

Summary of Financial Results for the Fiscal Period Ended August 2015 (REIT)

October 15, 2015

REIT Issuer: SIA REIT, Inc. Stock Exchange Listing: Tokyo Stock Exchange
 Securities Code: 3290 URL: <http://www.sia-reit.com/en/>
 Representative: (Title) Executive Director (Name) Hiroyuki Katsuno
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Scheduled date of submission of securities report: November 27, 2015
 Scheduled date of commencement of distribution payment: November 18, 2015
 Preparation of supplementary financial results briefing materials: Yes
 Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for the Fiscal Period Ended August 2015 (March 1, 2015 to August 31, 2015)

(1) Management status (% figures are the percentage of increase (decrease) compared with the previous period)

Fiscal period	Operating revenue		Operating profit		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Aug. 2015	3,053	(0.1)	1,198	(2.3)	888	(3.1)	887	(3.1)
Ended Feb. 2015	3,056	(3.9)	1,227	(7.5)	916	(11.3)	915	(11.4)

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of recurring profit to total assets	Ratio of recurring profit to operating revenue
	yen	%	%	%
Ended Aug. 2015	11,822	2.6	1.1	29.1
Ended Feb. 2015	12,196	2.7	1.1	30.0

(2) Distributions status

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)	Total distributions (excluding distribution in excess of earnings)	Distribution per unit in excess of earnings	Total distributions in excess of earnings	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	%	%
Ended Aug. 2015	11,822	887	0	0	99.9	2.6
Ended Feb. 2015	12,196	915	0	0	99.9	2.7

(Note) Distribution payout ratio is calculated by the following formula (rounded down to one decimal place).

Distribution payout ratio = Total distributions ÷ Net income × 100

(3) Financial position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Aug. 2015	80,492	33,526	41.7	446,422
Ended Feb. 2015	80,658	33,554	41.6	446,796

(4) Status of cash flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Aug. 2015	1,396	(344)	(1,113)	5,953
Ended Feb. 2015	1,667	(362)	(1,479)	6,015

2. Forecast of Financial Results for the Fiscal Period Ending February 2016 (September 1, 2015 to February 29, 2016) and Fiscal Period Ending August 2016 (March 1, 2016 to August 31, 2016)

(% figures are the percentage of increase (decrease) compared with the previous period)

Fiscal period	Operating revenue		Operating profit		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ending Feb. 2016	3,080	0.9	1,180	(1.5)	864	(2.7)	863	(2.7)
Ending Aug. 2016	2,971	(3.5)	1,110	(5.9)	797	(7.8)	796	(7.8)

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)		Distribution per unit in excess of earnings	
	yen		yen	
Ending Feb. 2016	11,500		0	
Ending Aug. 2016	10,600		0	

(Reference) Forecast net income per unit (fiscal period ending February 2016): 11,500 yen

Forecast net income per unit (fiscal period ending August 2016): 10,600 yen

* Other

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- | | |
|---|----|
| ① Changes in accounting policies accompanying amendments to accounting standards, etc.: | No |
| ② Changes in accounting policies other than ①: | No |
| ③ Changes in accounting estimates: | No |
| ④ Retrospective restatement: | No |

(2) Number of investment units issued and outstanding

- ① Number of investment units issued and outstanding (including own investment units) at end of period

Fiscal period ended August 2015	75,100 units
Fiscal period ended February 2015	75,100 units
Fiscal period ended August 2015	— units
Fiscal period ended February 2015	— units

- ② Number of own investment units at end of period

(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to “Notes on Per Unit Information” on page 22.

* Presentation of the status of implementation of audit procedures

At the time of disclosure of this summary of financial results, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

* Explanation of the appropriate use of the forecast of management status, and other matters of special note

The management status outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by SIA REIT. Accordingly, actual management status and other results may differ materially due to a variety of factors. In addition, the forecast is not a guarantee of the amount of distributions. For the assumptions for the forecast of management status, please refer to “Assumptions for the Forecast of Management Status for the Fiscal Periods Ending February 2016 and August 2016” presented on page 7.

1. Associated Corporations of the Investment Corporation

Disclosure is omitted because there is no significant change in the name, operational roles and overview of associated business operations of the investment corporation SIA REIT, Inc. and the associated corporations of SIA REIT (including other main associated parties of SIA REIT) from those of “Structure of the Investment Corporation” in the securities report (submitted on November 27, 2014, including amendments thereto) and in the extraordinary report (submitted on May 28, 2015).

2. Management Policy and Management Status

(1) Management Policy

Disclosure is omitted because there is no significant change from “Investment Policy,” “Investment Targets” and “Distribution Policy” in the securities report (submitted on May 28, 2015).

(2) Management Status

① Overview of the Fiscal Period under Review

(A) Brief History of the Investment Corporation

SIA REIT aims to maximize unitholder value through the pursuit of “profitability” and “stability” by investing in Class-A and Class-B office buildings and urban retail facilities in which the SIA Group has a wealth of management expertise.

SIA REIT was incorporated on June 25, 2013 with Simplex REIT Partners Inc. (hereafter referred to as the “Asset Management Company”) as the organizer and with investments in capital of 200 million yen (400 units). In addition, SIA REIT implemented an issuance of new investment units through public offering (74,700 units) with October 8, 2013 as the payment date and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3290) on October 9, 2013. As a result, the number of investment units issued and outstanding at the end of the fiscal period ended August 2015 was 75,100 units.

(Note 1) The SIA Group comprises not only Simplex REIT Partners Inc. but also Simplex Investment Advisors Inc. (SIA), which is the sponsor of SIA REIT, and Simplex Real Estate Management Inc. (SRM). SRM is the real estate private placement fund manager for the SIA Group.

(Note 2) “Class S” refers to office buildings located in the three central wards of Tokyo (Chiyoda Ward, Chuo Ward and Minato Ward) with a standard floor area of 200 tsubos (approx. 660 m²) or more. “Class A” refers to office buildings located in the five central wards of Tokyo (Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward and Shibuya Ward) with a standard floor area of 100 tsubos (approx. 330 m²) or more but less than 200 tsubos, and office buildings located in the Tokyo metropolitan area (Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture) outside the three central wards, Osaka City, Nagoya City, Sapporo City and Fukuoka City with a standard floor area of more than 200 tsubos. “Class B” refers to office buildings located in the five central wards of Tokyo with a standard floor area of 50 tsubos (approx. 165 m²) or more but less than 100 tsubos, office buildings located in the Tokyo metropolitan area outside the five central wards, Osaka City, Nagoya City, Sapporo City and Fukuoka City with a standard floor area of 100 tsubos or more but less than 200 tsubos, and office buildings in ordinance-designated cities or their equivalent other than Osaka City, Nagoya City, Sapporo City and Fukuoka City with a standard floor area of more than 100 tsubos.

(B) Investment Environment and Management Performance

During the fiscal period under review (fiscal period ended August 2015 (4rd fiscal period) (March 1, 2015 to August 31, 2015)), although the Japanese economy showed some weakening due to the impact of unsettled weather and concerns over slowdown in the Chinese economy, a gradual economic recovery has been maintained as evidenced by the ongoing improvements in the employment and income environment and such, and supported by improved corporate performance brought on by the continuing fall in crude oil price and the weaker yen.

In the office building leasing market, a decline in vacancy rate and an increase in rent continued centering on prime properties in central Tokyo in the wake of the increase in office demand backed by improvement in corporate performance. Even at Class-A and Class-B office buildings, the sense that rents are bottoming out became stronger and some upward revisions in rent could also be seen.

Under such circumstances, SIA REIT actively carried out proactive leasing activities through reinforcing relationships with existing tenants, strengthening partnerships with property management companies and rental brokerage companies, etc. Furthermore, SIA REIT promoted effective operational management with an understanding of tenant needs and characteristics of each property, and endeavored to maintain and increase the occupancy rate as well as increase lease business revenue while working to reduce costs by reviewing electricity contracts and such.

As an initiative to raise tenant satisfaction and to enhance property value at J Tower, PLASIA KITCHEN, a restaurant that also functions as a lounge, was opened on August 17, 2015 through the planning and drafting of a way to utilize vacant space and the attracting of an operator.

SIA REIT's assets at the end of the fiscal period ended August 2015 was a portfolio of assets totaling 19 properties (acquisition price total: 74,347 million yen), total leasable area of 130,100.27 m² and the occupancy rate at the end of the fiscal period ended August 2015 was 96.3%.

(C) Overview of Financing

There was no new financing during the fiscal period under review, and SIA REIT carried out scheduled repayment of borrowings.

As a result, as of August 31, 2015, the balance of outstanding borrowings was 41,692 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 51.8%.

(D) Overview of Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period ended August 31, 2015 was operating revenue of 3,053 million yen, operating profit of 1,198 million yen, recurring profit of 888 million yen and net income of 887 million yen.

Concerning distributions, in view of distributing almost the entire amount of unappropriated retained earnings to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation), SIA REIT declared distribution per investment unit of 11,822 yen.

② Outlook for the Next Fiscal Period

(A) Future Investment Environment

The Japanese economy ahead is likely to stay on a modest recovery path. However, the U.S.'s financial policies, concerns over the slowdown in Chinese economy and such constitute future risks.

In the office building leasing market, office demand is expected to remain strong in line with the improvement in corporate performance, and the trend of rent rise centering on prime buildings in central Tokyo is likely to gradually expand regionally. In the office building transaction market, further intensified property acquisition competition is likely as proactive transactions continue against the backdrop of the favorable financing environment and increase in market players.

(B) Future Management Policy and Challenges to Address

With the aim of achieving stable growth over the medium to long term, SIA REIT will seek to expand asset size by acquiring competitive assets (external growth) and maintain and increase the asset value of assets under management by operating and managing them to maximize their competitiveness (internal growth).

In order to achieve the growth strategy in both aspects of external growth and internal growth as described above, it is the policy of SIA REIT to take full advantage of the unique investment expertise and business and other resources of the Asset Management Company and the rest of the SIA Group.

(a) External Growth

Based on the policy to build a portfolio comprising mainly Class-A and Class-B office buildings and urban retail facilities, SIA REIT will aim to expand asset size, while maintaining and enhancing the portfolio quality by conducting investment having assessed the location, building specifications, tenant attributes, etc. of individual properties.

With the Tokyo metropolitan area, which offers the prospect of stable rental demand over the medium to long term and is a relatively large market size, as the primary investment target region and also making carefully selected investments in ordinance-designated cities or their equivalent, which offer the prospect of higher returns than the Tokyo metropolitan area, SIA REIT will seek to build a portfolio that focuses on stable income yet also considers for enhancement of revenue through regional diversification.

(Note 1) "Tokyo metropolitan area" refers to Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture.

(Note 2) Ordinance-designated regional cities and major regional cities equivalent to ordinance-designated regional cities are collectively referred to as "ordinance-designated cities or their equivalent." "Ordinance-designated regional cities" refers to ordinance-designated cities located outside the Tokyo metropolitan area. "Major regional cities" refers to non-ordinance-designated regional cities located outside the Tokyo metropolitan area that are the location of a prefectural government (prefectural capitals) or their equivalent.

(b) Internal Growth

SIA REIT will seek to maintain and enhance occupancy rates and enhance lease business revenue and expenditure by utilizing the unique expertise of the Asset Management Company, along with utilizing the expertise and support of the rest of the SIA Group, in operating and managing assets under management and also by taking the following initiatives.

- ◆ Strengthen collaboration with property management companies and brokers
- ◆ Build and strengthen tenant relations
- ◆ Maintain and enhance property value through appropriate investment
- ◆ Reduce operation/management costs by reviewing current contracts
- ◆ Strengthen environmental initiatives for which there is strong demand from society

③ Subsequent Material Events

Not applicable.

(Reference Information)

(A) Borrowing of Funds

SIA REIT conducted the borrowing in order to partially fund the repayment of existing borrowings (Contract No. 0007 with 4,907 million yen outstanding) that matures on October 13, 2015 as follows.

Contract No.: 0010

Lenders	Aozora Bank, Ltd.: 475 million yen Sumitomo Mitsui Trust Bank, Limited: 984 million yen
Borrowing amount	1,459 million yen
Interest rate	Floating rate: base interest rate (JBA one-month Japanese yen TIBOR) + 0.60% (Note 1)
Drawdown date	October 13, 2015
Principal repayment method	Repayment in installments (Note 2)
Principal repayment date	October 10, 2016
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 million 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

Lenders	Sumitomo Mitsui Banking Corporation: 452 million yen Aozora Bank, Ltd.: 1,000 million yen The Bank of Fukuoka, Ltd.: 984 million yen The Mie Bank, Ltd.: 600 million yen ORIX Bank Corporation: 400 million yen
Borrowing amount	3,436 million yen
Interest rate	Floating rate: base interest rate (JBA one-month Japanese yen TIBOR) + 0.65% (Note 1)
Drawdown date	October 13, 2015
Principal repayment method	Repayment in installments (Note 2)
Principal repayment date	October 10, 2017
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 (8 million 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.

(B) Asset Acquisition

SIA REIT acquired the following asset (silent partnership equity interest) as of September 28, 2015.

Acquired asset	Silent partnership equity interest that has beneficiary right of real estate placed in trust as asset under management
Asset name	GK SIA Bridge No. 1 Silent partnership equity interest
Real estate in trust	Glass City Motoyoyogi
Amount of equity investment	50 million yen
Date of silent partnership agreement	September 25, 2015
Acquisition date	September 28, 2015
Acquisition funds	Cash on hand

(Note 1) The asset is the silent partnership equity interest pertaining to silent partnership having GK SIA Bridge No. 1 (hereafter referred to as the "Bridge SPC") as the operator.

(Note 2) The Bridge SPC was acquired beneficiary interest in trust having real estate in trust as primary asset in trust on September 29, 2015.

Assumptions for the Forecast of Management Status for the Fiscal Periods Ending February 2016 and August 2016

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> ➤ Fiscal period ending February 2016 (5th fiscal period) (September 1, 2015 to February 29, 2016) (182 days) ➤ Fiscal period ending August 2016 (6th fiscal period) (March 1, 2016 to August 31, 2016) (184 days)
Assets under management	<ul style="list-style-type: none"> ➤ The real estate and real estate trust beneficiary rights held as of August 31, 2015 are total of 19 properties. It is assumed that no other changes (acquisition of new properties, disposition of portfolio properties, etc.) will take place until the end of the fiscal period ending August 2016. ➤ Changes in assets under management may occur from acquiring new properties, disposition of portfolio properties, etc.
Operating revenue	<ul style="list-style-type: none"> ➤ The calculation of property-related operating revenue assumes that there will be no late or delinquent payments of rent by tenants, given the current portfolio assets' tenant trends, market trends, etc. ➤ As to operating revenue other than property-related operating revenue, it is assumed that there will be no changes to the properties held and no gain on sale of real estate is expected. Dividends to be received of 0 million yen for the fiscal period ending February 2016 and of 1 million yen for the fiscal period ending August 2016 are expected from the silent partnership equity interests.
Operating expenses	<ul style="list-style-type: none"> ➤ Property-related expenses, which are the main component of operating expenses, are estimated to be 1,614 million yen in the fiscal period ending February 2016 and 1,575 million yen in the fiscal period ending August 2016. Expenses other than depreciation are calculated on a historical data basis and by reflecting factors causing fluctuations in expenses. <ul style="list-style-type: none"> 1) Property management fees are estimated to be 326 million yen in the fiscal period ending February 2016 and 297 million yen in the fiscal period ending August 2016. 2) Depreciation is calculated using the straight-line method, including ancillary costs, etc. Depreciation is estimated to be 447 million yen in the fiscal period ending February 2016 and 457 million yen in the fiscal period ending August 2016. 3) Fixed asset tax, city planning tax, etc. are estimated to be 219 million yen in the fiscal period ending February 2016 and 219 million yen in the fiscal period ending August 2016. 4) 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. ➤ Operating expenses other than property-related expenses (Asset management fee, Asset custody fee, Administrative service fees, etc.) are estimated to be 285 million yen in the fiscal period ending February 2016 and 286 million yen in the fiscal period ending August 2016. <ul style="list-style-type: none"> 1) Asset management fees of 221 million yen are expected for the fiscal period ending February 2016 and 220 million yen for the fiscal period ending August 2016.
Non-operating expenses	<ul style="list-style-type: none"> ➤ Interest expenses and borrowing related expenses are expected to be 315 million yen in the fiscal period ending February 2016 and 313 million yen in the fiscal period ending August 2016.
Borrowings	<ul style="list-style-type: none"> ➤ The balance of outstanding borrowings as of August 31, 2015 is 41,692 million yen. ➤ In the fiscal period ending February 2016, contractual loan repayment of 187 million yen using part of cash on hand is expected. Moreover, while 4,907 million yen of borrowings will become due for repayment, 4,895 million yen is expected to be refinanced. ➤ In the fiscal period ending August 2016, contractual loan repayment of 199 million yen using part of cash on hand is expected.
Investment units	<ul style="list-style-type: none"> ➤ The 75,100 units that are the investment units issued and outstanding as of today is assumed. ➤ 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 August 2016.
Distribution per unit	<ul style="list-style-type: none"> ➤ 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. ➤ 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.

Distribution per unit in excess of earnings	<ul style="list-style-type: none"> ➤ There are no plans at this time to distribute cash in excess of earnings.
Other	<ul style="list-style-type: none"> ➤ 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. ➤ It is assumed that there will be no serious unforeseen change in general economic trends, real estate market conditions, etc.

(3) Investment Risks

Disclosure is omitted because there is no significant change from “Investment Risks” in the securities report (submitted on May 28, 2015).

Translation Purpose Only

3. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	3rd fiscal period (As of Feb. 28, 2015)	4th fiscal period (As of Aug. 31, 2015)
Assets		
Current assets		
Cash and deposits	2,185,916	1,965,116
Cash and deposits in trust	*1 3,829,236	*1 3,988,421
Operating accounts receivable	91,300	98,837
Prepaid expenses	160,935	142,661
Deferred tax assets	17	14
Consumption taxes receivable	—	7,944
Other	—	1,321
Total current assets	6,267,406	6,204,317
Non-current assets		
Property, plant and equipment		
Buildings	3,593,817	3,606,266
Accumulated depreciation	(179,970)	(243,649)
Buildings, net	*1 3,413,847	*1 3,362,616
Structures	9,045	9,644
Accumulated depreciation	(858)	(1,166)
Structures, net	*1 8,187	*1 8,478
Machinery and equipment	62,025	62,025
Accumulated depreciation	(17,564)	(23,767)
Machinery and equipment, net	*1 44,460	*1 38,258
Land	*1 3,770,347	*1 3,770,347
Buildings in trust	28,996,159	29,308,710
Accumulated depreciation	(985,104)	(1,340,589)
Buildings in trust, net	*1 28,011,055	*1 27,968,120
Structures in trust	31,348	32,876
Accumulated depreciation	(1,058)	(2,188)
Structures in trust, net	*1 30,290	*1 30,687
Machinery and equipment in trust	42,470	80,704
Accumulated depreciation	(2,072)	(4,563)
Machinery and equipment in trust, net	*1 40,398	*1 76,141
Tools, furniture and fixtures in trust	20,482	48,680
Accumulated depreciation	(1,457)	(3,381)
Tools, furniture and fixtures in trust, net	*1 19,025	*1 45,298
Land in trust	*1 35,420,175	*1 35,420,175
Total property, plant and equipment	70,757,787	70,720,124
Intangible assets		
Leasehold rights in trust	*1 3,365,647	*1 3,365,647
Other	2,267	1,972
Total intangible assets	3,367,914	3,367,619
Investments and other assets		
Lease and guarantee deposits	16,330	16,330
Long-term prepaid expenses	248,934	184,381
Total investments and other assets	265,264	200,711
Total non-current assets	74,390,966	74,288,455
Total assets	80,658,373	80,492,773

(Unit: thousand yen)

	3rd fiscal period (As of Feb. 28, 2015)	4th fiscal period (As of Aug. 31, 2015)
Liabilities		
Current liabilities		
Operating accounts payable	156,641	187,760
Current portion of long-term loans payable	*1 5,295,000	*1 5,282,700
Accounts payable	334,192	336,241
Accrued expenses	142,244	144,697
Corporate taxes, etc. payable	839	806
Consumption taxes payable	56,110	25,283
Advances received	473,275	467,568
Other	234	15,005
Total current liabilities	6,458,537	6,460,063
Non-current liabilities		
Long-term loans payable	*1 36,597,500	*1 36,410,000
Tenant lease and security deposits	324,097	207,363
Tenant lease and security deposits in trust	3,723,822	3,889,007
Total non-current liabilities	40,645,419	40,506,370
Total liabilities	47,103,957	46,966,434
Net assets		
Unitholders' equity		
Unitholders' capital	32,638,475	32,638,475
Surplus		
Unappropriated retained earnings (undisposed loss)	915,940	887,864
Total surplus	915,940	887,864
Total unitholders' equity	33,554,415	33,526,339
Total net assets	*2 33,554,415	*2 33,526,339
Total liabilities and net assets	80,658,373	80,492,773

Translation Purpose Only

(2) Statement of Income

(Unit: thousand yen)

	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)	4th fiscal period (From: Mar. 1, 2015 To: Aug. 31, 2015)
Operating revenue		
Lease business revenue	*1 2,593,953	*1 2,629,780
Other lease business revenue	*1 404,653	*1 424,125
Gain on sale of real estate	*2 58,103	—
Total operating revenue	3,056,711	3,053,905
Operating expenses		
Expenses related to rent business	*1 1,544,394	*1 1,571,147
Asset management fee	223,805	221,810
Asset custody fee	3,530	3,562
Administrative service fees	15,798	15,311
Directors' compensations	3,876	3,876
Other operating expenses	38,161	39,285
Total operating expenses	1,829,566	1,854,993
Operating profit	1,227,145	1,198,911
Non-operating income		
Interest income	568	572
Interest on refund	—	1,484
Total non-operating income	568	2,056
Non-operating expenses		
Interest expenses	228,595	234,692
Borrowing related expenses	82,227	77,507
Total non-operating expenses	310,823	312,200
Recurring profit	916,889	888,767
Net income before income taxes	916,889	888,767
Corporate, inhabitant and enterprise taxes	955	922
Adjustment of corporate tax, etc.	(2)	2
Total income taxes	952	924
Net income	915,937	887,842
Profit brought forward	3	21
Unappropriated retained earnings (undisposed loss)	915,940	887,864

(3) Statement of Unitholders' Equity

3rd fiscal period (September 1, 2014 to February 28, 2015)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	32,638,475	1,033,379	1,033,379	33,671,854	33,671,854
Changes of items during period					
Distribution of surplus		(1,033,376)	(1,033,376)	(1,033,376)	(1,033,376)
Net income		915,937	915,937	915,937	915,937
Total changes of items during period	—	(117,438)	(117,438)	(117,438)	117,438
Balance at end of current period	32,638,475	915,940	915,940	33,554,415	33,554,415

4th fiscal period (March 1, 2015 to August 28, 2015)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	32,638,475	915,940	915,940	33,554,415	33,554,415
Changes of items during period					
Distribution of surplus		(915,919)	(915,919)	(915,919)	(915,919)
Net income		887,842	887,842	887,842	887,842
Total changes of items during period	—	(28,076)	(28,076)	(28,076)	(28,076)
Balance at end of current period	32,638,475	887,864	887,864	33,526,339	33,526,339

(4) Statement of Cash Distributions

(Unit: yen)

	3rd fiscal period From: Sep. 1, 2014 To: Feb. 28, 2015	4th fiscal period From: Mar. 1, 2015 To: Aug. 31, 2015
	Amount	Amount
I. Unappropriated retained earnings	915,940,830	887,864,005
II. Amount of distributions	915,919,600	887,832,200
[Amount of distributions per investment unit]	[12,196]	[11,822]
III. Retained earnings carried forward	21,230	31,805

Method of calculating the amount of distributions	<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of SIA REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of SIA REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, SIA REIT decided to pay out distributions of earnings of 915,919,600 yen, which is the largest integral multiple of the number of investment units issued and outstanding (75,100 units) in an amount not in excess of unappropriated retained earnings. SIA REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of SIA REIT.</p>	<p>Pursuant to the distribution policy provided in Article 35, Paragraph 1, Item 2 of the Articles of Incorporation of SIA REIT, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of earnings available for distribution of SIA REIT provided in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings.</p> <p>Based on such policy, SIA REIT decided to pay out distributions of earnings of 887,832,200 yen, which is the largest integral multiple of the number of investment units issued and outstanding (75,100 units) in an amount not in excess of unappropriated retained earnings. SIA REIT will not engage in the distribution of cash in excess of earnings provided in Article 35, Paragraph 2 of the Articles of Incorporation of SIA REIT.</p>
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Translation Purpose Only

(5) Statement of Cash Flows

(Unit: thousand yen)

	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)	4th fiscal period (From: Mar. 1, 2015 To: Aug. 31, 2015)
Cash flows from operating activities		
Income before income taxes	916,889	888,767
Depreciation	424,577	431,516
Interest income	(568)	(572)
Interest expenses	228,595	234,692
Decrease (increase) in operating accounts receivable	30,870	(7,536)
Decrease (increase) in consumption taxes refund receivable	—	(7,944)
Decrease (increase) in prepaid expenses	(56,665)	18,274
Decrease by sales of property, plant and equipment in trust	405,230	—
Increase (decrease) in operating accounts payable	(43,958)	31,118
Increase (decrease) in accounts payable - other	151,296	(961)
Increase (decrease) in consumption tax payable	(86,771)	(30,827)
Increase (decrease) in advances received	19,954	(5,706)
Decrease (increase) in long-term prepaid expenses	(71,523)	64,552
Other, net	(53,949)	13,449
Subtotal	1,863,979	1,628,823
Interest income received	568	572
Interest expenses paid	(195,944)	(232,239)
Income taxes paid	(905)	(955)
Net cash provided by (used in) operating activities	1,667,698	1,396,199
Cash flows from investing activities		
Purchase of property, plant and equipment	—	(13,047)
Purchase of property, plant and equipment in trust	(172,672)	(379,856)
Repayments of tenant lease and security deposits	(448)	(156,342)
Proceeds from tenant lease and security deposits	322	39,609
Repayments of tenant lease and security deposits in trust	(268,113)	(56,655)
Proceeds from tenant lease and security deposits in trust	92,130	221,840
Repayment of long-term deposits	(13,364)	—
Net cash provided by (used in) investing activities	(362,145)	(344,452)
Cash flows from financing activities		
Repayment of short-term loans payable	(13,466,250)	—
Proceeds from long-term loans payable	13,420,000	—
Repayment of long-term loans payable	(401,250)	(199,800)
Payment of distribution	(1,031,597)	(913,562)
Net cash provided by (used in) investing activities	(1,479,097)	(1,113,362)
Net increase (decrease) in cash and cash equivalents	(173,544)	(61,615)
Cash and cash equivalents at beginning of period	6,188,697	6,015,153
Cash and cash equivalents at end of period	*1 6,015,153	*1 5,953,537

(6) Notes on the Going Concern Assumption
Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>① Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of core property, plant and equipment is as follows:</p> <table> <tr> <td>Buildings</td><td>5~59 years</td></tr> <tr> <td>Structures</td><td>4~20 years</td></tr> <tr> <td>Machinery and equipment</td><td>5~10 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>5~15 years</td></tr> </table> <p>② Intangible assets (including trust assets) The straight-line method is adopted.</p> <p>③ Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	5~59 years	Structures	4~20 years	Machinery and equipment	5~10 years	Tools, furniture and fixtures	5~15 years
Buildings	5~59 years								
Structures	4~20 years								
Machinery and equipment	5~10 years								
Tools, furniture and fixtures	5~15 years								
2. Standards for recognition of revenue and expenses	<p>Accounting for fixed asset tax, etc. Of the tax amount assessed and determined for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held, the method adopted is that the amount corresponding to the relevant calculation period is expensed as expenses related to rent business. The amount equivalent to fixed asset tax, etc. in the fiscal year including the acquisition date paid to the seller as reimbursement upon acquisition of real estate, etc. is included in the cost of acquisition of the relevant real estate, etc. and not recognized as expenses.</p>								
3. Scope of funds in the statement of cash flows	<p>The funds (cash and cash equivalents) in the statement of cash flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.</p>								
4. Other significant matters serving as the basis for preparing financial statements	<p>① Accounting for trust beneficiary rights in real estate, etc. Concerning trust beneficiary rights in real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <ol style="list-style-type: none"> (1) Cash and deposits in trust (2) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; and land in trust (3) Leasehold rights in trust (4) Tenant leasehold and security deposits in trust <p>② Accounting for consumption tax, etc. Concerning accounting for consumption tax and local consumption tax, these taxes are excluded. Non-deductible consumption tax in the acquisition of assets is included in the cost of acquisition of the respective asset.</p>								

(8) Notes to the Financial Statements

[Notes to the Balance Sheet]

*1. Assets pledged as collateral and secured liabilities

The following are the assets pledged as collateral.

	(Unit: thousand yen)	
	3rd fiscal period (As of Feb. 28, 2015)	4th fiscal period (As of Aug. 31, 2015)
Cash and deposits in trust	3,829,236	3,988,421
Buildings	3,413,847	3,362,616
Structures	8,187	8,478
Machinery and equipment	44,460	38,258
Land	3,770,347	3,770,347
Buildings in trust	28,011,055	27,968,120
Structures in trust	30,290	30,687
Machinery and equipment in trust	40,398	76,141
Tools, furniture and fixtures in trust	19,025	45,298
Land in trust	35,420,175	35,420,175
Leasehold rights in trust	3,365,647	3,365,647
Total	77,952,671	78,074,193

The following are the secured liabilities.

	(Unit: thousand yen)	
	3rd fiscal period (As of Feb. 28, 2015)	4th fiscal period (As of Aug. 31, 2015)
Current portion of long-term loans payable	5,295,000	5,282,700
Long-term loans payable	36,597,500	36,410,000
Total	41,892,500	41,692,700

*2. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

	(Unit: thousand yen)	
	3rd fiscal period (As of Feb. 28, 2015)	4th fiscal period (As of Aug. 31, 2015)
	50,000	50,000

[Translation Purpose Only]

[Notes to the Statement of Income]

*1. Breakdown of property-related operating income (loss)

		(Unit: thousand yen)	
		3rd fiscal period	4th fiscal period
		(From: Sep. 1, 2014 To: Feb. 28, 2015)	(From: Mar. 1, 2015 To: Aug. 31, 2015)
A.	Property-related operating revenue		
	Lease business revenue		
	Rent revenue	1,876,057	1,922,458
	Common area charges revenue	571,372	557,512
	Parking revenue	110,934	114,230
	Other rent revenue	35,588	35,578
	Total	2,593,953	2,629,780
	Other lease business revenue		
	Utilities revenue	374,074	378,145
	Other revenue	30,579	45,979
	Total	404,653	424,125
	Total property-related operating revenue	2,998,607	3,053,905
B.	Property-related operating expenses		
	Expenses related to rent business		
	Property management fees	307,477	319,929
	Utilities expenses	475,435	475,482
	Taxes and public dues	224,780	220,191
	Insurance premiums	4,587	4,380
	Repair expenses	51,128	63,493
	Trust fees	9,926	9,600
	Depreciation	424,282	431,221
	Other sundry expenses	46,775	46,849
	Total property-related operating expenses	1,544,394	1,571,147
C.	Property-related operating income (loss) [A– B]	1,454,213	1,482,757

*2. Breakdown of gain on sale of real estate

3rd fiscal period (Sep. 1, 2014 to Feb. 28, 2015)

(Unit: thousand yen)

NEXT21

Revenue on sale of real estate	500,000
Cost of real estate sold	405,230
Other expenses on sale	36,665
Gain on sale of real estate	58,103

4th fiscal period (Mar. 1, 2015 to Aug. 31, 2015)

Not applicable.

[Notes to the Statement of Unitholders' Equity]

1. Total number of investment units authorized and total number of investment units issued and outstanding

	3rd fiscal period	4th fiscal period
	(From: Sep. 1, 2014 To: Feb. 28, 2015)	(From: Mar. 1, 2015 To: Aug. 31, 2015)
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	75,100 units	75,100 units

[Notes to the Statement of Cash Flows]

*1. Reconciliation of cash and cash equivalents at end of period to the amount of balance sheet accounts

	(Unit: thousand yen)	
	3rd fiscal period	4th fiscal period
	(From: Sep. 1, 2014 To: Feb. 28, 2015)	(From: Mar. 1, 2015 To: Aug. 31, 2015)
	(As of Feb. 28, 2015)	(As of Aug. 31, 2015)
Cash and deposits	2,185,916	1,965,116
Cash and deposits in trust	3,829,236	3,988,421
Cash and cash equivalents	6,015,153	5,953,537

[Notes on Financial Instruments]

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

SIA REIT procures funds through issuance of investment units, borrowing from financial institutions or issuance of investment corporation bonds, etc. upon acquisition of new assets under management, etc.

SIA REIT limits derivative transactions to those for investing funds for the purpose of hedging the risk of fluctuations in interest rates on borrowings, etc. and other risks.

(2) Description of financial instruments and associated risks, and risk management structure

The uses of the funds from borrowings are primarily funds for acquisition of assets under management, repayment of existing borrowings, etc. Concerning the liquidity risk and interest rate fluctuation risk associated with such financing, SIA REIT manages and limits the concerned risks by diversifying the lending financial institutions, as well as considering and implementing effective use of surplus funds, procurement of funds from the capital market through issuance of investment units, etc. and other various procurement of funds.

In addition, borrowings with floating interest rates are exposed to the risk of the interest rate payable rising. SIA REIT manages the concerned risk by adjusting the ratio of borrowings with floating interest rates (ratio of the balance of borrowings with floating interest rates to the amount of borrowings in total) depending on the financial environment, etc., as well as making derivative transactions (interest-rate swap transactions, etc.) available as a hedging instrument for hedging the risk of floating interest rates rising and converting the interest expenses to fixed interest rates.

Deposits are those for investing SIA REIT's surplus funds and are exposed to the credit risk of, for example, failure of the financial institutions that are holding the deposits., but SIA REIT exercises prudence by limiting the deposit period to short term, taking security and liquidity into consideration and taking the market environment and status of cash flows fully into account.

Tenant leasehold and security deposits are deposits from tenants and are exposed to the risk of return of the deposits to tenants due to tenants moving out of properties. SIA REIT limits the concerned risk by setting aside an amount in the range that will not hinder the return of deposits.

(3) Supplementary explanation on matters concerning fair value, etc. of financial instruments

The fair value of financial instruments, aside from values based on market price, includes values based on reasonable calculation when there is no market price. Certain assumptions, etc. are adopted in the calculation of the concerned values. Accordingly, there may be cases where the concerned values will vary when different assumptions, etc. are adopted.

2. Matters concerning fair value, etc. of financial instruments

The following are the carrying amount and fair value as of February 28, 2015, and the amount of difference between these. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

	(Unit: thousand yen)		
	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	2,185,916	2,185,916	—
(2) Cash and deposits in trust	3,829,236	3,829,236	—
Assets total	6,015,153	6,015,153	—
(3) Current portion of long-term loans payable	5,295,000	5,296,383	1,383
(4) Long-term loans payable	36,597,500	36,871,468	273,968
Liabilities total	41,892,500	42,167,851	275,351

The following are the carrying amount and fair value as of August 31, 2015, and the amount of difference between these. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

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(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	1,965,116	1,965,116	—
(2) Cash and deposits in trust	3,988,421	3,988,421	—
Assets total	5,953,537	5,953,537	—
(3) Current portion of long-term loans payable	5,282,700	5,284,004	1,304
(4) Long-term loans payable	36,410,000	36,667,700	257,700
Liabilities total	41,692,700	41,951,705	259,005

(Note 1) Method of calculating the fair value of financial instruments

(1) Cash and deposits; (2) Cash and deposits in trust

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

(3) Current portion of long-term loans payable; (4) Long-term loans payable

As long-term loans payable with floating interest rates reflect market interest rates within a short period of time, the fair value is thought to be approximately the same as the book value and is thus stated at that book value. In addition, the fair value of long-term loans payable with fixed interest rates is calculated based on the method of calculating by discounting the sum total amount of principal and interest by the interest rate that is estimated as being applicable in the event of a similar new drawdown.

(Note 2) Financial instruments for which discerning of fair value is recognized to be extremely difficult

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust are not subject to valuation at fair value because discerning of the fair value is recognized to be extremely difficult as cash flows cannot be reasonably estimated due to there being no market price and difficulty of calculating the actual deposit period from when lessees move in to when they move out. The following is the carrying amount for each of tenant leasehold and security deposits and tenant leasehold and security deposits in trust.

(Unit: thousand yen)

Account	3rd fiscal period (As of Feb. 28, 2015)	4th fiscal period (As of Aug. 31, 2015)
Tenant leasehold and security deposits	324,097	207,363
Tenant leasehold and security deposits in trust	3,723,822	3,889,007
Total	4,047,919	4,096,370

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts

3rd fiscal period (As of February 28, 2015)

(Unit: thousand yen)

	Due within 1 year
Cash and deposits	2,185,916
Cash and deposits in trust	3,829,236
Total	6,015,153

4th fiscal period (As of August 31, 2015)

(Unit: thousand yen)

	Due within 1 year
Cash and deposits	1,965,116
Cash and deposits in trust	3,988,421
Total	5,953,537

(Note 4) Amount of repayment of long-term loans payable and other interest-bearing liabilities scheduled to be due after the date of settlement of accounts

3rd fiscal period (As of February 28, 2015)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Long-term loans payable	5,295,000	13,637,500	5,725,000	13,242,500	1,067,500	2,925,000
Total	5,295,000	13,637,500	5,725,000	13,242,500	1,067,500	2,925,000

[Translation Purpose Only]

4th fiscal period (As of August 31, 2015)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Long-term loans payable	5,282,700	13,603,750	5,711,250	13,208,750	968,750	2,917,500
Total	5,282,700	13,603,750	5,711,250	13,208,750	968,750	2,917,500

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholder, etc.

3rd fiscal period (September 1, 2014 to February 28, 2015)

Not applicable.

4th fiscal period (March 1, 2015 to August 31, 2015)

Not applicable.

2. Associated company, etc.

3rd fiscal period (September 1, 2014 to February 28, 2015)

Not applicable.

4th fiscal period (March 1, 2015 to August 31, 2015)

Not applicable.

3. Fellow subsidiary, etc.

3rd fiscal period (September 1, 2014 to February 28, 2015)

Type	Name of company, etc.	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2) (Note 3)	Account item	Balance at end of period (thousand yen) (Note 3)
						Concurrent holding of positions, etc. by directors	Business relationship				
Subsidiary of other associated company	Simplex REIT Partners Inc.	Chiyoda-ku, Tokyo	50,000	Investment management business	—	Concurrent holding of positions by directors 1 person	Entrustment with asset management business operations	Payment of asset management fee	228,805	Accounts payable - other	241,710

(Note 1) Transaction terms and conditions, and policy on deciding on transaction terms and conditions, etc.

1. The asset management fee is based on the terms and conditions provided in the Articles of Incorporation of SIA REIT.

(Note 2) Asset management fee includes asset management fee associated with the transfer of NEXT21 (5,000 thousand yen).

(Note 3) Of the amounts above, the amount of transaction does not include consumption tax, etc., while the balance at the end of the period includes consumption tax, etc.

4th fiscal period (March 1, 2015 to August 31, 2015)

Type	Name of company, etc.	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party	Description of relationship		Description of transaction (Note 1)	Amount of transaction (thousand yen) (Note 2)	Account item	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Subsidiary of other associated company	Simplex REIT Partners Inc.	Chiyoda-ku, Tokyo	50,000	Investment management business	—	Concurrent holding of positions by directors 1 person	Entrustment with asset management business operations	Payment of asset management fee	221,810	Accounts payable - other	239,555

(Note 1) Transaction terms and conditions, and policy on deciding on transaction terms and conditions, etc.

1. The asset management fee is based on the terms and conditions provided in the Articles of Incorporation of SIA REIT.

(Note 2) Of the amounts above, the amount of transaction does not include consumption tax, etc., while the balance at the end of the period includes consumption tax, etc.

[Translation Purpose Only]

4. Director, major individual unitholder, etc.

3rd fiscal period (September 1, 2014 to February 28, 2015)

The transaction conducted by SIA REIT Executive Director Hiroyuki Katsuno as representative of a third party (Simplex REIT Partners Inc.) is as stated as a transaction with Simplex REIT Partners Inc. presented in “3. Fellow subsidiary, etc.” above.

4th fiscal period (March 1, 2015 to August 31, 2015)

The transaction conducted by SIA REIT Executive Director Hiroyuki Katsuno as representative of a third party (Simplex REIT Partners Inc.) is as stated as a transaction with Simplex REIT Partners Inc. presented in “3. Fellow subsidiary, etc.” above.

[Notes on Tax-Effect Accounting]

1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

	3rd fiscal period (As of Feb. 28, 2015)	4th fiscal period (As of Aug. 31, 2015)
Deferred tax assets		
Non-deductible accrued enterprise tax	17	14
Total deferred tax assets	17	14
Net deferred tax assets	17	14

2. Breakdown of major components that caused significant differences between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

	3rd fiscal period (As of Feb. 28, 2015)	4th fiscal period (As of Aug. 31, 2015)
Statutory tax rate	34.16	34.15
[Adjustments]		
Deductible distributions payable	(34.12)	(34.11)
Other	0.06	0.06
Effective income tax rate after application of tax-effect accounting	0.10	0.10

[Notes on Investment and Rental Properties]

SIA REIT owns investment and rental properties mainly in the Tokyo metropolitan area and also in ordinance-designated cities or their equivalent for the purpose of earning revenue from leasing.

The following are the carrying amount, amount of increase (decrease) during the period and fair value of these investment and rental properties.

	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)	4th fiscal period (From: Mar. 1, 2015 To: Aug. 31, 2015)
Carrying amount		
Balance at beginning of period	74,761,332	74,123,434
Amount of increase (decrease) during period	(637,897)	(37,662)
Balance at end of period	74,123,434	74,085,772
Fair value at end of period	76,082,000	76,312,000

(Note 1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Of the amount of increase (decrease) in investment and rental properties, the amount of increase is mainly attributable to capital expenditure (191,302 thousand yen), while the amount of decrease is mainly attributable to depreciation (424,282 thousand yen) and the transfer of NEXT 21 (405,230 thousand yen). Moreover, of the amount of increase (decrease) in investment and rental properties during the period, the amount of increase is mainly attributable to capital expenditure (393,558 thousand yen) while the amount of decrease is mainly attributable to depreciation (431,221 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser.

The income (loss) for investment and rental properties is as presented in “Notes to Statements of Income” earlier in this document.

[Notes on Segment Information, Etc.]

1. Segment Information

Segment information is omitted because SIA REIT operates a single segment, which is the real estate leasing business.

2. Related Information

3rd fiscal period (September 1, 2014 to February 28, 2015)

(1) Information for each product and service

Information for each product and service is omitted because net sales to external customers of a single product/service category are more than 90% of the operating revenue on the statement of income.

(2) Information for each region

① Net sales

Information for each region is omitted because net sales to external customers in Japan are more than 90% of the operating revenue on the statement of income.

② Property, plant and equipment

Information for each region is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information for each major customer

(Unit: thousand yen)

Name of customer	Operating revenue	Related segment
KDDI CORPORATION	(Note)	property-related operating

(Note) Not disclosed as consent from the tenant has not been obtained.

4th fiscal period (March 1, 2015 to August 31, 2015)

(1) Information for each product and service

Information for each product and service is omitted because net sales to external customers of a single product/service category are more than 90% of the operating revenue on the statement of income.

(2) Information for each region

① Net sales

Information for each region is omitted because net sales to external customers in Japan are more than 90% of the operating revenue on the statement of income.

② Property, plant and equipment

Information for each region is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information for each major customer

Information for each major customer is omitted because net sales to a single external customer are less than 10% of the operating revenue on the statement of income.

[Notes on Per Unit Information]

	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)	4th fiscal period (From: Mar. 1, 2015 To: Aug. 31, 2015)
Net assets per unit	446,796 yen	446,422 yen
Net income per unit	12,196 yen	11,822 yen

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units during the period. The diluted net income per unit is not stated because there are no diluted investment units.

(Note 2) The following is the basis for calculating net income per unit.

	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)	4th fiscal period (From: Mar. 1, 2015 To: Aug. 31, 2015)
Net income	915,937 thousand yen	887,842 thousand yen
Amount not attributable to common unitholders	— thousand yen	— thousand yen
Net income attributable to common investment units	915,937 thousand yen	887,842 thousand yen
Average number of investment units during period	75,100 units	75,100 units

[Notes on Significant Subsequent Events]

Not applicable.

[Omission of Disclosure]

Disclosure of notes on lease transactions, securities, derivative transactions, retirement benefits, share of profit (loss) of entities accounted for using the equity method, etc. and asset retirement obligations is omitted because there is thought to be no large necessity for disclosure in the summary of financial results.

(9) Increase (Decrease) in Number of Investment Units Issued and Outstanding

The following is the changes in the total number of investment units issued and outstanding since SIA REIT's incorporation and in unitholders' capital.

Date	Description	Number of investment units issued and outstanding (units)		Unitholders' capital (million yen)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
June 25, 2013	Incorporation through private placement	400	400	200	200	(Note 1)
Oct. 8, 2013	Capital increase through public offering	74,700	75,100	32,438	32,638	(Note 2)

(Note 1) Upon the incorporation of SIA REIT, investment units were issued for which the issue amount paid in to SIA REIT (paid-in amount) was 500,000 yen per unit.

(Note 2) New investment units were issued through public offering at an issue price of 450,000 yen (paid-in amount: 434,250 yen) per unit for the purpose of procuring funds for acquisition of new properties.

4. Changes in Directors

(1) Directors of the Investment Corporation

At the Second General Meeting of Unitholders held on May 14, 2015, Hiroyuki Katsuno and Nobuhiro Nasu were re-elected executive director and supervisory director, respectively, and Gen Takizawa was elected supervisory director. Noriyuki Katayama retired from supervisory director on May 31, 2015.

Appointed Directors Supervisory director Gen Takizawa (Appointed on June 1, 2015)

Retired Director Supervisory director Noriyuki Katayama (Retired on May 31, 2015)

(2) Directors of the Asset Management Company

Following changes in Board members were made as of October 14, 2015.

Appointed Directors Director (part-time) Hitomi Tabata (Appointed on October 14, 2015)

Retired Director Director (part-time) Yoshio Sano (Retired on October 14, 2015)

5. Reference Information

(1) Asset Composition

(1) Asset Composition						
Type of asset	Use of asset	Region (Note 1)	3rd fiscal period (As of Feb. 28, 2015)		4th fiscal period (As of Aug. 31, 2015)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate	Office buildings	Tokyo metropolitan area	7,236	9.0	7,179	8.9
	Office buildings subtotal		7,236	9.0	7,179	8.9
Real estate total			7,236	9.0	7,179	8.9
Real estate in trust	Office buildings	Tokyo metropolitan area	50,439	62.5	50,525	62.8
		Ordinance-designated cities or their equivalent	11,810	14.6	11,763	14.6
	Office buildings subtotal		62,250	77.2	62,289	77.4
	Retail facilities	Tokyo metropolitan area	4,202	5.2	4,186	5.2
		Ordinance-designated cities or their equivalent	433	0.5	429	0.5
	Retail facilities subtotal		4,636	5.7	4,616	5.7
	Real estate in trust total			66,886	82.9	66,906
Deposits and other assets			6,534	8.1	6,407	8.0
Total assets			80,658	100.0	80,492	100.0

(Note 1) "Region" is as follows:

- ① "Tokyo metropolitan area" refers to Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture.
- ② Ordinance-designated regional cities and major regional cities equivalent to ordinance-designated regional cities are collectively referred to as "ordinance-designated cities or their equivalent." "Ordinance-designated regional cities" refers to ordinance-designated cities located outside the Tokyo metropolitan area. "Major regional cities" refers to non-ordinance-designated regional cities located outside the Tokyo metropolitan area that are the location of a prefectural government (prefectural capitals) or their equivalent.

(Note 2) "Total amount held" is the carrying amount (book value less depreciation in the case of real estate and real estate in trust).

(Note 3) "As a percentage of total assets" is rounded to one decimal place.

(2) Portfolio Diversification

Diversification by region

Region	Number of properties	Acquisition price (million yen)	Share (%)
Tokyo metropolitan area	14	62,070	83.5
Ordinance-designated cities or their equivalent	5	12,277	16.5
Total	19	74,347	100.0

Diversification by asset type

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office buildings	17	69,665	93.7
Retail facilities	2	4,682	6.3
Total	19	74,347	100.0

(3) Period-End Value of Portfolio Real Estate

Property no.	Property name	Appraisal company	Acquisition price (million yen)	Carrying amount (million yen)	Appraisal value (million yen)	Overview of appraisal report					
						Income approach					Cost approach
						Indicated value by direct cap method (million yen)	Cap rate (%)	Indicated value by DCF method (million yen)	Discount rate (%)	Terminal cap rate (%)	Indicated value by cost approach (million yen)
OT-1	J Tower	The Tanizawa Sogo Appraisal Co., Ltd.	24,394	24,411	25,200	25,400	5.2	25,100	5.2	5.4	18,000
OT-2	SIA Kanda Square	The Tanizawa Sogo Appraisal Co., Ltd.	7,350	7,179	7,540	7,610	4.3	7,510	4.4	4.5	7,340
OT-3	Tachikawa Nishiki-cho Building	Daiwa Real Estate Appraisal Co., Ltd.	3,264	3,399	3,600	3,630	5.0	3,590	4.8	5.2	2,370
OT-4	CP10 Building	Daiwa Real Estate Appraisal Co., Ltd.	3,229	3,224	3,100	3,180	4.6	3,070	4.4	4.8	1,390
OT-5	Yokohama AP Building	Daiwa Real Estate Appraisal Co., Ltd.	3,110	3,102	3,460	3,420	4.8	3,470	4.6	5.0	2,200
OT-6	Yushima First Genesis Building	Daiwa Real Estate Appraisal Co., Ltd.	2,751	2,730	2,840	2,870	4.6	2,820	4.4	4.8	1,670
OT-7	Miyaji Building	Daiwa Real Estate Appraisal Co., Ltd.	2,880	2,882	3,000	2,990	4.9	3,000	4.7	5.1	1,960
OT-8	36 Sankyo Building	Daiwa Real Estate Appraisal Co., Ltd.	2,395	2,385	2,520	2,550	4.7	2,500	4.5	4.9	1,750
OT-9	Minami-Shinagawa JN Building	Daiwa Real Estate Appraisal Co., Ltd.	2,165	2,166	1,944	2,040	4.9	1,930	4.7	5.1	2,110
OT-10	Minami-Shinagawa N Building	Daiwa Real Estate Appraisal Co., Ltd.	2,292	2,281	2,100	2,170	5.1	2,070	4.9	5.3	2,160
OT-11	Minami-Shinagawa J Building	Daiwa Real Estate Appraisal Co., Ltd.	2,020	1,996	2,100	2,110	5.1	2,090	4.9	5.3	1,380
OT-12	MY Atsugi Building	Chuo Real Estate Appraisal Co., Ltd.	1,240	1,220	1,290	1,370	5.9	1,290	5.7	6.1	960
OT-13	Hachioji SIA Building	Chuo Real Estate Appraisal Co., Ltd.	730	724	803	825	5.5	803	5.3	5.7	758
OO-1	Central Shin-Osaka Building	Daiwa Real Estate Appraisal Co., Ltd.	4,612	4,528	4,780	4,790	4.9	4,780	4.7	5.1	2,480
OO-2	Karasuma Plaza 21	Daiwa Real Estate Appraisal Co., Ltd.	3,700	3,732	3,390	3,370	5.2	3,400	5.0	5.4	5,190
OO-3	Stoke Building Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,381	2,368	2,550	2,560	5.2	2,550	5.0	5.4	1,500
OO-4	MY Kumamoto Building	Chuo Real Estate Appraisal Co., Ltd.	1,152	1,134	1,280	1,310	6.2	1,280	6.0	6.4	928
R-1	fab Minami-Osawa	Japan Real Estate Institute	4,250	4,186	4,310	4,360	5.3	4,260	5.1	5.5	2,300
R-2	Niigata Higashibori-dori Parking Building	Chuo Real Estate Appraisal Co., Ltd.	432	429	505	495	6.8	505	6.5	7.1	335
Total			74,347	74,085	76,312	77,050	-	76,018	-	-	56,781

(Note 1) "Acquisition price" is the amount excluding transaction intermediary fees, taxes and public dues and other various expenses required for the acquisition of the relevant real estate (transaction amount stated in the sale and purchase contract, etc.).

(Note 2) The effective date of the appraisal (date of value) is the last day of August 2015.

(4) Overview of Portfolio Real Estate

Property no.	Property name	Asset type	Location	Construction and number of floors	Completed (YYYY/MM)	Type of ownership	Total leasable area	PML value
OT-1	J Tower	Office buildings	Fuchu-shi, Tokyo	S/RC/SRC B2/18F	1992/03	Real estate trust beneficiary rights	34,291.48	2.80%
OT-2	SIA Kanda Square	Office buildings	Chiyoda-ku, Tokyo	SRC 10F	2007/04	Real estate	5,263.30	6.06%
OT-3	Tachikawa Nishiki-cho Building	Office buildings	Tachikawa-shi, Tokyo	SRC 8F	1991/06	Real estate trust beneficiary rights	5,633.29	4.51%
OT-4	CP10 Building	Office buildings	Taito-ku, Tokyo	SRC B1/7F	1989/03	Real estate trust beneficiary rights	3,506.66	3.51%
OT-5	Yokohama AP Building	Office buildings	Yokohama-shi, Kanagawa	RC B1/8F	1983/05	Real estate trust beneficiary rights	4,480.98	10.17%
OT-6	Yushima First Genesis Building	Office buildings	Bunkyo-ku, Tokyo	SRC B1/7F	1991/08	Real estate trust beneficiary rights	2,947.07	7.00%
OT-7	Miyaji Building	Office buildings	Nakano-ku, Tokyo	S/SRC B1/7F	1994/08	Real estate trust beneficiary rights	3,116.49	3.04%
OT-8	36 Sankyo Building	Office buildings	Shinjuku-ku, Tokyo	RC B2/4F	1991/10	Real estate trust beneficiary rights	3,724.17	8.85%
OT-9	Minami-Shinagawa JN Building	Office buildings	Shinagawa-ku, Tokyo	SRC B2/10F	1990/07	Real estate trust beneficiary rights	6,405.24	5.57%
OT-10	Minami-Shinagawa N Building	Office buildings	Shinagawa-ku, Tokyo	SRC B2/10F	1994/07	Real estate trust beneficiary rights	5,477.76	5.50%
OT-11	Minami-Shinagawa J Building	Office buildings	Shinagawa-ku, Tokyo	SRC B1/10F	1992/07	Real estate trust beneficiary rights	3,673.61	3.70%
OT-12	MY Atsugi Building	Office buildings	Atsugi-shi, Kanagawa	RC/SRC 8F	1988/09	Real estate trust beneficiary rights	3,847.70	7.69%
OT-13	Hachioji SIA Building	Office buildings	Hachioji-shi, Tokyo	SRC 9F	1993/09	Real estate trust beneficiary rights	2,751.01	4.53%
OO-1	Central Shin-Osaka Building	Office buildings	Osaka-shi, Osaka	S B1/12F	1992/06	Real estate trust beneficiary rights	9,399.87	12.72%
OO-2	Karasuma Plaza 21	Office buildings	Kyoto-shi, Kyoto	SRC B1/8F	1986/11	Real estate trust beneficiary rights	8,890.42	5.18%
OO-3	Stoke Building Nagoya	Office buildings	Nagoya-shi, Aichi	S/SRC B1/8F	1991/04	Real estate trust beneficiary rights	5,801.80	13.58%
OO-4	MY Kumamoto Building	Office buildings	Kumamoto-shi, Kumamoto	S/RC 9F	1987/10	Real estate trust beneficiary rights	3,754.29	5.08%
R-1	fab Minami-Osawa	Retail facilities	Hachioji-shi, Tokyo	S 7F	2001/12	Real estate trust beneficiary rights	8,409.23	3.03%
R-2	Niigata Higashibori-dori Parking Building	Retail facilities	Niigata-shi, Niigata	S 10F	1993/03	Real estate trust beneficiary rights	8,725.90	6.08%

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(5) Status of Revenue of Each Property

Property no.		OT-1	OT-2	OT-3	OT-4	OT-5	OT-6	OT-7
Property name		J Tower	SIA Kanda Square	Tachikawa Nishiki-cho Building	CP10 Building	Yokohama AP Building	Yushima First Genesis Building	Miyaji Building
Acquisition date		October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013
Acquisition	Acquisition price (million yen)	24,394	7,350	3,264	3,229	3,110	2,751	2,880
	Composition ratio	32.8	9.9	4.4	4.3	4.2	3.7	3.9
	Carrying amount (million yen)	24,411	7,179	3,399	3,224	3,102	2,730	2,882
	Value at end of period (million yen)	25,200	7,540	3,600	3,100	3,460	2,840	3,000
	Composition ratio	33.0	9.9	4.7	4.1	4.5	3.7	3.9
Leasing	Total number of tenants	30	28	21	6	10	7	8
	Total leasable area (m ²)	34,291.48	5,263.30	5,633.29	3,506.66	4,480.98	2,947.07	3,116.49
	Leased area (m ²)	32,459.88	3,762.56	5,633.29	3,183.63	4,480.98	2,947.07	3,116.49
	Occupancy rate	94.7%	71.5%	100.0%	90.8%	100.0%	100.0%	100.0%
Operating income (loss)	Number of days under management	184	184	184	184	184	184	184
	① Property-related operating revenue (thousand yen)	935,251	231,875	142,654	81,050	124,356	93,786	112,487
	Lease business revenue	765,076	188,965	136,727	68,359	108,225	87,406	102,712
	Other lease business revenue	170,174	42,909	5,926	12,690	16,131	6,379	9,774
	② Property-related operating expenses (thousand yen)	423,234	55,945	41,324	26,660	33,235	24,437	25,981
	Property management fees	108,647	13,649	16,246	9,261	12,922	7,613	8,006
	Utilities expenses	232,867	10,560	10,910	9,672	9,539	7,553	9,032
	Taxes and public dues	65,084	8,388	10,541	6,584	9,600	7,748	7,649
	Insurance premiums	1,411	204	210	110	137	123	110
	Repair expenses	14,723	23,142	2,915	532	534	598	683
	Other	500	—	500	500	500	800	500
	③ Leasing NOI (thousand yen)	512,017	175,929	101,329	54,389	91,120	69,348	86,505
	④ Depreciation (thousand yen)	114,575	70,190	21,834	15,299	10,268	12,607	10,171
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	397,441	105,739	79,495	39,089	80,851	56,741	76,334
	⑥ Capital expenditures (thousand yen)	156,795	13,047	146,931	15,009	4,053	1,929	—
	⑦ Leasing NCF [③-⑥] (thousand yen)	355,221	162,881	(45,602)	39,380	87,066	67,419	86,505

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Property no.		OT-8	OT-9	OT-10	OT-11	OT-12	OT-13	OO-1
Property name		36 Sankyo Building	Minami-Shinagawa JN Building	Minami-Shinagawa N Building	Minami-Shinagawa J Building	MY Atsugi Building	Hachioji SIA Building	Central Shin-Osaka Building
Acquisition date		October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013
Acquisition	Acquisition price (million yen)	2,395	2,165	2,292	2,020	1,240	730	4,612
	Composition ratio	3.2	2.9	3.1	2.7	1.7	1.0	6.2
	Carrying amount (million yen)	2,385	2,166	2,281	1,996	1,220	724	4,528
	Value at end of period (million yen)	2,520	1,944	2,100	2,100	1,290	803	4,780
	Composition ratio	3.3	2.5	2.8	2.8	1.7	1.1	6.3
Leasing	Total number of tenants	3	16	16	9	22	14	26
	Total leasable area (m ²)	3,724.17	6,405.24	5,477.76	3,673.61	3,847.70	2,751.01	9,399.87
	Leased area (m ²)	3,724.17	5,673.97	5,282.53	3,673.61	3,735.19	2,751.01	9,399.87
	Occupancy rate	100.0%	88.6%	96.4%	100.0%	97.1%	100.0%	100.0%
Operating income (loss)	Number of days under management	184	184	184	184	184	184	184
	① Property-related operating revenue (thousand yen)	86,783	113,689	101,970	95,763	64,890	51,218	202,852
	Lease business revenue	75,679	104,781	93,121	87,942	59,307	45,979	177,478
	Other lease business revenue	11,104	8,908	8,849	7,821	5,582	5,238	25,373
	② Property-related operating expenses (thousand yen)	24,747	72,062	40,277	32,067	23,342	23,824	64,741
	Property management fees	5,610	17,266	6,723	5,898	8,795	10,458	18,714
	Utilities expenses	10,134	26,918	10,291	9,054	8,370	7,442	25,830
	Taxes and public dues	7,304	9,555	9,100	5,593	4,825	4,565	16,172
	Insurance premiums	103	237	207	131	129	89	299
	Repair expenses	793	2,097	1,310	2,292	722	769	3,223
	Other	800	15,987	12,644	9,097	500	500	500
	③ Leasing NOI (thousand yen)	62,036	41,627	61,693	63,696	41,547	27,393	138,110
	④ Depreciation (thousand yen)	8,298	14,261	13,393	11,167	12,300	5,210	32,688
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	53,738	27,365	48,300	52,529	29,246	22,183	105,422
	⑥ Capital expenditures (thousand yen)	740	380	7,267	294	1,561	530	4,435
	⑦ Leasing NCF [③-⑥] (thousand yen)	61,295	41,246	54,426	63,402	39,985	26,863	133,675

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Property no.		OO-2	OO-3	OO-4	R-1	R-2	Total
Property name		Karasuma Plaza 21	Stoke Building Nagoya	MY Kumamoto Building	fab Minami-Osawa (Note)	Niigata Higashibori-dori Parking Building (Note)	
Acquisition date		October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	October 10, 2013	—
Acquisition	Acquisition price (million yen)	3,700	2,381	1,152	4,250	432	74,347
	Composition ratio	5.0	3.2	1.5	5.7	0.6	100.0
	Carrying amount (million yen)	3,732	2,368	1,134	4,186	429	74,085
	Value at end of period (million yen)	3,390	2,550	1,280	4,310	505	76,312
	Composition ratio	4.4	3.3	1.7	5.6	0.7	100.0
Leasing	Total number of tenants	12	5	17	14	1	265
	Total leasable area (m ²)	8,890.42	5,801.80	3,754.29	8,409.23	8,725.90	130,100.27
	Leased area (m ²)	8,890.42	5,801.80	3,683.98	8,409.23	8,725.90	125,335.58
	Occupancy rate	100.0%	100.0%	98.1%	100.0%	100.0%	96.3%
Operating income (loss)	Number of days under management	184	184	184	184	184	184
	① Property-related operating revenue (thousand yen)	195,914	116,530	70,658			3,053,905
	Lease business revenue	178,611	99,230	65,220			2,629,780
	Other lease business revenue	17,302	17,300	5,438			424,125
	② Property-related operating expenses (thousand yen)	77,795	35,545	22,664			1,139,926
	Property management fees	29,465	10,196	8,913			319,929
	Utilities expenses	23,027	14,552	7,422			475,482
	Taxes and public dues	22,697	9,686	4,781			220,191
	Insurance premiums	297	192	130			4,380
	Repair expenses	1,807	417	915			63,493
	Other	500	500	500			56,449
	③ Leasing NOI (thousand yen)	118,118	80,985	47,994	121,225	18,909	1,913,978
	④ Depreciation (thousand yen)	13,823	17,709	11,851	31,493	4,076	431,221
	⑤ Property-related operating income (loss) [③－④] (thousand yen)	104,294	63,276	36,142	89,732	14,832	1,482,757
	⑥ Capital expenditures (thousand yen)	16,458	8,055	200	15,868	—	393,558
	⑦ Leasing NCF [③－⑥] (thousand yen)	101,660	72,930	47,794	105,356	18,909	1,520,420

(Note) ① Property-related operating revenue and ② Property-related operating expenses of fab Minami-Osawa and Niigata Higashibori-dori Parking Building have not been disclosed because consent for disclosure of property-related operating revenue has not been obtained and due to other unavoidable circumstances.

(6) Borrowing Status

The following is the status of borrowing of funds from each financial institution as of August 31, 2015.

	Term	Drawdown date	Balance at beginning of period (million yen)	Balance at end of period (million yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lender								
Long-term borrowings	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	5,472,500	5,458,750	1.16976%	Oct. 10, 2016 (Note 2)	(Note 2)	(Note 9)	Secured Unguaranteed (Note 11)
	Shinsei Bank, Limited		4,946,000	4,933,500					
	Aozora Bank, Ltd.		1,990,000	1,985,000					
	Resona Bank, Limited		989,000	986,500					
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	4,573,250	4,561,375	0.93000%	Oct. 10, 2018 (Note 3)	(Note 3)		
	The Mie Bank, Ltd.		989,000	986,500					
	Aozora Bank, Ltd.		960,000	957,500					
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	5,721,250	5,706,875	1.38226%	Oct. 10, 2018 (Note 4)	(Note 4)		
	Kansai Urban Banking Corporation		989,000	986,500					
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	1,842,500	1,743,750	1.13000%	Oct. 10, 2019 (Note 5)	(Note 5)		
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2014	957,000	954,607	0.73000%	Oct. 13, 2015 (Note 6)	(Note 6)		
	Aozora Bank, Ltd.		1,985,000	1,980,037					
	Sumitomo Mitsui Trust Bank, Limited		989,000	986,527					
	The Bank of Fukuoka, Ltd.		989,000	986,527					
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2014	1,500,000	1,496,250	1.08473%	Oct. 10, 2017 (Note 7)	(Note 7)		
	Aozora Bank, Ltd.		1,000,000	997,500					
	Resona Bank, Limited		2,000,000	1,995,000					
	ORIX Bank Corporation		1,000,000	997,500					
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2014	2,000,000	1,995,000	1.35961%	Oct. 13, 2020 (Note 8)	(Note 8)		
	The Mie Bank, Ltd.		1,000,000	997,500					
Subtotal			41,892,500	41,692,700					
Total			41,892,500	41,692,700					

(Note 1) Average interest rate is the borrowing interest rate for the respective loan agreement (weighted average of balance during the period), rounded to five decimal places.

(Note 2) Repayment of the principal in installments, with the first repayment on April 10, 2014 and subsequent repayments (33,750 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2016.

(Note 3) Repayment of the principal in installments, with the first repayment on April 10, 2014 and subsequent repayments (16,875 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2018.

(Note 4) Repayment of the principal in installments, with the first repayment on April 10, 2014 and subsequent repayments (16,875 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2018.

(Note 5) Repayment of the principal in installments, with the first repayment on April 10, 2014 and subsequent repayments (98,750 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2019.

(Note 6) On April 10, 2015, part of the principal (12,300 thousand yen) was repaid, and on October 13, 2015, the remaining balance of principal will be repaid.

(Note 7) Repayment of the principal in installments, with the first repayment on April 10, 2015 and subsequent repayments (13,750 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 10, 2017.

(Note 8) Repayment of the principal in installments, with the first repayment on April 10, 2015 and subsequent repayments (7,500 thousand yen) on each of the 10th of every April and October thereafter, until repayment of the remaining balance of principal on October 13, 2020.

Translation Purpose Only

- (Note 9) The intended use of the funds is to allocate the funds to part of the funds for acquisition of real estate and real estate trust beneficiary rights, as well as related costs.
- (Note 10) The intended use of the funds is to allocate the fund to repay part of the existing borrowing maturing on October 10, 2014.
- (Note 11) Properties subject to security are a total of 19 properties including J Tower, SIA Kanda Square, Central Shin-Osaka Building, fab Minami-Osawa and Karasuma Plaza 21.