

July 23, 2014

To All Concerned Parties

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Notice concerning Revision to Forecast of Financial Results and Cash Distribution  
for the Fiscal Period Ending February 2015 (3rd Fiscal Period)

TOKYO, July 23, 2014 – SIA REIT, Inc. (hereafter referred to as “SIA REIT”) announced that it revised its forecast of financial results and cash distribution per unit for the fiscal period ending February 2015 (3rd fiscal period) (September 1, 2014 to February 28, 2015), which had been announced in the “Summary of Financial Results for the Fiscal Period Ended February 2014 (REIT)” dated April 14, 2014, as described below.

1. Revisions to Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending February 2015 (3rd Fiscal Period)

(Millions of yen)

|                                  | Operating revenue | Operating profit | Recurring profit | Net income | Distribution per unit (excluding distribution in excess of earnings) (Yen) | Distribution per unit in excess of earnings (Yen) |
|----------------------------------|-------------------|------------------|------------------|------------|--|---|
| Previously released forecast (A) | 3,155             | 1,158            | 849              | 848        | 11,300   | —   |
| Revised forecast (B)             | 3,022             | 1,204            | 894              | 893        | 11,900   | —   |
| Change (B–A)                     | -132              | 46               | 45               | 45         | 600  | —   |
| Percentage of change             | -4.2%             | 4.0%             | 5.3%             | 5.3%       | 5.3%   | — %   |

## Notes:

- The above forecast figures have been calculated based on the attached “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending February 2015.” Accordingly, actual operating revenue, operating profit, recurring profit, net income and distribution per unit (excluding distribution in excess of earnings) may vary as a result of differences with the assumptions caused by additional acquisition or transfer of real estate, etc., fluctuations of rent revenue in accordance with changes of tenants, etc., changes in the operating environment including occurrence of

unexpected events requiring repairs, fluctuations in interest rates and other factors. In addition, SIA REIT does not guarantee any actual distribution amount with this forecast.

2. Forecast investment units issued and outstanding as of the end of the fiscal period: 75,100 units
3. Figures have been rounded down to the nearest unit and percentages have been rounded to the first decimal place.

## 2. Reason for Revision

Simplex REIT Partners Inc., the asset management company to which SIA REIT entrusts management of its assets, today decided to transfer NEXT21, one of SIA REIT's assets under management, as of September 3, 2014 (for more details, please refer to "Notice Concerning Asset Transfer (NEXT21)" announced today). The transfer of the property will bring a gain on sale to SIA REIT. Due to this and other factors, SIA REIT has revised its forecast of financial results and cash distribution for the fiscal period ending February 2015 (3rd fiscal period) (September 1, 2014 to February 28, 2015).

Furthermore, as the transfer of the property is scheduled to take place on September 3, 2014, it will have no impact on the financial results for the fiscal period ending August 2014 (2nd fiscal period) (March 1, 2014 to August 31, 2014).

This press release distributed to:

The Tokyo Stock Exchange Press Club (Kabuto Club), Ministry of Land, Infrastructure, Transport and Tourism (MLIT)  
Press Club and MLIT Press Club for Construction Publications

SIA REIT corporate website:

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

## ATTACHMENT

Assumptions for the Forecast of Financial Results for the Fiscal Period Ending February 2015

| Item  | Assumptions  |
|---|--|
| Calculation period                          | ➤ Fiscal period ending February 2015 (3rd fiscal period) (September 1, 2014 to February 28, 2015) (181 days)   |
| 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 July 23, 2014, it is assumed that NEXT21 will be transferred as of September 3, 2014 and no other 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>➤ In practice, they may vary due to acquisition of new properties, disposition of portfolio properties or other factors.</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, with considerations given to the tenant trends at the current portfolio assets, the market trends and other factors.</li> <li>➤ SIA REIT assumes that 68 million yen in gain on sale of real estate, etc. will be recorded from the transfer of NEXT21, which will be completed on September 3, 2014.</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 the basis of historical data and by reflecting factors that cause fluctuations in expenses.</li> <li>➤ Depreciation is calculated using the straight-line method, including ancillary costs, and is expected to total ¥425 million for the fiscal period ending February 2015.</li> <li>➤ Fixed asset tax, city planning tax, etc. are estimated to be 222 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 management fees are estimated to be 223 million yen in the fiscal period ending February 2015.</li> </ul> |
| Non-operating expenses                      | ➤ Interest expenses and borrowing-related expenses are expected to be ¥309 million in the fiscal period ending February 2015.  |
| Loans                                       | <ul style="list-style-type: none"> <li>➤ The balance of loans outstanding as of July 23, 2014 is 42,340 million yen. Other than the early repayment, contractual loan repayment and refinance described below, no change is expected to occur until the end of the fiscal period ending February 2015.</li> <li>➤ In the fiscal period ending February 2015, SIA REIT assumes that early loan repayment of ¥247 million will be made by using part of the proceeds from the transfer of NEXT21 and that contractual loan repayment of ¥166 million will be made by using part of cash on hand. In addition, it is assumed that ¥13,420 million yen out of the ¥13,454 million yen in loans that will become due for repayment in the fiscal period will be refinanced.</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 | ➤ There are no plans at this time to distribute excess earnings.   |
| 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>  |