

October 10, 2013

To All Concerned Parties

Name of REIT Issuer:

SIA REIT, Inc.

3-3-2 Kasumigaseki, Chiyoda-ku, Tokyo, Japan

Hiroyuki Katsuno, Executive Director

(TSE Code: 3290)

Contact:

Asset Management Company

Simplex REIT Partners Inc.

Hiroyuki Katsuno, President and Representative Director

Person to Contact:

Shigefumi Kadota, Head of Finance &amp; Administration

Division

Tel: +81-3-5532-5713

### **Notice concerning the Borrowing of Funds**

TOKYO, October 10, 2013 – SIA REIT, Inc. (hereafter referred to as “SIA REIT”) today announced it has executed a borrowing of funds (hereafter referred to as “this borrowing of funds”) as follows:

#### **1. Details of this borrowing of funds**

Term (Note 1)	Lender	Borrowing amount (Millions of yen)	Interest rate	Drawdown date	Borrowing method	Repayment Date (Note 5)	Repayment method	Collateral
Short-term	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation (Note 2)	13,500	Base rate of interest (JBA one-month Japanese yen TIBOR) +0.6% (Note 3)	October 10, 2013	Borrowing in accordance with loan agreement entered into on October 8, 2013 with the lenders at left	October 10, 2014	Repayment in installments (Note 6)	Secured  Unguaranteed
Long-term		13,500	1.16976% (fixed rate) (Note 4)			October 10, 2016		
Long-term		6,750	Base rate of interest (JBA one-month Japanese yen TIBOR) +0.8% (Note 3)			October 10, 2018		
Long-term		6,750	1.38226% (fixed rate) (Note 4)			October 10, 2018		
Short-term	Sumitomo Mitsui Banking Corporation	1,550	Base rate of interest (JBA one-month Japanese yen TIBOR) +1.0% (Note 3)			October 10, 2014	Bullet repayment (Note 6)	
Long-time		2,090	Base rate of interest (JBA one-month Japanese yen TIBOR) +1.0% (Note 3)			October 10, 2019	Repayment in installments (Note 6)	

NOTICE: This press release was prepared to notify the general public about SIA REIT's borrowing of funds and is not intended as a solicitation for investment in SIA REIT.

Notes:

1. “Short-term” refers to borrowings with a maturity less than one year from the drawdown date to the repayment date. “Long-term” refers to borrowings with a maturity of more than one year.
2. The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Shinsei Bank, Limited, Resona Bank, Limited, The Bank of Fukuoka, Ltd., Sumitomo Mitsui Trust Bank, Limited, and Kansai Urban Banking Corporation.
3. The first interest payment date will be November 10, 2013 with subsequent payment dates on the 10th of every month thereafter and principal repayment date (if the interest payment date is not a business day, the following business day).  
The base rate of interest applied to the calculation period for interest paid on the interest payment date will be the JBA one-month Japanese yen TIBOR two business days directly prior to the interest payment date of each interest payment date. However, if the calculation period is less than one month, the base rate of interest for the applicable period calculated based on the method stipulated in the agreement will be used. The base rate of interest for the first interest calculation period will be 1.4818%. Please check the Japan Bankers Association website (<http://www.zenginkyo.or.jp/en/tibor/>) for the latest JBA one-month Japanese yen TIBOR base rate.
4. The first interest payment date will be April 10, 2014 and subsequently thereafter interest payment dates will fall on April 10, October 10, and the principal repayment date (the maturity date will be the next business day if it falls on a non-business day).
5. The repayment date will be the next business day if it falls on a non-business day.
6. During the term of this borrowing of funds SIA REIT may repay this borrowing of funds in part or in their entirety prior to the repayment date as long as it satisfies certain conditions, such as notifying the lenders in advance.

## 2. Reason for this borrowing of funds

Funds were allocated for the purchase of assets and certain related costs. This includes one real estate property and real estate trust beneficiary rights for 19 properties (hereafter referred to as “assets to be acquired”) (total acquisition price of ¥74,726 million) that SIA REIT acquired as noted in “Chapter 2 Fund Information – Part 1 Fund Status 2. Investment Policy (2) Investment Targets iii. Summary of Assets Planned for Acquisition” of the securities registration statement submitted to the regulator on September 4, 2013.

Note: SIA REIT has acquired all properties as of today October 10, 2013. For details of the properties acquired, please see SIA REIT’s press release “Notice concerning Completion of Asset Acquisition” published today.

## 3. Amount, use and expenditure date of funds procured

- (1) Amount of funds procured  
Total ¥44,140 million
- (2) Specific use of the funds procured  
Funds were allocated for the assets to be acquired and certain related costs.
- (3) Expenditure date  
October 10, 2013

## 4. Status after the drawdown of this borrowing of funds

(Millions of yen)

		Before drawdown	After drawdown	Change
	Short-term borrowings	—	15,050	15,050
	Long-term borrowings	—	29,090	29,090
	Total borrowings	—	44,140	44,140
	Investment corporation bonds	—	—	—
	Total interest-bearing debt	—	44,140	44,140

NOTICE: This press release was prepared to notify the general public about SIA REIT’s borrowing of funds and is not intended as a solicitation for investment in SIA REIT.

**5. Other necessary matters for investors to better understand and make an informed decision based on the above information**

Risks pertaining to the repayment of this borrowing of funds remain the same as those listed in “Chapter 2 Fund Information – Part 1 Fund Status 3. Investment Risks” of the securities registration statement submitted to the regulator on September 4, 2013.

This press release distributed to:

Kabuto Club, MLIT Kisha Club, and MLIT Kisha Club for Construction Journals

SIA REIT corporate website:

<http://www.sia-reit.com/en>

NOTICE: This press release was prepared to notify the general public about SIA REIT's borrowing of funds and is not intended as a solicitation for investment in SIA REIT.
--