

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

April 14, 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
 Asset Management Company: Simplex REIT Partners Inc.
 Representative: (Title) President and Representative Director (Name) Hiroyuki Katsuno
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Scheduled date of submission of securities report: May 29, 2015
 Scheduled date of commencement of distribution payment: May 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 February 2015 (September 1, 2014 to February 28, 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 Feb. 2015	3,056	(3.9)	1,227	(7.5)	916	(11.3)	915	(11.4)
Ended Aug. 2014	3,179	27.5	1,326	10.6	1,034	181.0	1,033	181.7

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 Feb. 2015	12,196	2.7	1.1	30.0
Ended Aug. 2014	13,759	3.1	1.3	32.5

(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 Feb. 2015	12,196	915	0	0	99.9	2.7
Ended Aug. 2014	13,760	1,033	0	0	100.0	3.1

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

Distribution payout ratio = Total distributions ÷ Net income

(3) Financial position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	Yen
Ended Feb. 2015	80,658	33,554	41.6	446,796
Ended Aug. 2014	81,383	33,671	41.4	448,360

(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 Feb. 2015	1,667	(362)	(1,479)	6,015
Ended Aug. 2014	3,309	(255)	(2,164)	6,188

2. Forecast of Financial Results for the Fiscal Period Ending August 2015 (March 1, 2015 to August 31, 2015) and Fiscal Period Ending February 2016 (September 1, 2015 to February 29, 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 Aug. 2015	3,019	(1.2)	1,143	(6.8)	827	(9.8)	826	(9.8)
Ending Feb. 2016	3,001	(0.6)	1,141	(0.2)	827	0.0	826	0.0

Fiscal period	Distribution per unit (excluding distribution in excess of earnings)		Distribution per unit in excess of earnings	
	yen		Yen	
Ending Aug. 2015	11,000		0	
Ending Feb. 2016	11,000		0	

(Reference) Forecast net income per unit (fiscal period ending August 2015): 11,000 yen

Forecast net income per unit (fiscal period ending February 2016): 11,000 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 February 2015	75,100 units
Fiscal period ended August 2014	75,100 units
Fiscal period ended February 2015	— units
Fiscal period ended August 2014	— 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 20.

* 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 August 2015 and February 2016” presented on page 5.

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 December 15, 2014 and March 10, 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 November 27, 2014).

(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 February 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 February 2015 (3rd fiscal period) (September 1, 2014 to February 28, 2015)), the Japanese economy experienced slow personal consumption, etc. affected by the consumption tax hike in April 2014. However, a mild economic recovery has been continuing due to additional monetary easing by the Bank of Japan, postponement of another round of consumption tax and other factors.

In the office building leasing market, improvement in the supply-demand balance centering on prime properties in central Tokyo continued due to tenants’ needs for the increase of floor space within the same building or for relocations for expansion, etc. backed by improvement in corporate earnings. These have brought a sense of bottoming out in rents at Class-A and Class-B office buildings and the shrinking of free rent periods was observed.

Under such circumstances, SIA REIT put forth efforts to maintain and increase the occupancy rate as well as increase lease business revenue by promoting effective operational management with an understanding of tenant needs while conducting proactive leasing activities through reinforcing relationships with existing tenants, strengthening partnerships with property management companies and rental brokerage companies, etc.

Furthermore, SIA REIT transferred NEXT21 on September 9, 2014. This decision was made after comprehensively considering the outlook of the real estate market trends over the medium to long term, the possible increase or decrease in the profitability and asset value of the Property in the future and other factors.

As a result, SIA REIT’s assets at the end of the fiscal period ended February 2015 was a portfolio of assets totaling 19 properties (acquisition price total: 74,347 million yen) and total leasable area of 130,086.58 m². In addition, the occupancy rate at the end of the fiscal period ended February 2015 was 91.4%.

(C) Overview of Financing

During the period under review, SIA REIT made borrowing of 13,420 million yen on October 10, 2014 in order to partially fund the repayment of an existing loan of 13,454 million yen which matured on the same day. As a result, SIA REIT further reinforced financial stability by extending borrowing periods, raising the ratio of

borrowings with fixed interest rates and diversifying maturity dates. SIA REIT also carried out partial repayment and scheduled repayment in line with the transfer of NEXT21.

As a result, as of February 28, 2015, the balance of outstanding borrowings was 41,892 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 51.9%.

(D) Overview of Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period ended February 28, 2015 was operating revenue of 3,056 million yen (including 58 million yen of gain on transfer of real estate), operating profit of 1,227 million yen, recurring profit of 916 million yen and net income of 915 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 12,196 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, economic trends in emerging countries, increasing geopolitical tensions and such constitute future risks.

In the office building leasing market, continuous recovery trend of the vacancy rate and trend of new rent rise centering on large prime buildings in central Tokyo, are likely to gradually expand regionally.

In the office building transaction market, proactive transactions are likely to continue against the backdrop of expansion 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.

Assumptions for the Forecast of Management Status for the Fiscal Periods Ending August 2015 and February 2016

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> ➤ Fiscal period ending August 2015 (4th fiscal period) (March 1, 2015 to August 31, 2015) (184 days) ➤ Fiscal period ending February 2016 (5th fiscal period) (September 1, 2015 to February 29, 2016) (182 days)
Assets under management	<ul style="list-style-type: none"> ➤ NEXT21 was transferred as of September 9, 2014 and the real estate and real estate trust beneficiary rights held as of February 28, 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 February 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. ➤ It is assumed that there will be no changes to the properties held and no gain on sale of real estate is expected. (For the fiscal period ended February 2015 (3rd fiscal period), gain on sale of real estate of 58 million yen from the transfer of NEXT21 is recorded.
Operating expenses	<ul style="list-style-type: none"> ➤ Property-related expenses, which are the main component of operating expenses, are estimated to be 1,579 million yen in the fiscal period ending August 2015 and 1,579 million yen in the fiscal period ending February 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 309 million yen in the fiscal period ending August 2015 and 287 million yen in the fiscal period ending February 2016. 2) Depreciation is calculated using the straight-line method, including ancillary costs, etc. Depreciation is estimated to be 433 million yen in the fiscal period ending August 2015 and 446 million yen in the fiscal period ending February 2016. 3) Fixed asset tax, city planning tax, etc. are estimated to be 223 million yen in the fiscal period ending August 2015 and 222 million yen in the fiscal period ending February 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 295 million yen in the fiscal period ending August 2015 and 281 million yen in the fiscal period ending February 2016. <ul style="list-style-type: none"> 1) The Articles of Incorporation of SIA REIT provided that, of the fees payable to the asset management company, a part of the management fees will arise starting from the fiscal period ending February 2015 or the fiscal period ending August 2015. In addition, the rate has been set low until the fiscal period ended August 2014 based on an agreement that part of the fees will fall within the maximum limit set by the Articles of Incorporation. As a result of the loss of these reduction means, asset management fees of 221 million yen is expected for the fiscal period ending August 2015 and 220 million yen for the fiscal period ending February 2016.
Non-operating expenses	<ul style="list-style-type: none"> ➤ Interest expenses and borrowing related expenses are expected to be 316 million yen in the fiscal period ending August 2015 and 313 million yen in the fiscal period ending February 2016.
Borrowings	<ul style="list-style-type: none"> ➤ The balance of outstanding borrowings as of February 28, 2015 is 41,892 million yen. ➤ In the fiscal period ending August 2015, contractual loan repayment of 199 million yen using part of cash on hand is expected. ➤ 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.
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 February 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 November 27, 2014).

3. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	2nd fiscal period (As of Aug. 31, 2014)	3rd fiscal period (As of Feb. 28, 2015)
Assets		
Current assets		
Cash and deposits	2,256,153	2,185,916
Cash and deposits in trust	*1 3,932,544	*1 3,829,236
Operating accounts receivable	122,171	91,300
Prepaid expenses	104,270	160,935
Deferred tax assets	14	17
Other	11,089	—
Total current assets	6,426,243	6,267,406
Non-current assets		
Property, plant and equipment		
Buildings	3,593,817	3,593,817
Accumulated depreciation	(116,343)	(179,970)
Buildings, net	*1 3,477,474	*1 3,413,847
Structures	9,045	9,045
Accumulated depreciation	(555)	(858)
Structures, net	*1 8,490	*1 8,187
Machinery and equipment	62,025	62,025
Accumulated depreciation	(11,361)	(17,564)
Machinery and equipment, net	*1 50,663	*1 44,460
Land	*1 3,770,347	*1 3,770,347
Buildings in trust	29,132,774	28,996,159
Accumulated depreciation	(640,747)	(985,104)
Buildings in trust, net	*1 28,492,027	*1 28,011,055
Structures in trust	3,020	31,348
Accumulated depreciation	(386)	(1,058)
Structures in trust, net	*1 2,633	*1 30,290
Machinery and equipment in trust	29,853	42,470
Accumulated depreciation	(330)	(2,072)
Machinery and equipment in trust, net	*1 29,523	*1 40,398
Tools, furniture and fixtures in trust	13,056	20,482
Accumulated depreciation	(491)	(1,457)
Tools, furniture and fixtures in trust, net	*1 12,564	*1 19,025
Land in trust	*1 35,551,960	*1 35,420,175
Total property, plant and equipment	71,395,685	70,757,787
Intangible assets		
Leasehold rights in trust	*1 3,365,647	*1 3,365,647
Other	2,562	2,267
Total intangible assets	3,368,209	3,367,914
Investments and other assets		
Lease and guarantee deposits	16,330	16,330
Long-term prepaid expenses	177,410	248,934
Total investments and other assets	193,740	265,264
Total non-current assets	74,957,636	74,390,966
Total assets	81,383,879	80,658,373

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(Unit: thousand yen)

	2nd fiscal period (As of Aug. 31, 2014)	3rd fiscal period (As of Feb. 28, 2015)
Liabilities		
Current liabilities		
Operating accounts payable	200,600	156,641
Short-term loans payable	*1 13,466,250	—
Current portion of long-term loans payable	*1 567,500	*1 5,295,000
Accounts payable	162,173	334,192
Accrued expenses	109,592	142,244
Corporate taxes, etc. payable	789	839
Consumption taxes payable	142,882	56,110
Advances received	453,320	473,275
Other	65,273	234
Total current liabilities	15,168,383	6,458,537
Non-current liabilities		
Long-term loans payable	*1 28,306,250	*1 36,597,500
Tenant lease and security deposits	324,223	324,097
Tenant lease and security deposits in trust	3,899,804	3,723,822
Other	13,364	—
Total non-current liabilities	32,543,642	40,645,419
Total liabilities	47,712,025	47,103,957
Net assets		
Unitholders' equity		
Unitholders' capital	32,638,475	32,638,475
Surplus		
Unappropriated retained earnings (undisposed loss)	1,033,379	915,940
Total surplus	1,033,379	915,940
Total unitholders' equity	33,671,854	33,554,415
Total net assets	*2 33,671,854	*2 33,554,415
Total liabilities and net assets	81,383,879	80,658,373

Translation Purpose Only

(2) Statement of Income

(Unit: thousand yen)

	2nd fiscal period (From: Mar. 1, 2014 To: Aug. 31, 2014)	3rd fiscal period (From: Sept. 1, 2014 To: Feb. 28, 2015)
Operating revenue		
Lease business revenue	*1 2,683,103	*1 2,593,953
Other lease business revenue	*1 496,372	*1 404,653
Gain on sale of real estate	—	*2 58,103
Total operating revenue	3,179,475	3,056,711
Operating expenses		
Expenses related to rent business	*1 1,709,092	*1 1,544,394
Asset management fee	82,428	223,805
Asset custody fee	3,627	3,530
Administrative service fees	16,140	15,798
Directors' compensations	3,876	3,876
Other operating expenses	37,373	38,161
Total operating expenses	1,852,538	1,829,566
Operating profit	1,326,937	1,227,145
Non-operating income		
Interest income	549	568
Interest on refund	1,833	—
Total non-operating income	2,383	568
Non-operating expenses		
Interest expenses	225,656	228,595
Borrowing related expenses	69,403	82,227
Total non-operating expenses	295,059	310,823
Recurring profit	1,034,260	916,889
Net income before income taxes	1,034,260	916,889
Corporate, inhabitant and enterprise taxes	901	955
Adjustment of corporate tax, etc.	10	(2)
Total corporate tax, etc.	911	952
Net income	1,033,348	915,937
Profit brought forward	30	3
Unappropriated retained earnings (undisposed loss)	1,033,379	915,940

(3) Statement of Unitholders' Equity

2nd fiscal period (March 1, 2014 to August 31, 2014)

(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	366,818	366,818	33,005,293	33,005,293
Changes of items during period					
Distribution of surplus		(366,788)	(366,788)	(366,788)	(366,788)
Net income		1,033,348	1,033,348	1,033,348	1,033,348
Total changes of items during period	—	666,560	666,560	666,560	666,560
Balance at end of current period	32,638,475	1,033,379	1,033,379	33,671,854	33,671,854

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

(Unit: thousand yen)

(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

[Translation Purpose Only]

(4) Statement of Cash Distributions

(Unit: yen)

	2nd fiscal period From: Mar. 1, 2014 To: Aug. 31, 2014	3rd fiscal period From: Sep. 1, 2014 To: Feb. 28, 2015
	Amount	Amount
I. Unappropriated retained earnings	1,033,379,409	915,940,830
II. Amount of distributions	1,033,376,000	915,919,600
[Amount of distributions per investment unit]	[13,760]	[12,196]
III. Retained earnings carried forward	3,409	21,230

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 1,033,376,000 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 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>
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(5) Statement of Cash Flows

(Unit: thousand yen)

	2nd fiscal period (From: Mar. 1, 2014 To: Aug. 31, 2014)	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)
Cash flows from operating activities		
Income before income taxes	1,034,260	916,889
Depreciation	421,674	424,577
Interest income	(549)	(568)
Interest expenses	225,656	228,595
Decrease (increase) in operating accounts receivable	(31,457)	30,870
Decrease (increase) in consumption taxes refund receivable	1,601,187	—
Decrease (increase) in prepaid expenses	42,787	(56,665)
Decrease by sales of property, plant and equipment in trust	—	405,230
Increase (decrease) in operating accounts payable	(11,519)	(43,958)
Increase (decrease) in accounts payable - other	30,898	151,296
Increase (decrease) in consumption tax payable	142,882	(86,771)
Increase (decrease) in advances received	(16,947)	19,954
Decrease (increase) in long-term prepaid expenses	42,375	(71,523)
Deferred organization expenses paid	(37)	—
Other, net	53,254	(53,949)
Subtotal	3,534,465	1,863,979
Interest income received	549	568
Interest expenses paid	(224,563)	(195,944)
Income taxes paid	(1,349)	(905)
Net cash provided by (used in) operating activities	3,309,101	1,667,698
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,148)	—
Purchase of property, plant and equipment in trust	(107,176)	(172,672)
Proceeds from collection of lease and guarantee deposits	690	—
Repayments of lease and guarantee deposits received	(876)	(448)
Proceeds from tenant lease and security deposits	956	322
Repayments of tenant lease and security deposits in trust	(301,753)	(268,113)
Proceeds from tenant leasehold and security deposits in trust	158,126	92,130
Repayment of long-term deposits	(2,437)	(13,364)
Net cash provided by (used in) investing activities	(255,620)	(362,145)
Cash flows from financing activities		
Repayment of short-term loans payable	(1,583,750)	(13,466,250)
Proceeds from long-term loans payable	—	13,420,000
Repayment of long-term loans payable	(216,250)	(401,250)
Payment of distribution	(364,013)	(1,031,597)
Net cash provided by (used in) investing activities	(2,164,013)	(1,479,097)
Net increase (decrease) in cash and cash equivalents	889,466	(173,544)
Cash and cash equivalents at beginning of period	5,299,230	6,188,697
Cash and cash equivalents at end of period	*1 6,188,697	*1 6,015,153

(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)	
	2nd fiscal period (As of Aug. 31, 2014)	3rd fiscal period (As of Feb. 28, 2015)
Cash and deposits in trust	3,932,544	3,829,236
Buildings	3,477,474	3,413,847
Structures	8,490	8,187
Machinery and equipment	50,663	44,460
Land	3,770,347	3,770,347
Buildings in trust	28,492,027	28,011,055
Structures in trust	2,633	30,290
Machinery and equipment in trust	29,523	40,398
Tools, furniture and fixtures in trust	12,564	19,025
Land in trust	35,551,960	35,420,175
Leasehold rights in trust	3,365,647	3,365,647
Total	78,693,877	77,952,671

The following are the secured liabilities.

	(Unit: thousand yen)	
	2nd fiscal period (As of Aug. 31, 2014)	3rd fiscal period (As of Feb. 28, 2015)
Short-term loans payable	13,466,250	—
Current portion of long-term loans payable	567,500	5,295,000
Long-term loans payable	28,306,250	36,597,500
Total	42,340,000	41,892,500

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

	(Unit: thousand yen)	
	2nd fiscal period (As of Aug. 31, 2014)	3rd fiscal period (As of Feb. 28, 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)	
	2nd fiscal period (From: Mar. 1, 2014 To: Aug. 31, 2014)	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)
A. Property-related operating revenue		
Lease business revenue		
Rent revenue	1,922,620	1,876,057
Common area charges revenue	601,083	571,372
Parking revenue	122,878	110,934
Other rent revenue	36,521	35,588
Total	2,683,103	2,593,953
Other lease business revenue		
Utilities revenue	419,076	374,074
Other revenue	77,296	30,579
Total	496,372	404,653
Total property-related operating revenue	3,179,475	2,998,607
B. Property-related operating expenses		
Expenses related to rent business		
Property management fees	389,381	307,477
Utilities expenses	536,141	475,435
Taxes and public dues	262,377	224,780
Insurance premiums	6,251	4,587
Repair expenses	36,953	51,128
Trust fees	9,602	9,926
Depreciation	421,378	424,282
Other sundry expenses	47,005	46,775
Total property-related operating expenses	1,709,092	1,544,394
C. Property-related operating income (loss) [A– B]	1,470,383	1,454,213

*2. Breakdown of gain on sale of real estate

2nd fiscal period (Mar. 1, 2014 to Aug. 31, 2014)

Not applicable.

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

[Notes to the Statement of Unitholders' Equity]

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

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

[Translation Purpose Only]

[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)	
	2nd fiscal period (From: Mar. 1, 2014 To: Aug. 31, 2014) (As of Aug. 31, 2014)	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015) (As of Feb. 28, 2015)
Cash and deposits	2,256,153	2,185,916
Cash and deposits in trust	3,932,544	3,829,236
Cash and cash equivalents	6,188,697	6,015,153

[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 August 31, 2014, 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	2,256,153	2,256,153	—
(2) Cash and deposits in trust	3,932,544	3,932,544	—
Assets total	6,188,697	6,188,697	—
(3) Short-term loans payable	13,466,250	13,466,250	—
(4) Current portion of long-term loans payable	567,500	568,708	1,208
(5) Long-term loans payable	28,306,250	28,483,173	176,923
Liabilities total	42,340,000	42,518,132	178,132

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)).

Translation Purpose Only

(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	—
(4) Current portion of long-term loans payable	5,295,000	5,296,383	1,383
(5) Long-term loans payable	36,597,500	36,871,468	273,968
Liabilities total	41,892,500	42,167,851	275,351

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

(1) Cash and deposits; (2) Cash and deposits in trust; (3) Short-term loans payable

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.

(4) Current portion of long-term loans payable; (5) 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	2nd fiscal period (As of Aug. 31, 2014)	3rd fiscal period (As of Feb. 28, 2015)
Tenant leasehold and security deposits	324,223	324,097
Tenant leasehold and security deposits in trust	3,899,804	3,723,822
Total	4,224,028	4,047,919

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

2nd fiscal period (as of August 31, 2014)

(Unit: thousand yen)

	Due within 1 year
Cash and deposits	2,256,153
Cash and deposits in trust	3,932,544
Total	6,188,697

3rd fiscal period (As of Feb. 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

(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

2nd fiscal period (as of August 31, 2014)

(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
Short-term loans payable	13,466,250	—	—	—	—	—
Long-term loans payable	567,500	332,500	13,561,250	265,000	13,193,750	953,750
Total	14,033,750	332,500	13,561,250	265,000	13,193,750	953,750

[Translation Purpose Only]

3rd fiscal period (As of Feb. 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

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholder, etc.

2nd fiscal period (March 1, 2014 to August 31, 2014)

Not applicable.

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

Not applicable.

2. Associated company, etc.

2nd fiscal period (March 1, 2014 to August 31, 2014)

Not applicable.

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

Not applicable.

3. Fellow subsidiary, etc.

2nd fiscal period (March 1, 2014 to August 31, 2014)

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	82,428	Accounts payable - other	88,610

(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.

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)	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	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.

[Translation Purpose Only]

4. Director, major individual unitholder, etc.

2nd fiscal period (March 1, 2014 to August 31, 2014)

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.

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.

[Notes on Tax-Effect Accounting]

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

	(Unit: thousand yen)	
	2nd fiscal period (As of Aug. 31, 2014)	3rd fiscal period (As of Feb. 28, 2015)
Deferred tax assets		
Non-deductible accrued enterprise tax	14	17
Total deferred tax assets	14	17
Net deferred tax assets	14	17

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

	(Unit: %)	
	2nd fiscal period (As of Aug. 31, 2014)	3rd fiscal period (As of Feb. 28, 2015)
Statutory tax rate	36.59	34.16
[Adjustments]		
Deductible distributions payable	(36.56)	(34.12)
Other	0.06	0.06
Effective income tax rate after application of tax-effect accounting	0.09	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.

	(Unit: thousand yen)	
	2nd fiscal period (From: Mar. 1, 2014 To: Aug. 31, 2014)	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)
Carrying amount		
Balance at beginning of period	75,050,365	74,761,332
Amount of increase (decrease) during period	(289,032)	(637,897)
Balance at end of period	74,761,332	74,123,434
Fair value at end of period	76,082,000	75,683,000

(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 (132,346 thousand yen), while the amount of decrease is mainly attributable to depreciation (421,378 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 (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).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser. However, for NEXT21 in the previous period, the transfer price for which the property was sold on September 9, 2014 is indicated.

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

2nd fiscal period (March 1, 2014 to August 31, 2014)

(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.

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.

[Notes on Per Unit Information]

	2nd fiscal period (From: Mar. 1, 2014 To: Aug. 31, 2014)	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)
Net assets per unit	448,360 yen	446,796 yen
Net income per unit	13,759 yen	12,196 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.

	2nd fiscal period (From: Mar. 1, 2014 To: Aug. 31, 2014)	3rd fiscal period (From: Sep. 1, 2014 To: Feb. 28, 2015)
Net income	1,033,348 thousand yen	915,937 thousand yen
Amount not attributable to common unitholders	— thousand yen	— thousand yen
Net income attributable to common investment units	1,033,348 thousand yen	915,937 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

There no change of directors of SIA REIT during the fiscal period under review.

(2) Directors of the Asset Management Company

Following changes in Board members were made as of October 31, 2014.

Appointed Directors	Director (part-time)	Yoshio Sano
Appointed Directors	Director (part-time)	Shinichiro No
Retired Director	Director (part-time)	Nobuyoshi Nakano
Retired Corporate Auditor	Corporate Auditor (part-time)	Yoshio Sano

5. Reference Information

(1) Asset Composition

(1) Asset Composition						
Type of asset	Use of asset	Region (Note 1)	2nd fiscal period (As of Aug. 31, 2014)		3rd fiscal period (As of Feb. 28, 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	7,306	9.0	7,236	9.0
	Office buildings subtotal		7,306	9.0	7,236	9.0
Real estate total			7,306	9.0	7,236	9.0
Real estate in trust	Office buildings	Tokyo metropolitan area	50,533	62.1	50,439	62.5
		Ordinance-designated cities or their equivalent	11,850	14.6	11,810	14.6
	Office buildings subtotal		62,384	76.7	62,250	77.2
	Retail facilities	Tokyo metropolitan area	4,231	5.2	4,202	5.2
		Ordinance-designated cities or their equivalent	838	1.0	433	0.5
	Retail facilities subtotal		5,069	6.2	4,636	5.7
	Real estate in trust total			67,454	82.9	66,886
Deposits and other assets			6,622	8.1	6,534	8.1
Total assets			81,383	100.0	80,658	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	24,369	25,200	25,400	5.3	25,100	5.3	5.5	18,000
OT-2	SIA Kanda Square	The Tanizawa Sogo Appraisal Co., Ltd.	7,350	7,236	7,540	7,750	4.5	7,450	4.6	4.7	7,100
OT-3	Tachikawa Nishiki-cho Building	Daiwa Real Estate Appraisal Co., Ltd.	3,264	3,274	3,540	3,560	5.1	3,530	4.9	5.3	2,290
OT-4	CP10 Building	Daiwa Real Estate Appraisal Co., Ltd.	3,229	3,224	3,050	3,110	4.7	3,020	4.5	4.9	1,350
OT-5	Yokohama AP Building	Daiwa Real Estate Appraisal Co., Ltd.	3,110	3,108	3,380	3,340	4.9	3,390	4.7	5.1	2,180
OT-6	Yushima First Genesis Building	Daiwa Real Estate Appraisal Co., Ltd.	2,751	2,740	2,780	2,810	4.7	2,760	4.5	4.9	1,600
OT-7	Miyaji Building	Daiwa Real Estate Appraisal Co., Ltd.	2,880	2,892	2,950	2,940	5.0	2,950	4.8	5.2	1,920
OT-8	36 Sankyo Building	Daiwa Real Estate Appraisal Co., Ltd.	2,395	2,392	2,470	2,500	4.8	2,450	4.6	5.0	1,750
OT-9	Minami-Shinagawa JN Building	Daiwa Real Estate Appraisal Co., Ltd.	2,165	2,180	1,914	2,000	5.0	1,900	4.8	5.2	2,080
OT-10	Minami-Shinagawa N Building	Daiwa Real Estate Appraisal Co., Ltd.	2,292	2,287	2,060	2,140	5.2	2,030	5.0	5.4	2,130
OT-11	Minami-Shinagawa J Building	Daiwa Real Estate Appraisal Co., Ltd.	2,020	2,007	2,060	2,070	5.2	2,050	5.0	5.4	1,360
OT-12	MY Atsugi Building	Chuo Real Estate Appraisal Co., Ltd.	1,240	1,231	1,290	1,370	6.0	1,290	5.8	6.2	960
OT-13	Hachioji SIA Building	Chuo Real Estate Appraisal Co., Ltd.	730	729	787	811	5.6	787	5.4	5.8	756
OO-1	Central Shin-Osaka Building	Daiwa Real Estate Appraisal Co., Ltd.	4,612	4,556	4,740	4,740	5.0	4,740	4.8	5.2	2,450
OO-2	Karasuma Plaza 21	Daiwa Real Estate Appraisal Co., Ltd.	3,700	3,729	3,370	3,340	5.3	3,380	5.1	5.5	5,050
OO-3	Stoke Building Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,381	2,378	2,500	2,500	5.3	2,500	5.1	5.5	1,490
OO-4	MY Kumamoto Building	Chuo Real Estate Appraisal Co., Ltd.	1,152	1,146	1,260	1,280	6.3	1,260	6.1	6.5	928
R-1	fab Minami-Osawa	Japan Real Estate Institute	4,250	4,202	4,300	4,340	5.4	4,260	5.2	5.6	2,310
R-2	Niigata Higashibori-dori Parking Building	Chuo Real Estate Appraisal Co., Ltd.	432	433	492	482	6.9	492	6.6	7.2	366
Total			74,347	74,123	75,683	76,483	-	75,339	-	-	56,070

(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 February 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	34,261.55	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	3,518.17	3.51%
OT-5	Yokohama AP Building	Office buildings	Yokohama-shi, Kanagawa	RC B1/8F	1983/05	Real estate trust beneficiary rights	4,478.11	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	5,489.64	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	3,750.01	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)	24,369	7,236	3,274	3,224	3,108	2,740	2,892
	Value at end of period (million yen)	25,200	7,540	3,540	3,050	3,380	2,780	2,950
	Composition ratio	33.3	10.0	4.7	4.0	4.5	3.7	3.9
Leasing	Total number of tenants	28	28	21	5	10	7	9
	Total leasable area (m ²)	34,261.55	5,263.30	5,633.29	3,518.17	4,478.11	2,947.07	3,116.49
	Leased area (m ²)	26,167.43	5,263.30	5,633.29	2,468.59	4,478.11	2,947.07	3,116.49
	Occupancy rate	76.4%	100.0%	100.0%	70.2%	100.0%	100.0%	100.0%
Operating income (loss)	Number of days under management	181	181	181	181	181	181	181
	① Property-related operating revenue (thousand yen)	884,237	227,041	141,591	114,030	129,835	91,055	111,225
	Lease business revenue	706,790	216,508	134,554	88,412	115,012	84,622	101,559
	Other lease business revenue	177,446	10,532	7,037	25,617	14,823	6,433	9,666
	② Property-related operating expenses (thousand yen)	382,622	35,694	44,453	38,296	34,714	25,432	26,248
	Property management fees	75,872	13,035	18,210	13,658	10,527	7,998	8,272
	Utilities expenses	225,824	12,656	12,662	10,792	9,896	7,610	9,128
	Taxes and public dues	67,245	8,354	10,323	6,579	9,650	7,628	7,558
	Insurance premiums	1,466	213	218	114	143	129	114
	Repair expenses	11,712	1,435	2,538	6,651	3,896	1,416	674
	Other	500	—	500	500	600	650	500
	③ Leasing NOI (thousand yen)	501,615	191,346	97,137	75,734	95,121	65,623	84,976
	④ Depreciation (thousand yen)	112,274	70,132	19,329	14,894	10,187	12,588	9,850
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	389,341	121,214	77,807	60,839	84,933	53,034	75,126
	⑥ Capital expenditures (thousand yen)	88,578	—	4,661	4,765	2,775	—	18,299
	⑦ Leasing NCF [③-⑥] (thousand yen)	413,036	191,346	92,476	70,968	92,346	65,623	66,677

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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)	2,392	2,180	2,287	2,007	1,231	729	4,556
	Value at end of period (million yen)	2,470	1,914	2,060	2,060	1,290	787	4,740
	Composition ratio	3.3	2.5	2.7	2.7	1.7	1.0	6.3
Leasing	Total number of tenants	3	15	15	10	20	14	26
	Total leasable area (m ²)	3,724.17	6,405.24	5,489.64	3,673.61	3,847.70	2,751.01	9,399.87
	Leased area (m ²)	3,724.17	5,458.76	4,625.19	3,673.61	3,587.67	2,751.01	9,399.87
	Occupancy rate	100.0%	85.2%	84.3%	100.0%	93.2%	100.0%	100.0%
Operating income (loss)	Number of days under management	181	181	181	181	181	181	181
	① Property-related operating revenue (thousand yen)	83,517	104,408	96,024	97,210	62,342	51,774	198,897
	Lease business revenue	73,625	97,956	86,812	89,874	56,357	46,459	176,977
	Other lease business revenue	9,891	6,452	9,212	7,336	5,985	5,314	21,920
	② Property-related operating expenses (thousand yen)	24,237	76,227	45,528	30,725	24,765	23,911	62,800
	Property management fees	5,782	20,069	11,668	5,499	9,264	10,476	18,064
	Utilities expenses	9,526	26,179	9,553	9,287	9,508	7,640	24,939
	Taxes and public dues	7,249	9,524	8,980	5,612	4,900	4,572	16,685
	Insurance premiums	107	246	214	136	134	92	310
	Repair expenses	921	4,293	2,467	1,092	457	629	2,300
	Other	650	15,914	12,644	9,097	500	500	500
	③ Leasing NOI (thousand yen)	59,279	28,181	50,496	66,485	37,577	27,863	136,097
	④ Depreciation (thousand yen)	8,209	14,217	13,188	11,085	12,224	5,127	32,615
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	51,070	13,963	37,307	55,399	25,352	22,735	103,481
	⑥ Capital expenditures (thousand yen)	1,221	17,083	3,248	1,208	3,831	2,984	1,442
	⑦ Leasing NCF [③-⑥] (thousand yen)	58,058	11,098	47,247	65,277	33,745	24,878	134,655

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Property no.	OO-2	OO-3	OO-4	R-1	R-2	R-3	Total
Property name	Karasuma Plaza 21	Stoke Building Nagoya	MY Kumamoto Building	fab Minami-Osawa (Note 1)	Niigata Higashibori-dori Parking Building (Note 1)	NEXT21(Note 2)	
Acquisition date	October 10, 2013	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)	3,729	2,378	1,146	4,202	433	74,123
	Value at end of period (million yen)	3,370	2,500	1,260	4,300	492	75,683
	Composition ratio	4.5	3.3	1.7	5.7	0.7	100.0
Leasing	Total number of tenants	12	5	18	14	1	261
	Total leasable area (m ²)	8,890.42	5,801.80	3,750.01	8,409.23	8,725.90	130,086.58
	Leased area (m ²)	8,890.42	5,801.80	3,750.01	8,409.23	8,725.90	118,871.92
	Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	91.4
Operating income (loss)	Number of days under management	181	181	181	181	181	181
	① Property-related operating revenue (thousand yen)	187,935	105,890	69,363			11,026
	Lease business revenue	170,373	89,068	64,336			9,986
	Other lease business revenue	17,562	16,821	5,026			1,039
	② Property-related operating expenses (thousand yen)	79,545	42,014	22,518			9,578
	Property management fees	29,572	15,174	8,993			4,583
	Utilities expenses	23,556	14,142	7,261			1,793
	Taxes and public dues	22,619	9,981	4,858			1,742
	Insurance premiums	308	199	135			43
	Repair expenses	2,988	1,916	769			1,389
	Other	500	600	500			26
	③ Leasing NOI (thousand yen)	108,389	63,875	46,845	121,223	19,178	1,878,496
	④ Depreciation (thousand yen)	13,290	17,341	11,802	31,341	4,035	424,282
	⑤ Property-related operating income (loss) [③-④] (thousand yen)	95,098	46,534	35,043	89,882	15,143	1,454,213
	⑥ Capital expenditures (thousand yen)	13,622	16,275	3,996	1,950	5,357	191,302
	⑦ Leasing NCF [③-⑥] (thousand yen)	94,767	47,599	42,848	119,272	13,821	1,687,194

(Note 1) 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.

(Note 2) NEXT21 was transferred on September 9, 2014.

(6) Borrowing Status

The following is the status of borrowing of funds from each financial institution as of February 28, 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									
Short-term borrowings	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	8,478,750	—	0.74634%	Oct. 10, 2014 (Note 5)	(Note 5)	(Note 13)	Secured Unguaranteed (Note 15)	
	Aozora Bank, Ltd.		2,992,500	—						
	Sumitomo Mitsui Trust Bank, Limited		997,500	—						
	The Bank of Fukuoka, Ltd.		997,500	—						
	Subtotal			13,466,250	—	—				
Long-term borrowings	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	5,486,250	5,472,500	1.16976%	Oct. 10, 2016 (Note 6)	(Note 6)	(Note 13)	Secured Unguaranteed (Note 15)	
	Shinsei Bank, Limited (Note 2)		4,987,500	4,946,000						
	Aozora Bank, Ltd.		1,995,000	1,990,000						
	Resona Bank, Limited (Note 2)		997,500	989,000						
	Sumitomo Mitsui Banking Corporation (Note 3)	Oct. 10, 2013	4,738,125	4,573,250	0.93789%	Oct. 10, 2018 (Note 7)	(Note 7)			
	The Mie Bank, Ltd. (Note 3)		997,500	989,000						
	Aozora Bank, Ltd. (Note 3)		997,500	960,000						
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	5,735,625	5,721,250	1.38226%	Oct. 10, 2018 (Note 8)	(Note 8)			
	Kansai Urban Banking Corporation (Note 4)		997,500	989,000						
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2013	1,941,250	1,842,500	1.13812%	Oct. 10, 2019 (Note 9)	(Note 9)			
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2014	—	957,000	0.73574%	Oct. 13, 2015 (Note 10)	(Note 10)			
	Aozora Bank, Ltd.		—	1,985,000						
	Sumitomo Mitsui Trust Bank, Limited		—	989,000						
	The Bank of Fukuoka, Ltd.		—	989,000						
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2014	—	1,500,000	1.08473%	Oct. 10, 2017 (Note 11)	(Note 11)			
	Aozora Bank, Ltd.		—	1,000,000						
	Resona Bank, Limited		—	2,000,000						
	ORIX Bank Corporation		—	1,000,000						
	Sumitomo Mitsui Banking Corporation	Oct. 10, 2014	—	2,000,000	1.35961%	Oct. 13, 2020 (Note 12)	(Note 12)			
	The Mie Bank, Ltd.		—	1,000,000						
	Subtotal			28,873,750	41,892,500					
	Total			42,340,000	41,892,500					

(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) On September 9, 2014, part of the principal (35,000 thousand yen) was repaid ahead of schedule.

(Note 3) On September 9, 2014, part of the principal (194,000 thousand yen) was repaid ahead of schedule.

(Note 4) On September 9, 2014, part of the principal (6,000 thousand yen) was repaid ahead of schedule.

(Note 5) On September 9, 2014, part of the principal (12,000 thousand yen) was repaid ahead of schedule, and on October 10, 2014, the remaining balance of principal (13,454,250 thousand yen) was repaid.

(Note 6) 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 7) 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 8) 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 9) 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 10) 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 11) 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 12) 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.
- (Note 13) 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 14) The intended use of the funds is to allocate the fund to repay part of the existing borrowing maturing on October 10, 2014.
- (Note 15) 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.