. of real estate trust beneficiary rights	—	—	Seller	Purchase of real estate trust beneficiary rights	39,049,000	—	—
Subsidiary of other associated company	G.K. SIA Emperor Second	Chiyoda-ku, Tokyo	2,000	Acquisition, management, disposal, etc. of real estate trust beneficiary rights	—	—	Seller	Purchase of real estate trust beneficiary rights	24,394,000	—	—
Subsidiary of other associated company	Wadakura Jisyo Co., Ltd.	Chiyoda-ku, Tokyo	3,000	Acquisition, management, disposal, etc. of real estate trust beneficiary rights	—	—	Seller	Purchase of real estate trust beneficiary rights	3,933,000	—	—

(Note 1) Transaction terms and conditions, and policy on deciding on transaction terms and conditions, etc.

1. The asset management fee and organizer fee amounts are based on the terms and conditions provided in the Articles of Incorporation of SIA REIT.
2. In deciding on transaction terms and conditions of the purchase of real estate trust beneficiary rights, decisions are made based on the actual market situation and price negotiations.

(Note 2) Asset management fee includes the property acquisition fee portion included in the book value of individual real estate, etc. (373,630 thousand yen).

(Note 3) Of the amounts above, the amount of transaction does not include consumption tax, etc., while the balance at the end of the period includes consumption tax, etc.

## 4. Director, major individual unitholder, etc.

1st fiscal period (June 25, 2013 to February 28, 2014)

The transaction conducted by SIA REIT Executive Director Hiroyuki Katsuno as representative of a third party (Simplex REIT Partners Inc.) is as stated as a transaction with Simplex REIT Partners Inc. presented in “3. Fellow subsidiary, etc.” above.

## [Notes on Tax-Effect Accounting]

## 1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

(Unit: thousand yen)	
1st fiscal period	
(As of Feb. 28, 2014)	
Deferred tax assets	
Non-deductible accrued enterprise tax	24
Total deferred tax assets	24
Net deferred tax assets	24

## 2. Breakdown of major components that caused significant differences between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

(Unit: %)	
1st fiscal period	
(As of Feb. 28, 2014)	
Statutory tax rate	36.59
[Adjustments]	
Deductible distributions payable	(36.46)
Other	0.22
Effective income tax rate	
after application of tax-effect accounting	0.35

## [Notes on Investment and Rental Properties]

SIA REIT owns investment and rental properties mainly in the Tokyo metropolitan area and also in ordinance-designated cities or their equivalent for the purpose of earning revenue from leasing.

The following are the carrying amount, amount of increase (decrease) during the period and fair value of these investment and rental properties.

(Unit: thousand yen)	
1st fiscal period	
( From: June 25, 2013 To: Feb. 28, 2014 )	
Carrying amount	
Balance at beginning of period	—
Amount of increase (decrease) during period	75,050,365
Balance at end of period	75,050,365
Fair value at end of period	76,078,000

(Note 1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Of the amount of increase (decrease) in investment and rental properties, the amount of increase is mainly attributable to acquisition of "J Tower" and other properties totaling 20 properties (75,348,804 thousand yen), while the amount of decrease is mainly attributable to depreciation (348,837 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser.

The income (loss) in the fiscal period ended February 2014 (1st fiscal period) for investment and rental properties is as presented in "Notes to Statements of Income" earlier in this document.

## [Notes on Segment Information, Etc.]

## 1. Segment Information

Segment information is omitted because SIA REIT operates a single segment, which is the real estate leasing business.

## 2. Related Information

1st fiscal period (June 25, 2013 to February 28, 2014)

## (1) Information for each product and service

Information for each product and service is omitted because net sales to external customers of a single product/service category are more than 90% of the operating revenue on the statement of income.

## (2) Information for each region

## ① Net sales

Information for each region is omitted because net sales to external customers in Japan are more than 90% of the operating revenue on the statement of income.

## ② Property, plant and equipment

Information for each region is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

## (3) Information for each major customer

Information for each major customer is omitted because net sales to a single external customer are less than 10% of the operating revenue on the statement of income.

## [Notes on Per Unit Information]

	1st fiscal period ( From: June 25, 2013 To: Feb. 28, 2014 )
Net assets per unit	439,484 yen
Net income per unit	8,413 yen

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units during the period. The diluted net income per unit is not stated because there are no diluted investment units.

(Note 2) The following is the basis for calculating net income per unit.

	1st fiscal period ( From: June 25, 2013 To: Feb. 28, 2014 )
Net income	366,818 thousand yen
Amount not attributable to common unitholders	— thousand yen
Net income attributable to common investment units	366,818 thousand yen
Average number of investment units during period	43,600 units

## [Notes on Significant Subsequent Events]

Not applicable.

## [Omission of Disclosure]

Disclosure of notes on lease transactions, securities, derivative transactions, retirement benefits, share of profit (loss) of entities accounted for using the equity method, etc. and asset retirement obligations is omitted because there is thought to be no large necessity for disclosure in the summary of financial results.

## (9) Increase (Decrease) in Number of Investment Units Issued and Outstanding

The following is the status of capital increase, etc. in the fiscal period under review.

Date	Description	Number of investment units issued and outstanding (units)		Unitholders' capital (million yen)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
June 25, 2013	Incorporation through private placement	400	400	200	200	(Note 1)
Oct. 8, 2013	Capital increase through public offering	74,700	75,100	32,438	32,638	(Note 2)

(Note 1) Upon the incorporation of SIA REIT, investment units were issued for which the issue amount paid in to SIA REIT (paid-in amount) was 500,000 yen per unit.

(Note 2) New investment units were issued through public offering at an issue price of 450,000 yen (paid-in amount: 434,250 yen) per unit for the purpose of procuring funds for acquisition of new properties.

## 4. Changes in Directors

## (1) Directors of the Investment Corporation

The following is the status of directors as of the date of this document.

Title	Name	Background	Number of investment units held (units)
Executive Director	Hiroyuki Katsuno	<p>Apr. 1987 Joined The Fuji Bank, Limited (now Mizuho Bank, Ltd.)</p> <p>Aug. 2000 Joined Goldman Sachs Realty Japan, Ltd.</p> <p>Sept. 2001 Posted to K.K. Minato Saiken Kaishu</p> <p>June 2002 Appointed Managing Director of Goldman Sachs Realty Japan Ltd.</p> <p>Apr. 2003 Appointed President &amp; CEO of Accordia Golf Co., Ltd.</p> <p>June 2003 Appointed Representative Director of K.K. Minato Saiken Kaishu</p> <p>Feb. 2005 Appointed Director of Y.K. JEL</p> <p>Feb. 2005 Appointed Representative Director of JEL Corporation</p> <p>Mar. 2005 Appointed Representative Director of CMA Co., Ltd.</p> <p>Apr. 2005 Appointed Director of Y.K. Shin-Urayasu Hotel Management</p> <p>May 2005 Appointed Director of Northland Y.K.</p> <p>June 2005 Appointed Representative Director of Y.K. Shin-Urayasu Hotel Management</p> <p>June 2005 Appointed Representative Director of Y.K. Kyushu Hotel Management</p> <p>June 2005 Appointed Director of Y.K. Kawasaki Hotel Management</p> <p>June 2005 Appointed Representative Director of Y.K. Namba Hotel Management</p> <p>June 2005 Appointed Representative Director of Kobe Meriken Park Oriental Hotel, Ltd.</p> <p>June 2005 Appointed Representative Director of K.K. Namba Oriental Development</p> <p>June 2005 Appointed Representative Director of K.K. Alivila Hotel Management</p> <p>June 2005 Appointed Representative Director of K.K. Hotel Centraza</p> <p>June 2005 Appointed Representative Director of Okinawa Umi no Sono Co., Ltd.</p> <p>June 2005 Appointed Representative Director of Meriken Hotel Management Y.K.</p> <p>Aug. 2005 Appointed Representative Director of K.K. Hotel Management Japan</p> <p>Aug. 2005 Appointed Representative Director of Echizen Country Club Co., Ltd.</p> <p>Jan. 2006 Appointed Representative Director of K.K. Izumi Sou</p> <p>July 2006 Appointed Director of Y.K. Nagasaka Kaihatsu</p> <p>Apr. 2007 Appointed Functional Manager of G.K. Kogane</p> <p>May 2007 Appointed Representative Director of K.K. UK Service</p> <p>July 2007 Appointed Functional Manager of G.K. Ito Onsen Kaihatsu</p> <p>July 2007 Appointed Representative Director of Ito Onsen Management Co., Ltd.</p> <p>July 2007 Appointed Representative Director of K.K. Tohkutsu</p> <p>July 2007 Appointed Representative Director of K.K. Tohkutsu Homme Trading</p> <p>Sept. 2007 Appointed Representative Liquidator of K.K. UK Service</p> <p>Oct. 2007 Appointed Functional Manager of G.K. Funabiki</p> <p>Dec. 2007 Appointed Statutory Auditor of Primo Japan, Inc.</p> <p>Oct. 2009 Appointed Representative Director of Simplex Investment Advisors Inc.</p> <p>Nov. 2009 Appointed Functional Manager of G.K. Nagasaka Kaihatsu</p> <p>June 2010 Appointed Representative Director of Simplex Real Estate Management Inc.</p> <p>Aug. 2010 Appointed Functional Manager of G.K. SIA Capital</p> <p>Aug. 2010 Appointed Functional Manager of G.K. SIA Holdings</p> <p>Aug. 2010 Appointed Functional Manager of G.K. Shibahama</p> <p>May 2012 Appointed Representative Director of Simplex REIT Partners Inc. (current)</p> <p>June 2013 Appointed Executive Director of SIA REIT, Inc.(current)</p>	—

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Title	Name	Background		Number of investment units held (units)
Supervisory Director	Noriyuki Katayama	Apr. 1990	Joined Nagashima & Ohno (now Nagashima Ohno & Tsunematsu)	—
		Sept. 1995	Posted to Hughes Hubbard & Reed	
		Oct. 1996	Joined Tokyo City Law & Tax Partners (now City-Yuwa Partners)	
		Oct. 1997	Posted to Daiwa Securities Co. Ltd. (Daiwa Securities SB Capital Markets Co. Ltd. (now Daiwa Securities Co. Ltd.) following a business transfer in 1999)	
		Jan. 2000	Appointed Partner of Tokyo City Law & Tax Partners (now City-Yuwa Partners) (current)	
		Sept. 2000	Appointed Legal Council (part-time) for Securitization Promotion Department of Mitsui Fudosan Co., Ltd.	
		Oct. 2004	Appointed Statutory Auditor (current, part-time) for Deutsche Asset Management (Japan), Ltd.	
		Apr. 2005	Appointed Part-Time Instructor at Seikei University Law School (Graduate School of Legal Apprenticeship) (current)	
		July 2005	Appointed Statutory Auditor (part-time) of Deutsche Securities Preparatory Company (now Deutsche Securities, Inc.)	
		Apr. 2006	Appointed Part-Time Instructor at the Department of Global Business, Meiji University School of Business Administration (professional graduate school) (current)	
		May 2006	Appointed Member of the Committee for Certified Evaluation and Accreditation of Law Schools, National Institution for Academic Degrees and University Evaluation	
		Sept. 2006	Appointed Outside Director of Accordia Golf Co., Ltd. (current)	
		Apr. 2007	Appointed Outside Member of the Compliance Committee, Daiwa House REIT Management Co., Ltd. (current)	
		Apr. 2009	Appointed Visiting Professor at the Professional Graduate School of Law, Toyo University (current)	
		June 2013	Appointed Supervisory Director of SIA REIT, Inc. (current)	
Feb. 2014	Appointed 2014 Bar Examination Preliminary Bar Examination Examiner (current)			
Supervisory Director	Nobuhiro Nasu	Oct. 1991	Century Audit Corporation (now Ernst & Young ShinNihon LLC)	—
		July 2003	Appointed Partner of ShinNihon & Co. (now Ernst & Young ShinNihon LLC)	
		July 2009	Appointed Senior Partner of Ernst & Young ShinNihon LLC	
		Apr. 2012	Appointed Auditor of Hitotsubashi Daigaku Koenkai (current)	
		Oct. 2012	Appointed Corporate Officer at GTM Research Institute Inc. (current)	
		June 2013	Appointed Supervisory Director of SIA REIT, Inc. (current)	

## (2) Directors of the Asset Management Company

The following is the status of directors as of the date of this document.

Title	Name	Background		Number of shares held (shares)
President and Representative Director	Hiroyuki Katsuno	Please refer to “(1) Directors of the Investment Corporation” presented earlier in this document.		—
Director	Naoto Ichiki	Apr. 1983 Aug. 1990 Aug. 2006 Feb. 2012 Mar. 2012 May 2012	Joined McKinsey Japan Joined Morgan Guaranty Trust Co., Tokyo Branch Appointed Representative Director & COO of Babcock & Brown Co., Ltd. (now Spring Investment Co., Ltd.) Appointed Representative Director of Simplex Investment Advisors Inc. (current) Appointed Representative Director of Simplex Real Estate Management Inc. (current) Appointed Director of Simplex REIT Partners Inc. (current)	—
Director	Nobuyoshi Nakano	Apr. 1972 Apr. 1985 Feb. 1999 Apr. 2002 July 2005 Sept. 2007 Jan. 2011 Dec. 2011	Joined Nippon Steel Corporation (now Nippon Steel & Sumitomo Metal Corporation) Joined Nikko Securities Co., Ltd. (now SMBC Nikko Securities Inc.) Joined Nikko Salomon Smith Barney Limited (now Citigroup Global Markets Japan Inc.) Appointed Outside Director of Japan Securities Depository Center, Inc. Appointed Director of Simplex Investment Advisors Inc. (current) Appointed Director of Simplex Real Estate Management Inc. (current) Appointed Director of Simplex REIT Partners Inc. (current) Appointed Representative Director of SIA Solutions Inc. (current)	—
Director	Keiju Miyazaki	Apr. 1985 May 1998 Mar. 1999 Dec. 2001 Sept. 2004 Dec. 2005 Mar. 2008 June 2010 Dec. 2010 Feb. 2011 Apr. 2011 June 2012 Aug. 2012 Aug. 2013 Oct. 2013	Joined Towa Real Estate Development Co., Ltd. (now Mitsubishi Jisho Residence Co., Ltd.) Joined Funai Zaisan Consultants Co., Ltd. (now Aoyama Zaisan Networks Co., Ltd.) Joined Hudson Japan LLC Appointed Managing Director of Aetos Japan, LLC (current) Appointed Director of Yamato Land Agent Co., Ltd. (current) Appointed Director of MID Urban Development Co., Ltd. Appointed Director of Kobe Kitamachi Co., Ltd. Appointed Director of Ginoza Country Club Co., Ltd. Appointed Representative Director of Ginoza Country Club Co., Ltd. Appointed Director of Simplex Investment Advisors Inc. (current) Appointed Director of Royal Pines Co., Ltd. Appointed Representative Director of K.K. Kariyushi Ishigaki Appointed Director of Simplex Real Estate Management Inc. (current) Appointed Director of Simplex REIT Partners Inc. (current) Appointed Director of Karuizawa Club Co., Ltd. (current)	—

Title	Name	Background		Number of shares held (shares)
Auditor	Masanobu Fukushima	Apr. 1981 Mar. 1999 Sept. 2000  July 2005 Mar. 2010 Apr. 2012 Apr. 2012 Apr. 2012 Apr. 2012	Joined K.K. Nippon Lease Joined Nippon Asset Management K.K. Joined Japan GMC Commercial Mortgage K.K. (now Capmark Japan K.K.) as a Senior Vice President Joined Unified Partners, Ltd. as Managing Director Appointed Director of LIT Partners K.K. Appointed Auditor of Simplex Investment Advisors Inc. (current) Appointed Auditor of Simplex Real Estate Management Inc. (current) Appointed Auditor of Simplex REIT Partners Inc. (current) Appointed Auditor of SIA Solutions, Inc. (current)	—
Auditor	Yoshio Sano	Apr. 1985 Nov. 2005 Nov. 2007  Jan. 2008 June 2009  June 2010 Sept. 2010 Dec. 2010 Mar. 2011 Apr. 2011 July 2012 Aug. 2012 Oct. 2012 Aug. 2013	Joined Nippon Life Insurance Company Appointed Executive Director of Unified Partners, Ltd. Appointed Outside Director of SXL Co., Ltd. (now Yamada SXL Home Co., Ltd.) Appointed Director of Aetos Japan, LLC. (current) Appointed Representative Director of Karuizawa Club Hotel Ishigakijima K.K. Appointed Director of Karuizawa Club Co., Ltd. (current) Appointed Representative Director of Kobe Kitamachi Co., Ltd. Appointed Auditor of Simplex Investment Advisors Inc. (current) Appointed Director of Ai-Land Co., Ltd. Appointed Outside Director of Royal Pines Co., Ltd. (current) Appointed Auditor of Tokyo Humania Enterprise Inc. (current) Appointed Auditor of Simplex Real Estate Management Inc. (current) Appointed Functional Manager of Graham Realty G.K. (current) Appointed Auditor of Simplex REIT Partners Inc. (current)	—

## 5. Reference Information

## (1) Asset Composition

Type of asset	Use of asset	Region (Note 1)	1st fiscal period (As of Feb. 28, 2014)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate	Office buildings	Tokyo metropolitan area	7,373	8.9
	Office buildings subtotal		7,373	8.9
Real estate total			7,373	8.9
Real estate in trust	Office buildings	Tokyo metropolitan area	50,686	61.5
		Ordinance-designated cities or their equivalent	11,894	14.4
	Office buildings subtotal		62,580	75.9
	Retail facilities	Tokyo metropolitan area	4,254	5.2
		Ordinance-designated cities or their equivalent	841	1.0
	Retail facilities subtotal		5,096	6.2
Real estate in trust total			67,676	82.1
Deposits and other assets			7,378	9.0
Total assets			82,428	100.0

(Note 1) "Region" is as follows:

- ① "Tokyo metropolitan area" refers to Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture.
- ② Ordinance-designated regional cities and major regional cities equivalent to ordinance-designated regional cities are collectively referred to as "ordinance-designated cities or their equivalent." "Ordinance-designated regional cities" refers to ordinance-designated cities located outside the Tokyo metropolitan area. "Major regional cities" refers to non-ordinance-designated regional cities located outside the Tokyo metropolitan area that are the location of a prefectural government (prefectural capitals) or their equivalent.

(Note 2) "Total amount held" is the carrying amount (book value less depreciation in the case of real estate and real estate in trust).

(Note 3) "As a percentage of total assets" is rounded to one decimal place.

## (2) Portfolio Diversification

## Diversification by region

Region	Number of properties	Acquisition price (million yen)	Share (%)
Tokyo metropolitan area	14	62,070	83.1
Ordinance-designated cities or their equivalent	6	12,656	16.9
Total	20	74,726	100.0

## Diversification by asset type

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office buildings	17	69,665	93.2
Retail facilities	3	5,061	6.8
Total	20	74,726	100.0



## (3) Period-End Value of Portfolio Real Estate

Property no.	Property name	Appraisal company	Acquisition price (million yen)	Carrying amount (million yen)	Appraisal value (million yen)	Overview of appraisal report					
						Income approach					Cost approach
						Indicated value by direct cap method (million yen)	Cap rate (%)	Indicated value by DCF method (million yen)	Discount rate (%)	Terminal cap rate (%)	Indicated value by cost approach (million yen)
OT-1	J Tower	The Tanizawa Sogo Appraisal Co., Ltd.	24,394	24,487	25,100	25,500	5.5	24,900	5.5	5.7	14,100
OT-2	SIA Kanda Square	The Tanizawa Sogo Appraisal Co., Ltd.	7,350	7,373	7,390	7,440	4.7	7,370	4.8	4.9	3,300
OT-3	Tachikawa Nishiki-cho Building	Daiwa Real Estate Appraisal Co., Ltd.	3,264	3,277	3,420	3,420	5.3	3,420	5.1	5.5	2,150
OT-4	CP10 Building	Daiwa Real Estate Appraisal Co., Ltd.	3,229	3,245	3,360	3,390	4.9	3,340	4.7	5.1	1,300
OT-5	Yokohama AP Building	Daiwa Real Estate Appraisal Co., Ltd.	3,110	3,126	3,260	3,240	5.1	3,270	4.9	5.3	2,190
OT-6	Yushima First Genesis Building	Daiwa Real Estate Appraisal Co., Ltd.	2,751	2,765	2,710	2,760	4.9	2,690	4.7	5.1	1,540
OT-7	Miyaji Building	Daiwa Real Estate Appraisal Co., Ltd.	2,880	2,893	2,900	2,870	5.2	2,910	5.0	5.4	1,710
OT-8	36 Sankyo Building	Daiwa Real Estate Appraisal Co., Ltd.	2,395	2,407	2,400	2,430	5.0	2,380	4.8	5.2	1,640
OT-9	Minami-Shinagawa JN Building	Daiwa Real Estate Appraisal Co., Ltd.	2,165	2,173	2,084	2,110	5.2	2,100	5.0	5.4	2,080
OT-10	Minami-Shinagawa N Building	Daiwa Real Estate Appraisal Co., Ltd.	2,292	2,300	2,180	2,230	5.4	2,160	5.2	5.6	2,050
OT-11	Minami-Shinagawa J Building	Daiwa Real Estate Appraisal Co., Ltd.	2,020	2,027	2,040	2,070	5.4	2,020	5.2	5.6	1,330
OT-12	MY Atsugi Building	Chuo Real Estate Appraisal Co., Ltd.	1,240	1,243	1,270	1,340	6.2	1,270	5.9	6.5	963
OT-13	Hachioji SIA Building	Chuo Real Estate Appraisal Co., Ltd.	730	736	760	787	5.8	760	5.5	6.1	744
OO-1	Central Shin-Osaka Building	Daiwa Real Estate Appraisal Co., Ltd.	4,612	4,620	4,700	4,680	5.2	4,710	5.0	5.4	2,380
OO-2	Karasuma Plaza 21	Daiwa Real Estate Appraisal Co., Ltd.	3,700	3,722	3,590	3,600	5.5	3,580	5.3	5.7	4,820
OO-3	Stoke Building Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,381	2,387	2,570	2,590	5.5	2,560	5.3	5.7	1,500
OO-4	MY Kumamoto Building	Chuo Real Estate Appraisal Co., Ltd.	1,152	1,163	1,190	1,240	6.5	1,190	6.2	6.8	925
R-1	fab Minami-Osawa	Japan Real Estate Institute	4,250	4,254	4,320	4,360	5.6	4,280	5.4	5.8	2,320
R-2	Niigata Higashibori-dori Parking Building	Chuo Real Estate Appraisal Co., Ltd.	432	436	434	442	7.0	434	6.6	7.3	315
R-3	NEXT21	Japan Real Estate Institute	379	404	400	408	7.5	392	7.3	7.7	804
Total			74,726	75,050	76,078	76,907	—	75,736	—	—	48,161

(Note 1) "Acquisition price" is the amount excluding transaction intermediary fees, taxes and public dues and other various expenses required for the acquisition of the relevant real estate (transaction amount stated in the sale and purchase contract, etc.).

(Note 2) The effective date of the appraisal (date of value) is the last day of February 2014.

## (4) Overview of Portfolio Real Estate

Property no.	Property name	Asset type	Location	Construction and number of floors	Completed (YYYY/MM)	Type of ownership	Total leasable area	PML value
OT-1	J Tower	Office buildings	Fuchu-shi, Tokyo	S/RC/SRC B2/18F	1992/03	Real estate trust beneficiary rights	34,295.76	3.19%
OT-2	SIA Kanda Square	Office buildings	Chiyoda-ku, Tokyo	SRC 10F	2007/04	Real estate	5,263.30	8.22%
OT-3	Tachikawa Nishiki-cho Building	Office buildings	Tachikawa-shi, Tokyo	SRC 8F	1991/06	Real estate trust beneficiary rights	5,633.29	6.36%
OT-4	CP10 Building	Office buildings	Taito-ku, Tokyo	SRC B1/7F	1989/03	Real estate trust beneficiary rights	3,541.43	5.20%
OT-5	Yokohama AP Building	Office buildings	Yokohama-shi, Kanagawa	RC B1/8F	1983/05	Real estate trust beneficiary rights	4,478.11	10.56%
OT-6	Yushima First Genesis Building	Office buildings	Bunkyo-ku, Tokyo	SRC B1/7F	1991/08	Real estate trust beneficiary rights	2,947.07	4.68%
OT-7	Miyaji Building	Office buildings	Nakano-ku, Tokyo	S/SRC B1/7F	1994/08	Real estate trust beneficiary rights	3,116.49	5.81%
OT-8	36 Sankyo Building	Office buildings	Shinjuku-ku, Tokyo	RC B2/4F	1991/10	Real estate trust beneficiary rights	3,724.17	10.09%
OT-9	Minami-Shinagawa JN Building	Office buildings	Shinagawa-ku, Tokyo	SRC B2/10F	1990/07	Real estate trust beneficiary rights	6,405.24	6.91%
OT-10	Minami-Shinagawa N Building	Office buildings	Shinagawa-ku, Tokyo	SRC B2/10F	1994/07	Real estate trust beneficiary rights	5,489.64	6.90%
OT-11	Minami-Shinagawa J Building	Office buildings	Shinagawa-ku, Tokyo	SRC B1/10F	1992/07	Real estate trust beneficiary rights	3,673.61	6.84%
OT-12	MY Atsugi Building	Office buildings	Atsugi-shi, Kanagawa	RC/SRC 8F	1988/09	Real estate trust beneficiary rights	3,848.13	11.73%
OT-13	Hachioji SIA Building	Office buildings	Hachioji-shi, Tokyo	SRC 9F	1993/09	Real estate trust beneficiary rights	2,751.01	4.61%
OO-1	Central Shin-Osaka Building	Office buildings	Osaka-shi, Osaka	S B1/12F	1992/06	Real estate trust beneficiary rights	9,399.87	14.69%
OO-2	Karasuma Plaza 21	Office buildings	Kyoto-shi, Kyoto	SRC B1/8F	1986/11	Real estate trust beneficiary rights	8,888.73	6.90%
OO-3	Stoke Building Nagoya	Office buildings	Nagoya-shi, Aichi	S/SRC B1/8F	1991/04	Real estate trust beneficiary rights	5,801.80	13.60%
OO-4	MY Kumamoto Building	Office buildings	Kumamoto-shi, Kumamoto	S/RC 9F	1987/10	Real estate trust beneficiary rights	3,750.01	7.19%
R-1	fab Minami-Osawa	Retail facilities	Hachioji-shi, Tokyo	S 7F	2001/12	Real estate trust beneficiary rights	8,409.23	3.82%
R-2	Niigata Higashibori-dori Parking Building	Retail facilities	Niigata-shi, Niigata	S 10F	1993/03	Real estate trust beneficiary rights	8,725.90	8.11%
R-3	NEXT21	Retail facilities	Niigata-shi, Niigata	S/RC/SRC B3/21F	1993/04	Real estate trust beneficiary rights	13,612.33	3.53%

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## (5) Status of Revenue of Each Property

Property no.		OT-1	OT-2	OT-3	OT-4	OT-5	OT-6	OT-7
Property name		J Tower	SIA Kanda Square	Tachikawa Nishiki-cho Building	CP10 Building	Yokohama AP Building	Yushima First Genesis Building	Miyaji Building
Acquisition date		October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013
Acquisition	Acquisition price (million yen)	24,394	7,350	3,264	3,229	3,110	2,751	2,880
	Composition ratio	32.5	9.8	4.3	4.3	4.1	3.7	3.8
	Carrying amount (million yen)	24,487	7,373	3,277	3,245	3,126	2,765	2,893
	Value at end of period (million yen)	25,100	7,390	3,420	3,360	3,260	2,710	2,900
	Composition ratio	33.4	9.8	4.6	4.5	4.3	3.6	3.9
Leasing	Total number of tenants	30	27	20	6	10	5	9
	Total leasable area (m <sup>2</sup> )	34,295.76	5,263.30	5,633.29	3,541.43	4,478.11	2,947.07	3,116.49
	Leased area (m <sup>2</sup> )	26,074.29	5,212.38	5,452.53	3,016.64	4,478.11	1,391.69	3,116.49
	Occupancy rate	76.0%	99.0%	96.8%	85.2%	100.0%	47.2%	100.0%
Operating income (loss)	Number of days under management	141	141	141	141	141	141	141
	① Property-related operating revenue (thousand yen)	756,001	173,095	109,392	80,805	102,928	41,783	91,206
	Rent revenue - real estate	622,068	165,654	104,144	70,841	90,504	39,139	83,175
	Other lease business revenue	133,933	7,441	5,248	9,964	12,423	2,643	8,031
	② Property-related operating expenses (thousand yen)	270,351	22,287	28,804	14,629	18,310	22,465	14,681
	Property management fees	68,394	12,251	13,650	5,590	8,282	14,163	6,204
	Utilities expenses	176,934	9,449	9,791	8,265	8,316	4,993	7,524
	Taxes and public dues	13	6	4	8	8	5	1
	Insurance premiums	1,339	197	198	104	130	119	104
	Repair expenses	23,277	382	4,766	266	1,179	2,791	454
	Other	392	—	392	392	392	392	392
	③ NOI (thousand yen)	485,650	150,808	80,588	66,176	84,617	19,317	76,524
	④ Depreciation (thousand yen)	91,999	58,207	14,694	12,104	8,391	10,413	7,954
	⑤ Property-related operating income (loss) [(3)-(4)] (thousand yen)	393,650	92,600	65,894	54,071	76,225	8,904	68,570
	⑥ Capital expenditures (thousand yen)	24,975	—	2,667	5,875	990	3,574	—
	⑦ NCF (thousand yen)	368,674	92,600	63,226	48,196	75,235	5,329	68,570

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Property no.		OT-8	OT-9	OT-10	OT-11	OT-12	OT-13	OO-1
Property name		36 Sankyo Building	Minami-Shinagawa JN Building	Minami-Shinagawa N Building	Minami-Shinagawa J Building	MY Atsugi Building	Hachioji SIA Building	Central Shin-Osaka Building
Acquisition date		October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013
Acquisition	Acquisition price (million yen)	2,395	2,165	2,292	2,020	1,240	730	4,612
	Composition ratio	3.2	2.9	3.1	2.7	1.7	1.0	6.1
	Carrying amount (million yen)	2,407	2,173	2,300	2,027	1,243	736	4,620
	Value at end of period (million yen)	2,400	2,084	2,180	2,040	1,270	760	4,700
	Composition ratio	3.2	2.8	2.9	2.7	1.7	1.0	6.3
Leasing	Total number of tenants	2	9	12	9	21	14	26
	Total leasable area (m <sup>2</sup> )	3,724.17	6,405.24	5,489.64	3,673.61	3,848.13	2,751.01	9,399.87
	Leased area (m <sup>2</sup> )	3,237.29	6,008.05	4,873.03	3,448.14	3,627.05	2,751.01	9,399.87
	Occupancy rate	86.9%	93.8%	88.8%	93.9%	94.3%	100.0%	100.0%
Operating income (loss)	Number of days under management	141	141	141	141	141	141	141
	① Property-related operating revenue (thousand yen)	48,040	109,704	81,546	72,539	58,369	40,250	150,968
	Rent revenue - real estate	42,030	104,310	76,514	66,852	51,470	36,615	135,178
	Other lease business revenue	6,009	5,394	5,032	5,686	6,898	3,634	15,789
	② Property-related operating expenses (thousand yen)	16,551	55,199	31,212	25,603	22,016	19,043	37,942
	Property management fees	8,357	15,018	5,223	5,783	6,912	8,162	14,628
	Utilities expenses	6,353	20,893	7,220	7,118	8,751	5,898	17,926
	Taxes and public dues	4	1	1	1	4	8	2
	Insurance premiums	98	225	192	123	121	82	279
	Repair expenses	1,344	6,568	8,649	5,436	5,834	4,498	4,713
	Other	392	12,491	9,925	7,140	392	392	392
	③ NOI (thousand yen)	31,489	54,505	50,333	46,935	36,352	21,206	113,026
	④ Depreciation (thousand yen)	6,802	11,208	10,841	9,206	9,929	4,165	27,142
	⑤ Property-related operating income (loss) [(3)-(4)] (thousand yen)	24,686	43,296	39,492	37,729	26,423	17,041	85,884
	⑥ Capital expenditures (thousand yen)	436	—	—	—	1,319	404	180
	⑦ NCF (thousand yen)	24,250	43,296	39,492	37,729	25,103	16,637	85,703

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Property no.		OO-2	OO-3	OO-4	R-1	R-2	R-3
Property name		Karasuma Plaza 21	Stoke Building Nagoya	MY Kumamoto Building	fab Minami-Osawa	Niigata Higashibori-dori Parking Building	NEXT21
Acquisition date		October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013
Acquisition	Acquisition price (million yen)	3,700	2,381	1,152	4,250	432	379
	Composition ratio	4.9	3.2	1.5	5.7	0.6	0.5
	Carrying amount (million yen)	3,722	2,387	1,163	4,254	436	404
	Value at end of period (million yen)	3,590	2,570	1,190	4,320	434	400
	Composition ratio	4.8	3.4	1.6	5.8	0.6	0.5
Leasing	Total number of tenants	10	3	16	14	1	21
	Total leasable area (m <sup>2</sup> )	8,888.73	5,801.80	3,750.01	8,409.23	8,725.90	13,612.33
	Leased area (m <sup>2</sup> )	7,035.26	4,549.68	3,590.53	8,409.23	8,725.90	12,838.96
	Occupancy rate	79.1%	78.4%	95.7%	100.0%	100.0%	94.3%
Operating income (loss)	Number of days under management	141	141	141	141	141	141
	① Property-related operating revenue (thousand yen)	124,682	63,206	48,329			160,914
	Rent revenue - real estate	114,531	52,865	44,634			130,871
	Other lease business revenue	10,151	10,340	3,694			30,043
	② Property-related operating expenses (thousand yen)	43,676	18,342	14,857			112,630
	Property management fees	22,775	7,044	6,746			77,273
	Utilities expenses	16,792	9,350	5,540			31,895
	Taxes and public dues	5	8	4			32
	Insurance premiums	281	179	121			691
	Repair expenses	3,429	1,367	2,052			2,266
	Other	392	392	392			470
	③ NOI (thousand yen)	81,005	44,864	33,471	99,426	16,637	48,283
	④ Depreciation (thousand yen)	10,527	14,182	9,479	25,601	3,346	2,638
	⑤ Property-related operating income (loss) [(3)-(4)] (thousand yen)	70,478	30,681	23,991	73,824	13,291	45,645
	⑥ Capital expenditures (thousand yen)	—	214	9,170	590	—	—
	⑦ NCF (thousand yen)	70,478	30,467	14,821	73,234	13,291	45,645

(Note) ① Property-related operating revenue and ② Property-related operating expenses of fab Minami-Osawa and Niigata Higashibori-dori Parking Building have not been disclosed because consent for disclosure of property-related operating revenue has not been obtained and due to other unavoidable circumstances.

## (6) Borrowing Status

The following is the status of borrowing of funds from each financial institution as of February 28, 2014.

Term		Drawdown date	Balance at beginning of period (million yen)	Balance at end of period (million yen)	Average interest rate (%)	Repayment date	Repayment method	Use	Remarks
Lender									
Short-term loans	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	—	8,500	0.74818%	Oct. 10, 2014 (Note 2)	(Note 2)	(Note 3)	Secured Unguaranteed
	Aozora Bank, Ltd.		—	3,000					
	Sumitomo Mitsui Trust Bank, Limited		—	1,000					
	The Bank of Fukuoka, Ltd.		—	1,000					
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	—	1,550	1.14818%	Oct. 10, 2014	Bullet repayment		
Subtotal			—	15,050					
Long-term loans	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	—	5,500	1.16976%	Oct. 10, 2016 (Note 4)	(Note 4)	(Note 3)	Secured Unguaranteed
	Shinsei Bank, Limited		—	5,000					
	Aozora Bank, Ltd.		—	2,000					
	Resona Bank, Limited		—	1,000					
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	—	5,750	0.94818%	Oct. 10, 2018 (Note 5)	(Note 5)		
	Aozora Bank, Ltd.		—	1,000					
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	—	5,750	1.38226%	Oct. 10, 2018 (Note 5)	(Note 5)		
	Kansai Urban Banking Corporation		—	1,000					
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	—	2,090	1.14818%	Oct. 10, 2019 (Note 6)	(Note 6)		
Subtotal			—	29,090					
Total			—	44,140					

(Note 1) Average interest rate is the borrowing interest rate for the respective loan agreement (weighted average of balance during the period), rounded to five decimal places.

(Note 2) Repayment of the principal in installments on April 10, 2014 and repayment of the remaining balance of principal on October 10, 2014.

(Note 3) The intended use of the funds is to allocate the funds to part of the funds for acquisition of real estate and real estate trust beneficiary rights, as well as related costs.

(Note 4) Repayment of the principal in installments, with the first repayment on April 10, 2014 and subsequent repayments on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2016.

(Note 5) Repayment of the principal in installments, with the first repayment on April 10, 2014 and subsequent repayments on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2018.

(Note 6) Repayment of the principal in installments, with the first repayment on April 10, 2014 and subsequent repayments on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2019.