SIA REIT, Inc.

Translation Purposes Only

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To All Concerned Parties

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Notice concerning Obtainment of Preferential Negotiation Rights for Acquisition of a Property (Daido Life Omiya Building)

TOKYO, May 20, 2016 – SIA REIT, Inc. (hereafter referred to as "SIA REIT") announces that it today obtained preferential negotiation rights for the acquisition of the trust beneficiary right (hereafter referred to as the "Property") of Daido Life Omiya Building (hereafter referred to as the "Real Estate") (hereafter referred to as the "Preferential Negotiation Rights"), as follows.

1. Overview of the Preferential Negotiation Rights

(1)	Target asset	Trust beneficiary right of Daido Life Omiya Building (Please refer to "3. Features and Overview of the Real Estate" for the details of the real estate.)
(2)	Entity from which SIA REIT obtained the Preferential Negotiation Rights	Not disclosed (Note)
(3)	Description of the preferential negotiation rights	The rights for SIA REIT to preferentially negotiate regarding the acquisition of the Property
(4)	Exercise period of the Preferential Negotiation Rights	From May 20, 2016 to May 20, 2018
(5)	Period allowed for sale	From March 1, 2017 to May 20, 2018
(6)	Terms and conditions for exercising the Preferential Negotiation Rights	The following conditions shall be met: 1) The purchase price is at least 3,000 million yen (excluding consumption tax) 2) The transaction date is on a business day during the period allowed for sale.

(Note) Although the entity is a domestic business company, the name is undisclosed as consent for disclosure has not been obtained.

SIA REIT has the Preferential Negotiation Rights, but this is a right and will not be obliged to acquire the Property. Furthermore, presently, this does not constitute decision by SIA REIT to acquire the Property nor guarantee that SIA REIT can acquire the Property.

The obtainment of the Preferential Negotiation Rights does not fall under the category of a transaction with "an interested party, etc." as defined in the Act on Investment Trusts and Investment Corporations or with "interested parties" as set forth in the interested party transaction rules of Simplex REIT Partners Inc. (hereinafter referred to as the "Asset Management Company.") However, if SIA REIT acquires the Property in the future, it will fall under the category of a transaction with "interested parties", and thus the decision shall be made after predetermined

procedures are taken in accordance with the internal rules and regulations of the Asset Management Company and SIA REIT.

Furthermore, SIA REIT or the Asset Management Company will pay no consideration for the obtainment of the Preferential Negotiation Rights to the seller of such rights.

2. Reason and Background of the Obtainment of the Preferential Negotiation Rights

Pursuant to the "basic policy of asset management and investment attitude" set forth in its Articles of Incorporation, SIA REIT obtained the Preferential Negotiation Rights in order to secure the opportunity to acquire the Property, which is located in the Tokyo metropolitan area, a target investment area of SIA REIT, and allows expectations for stable earnings over the medium to long term. SIA REIT believes that if the Property is acquired, such will promote expansion of the asset size and diversification of its portfolio, leading to even further reinforcement of the portfolio.

In this transaction, the obtainment of the Preferential Negotiation Rights was realized by SIA REIT obtaining the information on the sale through the unique information gathering network of the Asset Management Company; and Simplex Real Estate Management Inc. , who possesses a high level of property selection/management know-how, providing support for formulating a scheme. Going forward, SIA REIT will continue its endeavors to enhance the stability and quality of its portfolio by utilizing support from the sponsor and supporting company, with an aim to increase unitholder value and medium- to long-term growth.

3. Features and Overview of the Real Estate

The Real Estate is a medium-scale office building located a nine-minute walk from Omiya Station on the JR and other lines and situated along the old Nakasen-do Road. Since the Real Estate not only enjoys excellent transportation convenience with good access to Metropolitan Expressway Saitama Shintoshin Route and other arterial roads, but also provides parking for a total of 71 vehicles, it is recognized as a property that meets rental office demand (mainly for sales offices) in the neighboring areas. Furthermore, the rental space has a regular shape that can be easily divided to offer office space of various sizes, be it large or small and stable demand from tenants is anticipated to continue in the office building leasing market in the Omiya area going forward. As such, SIA REIT believes that the Real Estate should contribute to enhancing the stability of its portfolio.

<Property Overview>

(1)	Property name	Daido Life Omiya Building
(2)	Address (domicile)	1-23-1 Kishiki-cho, Omiya-ku, Saitama-shi, Saitama
(3)	Use	Office
(4)	Area	1,290.21m^2
(5)	Total floor space	6,155.16m^2
(6)	Completed	October 1991
(7)	Structure and number of floors	SRC with flat roof, 8F

(i) The "Use" column contains the primary type of use stated in the registry and may differ from present state.
(ii) The "Area" column contains the parcel area as stated in the registry and may differ from present state.
(iii) The "Total floor space" column contains the sum total of the floor areas stated in the registry and may differ from present state.
(iv) The "Completed" column is the initial completion date as stated in the registry.
(v) The "Structure and number of floors" column contains the structure and numbers of floors as stated in the registry and may differ from present state.

<Photo and Map of the Real Estate>

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