

October 7, 2015

To All Concerned Parties

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Notice concerning Borrowing of Funds

TOKYO, October 7, 2015 – SIA REIT, Inc. (hereafter referred to as “SIA REIT”) announced that it today decided on borrowing of funds (hereafter referred to as “the Borrowing”) as follows

1. Reason for the Borrowing

SIA REIT will conduct the Borrowing in order to partially fund the repayment of an existing loan (Contract No. 0007 with 4,907,700 thousand yen outstanding) that will mature on October 13, 2015. As the total amount of the Borrowing is 4,895,400 thousand yen, the remaining 12,300 thousand yen will be repaid by using cash on hand.

2. Details of the Borrowing

Contract No. 0010

(1)	Lenders	Aozora Bank, Ltd.: 475,075 thousand yen Sumitomo Mitsui Trust Bank, Limited: 984,055 thousand yen
(2)	Borrowing amount	1,459,130 thousand yen
(3)	Interest rate	Floating rate: base interest rate (JBA one-month Japanese yen TIBOR) + 0.60% (Note 1)
(4)	Drawdown date	October 13, 2015
(5)	Borrowing method	Conclusion of individual loan agreements with the above lenders as of today
(6)	Interest payment date	The interest payment date will be the 10th of each month (or the following business day if the date is not a business day), with November 10, 2015 set as the first payment date, and the principal repayment date.
(7)	Principal repayment method	Repayment in installments (Note 2)
(8)	Principal repayment date	October 10, 2016
(9)	Collateral	Secured/Unguaranteed

(Note 1) The base interest rate to be applied for the calculation period of the interest due on each interest payment date is the one-month Japanese yen TIBOR announced by the JBA TIBOR Administration on the day two business days prior to the immediately preceding interest payment date. The base interest rate to be applied for the calculation period for the first interest payment will be the interest rate obtained using a liner proportional distribution based on one-week Japanese yen TIBOR and one-month Japanese yen TIBOR. The Japanese yen TIBOR by JBA can be found on the website of the JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>).

(Note 2) Part of the principal (3,660 thousand yen) will be repaid on April 10, 2016, and the remaining amount of the principal will be repaid in a lump sum on the principal repayment date.

Contract No. 0011

(1)	Lenders	Sumitomo Mitsui Banking Corporation: 452,215 thousand yen Aozora Bank, Ltd.: 1,000,000 thousand yen The Bank of Fukuoka, Ltd.: 984,055 thousand yen The Mie Bank, Ltd.: 600,000 thousand yen ORIX Bank Corporation: 400,000 thousand yen
(2)	Borrowing amount	3,436,270 thousand yen
(3)	Interest rate	Floating rate: base interest rate (JBA one-month Japanese yen TIBOR) + 0.65% (Note 1)
(4)	Drawdown date	October 13, 2015
(5)	Borrowing method	Conclusion of individual loan agreements with the above lenders as of today
(6)	Interest payment date	The interest payment date will be the 10th of each month (or the following business day if the date is not a business day), with November 10, 2015 set as the first payment date, and the principal repayment date.
(7)	Principal repayment method	Repayment in installments (Note 2)
(8)	Principal repayment date	October 10, 2017
(9)	Collateral	Secured/Unguaranteed

(Note 1) The base interest rate to be applied for the calculation period of the interest due on each interest payment date is the one-month Japanese yen TIBOR announced by the JBA TIBOR Administration on the day two business days prior to the immediately preceding interest payment date. The base interest rate to be applied for the calculation period for the first interest payment will be the interest rate obtained using a linear proportional distribution based on one-week Japanese yen TIBOR and one-month Japanese yen TIBOR. The Japanese yen TIBOR by JBA can be found on the website of the JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>).

(Note 2) Part of the principal (8,610 thousand yen) will be repaid on the 10th of April and October each year (or the following business day if the date is not a business day), with April 10, 2016 set as the first repayment date, and the remaining amount of the principal will be repaid in a lump sum on the principal repayment date.

3. Amount, Use and Expenditure Date of Funds to be Procured

(1) Amount of funds procured

4,895,400 thousand yen

(2) Specific use of the funds procured

The total amount of the funds to be procured will be used to partially fund the repayment of an existing loan (Contract No. 0007).

<Outline of the existing loan to be repaid>

Contract No. 0007

(1)	Lender	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Bank of Fukuoka, Ltd. and Sumitomo Mitsui Trust Bank, Limited
(2)	Loan balance	4,907,700 thousand yen
(3)	Drawdown date	October 10, 2014
(4)	Repayment date	October 13, 2015

(3) Expenditure date

October 13, 2015

4. Status of Interest-Bearing Debt after Conducting the Borrowing and Repayment of the Existing Loan

(Thousands of yen)

		Before the borrowing and repayment	After the borrowing and repayment	Change (Note 2)
	Short-term borrowings (Note 1)	18,271,450	14,789,130	-3,482,320
	Long-term borrowings (Note 1)	23,421,250	26,703,770	3,282,520
	Total borrowings	41,692,700	41,492,900	-199,800

Investment corporation bonds	—	—	—
Total interest-bearing debt	41,692,700	41,492,900	-199,800

(Note 1) With the base date set at October 13, 2015, “Short-term borrowings” refers to borrowings with a maturity of up to one year and “Long-term borrowings” refers to borrowings with a maturity of more than one year.

(Note 2) SIA REIT will repay 187,500 thousand yen as agreed upon as of October 13, 2015. This, combined with the repayment of 12,300 thousand yen of the existing loan (Contract No. 0007) by using cash on hand, will reduce the total interest-bearing debt by 199,800 thousand yen.

5. Other

The Borrowing will make no change to the content of “Investment Risk” described in SIA REIT’s Securities Report filed on May 28, 2015.

SIA REIT corporate website: <http://www.sia-reit.com/en>