

September 1, 2016

To All Concerned Parties

Name of REIT Issuer:

SIA REIT, Inc.

1-8-2 Marunouchi, 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

Contact Person:

Shigefumi Kadota, Head of Finance & Administration Division

Tel: +81-3-3242-7155

Notice concerning Borrowing of Funds (Determination of Borrowing Amount)

SIA REIT, Inc. (hereinafter referred to as “SIA REIT”) announced today the determination of borrowing amount with respect to the borrowing of funds (hereinafter referred to as the “Borrowings”) announced in the press release “Notice concerning Release of Security Interest Related to Existing Borrowings, Borrowing of Funds and Prepayment of Existing Borrowings” dated as of August 19, 2016 as follows.

1. Overview of the Borrowings

(1) Details of the Borrowings

a. The Borrowings in phase 1

Agreement No.	Term (Note 1)	Lender	Borrowing amount (thousand yen)	Interest rate (Note 3)	Borrowing method	Drawdown date	Repayment date	Repayment method	Collateral
0012	Long-Term	Syndicate of lenders arranged by Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd. (Note 2)	5,925,000	Base interest rate +0.45% (Fixed) (Note 4)	Borrowing in accordance with respective loan agreement to be entered into with the lenders at left	September 7, 2016	September 7, 2019	Bullet repayment (Note 6)	Unsecured Unguaranteed
0013	Long-term		1,975,000	Base interest rate +0.55% (Fixed) (Note 4)		September 7, 2016	September 7, 2020		
0014	Short-term		255,000	Base interest rate +0.25% (Floating) (Note 5)		September 7, 2016	September 7, 2017		

(Note1) “Short-term” refers to borrowings with a maturity of one year or less from the drawdown date to the repayment date and “Long-term” refers to borrowings with a maturity of more than one year from the drawdown date to the repayment date. The same shall apply hereinafter.

(Note2) The syndicate of lenders consists of Mizuho Trust & Banking Co., Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited, Resona Bank, Limited, The Mie Bank, Ltd. and The Bank of Fukuoka, Ltd.

(Note3) The interest rates do not include any fees related to loan arrangement, etc.

(Note4) The first interest payment date will be October 31, 2016 with subsequent interest payment dates on the end of every month thereafter and principal repayment date (if the interest payment date is not a business day, the immediately following business day or, if such immediately following business day falls in the following month, then the immediately preceding business day.). The interest rate will be determined two business days immediately prior to the drawdown date based on the respective loan agreements to be executed taking into consideration the then applicable interest swap rate. SIA REIT will

<Note> This document is an English translation of a press release on borrowing of funds (determination of borrowing amount) of SIA REIT. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail in all respects.

make an announcement about the interest rate when determined.

(Note5) The first interest payment date will be October 31, 2016 with subsequent interest payment dates on the end of every month thereafter and principal repayment date (if the interest payment date is not a business day, the immediately following business day or, if such immediately following business day falls in the following month, then the immediately preceding business day). The base interest rate applied to the calculation period for interest paid on the interest payment date will be the one-month Japanese yen TIBOR announced by JBA TIBOR Administration two business days immediately prior to the immediately preceding interest payment date of each interest payment date. However, the base interest rate for the first interest calculation period will be the two-months Japanese yen TIBOR announced by JBA TIBOR Administration on two business days immediately prior to the drawdown date. Please check the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>) for the JBA Japanese yen TIBOR base rate.

(Note6) From the drawdown date to the repayment date of the Borrowings in phase 1 in the table above, SIA REIT may repay the Borrowings in a part or in their entirety prior to the repayment date as long as it satisfies certain conditions, such as giving written notification in advance to the lenders.

b. The Borrowings in phase 2

Agreement No.	Term	Lender	Borrowing amount (thousand yen)	Interest rate (Note 2)	Borrowing method	Drawdown date	Repayment date	Repayment method	Collateral
0015	Long-term	Syndicate of lenders arranged by Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd.(Note 1)	8,149,000	Base interest rate +0.45% (Fixed) (Note 3)	Borrowing in accordance with respective loan agreement to be entered into with the lenders at left	September 7, 2016	September 7, 2019	Bullet repayment (Note 4)	Unsecured Unguaranteed
0016	Long-term		8,149,000	Base interest rate +0.55% (Fixed) (Note 3)		September 7, 2016	September 7, 2020		

(Note1) The syndicate of lenders consists of Mizuho Trust & Banking Co., Ltd., Mizuho Bank, Ltd., Shinsei Bank, Limited, and Resona Bank, Limited.

(Note2) The interest rates do not include any fees related to loan arrangement, etc.

(Note3) The first interest payment date will be October 31, 2016 with subsequent payment dates on the end of every month thereafter and principal repayment date (if the interest payment date is not a business day, the immediately following business day or, if such immediately following business day falls in the following month, then the immediately preceding business day). The interest rate will be determined two business days prior to the drawdown date based on the respective loan agreement to be executed taking into consideration the then applicable interest swap rate. SIA REIT will make an announcement about the interest rate when determined.

(Note4) From the drawdown date to the repayment date of the Borrowings in phase 2 in the table above, SIA REIT may repay the Borrowings in part or in their entirety prior to the repayment date as long as it satisfies certain conditions, such as giving written notification in advance to the lenders.

<Note> This document is an English translation of a press release on borrowing of funds (determination of borrowing amount) of SIA REIT. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail in all respects.

(2) Reason for Borrowings

a. The Borrowings in phase 1

The borrowed funds will be used as a part of funds for the acquisition and the ancillary costs of the assets to be acquired (hereinafter referred to as the “Assets to be Acquired”) described in the press release “Notice concerning Acquisition and Leasing of Assets” dated as of August 19, 2016.

b. The Borrowings in phase 2

The borrowed funds will be used for the prepayment of the existing borrowings and the ancillary costs of such prepayment described below. SIA REIT will pay break funding cost in relation to the prepayment of the existing borrowings (hereinafter referred to as the “Prepayment”).

Agreement No.	Term	Lender	Balance of borrowing before prepayment (Amount of initial borrowing) (thousand yen)	Balance of borrowing after repayment	Interest rate	Drawdown date	Repayment date	Prepayment date (Scheduled)
0002	Long-term	Sumitomo Mitsui Banking Corporation	13,296,250 (13,500,000)	0	1.16976% (Fixed rate)	October 10, 2013	October 10, 2016	September 7, 2016
		Shinsei Bank, Limited						
		Aozora Bank, Ltd.						
		Resona Bank, Limited						
0006	Long-term	Sumitomo Mitsui Banking Corporation	1,546,250 (2,090,000)	0	Base interest rate (JBA one-month Japanese yen TIBOR) +1.00%	October 10, 2013	October 10, 2019	September 7, 2016
0010	Short-term	Aozora Bank, Ltd.	1,455,470 (1,459,130)	0	Base interest rate (JBA one-month Japanese yen TIBOR) +0.60%	October 13, 2015	October 10, 2016	September 7, 2016
		Sumitomo Mitsui Trust Bank, Limited						

(3) Amount, use and drawdown date of funds to be borrowed

a. Amount of funds to be borrowed

The Borrowings in phase 1 8,155,000 thousand yen
The Borrowings in phase 2 16,298,000 thousand yen
Total 24,453,000 thousand yen

b. Specific use of the funds to be borrowed

The Borrowings in phase 1 Partial funds for acquisition of the Assets to be Acquired and certain ancillary costs.
The Borrowings in phase 2 Funds to prepay the existing borrowings and certain ancillary costs

c. Date of use of borrowing (scheduled)

The Borrowings in phase 1 and 2 September 7, 2016

<Note> This document is an English translation of a press release on borrowing of funds (determination of borrowing amount) of SIA REIT. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail in all respects.

2. Status of the borrowings, etc. after the drawdown of the Borrowings and the Prepayment

(thousand yen)

		Before the Borrowings and the Prepayment	After the Borrowings and the Prepayment	Change
	Short-term borrowings(Note)	14,751,720	255,000	-14,496,720
	Long-term borrowings(Note)	26,541,410	49,193,160	22,651,750
	Total borrowings	41,293,130	49,448,160	8,155,030
	Investment corporation bonds	—	—	—
	Total interest-bearing debt	41,293,130	49,448,160	8,155,030

(Note) “Short-term borrowings” refers to borrowings with maturity period of one year or less (including the Long-term borrowings due in one year or less), and “Long-term borrowings” refers to borrowings with maturity period of more than one year.

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

Please refer to the description in “Chapter 2. Reference Information – Part 2. Supplementary Information of Referenced Documents 11. Investment Risks” of the securities registration statement filed on August 19, 2016 as to risks pertaining to the repayment of the Borrowings, etc.

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

<Note> This document is an English translation of a press release on borrowing of funds (determination of borrowing amount) of SIA REIT. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail in all respects.