



 SIA REIT, Inc.

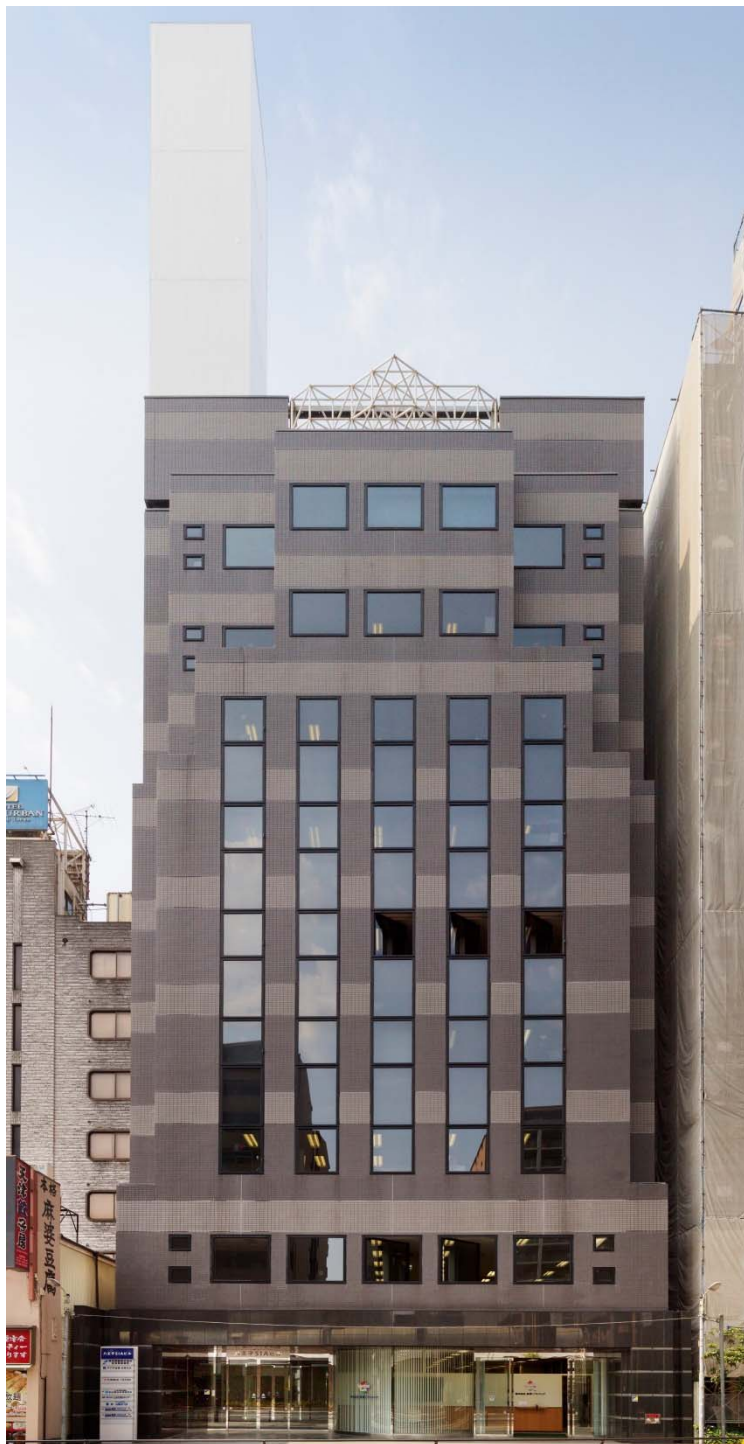
Presentation Material for the Fifth Fiscal Period (Ended February 2016)

April 18, 2016

Simplex REIT Partners Inc.

Table of Contents

1	Executive Summary		6	Future Growth Strategies	
	1. Fifth Fiscal Period Topics (Ended February 2016)	3		1. Management Strategy	29
	2. Policy for Initiatives after Sponsor Change	4		2. Action Plan	30
	3. Highlights of the Fifth Fiscal Period (Ended February 2016)	5			
2	Overview of Financial Results and Earnings Forecasts		7	Appendix	
	1. Overview of Financial Results:			Sponsor Change	33
	Fifth Fiscal Period (Ended February 2016)	7		About the SIA Group	35
	2. Earnings Forecasts:			Statement of Income	37
	Sixth Fiscal Period (Ending August 2016) and Seventh Fiscal			Balance Sheet	38
	Period (Ending February 2017)	8		Characteristics of SIA REIT	39
	3. Forecast Occupancy Rate and Cash Flow Occupancy Rate	9		Portfolio List	40
3	Internal Growth			Portfolio Map	42
	1. Management Status	11		Overview of Individual Properties	43
	2. Analysis of Tenant Trends	15		Environmental Initiatives	47
	3. Efforts toward Maintaining and Increasing Property Value	17		List of Appraisal Values	48
4	External Growth			Lease Business Revenue and Expenditure by Property	49
	1. External Growth Strategy	19		List of Borrowings	51
	2. Status of Pipelines	20		Unitholder Status	52
	3. Investment in Bridge Fund/Acquisition of Preferential			Investment Unit Price	53
	Negotiation Rights	21		Governance System and Management Fee Scheme	54
	4. Acquisition of Preferential Negotiation Rights for Property			Overview of SIA REIT	55
	Acquisitions	23		Overview of the Asset Management Company	56
5	Financial Strategy				
	1. Financial Status	25			



1 Executive Summary

1 – (1) Fifth Fiscal Period Topics (Ended February 2016)

■ Sponsor Change

- Procedures for the sponsor change were completed as of December 29, 2015 and a structure in which Mizuho Trust & Banking is the sponsor started.

■ Internal Growth

- The portfolio occupancy rate as of the end of the fifth fiscal period was 98.3% (up 2.0% from the fourth fiscal period) and the period average was 97.8% (up 3.6% from the fourth fiscal period).
- Of J Tower's vacant space (1,778 tsubos after the departure of a major tenant), conclusion of agreements for approx. 600 tsubos is expected.
- Leasing is progressing at Minami-Shinagawa. The average occupancy rate of the three properties at the end of the period was 94.7% against the forecast of 91.5% at the beginning of the period.
- There was a decrease of rent but as with the previous period there were upward revisions as well.

Initiatives Going Forward

- Focus on leasing the remaining vacant spaces in J Tower at an early stage.
- Continue negotiations for increasing rent against the backdrop of rising market rents and the improvement of the portfolio occupancy rate.

■ External Growth

- Following Glass City Motoyoyogi (September 2015), there were opportunities for acquiring Daihakata Building and Nagoya Fushimi Square Building (both in March 2016) and so the pipeline increased to approx. ¥22.9 billion.
- For the acquisition of both properties, the networks and know-how of the sponsor and supporting companies were utilized for the provision of property information and support for bridge fund formation.

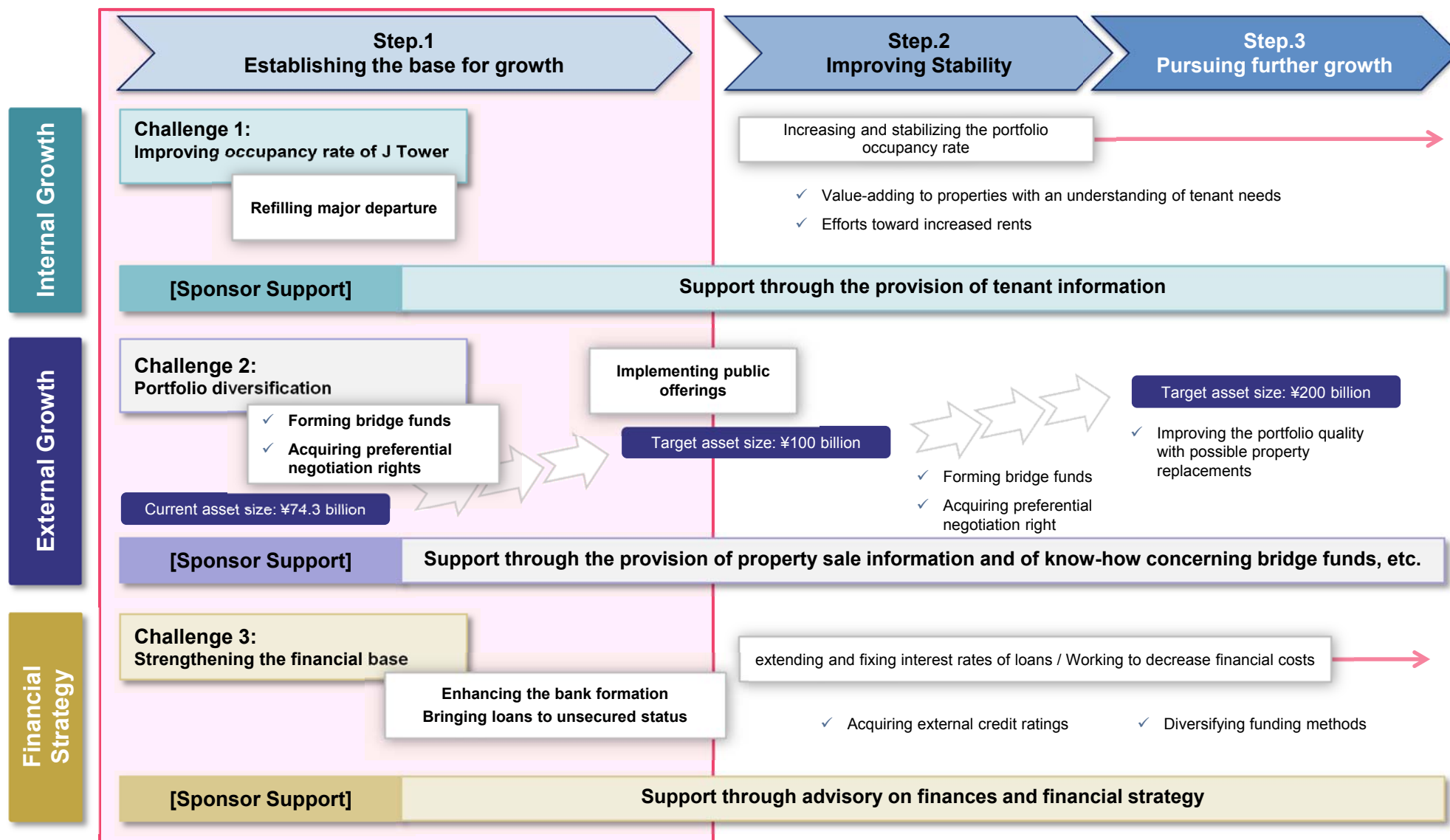
- Enhance relations with the sponsor, brokers and sellers to obtain opportunities for acquiring prime properties.
- Aim for public offerings and property acquisitions at the right timing.

■ Financial Strategy

- Refinanced ¥4,895 million yen on October 13, 2015 and part of existing short-term borrowings were refinanced with long-term borrowings.
- The LTV at the end of the fifth fiscal period was 51.6%. (51.8% at the end of the fourth fiscal period).

- Bring loans to unsecured status, enhance the bank formation, fix interest rates and make other efforts to strengthen the financial base.

1 – (2) Policy for Initiatives after Sponsor Change



1 – (3) Highlights of the Fifth Fiscal Period (Ended February 2016)

- Dividends per unit were ¥12,050, ¥550 higher than the initial forecast of ¥11,500 and ¥228 higher (1.9% increase) compared to the previous period.
- The NOI of 19 properties of the existing portfolio increased by ¥38 million from the last period.

■ Actual Performance and Dividends

	First Fiscal Period (Ended Feb. 2014)	Second Fiscal Period (Ended Aug. 2014)	Third Fiscal Period (Ended Feb. 2015)	Fourth Fiscal Period (Ended Aug. 2015)	Fifth Fiscal Period (Ended Feb. 2016)	
(Millions of yen)	Actual	Actual	Actual	Actual	Forecast	Actual
Operating revenue	2,493	3,179	3,056	3,053	3,080	3,019
Operating profit	1,199	1,326	1,227	1,198	1,180	1,214
Recurring profit	368	1,034	916	888	864	905
Net income	366	1,033	915	887	863	904
Dividends per unit	4,884 yen	13,760 yen	12,196 yen	11,822 yen	11,500 yen	12,050 yen

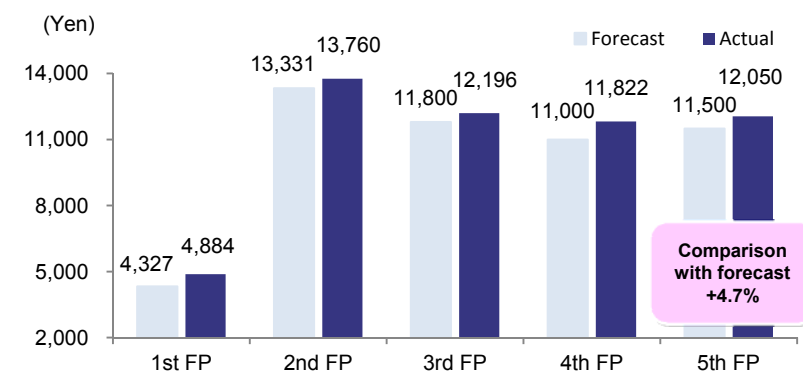
Number of properties at period end (Note 1)	20	20	19	19	19
Total acquisition price	74,726	74,726	74,347	74,347	74,347
Portfolio occupancy rate at period end	88.5%	91.4%	91.4%	96.3%	98.3%
Leasing NOI (Note 2)	1,641	1,891	1,878	1,913	1,951
NAV per unit (Note 3)	448,000 yen	450,000 yen	455,000 yen	464,000 yen	488,000 yen

(Note 1) The number of properties at period end does not include the properties owned by SPC in which SIA REIT invests through silent partnership.

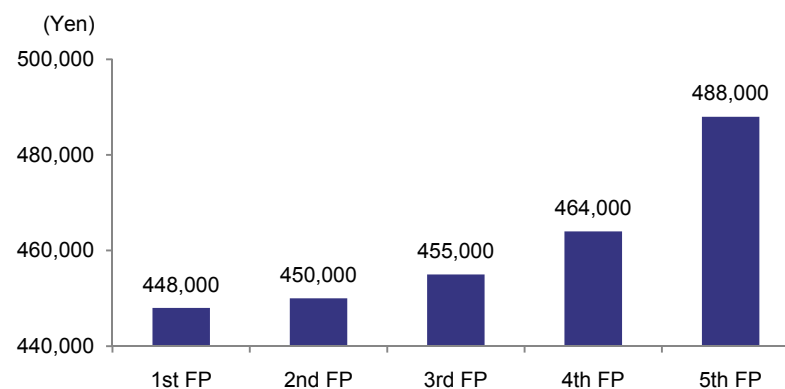
(Note 2) Leasing NOI is calculated by the formula [Property-related operating revenue – Property-related operating expenses (excluding depreciation)] and does not include dividends received through silent partnership equity interest.

(Note 3) NAV per unit is calculated by dividing the sum of the period-end unitholders' capital and unrealized gain on real estate (the sum of the differences of appraisal value and book value for the properties owned as of the end of each period) by the period-end outstanding number of investment units. Amounts are rounded down to the nearest thousand yen.

■ Dividends per Unit



■ NAV per Unit





2 Overview of Financial Results and Earnings Forecasts

Overview of financial results:

The fifth fiscal period (ended February 2016)

Earnings forecasts:

The sixth fiscal period (ending August 2016) and
the seventh fiscal period (ending February 2017)

2 – (1) Overview of Financial Results: Fifth Fiscal Period (Ended February 2016)

- Dividends per unit was ¥12,050, up ¥550 (4.7%) compared to the initial forecast of ¥11,500 due to factors such as differences in the utilities balance and property management expenses.

■ Fifth Fiscal Period Results and Comparison with Earnings Forecast (Oct. 15, 2015)

(Millions of yen)	Fourth Fiscal Period (ended Aug. 2015) results (actual)	Fifth Fiscal Period (ended Feb. 2016) earnings forecast	Fifth Fiscal Period (ended Feb. 2016) results (actual)	Comparison
Operating revenue	3,053	3,080	3,019	-60
Operating profit	1,198	1,180	1,214	+34
Recurring profit	888	864	905	+41
Net income	887	863	904	+41
Dividends per unit	11,822 yen	11,500 yen	12,050 yen	+550 yen
Leasing NOI	1,913	1,913	1,951	+38
Depreciation	431	447	443	-4
Period-end book value	74,085	—	73,823	—
Period-end appraisal value	76,312	—	77,896	—
Period-end total assets	80,492	—	80,439	—
Total interest-bearing debt	41,692	—	41,492	—
LTV (Note 1)	51.8%	—	51.6%	—
Period-end net assets	33,526	—	33,543	—
NAV per unit	464,000 yen	—	488,000 yen	—

■ Factors in Profit Change (in comparison with forecast)

(Millions of yen)

	Comparison	Major factors (breakdown)
Operating revenue	-60	Utilities revenue -68 Rental revenue +3 Other rental revenue +3
Expenses related to rent business	+99	Utilities expenses +99 Property management expenses +14 Repairs expenses -13
Depreciation	+4	
General and administrative expenses	-8	Asset management fees -14 Reduction of expenses 4
Operating profit	+34	
Non-operating income	+0	
Non-operating expenses	+6	Difference with finance-related costs +6
Recurring profit	+41	
Income taxes	+0	
Net income	+41	

(Note 1) LTV (%) is calculated with the formula [Period-end balance of interest-bearing debt ÷ Period-end total assets] and is rounded to the first decimal place.

(Note 2) Amounts are rounded down to the nearest million yen.

2 – (2) Earnings Forecasts: Sixth Fiscal Period (Ending August 2016) and Seventh Fiscal Period (Ending February 2017)

- The forecast dividends per unit for the sixth fiscal period was increased from ¥10,600 (previous forecast) to ¥10,700 due to factors such as a review of depreciation and the decrease of prospective interest rates.
- Dividend per unit is forecast at ¥10,300 for the seventh fiscal period as refilling of vacant spaces other than cases that are already determined or have high certainty is not anticipated. An increase through leasing will be targeted.

(Millions of yen)	Fifth fiscal period (ended Feb. 2016) results	Forecast for the sixth fiscal period (ending Aug. 2016)	Comparison	Forecast for the Seventh fiscal period (ending Feb. 2017)	Comparison
Operating revenue	3,019	2,975	-44	2,882	-92
Lease business revenue	2,672	2,561	-110	2,527	-34
Other lease business revenue	346	411	+65	353	-58
Dividends received	0	1	+0	2	+1
Operating profit	1,214	1,115	-99	1,084	-30
Recurring profit	905	804	-101	774	-30
Net income	904	803	-101	773	-30
Dividends per unit	12,050 yen	10,700 yen	-1,350 yen	10,300 yen	-400 yen
Period-end occupancy rate	98.3%	93.3%	-5.0%	93.0%	-0.3%
Leasing NOI	1,951	1,852	-99	1,828	-24
Depreciation	443	451	+8	460	+9

■ Major Factors in Profit Change

■ FP ended Feb. 2016 (5th FP)

→ FP ending Aug. 2016 (6th FP)

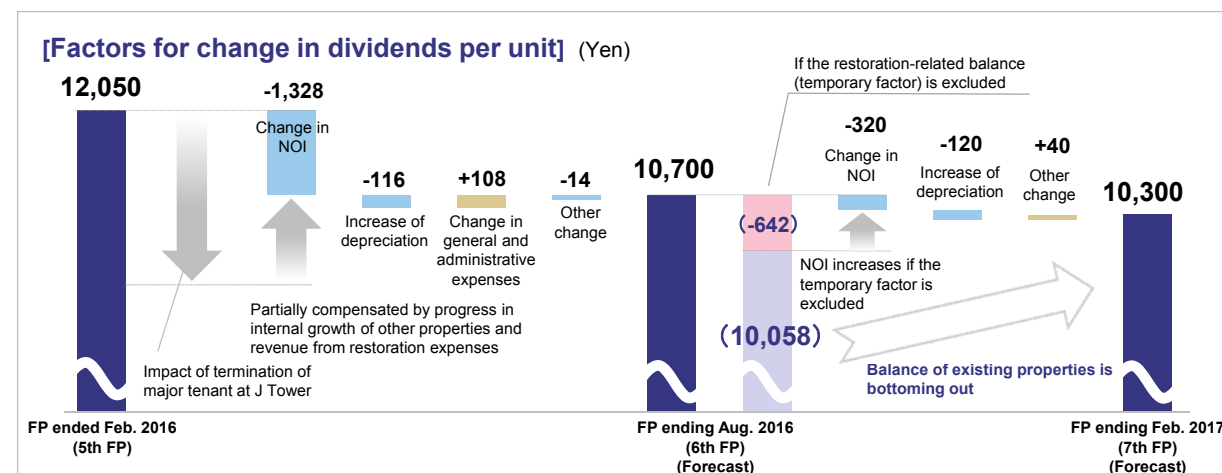
	Comparison	Major factors (breakdown)
Operating revenue	-44	Decrease of rent and common area revenue -99 Increase of other revenue +57
Expenses related to rent business	-54	Increase of utilities expenses -47 Increase of property management expenses -33 Decrease of repair expenses +25
General and administrative expenses	+8	
Operating profit	-99	
Non-operating income and expenses	-1	
Net income	-101	

■ FP ending Aug. 2016 (6th FP)

→ FP ending Feb. 2017 (7th FP)

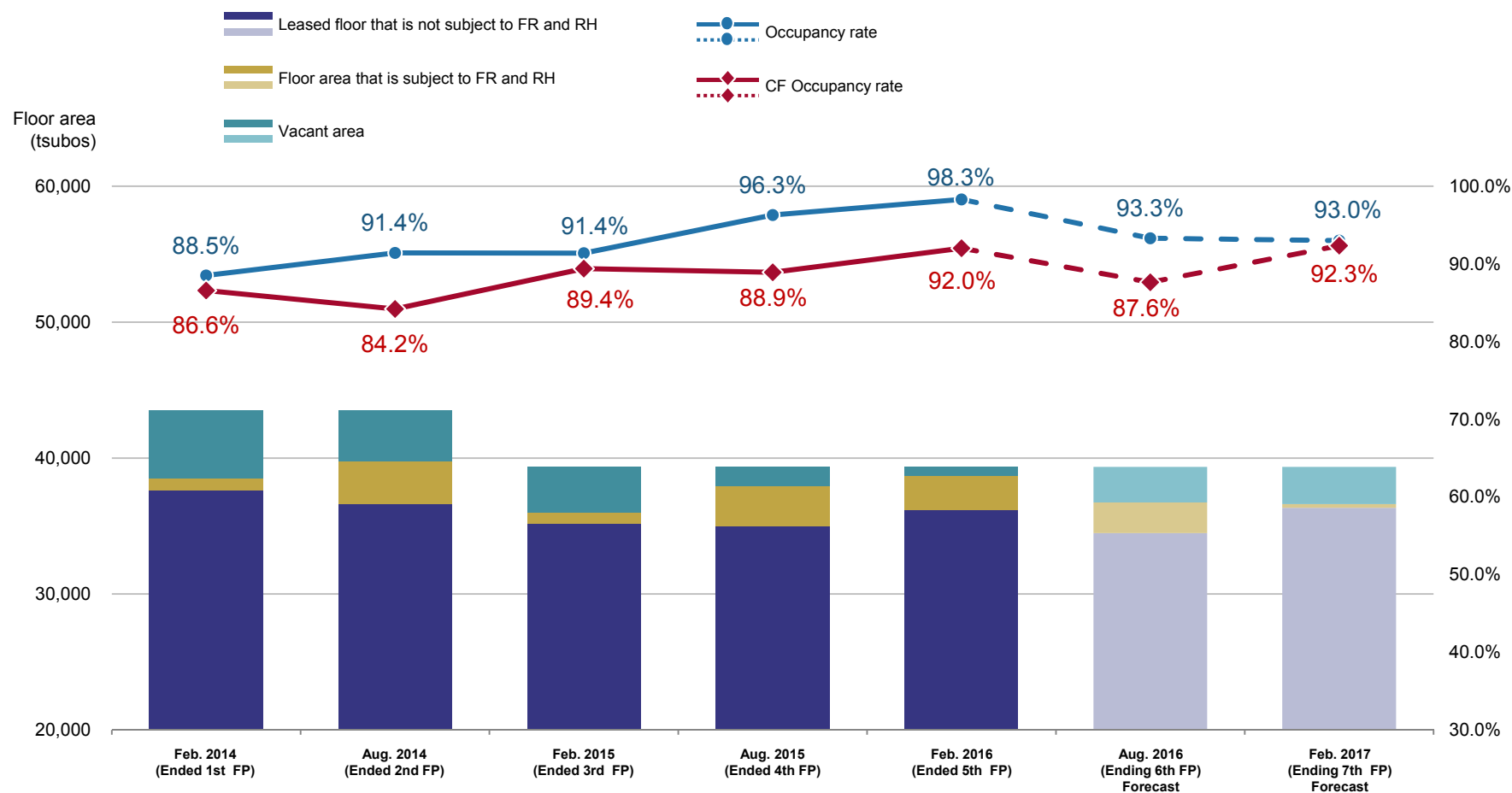
	(Millions of yen)
Change in NOI	-24
Increase of depreciation	-9
Change in non-operating income/expenses, other	+3
Net income	-30

(Note) Amounts are rounded down to the nearest million yen or nearest yen.



2 – (3) Forecast Occupancy Rate and Cash Flow Occupancy Rate

- The occupancy rate in the earnings forecast decreased with the departure of a major tenant at J Tower but the CF occupancy rate is expected to recover as the free rent (FR) of new tenants come to an end.
- SIA REIT will focus on attracting new tenants to J Tower for an early recovery of the occupancy rate and CF occupancy rate.



(Note) The forecast figures for the sixth fiscal period (ending August 2016) and the seventh fiscal period (ending February 2017) are based on the assumptions of earnings forecasts for these periods.

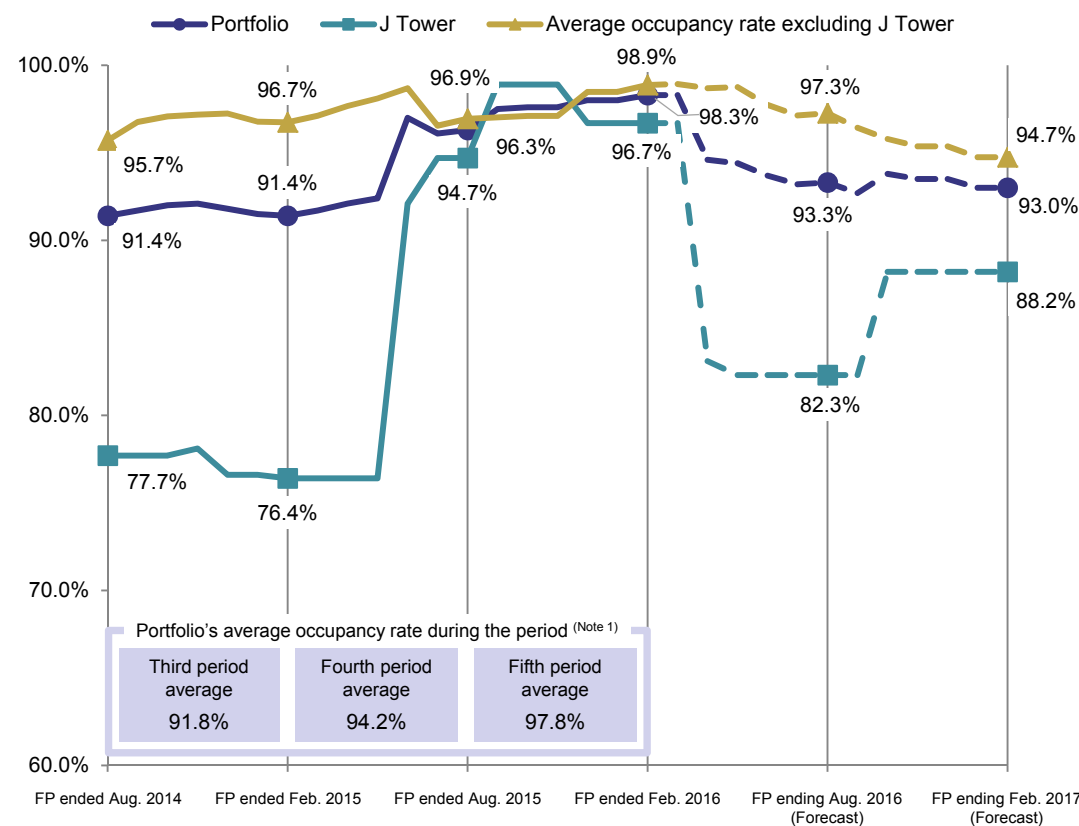


3 Internal Growth

3 – (1) Management Status: Occupancy Rate

- The portfolio occupancy rate at the end of the fifth fiscal period (ended Feb. 2016) was 98.3% (up 2.0% from the fourth fiscal period). Regarding the average occupancy rate excluding that of J Tower, vacancy has been at an appropriate level for the last year and a half
- Going forward, other than J Tower tenant departures are expected at some properties and the average occupancy rate excluding J Tower is expected to be in the upper to mid 90% level.

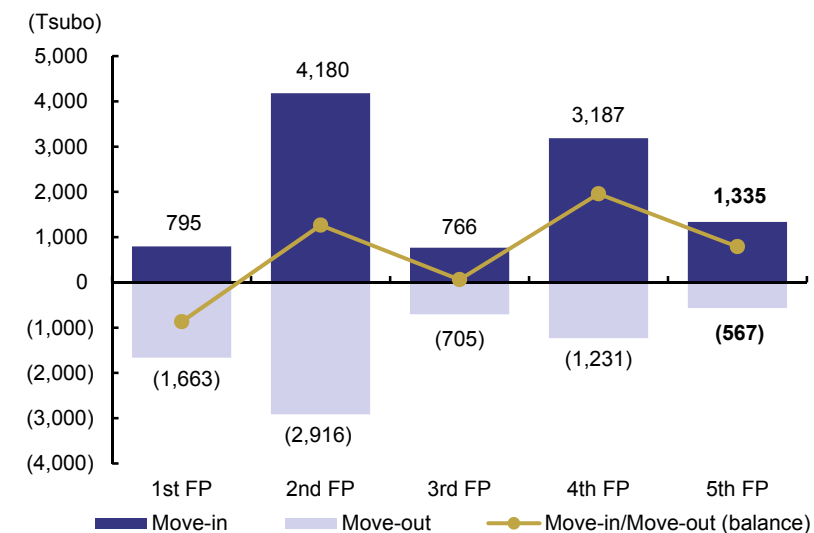
■ Occupancy Rate



(Note 1) The average occupancy rate during the period (%) is calculated with the formula [Sum of total leased floor area as of the end of each month ÷ Sum of total leasable floor area as of the end of each month] and is rounded to the first decimal place.

(Note 2) The forecast figures are calculated based on the assumptions of the earnings forecasts.

■ Move-In/Move-Out



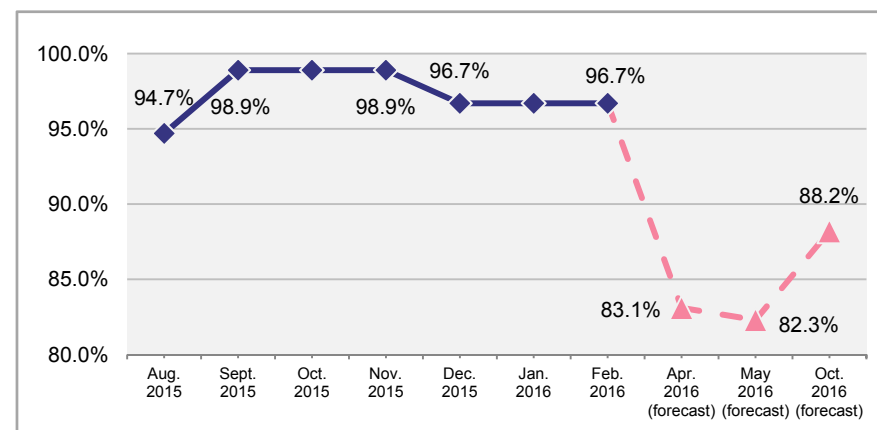
	1st FP Floor area (Number of tenants)	2nd FP Floor area (Number of tenants)	3rd FP Floor area (Number of tenants)	4th FP Floor area (Number of tenants)	5th FP Floor area (Number of tenants)
Move-in	795 tsubos (17)	4,180 tsubos (25)	766 tsubos (13)	3,187 tsubos (18)	1,335 tsubos (12)
Move-out	1,663 tsubos (9)	2,916 tsubos (12)	705 tsubos (9)	1,231 tsubos (10)	567 tsubos (7)
Change	-867 tsubos	+1,264 tsubos	+61 tsubos	+1,955 tsubos	+768 tsubos

3 – (1) Management Status: J TOWER



(As of the end of the fifth fiscal period)

Property Name	J TOWER
Location	Fuchu City, Tokyo
Completed	March 1992
Number of Floors	B2/18F
Total Leasable Floor Area	10,369.68 tsubos
Occupancy Rate	96.7%



(Note) The forecast figure is calculated based on the assumptions of the earnings forecasts.

■ Status of Leasing and Tenants

Refilling of section for which a notice of termination was received is expected to make progress as a result of focus on leasing

- A new agreement from an outside party (148 tsubos) and an agreement for increased floor area from an existing tenant (296 tsubos) have been concluded in the previous period. The occupancy rate reached 98.9% at the end of September 2015 when these agreements began.
- At the end of September 2015, SIA REIT received a notice of termination for the end of March 2016 (1,435 tsubos or 13.8% of the total leasable area of J Tower). An agreement for approx. 600 tsubos is expected to be concluded as a result of focusing on sourcing the next tenant.

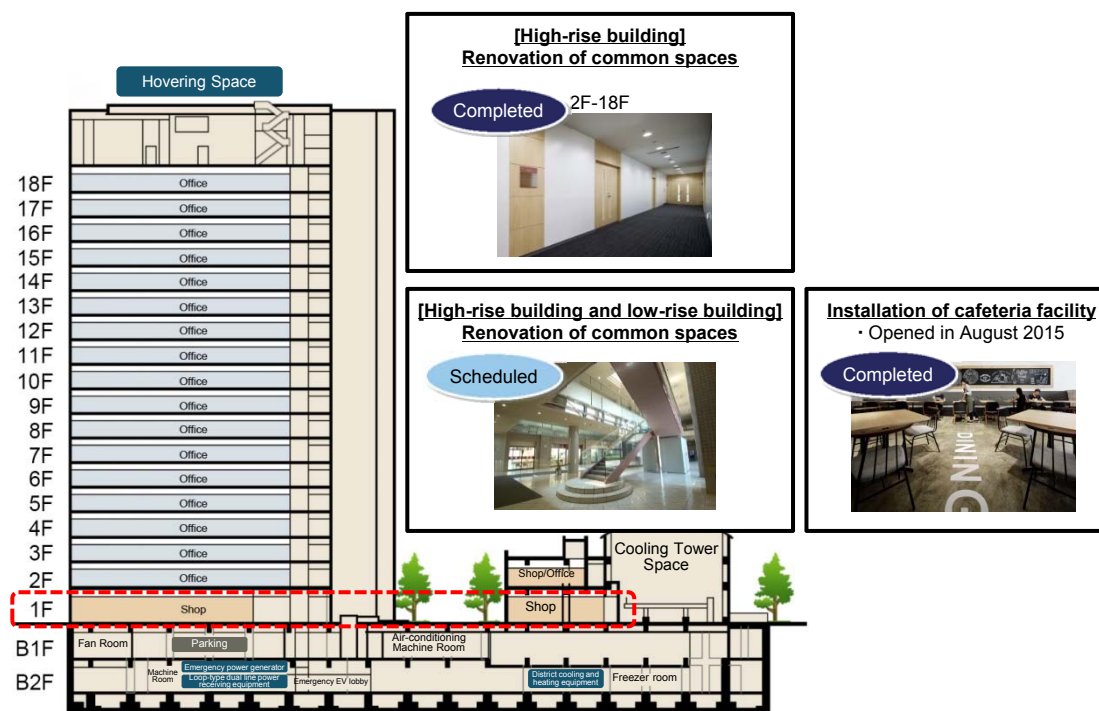
■ Future Policy

- The core is the large relocation prospect and a middle-sized (several hundred tsubos) tenant prospect that continue their deliberation. Will work to source the tenant such as by advertising that it can offer a large space in the Fuchu area and can adjust leasing area by half-floor (233 tsubos).

■ Strategic Value Enhancing Investment

Planning for value-adding work that will increase the utility value of common spaces

- The renovation of common spaces of the 2nd floor and up of the high-rise building is complete. Value-adding work is planned for the first floor common spaces of the high-rise and low-rise buildings.



3 – (1) Management Status: Minami-Shinagawa JN Building/N Building/J Building

(As of the end of the fifth fiscal period)

Minami-Shinagawa JN Building



Property Name	Minami-Shinagawa JN Building
Location	Shinagawa Ward, Tokyo
Completed	July 1990
Number of Floors	B2/10F
Total Leasable Floor Area	1,937.59 tsubos
Occupancy Rate	87.2%

Minami-Shinagawa N Building



Property Name	Minami-Shinagawa N Building
Location	Shinagawa Ward, Tokyo
Completed	July 1994
Number of Floors	B2/10F
Total Leasable Floor Area	1,656.96 tsubos
Occupancy Rate	100.0%

Minami-Shinagawa J Building



Property Name	Minami-Shinagawa J Building
Location	Shinagawa Ward, Tokyo
Completed	July 1992
Number of Floors	B1/10F
Total Leasable Floor Area	1,111.27 tsubos
Occupancy Rate	100.0%

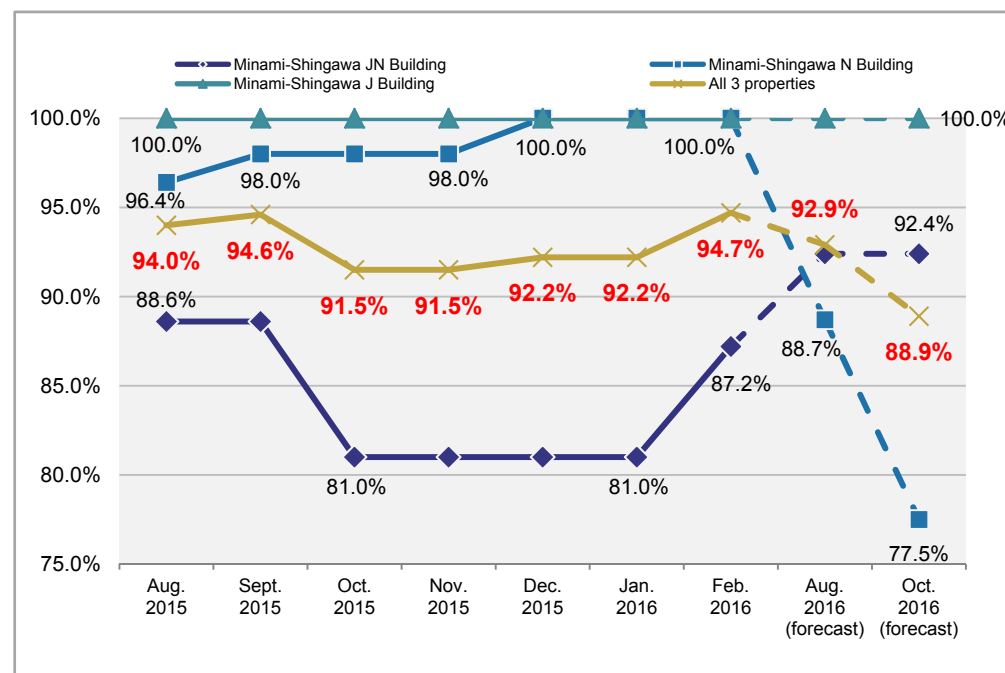
Status of Tenants

Stable occupancy during the fifth fiscal period (ended February 2016)

- Agreements with new tenants began at JN Building and N Building from the previous period (ended August 2015) to this period (ended February 2016). The average occupancy rate of the three properties during this period was more than 91%. The occupancy rate at the end of the period was 94.7% against the forecast at the beginning of the period of 91.5% (increase of 3.2%).
- JN Building: Agreement with new tenant is concluded for the 1st floor section (147 tsubos) that became vacant from October 2015.
- N Building: With progress being made in refilling, the occupancy rate reached 100% during the period. However, some tenants are scheduled to vacate and we will focus on leasing going forward for the areas expected to be vacated.
- J Building: Stable occupancy continues. It is expected that the occupancy rate will continue to be at 100%.

Leasing Plan

- Advertised its capability to accommodate small- (20 to 40 tsubos) to medium- (over 100 tsubos) scale leasing needs, its excellent access to both central Tokyo and Kawasaki/Yokohama areas, etc.
- Introductions to brokers will be strengthened and the attracting of tenants from the outside will be promoted. We will aim to conclude agreements at a rent unit price level that will maintain the current average rents of each property.



(Note) The forecast figure is calculated based on the assumptions of the earnings forecasts.

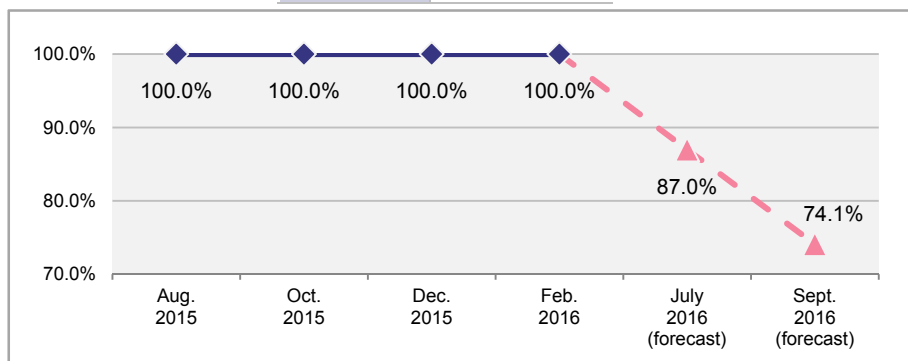
3 – (1) Management Status: Status of Other Properties Subject to Leasing Enhancement

Yokohama AP Building

(As of the end of the fifth fiscal period)



Property Name	Yokohama AP Building
Location	Yokohama-shi, Kanagawa Prefecture
Completed	May 1983
Number of Floors	B1/8F
Total Leasable Floor Area	1,355.56 tsubos
Occupancy Rate	100.0%



(Note) The forecast figures are calculated based on the assumptions of the earnings forecasts.

Leasing Policy

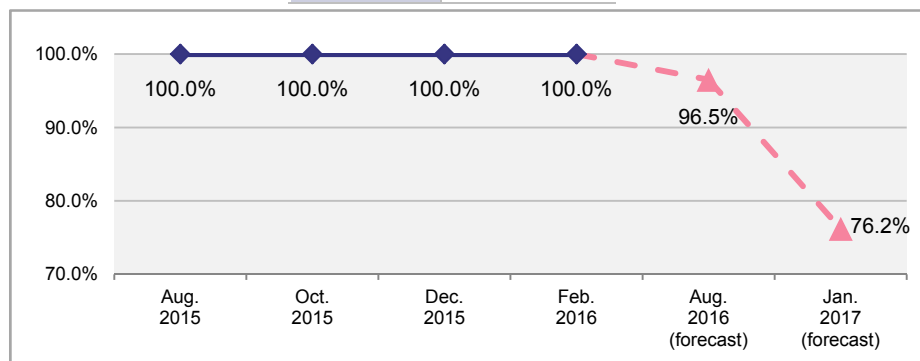
- Since the listing of SIA REIT, the property had been operating at 100% occupancy with the exception of a few months of downtime but two tenants are scheduled to vacate a total of approx. 350 tsubos.
- We will aim for a quick recovery of the occupancy rate by advertising its simple location at a 6-minute walk from Yokohama Station's west exit and that it is able to take in various business types from offices to shop-visit type tenants.

Yushima First Genesis Building

(As of the end of the fifth fiscal period)



Property Name	Yushima First Genesis Building
Location	Bunkyo Ward, Tokyo
Completed	August 1991
Number of Floors	B1/7F
Total Leasable Floor Area	891.48 tsubos
Occupancy Rate	100.0%



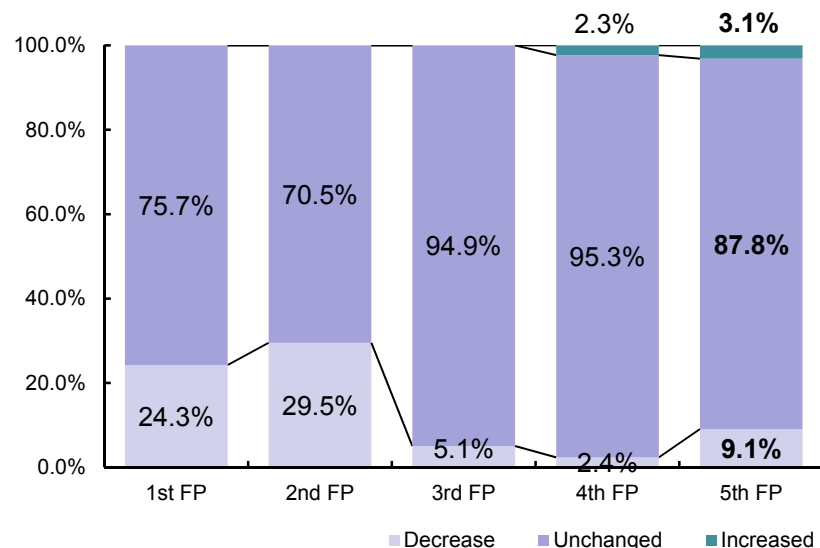
(Note) The forecast figures are calculated based on the assumptions of the earnings forecasts.

Leasing Policy

- The fixed-term lease of a tenant on the 3rd floor with 180 tsubos is scheduled to mature at the end of December 2016.
- The value of the property will be increased through planned renovation of common spaces including plumbing in an aim to lease with short downtime through confirmation of an existing tenant's increase of floor area and attraction of outside potential tenants.

3 – (2) Analysis of Tenant Trends

Rent Renewal^(Note 1) Trends

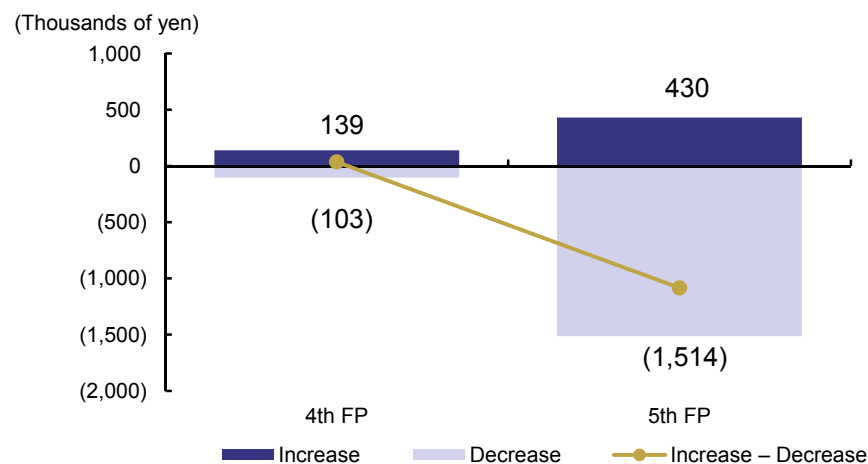


	First Fiscal Period Floor area (Number of tenants)	Second Fiscal Period Floor area (Number of tenants)	Third Fiscal Period Floor area (Number of tenants)	Fourth Fiscal Period Floor area (Number of tenants)	Fifth Fiscal Period Floor area (Number of tenants)
Increased	- (-)	- (-)	- (-)	139 tsubos (2)	333 tsubos (2)
Unchanged	726 tsubos (10)	5,798 tsubos (57)	4,777 tsubos (33)	5,763 tsubos (60)	9,365 tsubos (65)
Decreased	232 tsubos (2)	2,431 tsubos (4)	255 tsubos (2)	142 tsubos (2)	966 tsubos (2)
Total	959 tsubos (12)	8,229 tsubos (61)	5,033 tsubos (35)	6,044 tsubos (64)	10,664 tsubos (69)

(Note 1) With regard to lease agreements that were updated or whose rent revisions had become effective during each period, the increase and decrease of rents before and after the update, floor area (tsubos) of the measures and number of tenants were tallied.

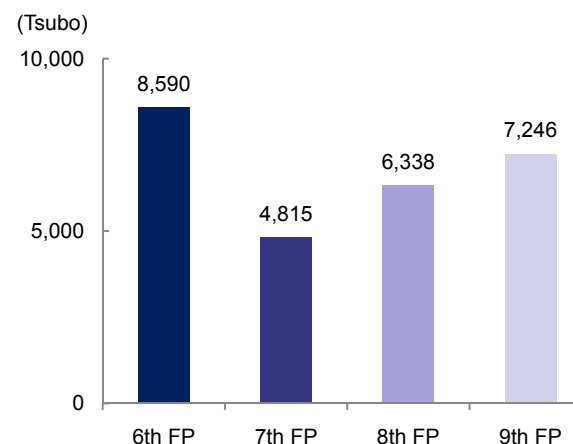
(Note 2) The ratios in the above graph are calculated based on floor area.

Amount of Change in Revised Rents (Monthly Rent)

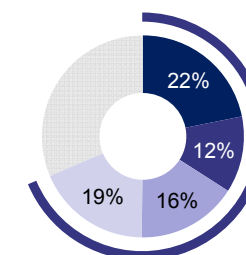


● One of the cases of decrease of rent in the fifth fiscal period was for an existing tenant that increased floor area. With this, the unit rent of the already contracted section was decreased. The increase of revenue from the increased floor area exceeded the amount of decreased revenue from the lowering of unit rent.

Scheduled Maturing of Agreements



The ratio of contracted area maturing within 2 years from March 2016 is **68.6%** of the total leasable floor area.

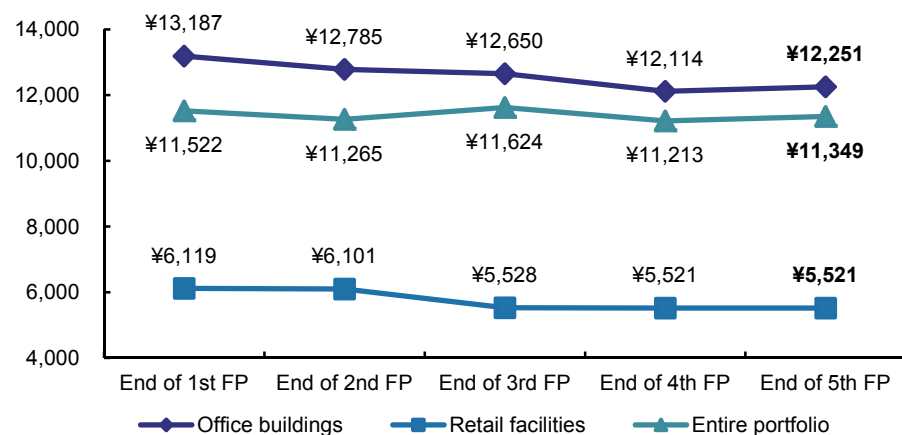


Total leasable floor area
39,352 tsubos

(as of the end of the fifth fiscal period)

3 – (2) Analysis of Tenant Trends

Average Rent (Note 1)



	Office buildings		Retail facilities	Entire portfolio
	Tokyo metropolitan area	Ordinance-designated cities, etc.		
End of 1st FP	¥14,309/tsubo	¥9,867/tsubo	¥13,187/tsubo	¥11,522/tsubo
End of 2nd FP	¥13,892/tsubo	¥9,750/tsubo	¥6,101/tsubo	¥11,265/tsubo
End of 3rd FP	¥13,755/tsubo	¥9,719/tsubo	¥5,528/tsubo	¥11,624/tsubo
End of 4th FP	¥12,935/tsubo	¥9,738/tsubo	¥5,521/tsubo	¥11,213/tsubo
End of 5th FP	¥13,085/tsubo	¥9,757/tsubo	¥5,521/tsubo	¥11,349/tsubo
Change from end of previous period	+¥150	+¥19	±¥0	+¥136

- Succeeded in increasing contracted rent at some properties, contributing to the improvement of average rent.

(Note 1) "Average Rent" is calculated by dividing the sum of each tenant's monthly rent indicated in their lease agreements and the common space charges by the leased floor space and does not include floor area in which lease agreements are yet to begin or where lease agreements are not yet concluded.

Top Tenants

(As of the end of the fifth fiscal period)

	Name of tenant	Leased floor area (Tsubo) (Note 2)	% of total leasable floor area (Note 3)	Property occupied
1	KDDI Corporation ^(Note 4)	1,820.05	4.6%	J Tower/Karasuma Plaza 21
2	TOHO Cinemas, Ltd.	1,731.84	4.4%	fab Minami-Osawa
3	American Family Life Assurance Company of Columbus	1,632.47	4.1%	J Tower
4	Tokyo Toshi Service Co., Ltd.	1,301.64	3.3%	J Tower
5	Japan Radio Co., Ltd.	1,166.05	3.0%	J Tower
6	AGREX Inc.	1,065.62	2.7%	J Tower
7	Nakanihon Engineering Consultants Co., Ltd.	917.52	2.3%	Stoke Building Nagoya
8	TDS Co, Ltd.	703.08	1.8%	36 Sankyo Building
9	National Federation of Workers and Consumers Insurance Cooperatives	699.62	1.8%	J Tower
10	Yamazaki Baking Co., Ltd.	528.31	1.3%	J Tower
Total of top 10 tenants		11,566.20	29.4%	

(Note 2) The "Leased floor area" column shows the floor area indicated in the lease agreements with each tenant effective as of February 29, 2016. Leased floor area for Niigata Higashibori-dori Parking Building, parking spaces and land provided for other uses are not included.

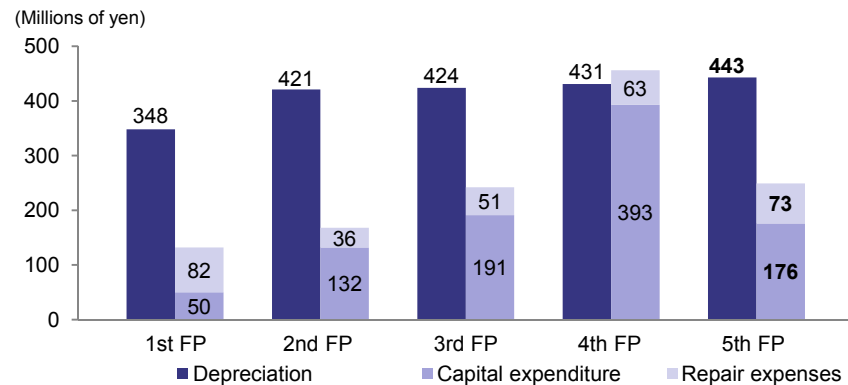
(Note 3) The "% of total leasable floor area" column shows each tenant's percentage of the total leasable floor area of all the assets SIA REIT owns (excluding the properties owned by SPC in which SIA REIT invests through silent partnership) and is rounded to the first decimal place.

(Note 4) The tenant leases 1,435.15 tsubos at J Tower and 384.90 tsubos at Karasuma Plaza 21 as of February 29, 2016. However, a notice of termination for all agreements pertaining to J Tower was received on September 30, 2015, and the lease agreement was terminated on March 31, 2016.

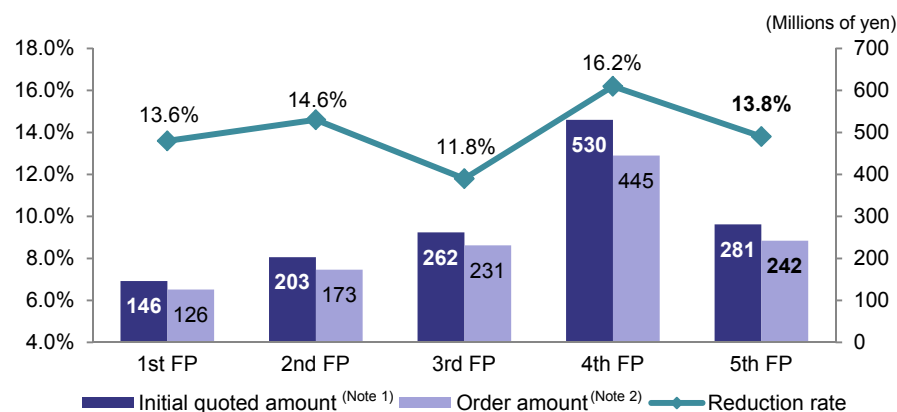
3 – (3) Efforts Toward Maintaining and Increasing Property Value

- Utilizing the SIA Group's know-how on facility management, strategic value-adding investment continues to be implemented in light of the challenges of each property

■ Depreciation Work



■ Effects of Assessment of Construction Costs, Etc.



(Note 1) The initial quoted amount is the quoted amount initially submitted by contractors upon implementing the work.

(Note 2) The order amount is the actual order amount produced following verification, assessment and negotiation.

(Note 3) Only constructions of more than ¥100,000 are subject to assessment.

■ Examples of Major Cases of Construction in the Fifth Fiscal Period (Ended Feb. 2016)

■ Renovation of toilets at MY Kumamoto Building

Before



After

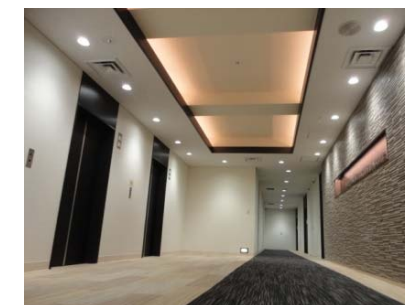


■ Renovation of elevator hall at Stoke Building Nagoya

Before



After





4 External Growth

4 – (1) External Growth Strategy

■ External growth target: Aim to achieve an asset size of ¥100 billion at an early stage and of ¥200 billion by 2020

Property Acquisition Policy

- Target yield: NOI yield at 4%-4.5% after depreciation
- Incorporate several candidate properties for acquisition centering on the Tokyo metropolitan area, and secure yields in an aim to maintain and increase dividends

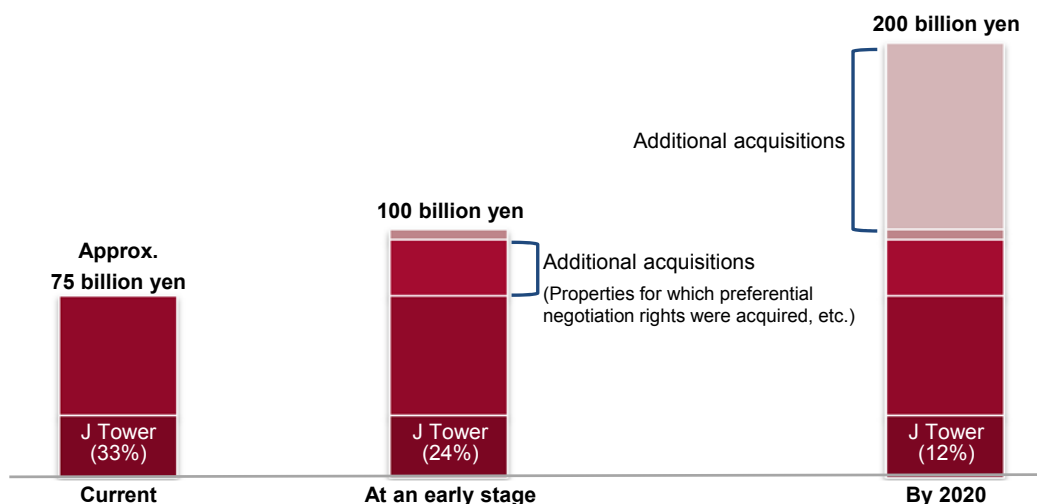
Policy for Initiatives

- Effectively utilize the Asset Management Company's own property information as well as that from the sponsor and support companies
- Consider property acquisitions utilizing bridge funds and bridge functions that make use of sponsor support
- Avoid excessive price competition by pursuing negotiation or limited bidding opportunities

1) Increase and stabilize dividends 2) Improve and enhance financial standing

Aim to achieve an asset size of
¥100 billion at an early stage

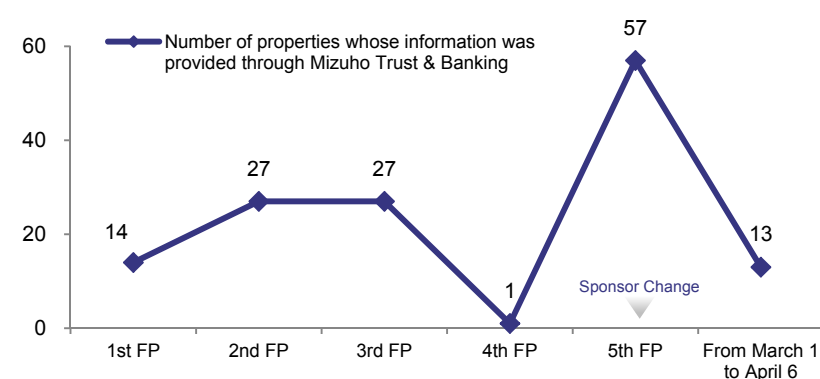
Aim to achieve an asset size of
¥200 billion by 2020



Property Information by Information Route (Fifth fiscal period)

(As of the end of the fifth fiscal period)

Information route	Property information		Property information still being considered	
	Number of properties	Percentage	Number of properties	Percentage
Seller	0	0.0%	0	0.0%
Sponsor/support companies	66	44.3%	9	81.8%
Brokers and others	83	55.7%	2	18.2%
Total	149	-	11	-



As of late (April 7, 2016), we are continuing to consider seven middle-sized offices and retail facilities (totaling approx. ¥35 billion)

4 – (2) Status of Pipelines

- As of the day of this document, three pipeline properties of approx. ¥22.9 billion are owned. Together with the existing portfolio with a total acquisition price of ¥74.3 billion, the target asset size of ¥100 billion is coming into view
- We will continue the creation of pipelines utilizing the support of Mizuho Trust & Banking and Simplex Real Estate Management Inc. (SRM)

■ Properties for whom Preferential Negotiation Rights are Acquired

		(Millions of yen)	
Property name	Minimum purchase price (Note 1)	Period allowed for sale	
Glass City Motoyoyogi	7,500	Mar. 1 2016	Mar. 31 2017
Daihakata Building	10,650	Sept. 1 2016	Mar. 30 2018
Nagoya Fushimi Square Building	4,812	Mar. 30 2016	Sept. 30 2017
Three properties total	22,962		
Total acquisition price of existing 19 properties	74,347	(Note 1) Of the minimum purchase prices of each building, the lowest amount is indicated.	

Glass City Motoyoyogi

Support status	SIA ^(Note 2) , SRM
Location	Shibuya Ward, Tokyo
Completed	April 1992
Number of Floors	B2/8F
● Overview of preferential negotiation right	
Period allowed for sale	From Mar. 1, 2016 to March 31, 2017
Minimum purchase price (Note 3)	The following price is set according to the transaction date.
Transaction date	Minimum purchase price (excluding tax)
1. From Mar. 1, 2016 to Aug. 31, 2016	7,580 million yen
2. From Sept. 1, 2016 to Feb. 28, 2017	7,520 million yen
3. From Mar. 1, 2017 to Mar. 31, 2017	7,500 million yen

Daihakata Building

Support status	SRM, Mizuho Trust & Banking Co., Ltd.
Location	Hakata Ward, Fukuoka City, Fukuoka
Completed	August 1975
Number of Floors	B3/14F
● Overview of preferential negotiation right	
Period allowed for sale	From Sept. 1, 2016 to March 30, 2018
Minimum purchase price	The following price is set according to the transaction date.
Transaction date	Minimum purchase price (excluding tax)
1. From Sept. 1, 2016 to Feb. 28, 2017	10,700 million yen
2. From Mar. 1, 2017 to Mar. 30, 2018	10,650 million yen

Nagoya Fushimi Square Building

Support status	Mizuho Trust & Banking Co., Ltd.
Location	Naka Ward, Nagoya City, Aichi
Completed	November 1987
Number of Floors	B2/13F
● Overview of preferential negotiation right	
Period allowed for sale	From Mar. 30, 2016 to Sept. 30, 2017
Minimum purchase price	¥4,812 million (excluding tax)

(Note 2) SIA refers to Simplex Investment Advisors Inc., the parent company of the Asset Management Company.

(Note 3) For periods 1 and 2, if it is deemed appropriate to lower the minimum purchase price due to taxation system or other reasons, it shall be negotiated in good faith to decrease the minimum purchase price by ¥20 million.

4 – (3) Investment in Bridge Fund/Acquisition of Preferential Negotiation Rights: Glass City Motoyoyogi

- SIA REIT conducted 50 million yen of equity investment in silent partnership of a bridge fund on September 28, 2015. SIA REIT also gained the Preferential Negotiation Rights to Glass City Motoyoyogi which the bridge fund acquires
- Utilization of sponsor support: Fund formation was arranged by Simplex Real Estate Management Inc. and Simplex Investment Advisors Inc. invested ¥400 million in the fund

Overview of Glass City Motoyoyogi

Location	Motoyoyogi, Shibuya-ku, Tokyo
Nearest Station	Three-minute walk from Yoyogi-Hachiman Station on the Odakyu Line
Completed	April 1992
Appraisal Value (Note 1)	¥7,700 million
Total leasable area (Note 2)	7,643.63m ²
Leased area (Note 2)	7,643.63m ²
Occupancy rate (Note 2)	100.0%
Total number of tenants (Note 2)	11

(Note 1) Appraisal date: September 1, 2015

(Note 2) As of February 29, 2016

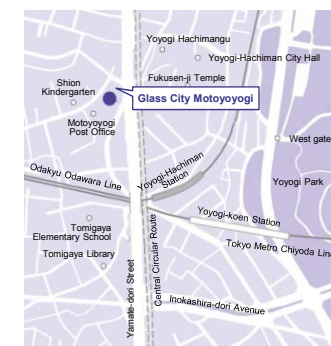
Property Characteristic

- Office building standing on Yamate-dori with high visibility; located a 3-minute walk from Yoyogi-Hachiman Station on the Odakyu Line and a 4-minute walk from Yoyogi-koen Station on the Tokyo Metro.
- Enjoys excellent transportation convenience with easy access to Koshu-Kaido Road and the Central Circular Route with the Yamate Tunnel which opened in March 2015.
- A property which can expect stable demand from tenants going forward since it is situated close to Shinjuku and Shibuya areas where demand for office leasing is strong, and renewal work has been implemented on its entrance, common areas, etc.

Outline of the Preferential Negotiation Rights

Exercise period	From September 29, 2015 to March 31, 2017
Period allowed for sale	From March 1, 2016 to March 31, 2017
Minimum purchase price	<ul style="list-style-type: none"> ● The following price is set according to the transaction date. ● However, for periods 1 and 2, if it is deemed appropriate to lower the minimum purchase price due to taxation system and other reasons, SIA REIT and Simplex Real Estate Management Inc. are to discuss in good faith the possible reduction of the minimum purchase price by 20 million yen.

Transaction period	Minimum purchase price (excluding tax)
1. From March 1, 2016 to August 31, 2016	7,580 million yen
2. From September 1, 2016 to February 28, 2017	7,520 million yen
3. From March 1, 2017 to March 31, 2017	7,500 million yen



4 – (3) Investment in Bridge Fund/Acquisition of Preferential Negotiation Rights: Daihakata Building

- SIA REIT conducted 10 million yen of equity investment in silent partnership of a bridge fund on March 28, 2016. SIA REIT also gained the Preferential Negotiation Rights to Daihakata Building which the bridge fund acquires
- Utilization of sponsor support: Fund formation arranged by Simplex Real Estate Management Inc. and financial aspects for fund formation supported by Mizuho Trust & Banking

Overview of Daihakata Building

Location	Hakataekimae, Hakata Ward, Fukuoka City, Fukuoka
Nearest Station	1-minute walk from Gion Station on the Subway Kuko Line
Completed	August 1975
Appraisal Value (Note 1)	¥10,900 million
Total leasable area (Note 2)	15,946.48m ²
Leased area (Note 2)	15,874.35m ²
Occupancy rate (Note 2)	99.5%
Total number of tenants (Note 2)	78

(Note 1) Appraisal date: February 29, 2016

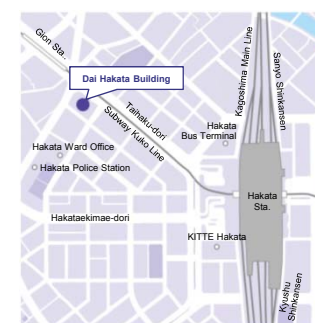
(Note 2) As of February 29, 2016

Property Characteristic

- Highly visible office building on Taihaku-dori, located a 6-minute walk from JR Hakata Station and a 1-minute walk from Gion Station on the Kuko subway line
- The property can be accessed by underground passage from JR Hakata Station and the area has excellent transportation convenience
- Being in the Hakata Station front area which has strong rental office demand even in Fukuoka City and having completed renovations of the entrance, common areas, etc., ongoing stable tenant demand is expected for this property

Outline of the Preferential Negotiation Rights

Exercise period	From March 30, 2016 to March 30, 2018
Period allowed for sale	From September 1, 2016 to March 30, 2018
Minimum purchase price	The following price is set according to the transaction date.
Transaction period	Minimum purchase price (excluding tax)
1. From September 1, 2016 to February 28, 2017	10,700 million yen
2. From March 1, 2017 to March 30, 2018	10,650 million yen



4 – (3) Acquisition of Preferential Negotiation Rights for Property Acquisitions: Nagoya Fushimi Square Building

- Preferential negotiation rights for Nagoya Fushimi Square Building were acquired on March 28, 2016
- Utilization of sponsor support: Acquired property information through the route of Mizuho Trust & Banking

Overview of Nagoya Fushimi Square Building

Location	Nishiki, Naka Ward, Nagoya City, Aichi
Nearest Station	4-minute walk from Fushimi Station on the Subway Higashiyama Line, Tsurumai Line
Completed	November 1987
Total leasable area (Note 1)	8,425.47m ²
Leased area (Note 1)	8,425.47m ²
Occupancy rate (Note 1)	100.0%
Total number of tenants (Note 1)	48

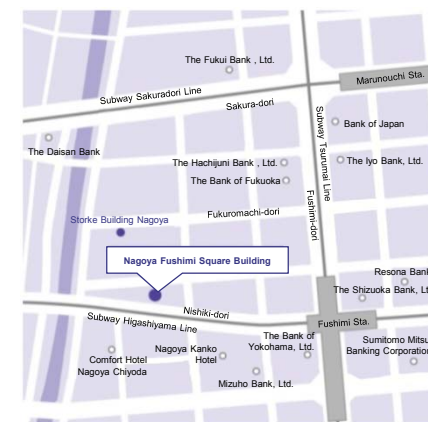
(Note 1) As of February 29, 2016

Property Characteristic

- Highly visible office building on Nishiki-dori located a 4-minute walk from Fushimi Station on the Higashiyama and Tsurumai municipal subway lines and a 9-minute walk from Kokusai Center Station on the Sakura-dori municipal subway line and Marunouchi Station on the Tsurumai and Sakura-dori municipal subway lines
- Located in the Fushimi area which has strong rental office demand and having facilities that give it competitiveness in the area such as with the many parking lots, ongoing stable tenant demand is expected for this property
- Office leasing spaces with a wide range of floor areas can be supplied in the area through integrated operation with Stoke Building Nagoya which SIA REIT owns

Outline of the Preferential Negotiation Rights

Exercise period	From March 30, 2016 to September 30, 2017
Period allowed for sale	From March 30, 2016 to September 30, 2017
Minimum purchase price	¥ 4,812 million (excluding tax)





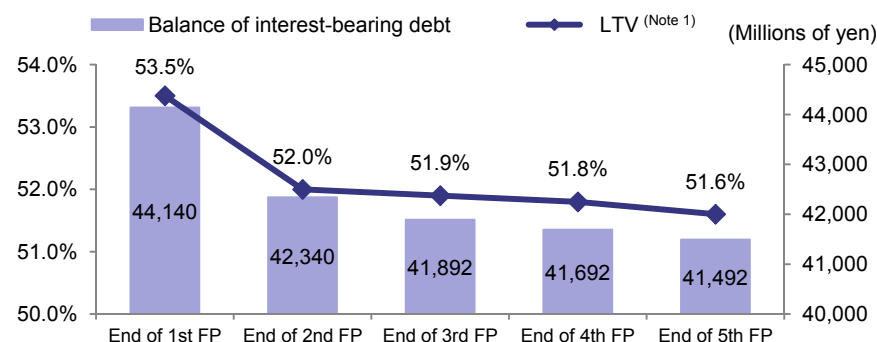
5 Financial Strategy

5 – (1) Financial Status

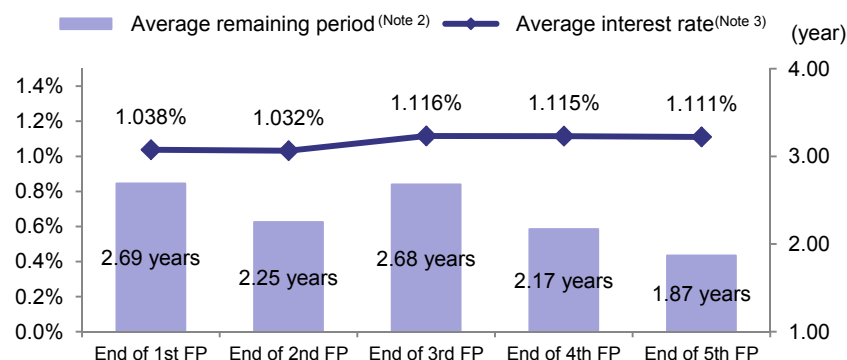
■ With scheduled repayment (¥199 million) during the period, the balance of interest-bearing debt decreased to ¥41,492 million by the end of the fifth fiscal period and LTV to 51.6%

■ Main Financial Indicators

■ LTV (interest-bearing debt ratio) and the balance of interest-bearing debt



■ Average remaining period / Average interest rate

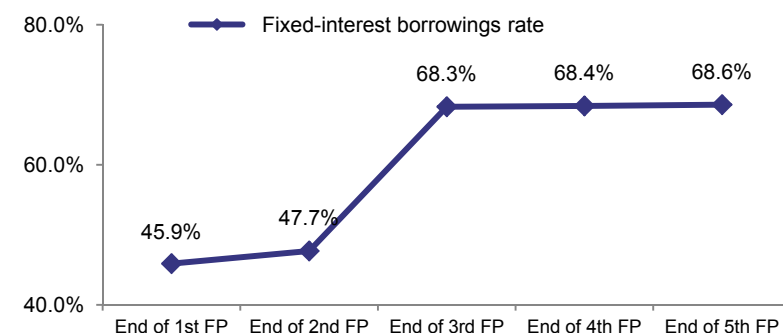
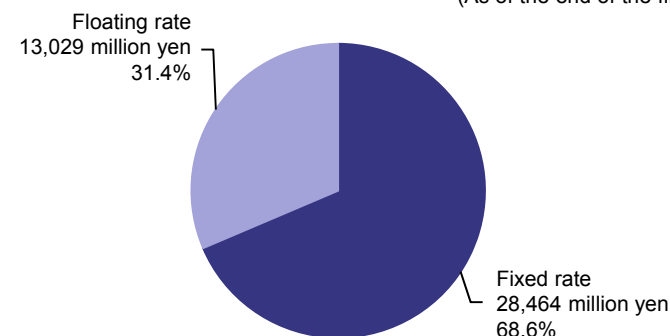


(Note 1) LTV (%) is calculated with the formula [Period-end balance of interest-bearing debt ÷ Period-end total assets] and is rounded to the first decimal place.

(Note 2) The average remaining period is calculated by seeking the weighted average of remaining period as of the end of each period according to the balance of interest-bearing debt and is rounded down to the second decimal place.

■ Fixed-interest rate borrowings ratio (Note 4)

(As of the end of the fifth fiscal period)



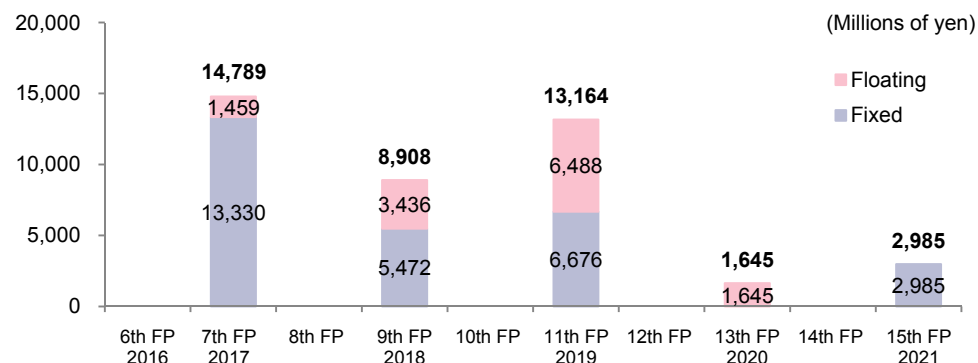
(Note 3) The average interest rate is calculated by seeking the weighted average of interest rate as of the end of each period according to the balance of interest-bearing debt and is rounded down to the third decimal place. Amortization such as for upfront fees are not included.

(Note 4) The fixed-interest rate borrowings ratio (%) is calculated with the formula [Total amount of interest-bearing debts procured with fixed interest rates in each period ÷ Total amount of interest-bearing debt in each period] and is rounded to the first decimal place.

5 – (1) Financial Status

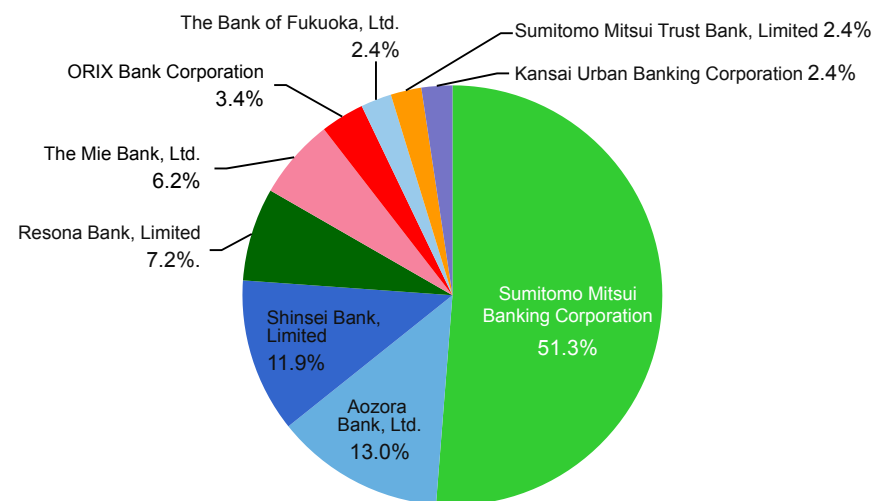
- Plan to work to enhance the bank formation alongside the extending of borrowings and diversification of repayment dates
- Additionally, the fixing of interest rates going forward such as through interest rate swaps are being considered as needed in light of remaining periods until maturity, prospects for interest rates, etc.

■ Diversification of Repayment Periods

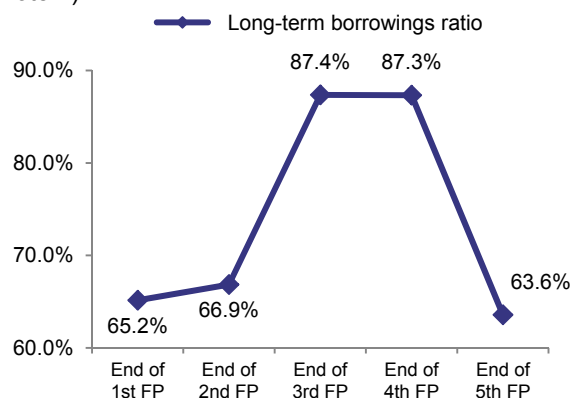
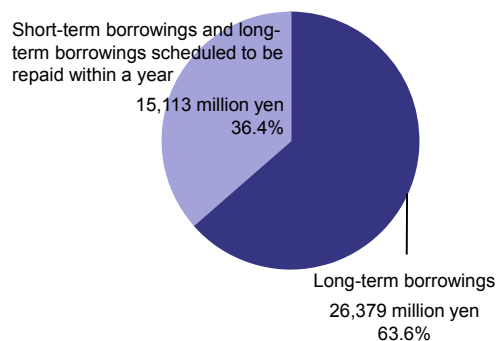


■ List of Balance of Borrowings

(As of the end of the fifth fiscal period)



■ Long-Term Borrowings Ratio (Note 1)



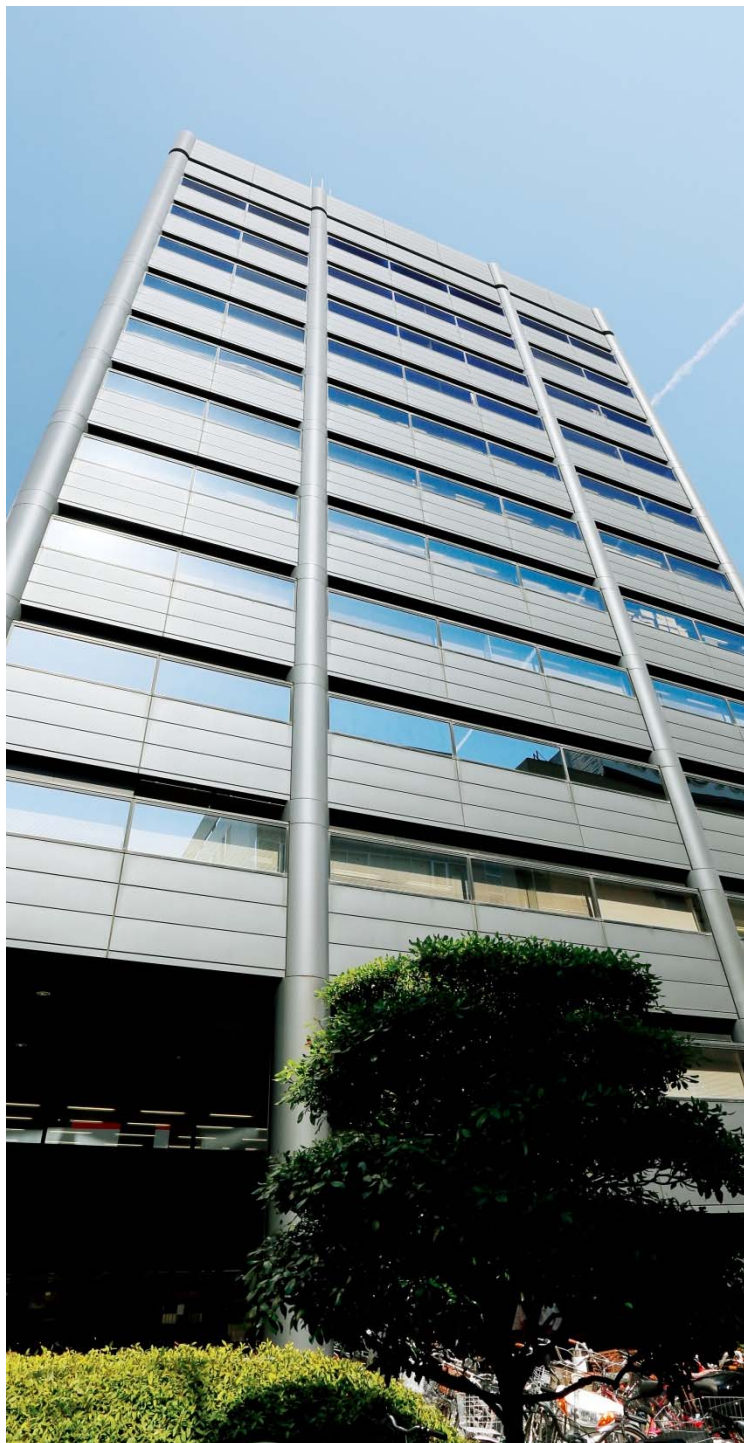
(Note 1) The long-term borrowings ratio is calculated with the formula [Total amount of interest-bearing debt with more than one year left until the repayment date in each period ÷ Total amount of interest-bearing debt in each period] and is rounded to the first decimal place.

(Note 2) Amounts are rounded down to the nearest million yen.

(Millions of yen)

Sumitomo Mitsui Banking Corporation	21,266
Aozora Bank, Ltd.	5,405
Shinsei Bank, Limited	4,921
Resona Bank, Limited	2,974
The Mie Bank, Ltd.	2,579
ORIX Bank Corporation	1,395
The Bank of Fukuoka, Ltd.	984
Sumitomo Mitsui Trust Bank, Limited	984
Kansai Urban Banking Corporation	984
Total	41,492

Blank page



6 Future Growth Strategies

6 – (1) Management Strategy

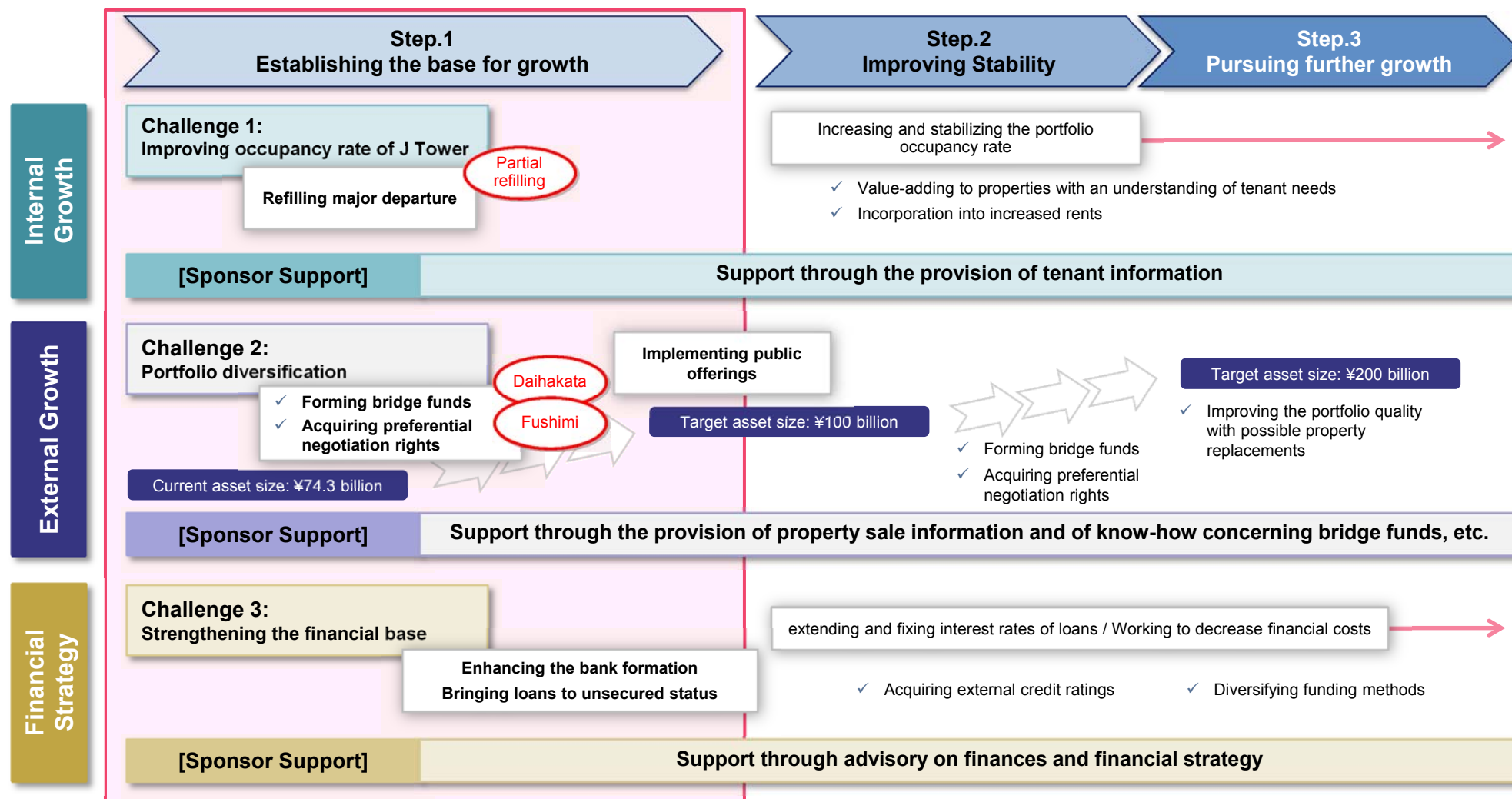
Basic Strategy

- ✓ Maximally utilize management resources such as the sponsor's information-gathering skills and ability to create business as well as Simplex Real Estate Management Inc.'s real estate management know-how to promote ongoing acquisitions of high-quality assets and increase of the value of assets under management, and promote the improvement of the stability of the financial base backed by the high credibility of the sponsor in an aim to realize medium- to long-term growth.
- ✓ Focus on securing stable revenues in the medium- to long-term together with the pursuit for increasing revenues in an aim to maximize unitholder value.

	Issues for the time being	Action plan
Internal growth strategy	Improvement of the occupancy rate of J Tower and other properties at issue	<ul style="list-style-type: none"> ✓ In addition to leasing through the Asset Management Company's own route, utilize the sponsor's support through "provision of information on potential tenants" and aim to improve and stabilize the portfolio occupancy rate centering on J Tower ✓ Work to increase CF backed by the improvement and stabilization of the occupancy rates of the properties and of the portfolio ✓ Utilize facility management functions and continue adding value to properties with an understanding of tenant needs
External growth strategy	Portfolio diversification	<ul style="list-style-type: none"> ✓ Add the sponsor's route to the Asset Management Company's own network and Simplex Simplex Real Estate Management Inc.'s route to accelerate the obtaining of property information ✓ Receive know-how such as on bridge funds from the sponsor in order to secure flexible opportunities to acquire properties and aim to increase the liquidity of investment units through an expansion of the asset size ✓ Aim to achieve the asset size target of ¥100 billion at an early stage and ¥200 billion by 2020.
Financial strategy	Strengthening the financial base	<ul style="list-style-type: none"> ✓ Enhance the bank formation and bring loans to unsecured status by utilizing the sponsor's financial support and advisory on financial strategy ✓ Work to extend borrowings, fix interest rates and reduce financial costs backed by the credibility increased through the sponsor change and also aim to acquire an external credit rating

6 – (2) Action Plan

- Maximally utilize sponsor support to pursue growth in an aim to maximize unitholder value from every aspect of external growth, internal growth and financial strategy.



Blank page



7 Appendix

Sponsor Change: Overview of the New Sponsor

- Mizuho Trust & Banking provides diverse solutions for real estate business such as real estate brokerage, real estate asset management, and financial advisory business, and has a reputation one of the strongest players in the Japanese real estate market

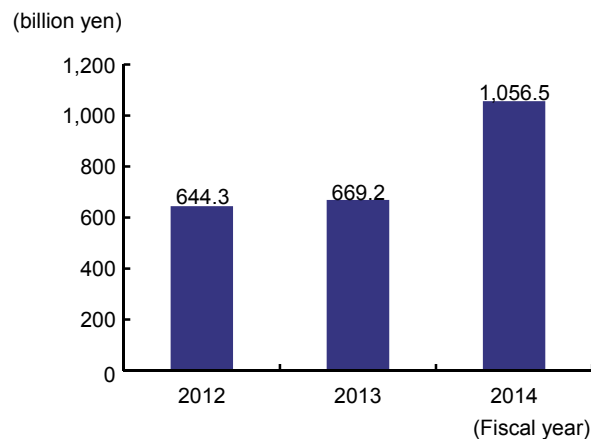
■ Overview of Mizuho Trust & Banking Co., Ltd. and Mizuho Financial Group, Inc.

Name	Mizuho Trust & Banking Co., Ltd.
Address	1-2-1 Yaesu, Chuo-ku, Tokyo
Representative	Takeo Nakano, President & CEO
Line of Business	Trust services, banking services
Established	May 9, 1925
Large shareholder and shareholding ratio	Mizuho Financial Group, Inc.: 100% (excluding treasury stock)

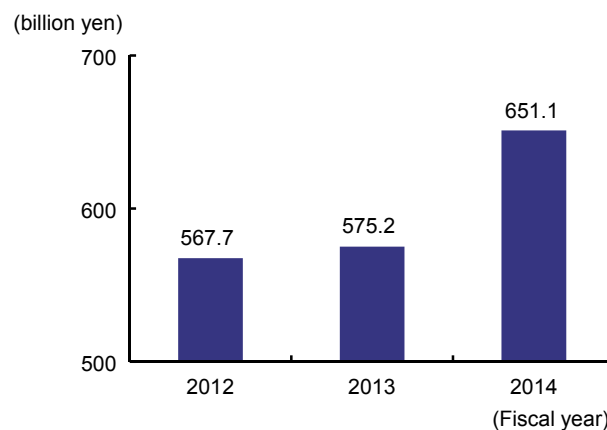
Name	Mizuho Financial Group, Inc.
Address	1-5-5 Otemachi, Chiyoda-ku, Tokyo
Representative	Yasuhiro Sato, President & CEO
Line of Business	Bank holding company
Established	January 8, 2003

■ Track Record of Real Estate Business by Mizuho Trust & Banking

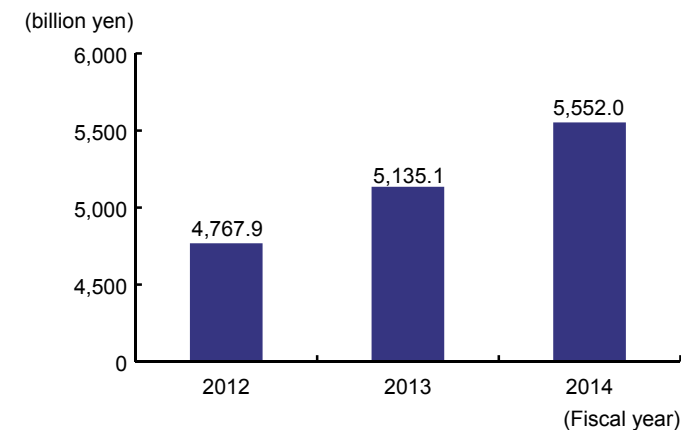
■ Real Estate Brokerage Business



■ AM Business



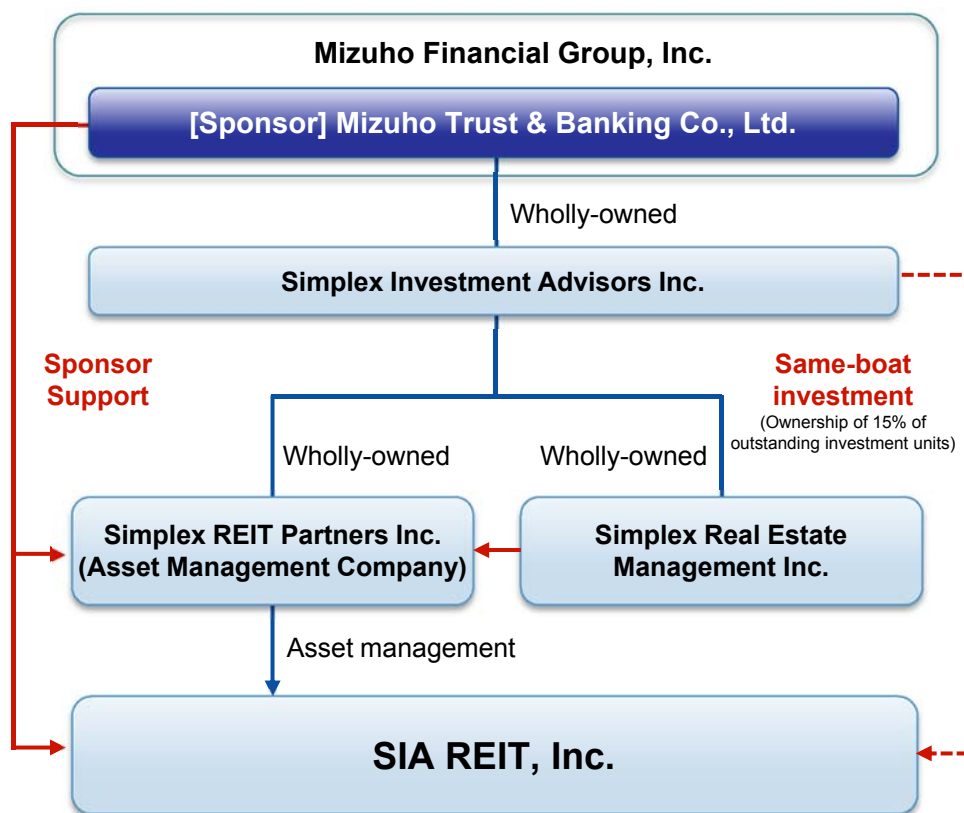
■ Entrusted Balance of Real Estate Securitization



Sponsor Change: Sponsor's Support System

- Transitioned to a structure in which Mizuho Trust & Banking is the sponsor from December 2015
- Aim to achieve sustainable and stable growth by utilizing various sponsor support

■ Schematic



■ Overview of the Sponsor Support Agreement

<p>External growth support</p> <p>Internal growth support</p>	<ul style="list-style-type: none"> ▶ Share information about assets in the market that meets SIA's investment strategy → Increase AUM and improve portfolio quality ▶ Share know-how about bridge fund → Future pipeline of asset acquisition ▶ Advise and support on asset acquisition and asset management, support on planning of leasing strategy → Acquire AM know-how and improve portfolio profitability ▶ Share information about potential tenant → Improve occupancy rate ▶ Share information about real estate market update → Improve investment strategy
<p>Financial strategy support</p>	<ul style="list-style-type: none"> ▶ Advise on financing structure such as ① debt financing, ② formation of syndicate banks → Improve B/S and Bank formation ▶ Advise and support about financing → Improve financial stability
<p>Other support</p>	<ul style="list-style-type: none"> ▶ Same-boat investment → Share interests with unitholders ▶ Cooperative structure of sending experienced directors and employees to pursue investment management → Build an effective structure for growth of SIA REIT

About the SIA Group: Corporate Overview



Line of business	Real estate investment advisory services for investors in Japan and abroad	Administration of subsidiaries	Management of the REIT's assets
Established	September 10, 2007	October 28, 2015	July 1, 2005
Capital	¥100 million	¥100 million	¥50 million
Representative	Kiyohiko Tsukada, CEO	Kiyohiko Tsukada, CEO	Hiroyuki Katsuno, President and Representative Director
Address of head office	Shin-Kasumigaseki Building 19th Floor, 3-3-2 Kasumigaseki, Chiyoda Ward, Tokyo	Shin-Kasumigaseki Building 19th Floor, 3-3-2 Kasumigaseki, Chiyoda Ward, Tokyo	Shin-Kasumigaseki Building 19th Floor, 3-3-2 Kasumigaseki, Chiyoda Ward, Tokyo
No. of directors/employees	34 (as of February 1, 2016) ^(Note 1)	32 (as of February 1, 2016) ^(Note 1)	22 (as of February 1, 2016) ^(Note 1)
Membership	Japan Investment Advisors Association		The Investment Trusts Association, Japan
Licenses, etc.	1. Financial Instruments Business Operator (Type II Financial Instruments Business; Investment Advisory and Agency Business; Investment Management Business): Kanto Financial Bureau (Kinsho) No.1915		1. Real Estate Brokerage License: Issued by the Governor of Tokyo (3), No.84787 2. Financial Instruments Business Operator (Investment Management Business): Kanto Financial Bureau (Kinsho) No.342 3. License No. 46 issued by the Minister of Land, Infrastructure, Transport and Tourism (Trading Agency Etc., License)

(Note 1) Includes full time auditors, contracted employees and employees on postings from other companies, and excludes outside directors and temporary staff. Includes members holding concurrent positions among SIA Group companies.

(Note 2) Simplex Investment Advisors Inc., Simplex REIT Partners Inc. (the Asset Management Company) and Simplex Real Estate Management Inc. are collectively referred to as the "SIA Group."

About the SIA Group: History

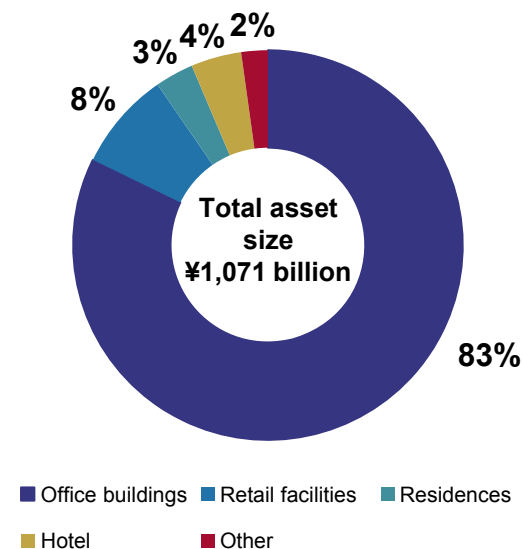
- Real estate investment and fund management record with asset size of over 1 trillion yen since its founding in 2002

History

2002	June	Nikko Cordial Securities Inc. (at the time) and Simplex Holdings Inc. establish Simplex Investment Advisors Inc. (former SIA) ^(Note) to offer real estate investment advisory services
2005	June	Former SIA listed on Tokyo Stock Exchange Mothers market
	July	Simplex REIT Partners Inc. (SRP) established for entry in the J-REIT market
2007	September	Simplex Real Estate Management Inc. (SRM) established for the purpose of splitting up real estate investment advisory services
	November	Takeover bid of former SIA shares by the Aetos Group and Goldman Sachs Group completed
2011	February	Financial base strengthened through private offering with the Aetos Group's underwriting and long-term refinancing with financial institutions; the Aetos Group acquires the Goldman Sachs Group's former SIA shares at the same time, becoming the sole shareholder
2013	October	SIA REIT listed on the J-REIT section of the Tokyo Stock Exchange
2015	December	Mizuho Trust & Banking acquired all of the shares of SRM and SRP through its subsidiary Simplex Investment Advisors Inc. (SIA)

(Note) While the former SIA has the same trade name and location as Simplex Investment Advisors Inc., the parent company of the Asset Management Company as of the date of this document, it is a separate company from the parent company of the Asset Management Company as of the date of this document.

Fund Formations and Management



(Note 1) Calculated from the cumulative amount of acquisition prices as of the end of December 2015.

(Note 2) Includes funds that have ended and have refunded equity interests.

Statement of Income

(Thousands of yen)

	Fourth fiscal period (ended August 2015)	Fifth fiscal period (ended February 2016)
Operating revenue (total)	3,053,905	3,019,785
Lease business revenue	2,629,780	2,672,204
Other lease business revenue	424,125	346,752
Dividends received	–	828
Operating expenses (total)	1,854,993	1,804,814
Expenses related to rent business	1,571,147	1,510,299
Asset management fees	221,810	235,502
Asset custody fees	3,562	3,518
Administrative service fees	15,311	14,993
Directors' compensations	3,876	3,876
Other operating expenses	39,285	36,624
Operating profit	1,198,911	1,214,971
Non-operating income (total)	2,056	587
Interest income	572	571
Insurance income	1,484	–
Other	–	16
Non-operating expenses (total)	312,200	309,685
Interest expenses	234,692	231,486
Borrowing related expenses	77,507	78,199
Recurring profit	888,767	905,872
Net income before income taxes	888,767	905,872
Income taxes – current	922	900
Income taxes – deferred	2	0
Total income taxes	924	901
Net income	887,842	904,971
Profit brought forward	21	31
Unappropriated retained earnings (undisposed loss)	887,864	905,003

(Note) Amounts are rounded down to the nearest thousand yen.

Balance Sheet

(Thousands of yen)

	Fourth fiscal period (ended August 2015)	Fifth fiscal period (ended February 2016)
Assets		
Current assets (total)	6,204,317	6,398,636
Cash and deposits	1,965,116	2,104,704
Cash and deposits in trust	3,988,421	4,065,051
Operating accounts receivable	98,837	77,569
Prepaid expenses	142,661	151,248
Deferred tax assets	14	14
Income taxes receivable	–	48
Consumption tax receivable	7,944	–
Other	1,321	–
Noncurrent assets (total)	74,288,455	74,040,821
Property, plant and equipment (total)	70,720,124	70,457,667
Buildings	3,362,616	3,299,928
Structures	8,478	8,160
Machinery and equipment	38,258	32,055
Land	3,770,347	3,770,347
Buildings in trust	27,968,120	27,748,186
Structures in trust	30,687	34,471
Machinery and equipment in trust	76,141	83,124
Tools, furniture and fixtures in trust	45,298	57,212
Land in trust	35,420,175	35,420,175
Construction in progress in trust	–	4,004
Intangible assets (total)	3,367,619	3,368,722
Leasehold rights in trust	3,365,647	3,365,647
Other	1,972	3,074
Investment and other assets (total)	200,711	214,432
Investment securities	–	51,029
Lease and guarantee deposits	16,330	16,330
Long-term prepaid expenses	184,381	147,072
Total assets	80,492,773	80,439,457

	Fourth fiscal period (ended August 2015)	Fifth fiscal period (ended February 2016)
Liabilities		
Current liabilities (total)	6,460,063	16,332,003
Operating accounts payable	187,760	167,021
Short-term loans payable	–	1,459,130
Current portion of long-term loans payable	5,282,700	13,654,720
Accounts payable	336,241	377,473
Accrued expenses	144,697	139,717
Income taxes payable	806	692
Consumption taxes payable	25,283	54,913
Advances received	467,568	478,100
Other	15,005	234
Noncurrent liabilities (total)	40,506,370	30,563,975
Long-term loans payable	36,410,000	26,379,050
Tenant lease and security deposits	207,363	275,712
Tenant lease and security deposits in trust	3,889,007	3,909,213
Total liabilities	46,966,434	46,895,979

	Fourth fiscal period (ended August 2015)	Fifth fiscal period (ended February 2016)
Net assets		
Unitholders' equity (total)	33,526,339	33,543,478
Unitholders' capital	32,638,475	32,638,475
Surplus (total)	887,864	905,003
Unappropriated retained earnings (undisposed loss)	887,864	905,003
Total net assets	33,526,339	33,543,478
Total liabilities and net assets	80,492,773	80,439,457

(Note) Amounts are rounded down to the nearest thousand yen.

Characteristics of SIA REIT

- SIA REIT will aim to maximize unitholder interests through the pursuit of “profitability” and “stability” by investing in office buildings and retail facilities for which the SIA Group possesses ample management know-how

Stable rental demand secured and relatively high returns expected for the portfolio

1. We will establish a portfolio centering on “Class-A^(Note 1) and Class-B^(Note 1) office buildings” and “urban retail facilities”^(Note 2)

Office buildings

Primary investment target: Class-A and Class-B office buildings

- Acquisition opportunities for returns that are at a higher level relative to those of Class-S office buildings are expected
- Relatively stable rental demand and rent level are expected due to large numbers of prospective tenants

Investment ratio by property type

70% or more

Retail facilities

Primary investment target: Urban retail facilities

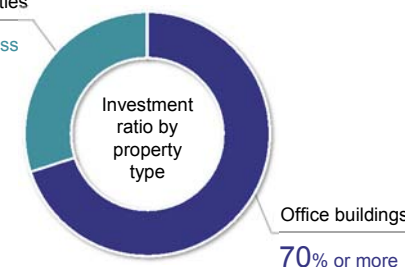
- Stability of profits through tenant diversification, etc. is expected as the number of prospective tenants is larger than for suburban retail facilities
- Contracts tend to be of longer terms than those of office buildings

Investment ratio by property type

30% or less

Retail facilities

30% or less



2. With investment centering on the “Tokyo metropolitan area,” we will also carefully select investments in areas such as “ordinance-designated cities,” etc.

While centering on investment in the Tokyo metropolitan area which has a relatively large market and from which stable lease demand is expected in the mid to long term, we will also carefully select investments in areas such as ordinance-designated cities, etc. at which relatively higher returns than in the Tokyo metropolitan area are expected

Tokyo metropolitan area

Investment ratio by region

70% or more

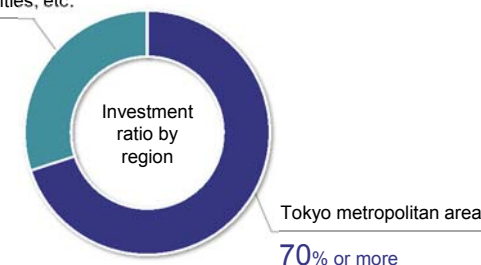
Ordinance-designated cities, etc.

Investment ratio by region

30% or less

Ordinance-designated cities, etc.

30% or less



(Note 1) The category Class A refers to office buildings located in the five central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku and Shibuya) with a standard floor area of 100 tsubos or more but less than 200 tsubos and office buildings located in the Tokyo metropolitan area outside the three central wards, Osaka, Nagoya, Sapporo and Fukuoka with a standard floor area of more than 200 tsubos or more. The category Class B refers to office buildings located in the five central wards of Tokyo with a standard floor area of 50 tsubos or more but less than 100 tsubos, office buildings located in the Tokyo metropolitan area outside the five central wards, Osaka, Nagoya, Sapporo and Fukuoka with a standard floor area of 100 tsubos or more but less than 200 tsubos, as well as office buildings in ordinance-designated cities or their equivalent other than Osaka, Nagoya, Sapporo or Fukuoka with a standard floor area of 100 tsubos or more.

(Note 2) Urban retail facility refers to a retail facility located in an area adjacent to a terminal railway station in the Tokyo metropolitan area or ordinance-designated city or its equivalent or in a busy shopping area with traditionally large number of retail facilities or government services

Portfolio List

Number of properties: 19 properties

Asset size: ¥74.3 billion (based on acquisition price)

(Millions of yen)

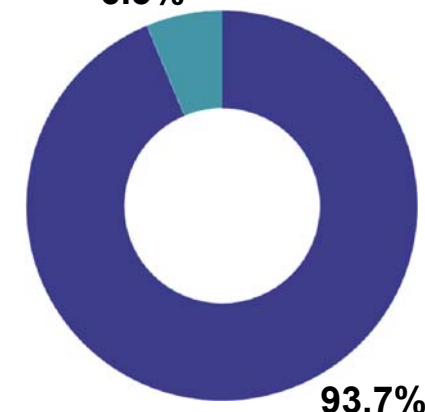
Property type and region		Property No.	Property name	Location	Acquisition price	Investment ratio (Note 1)	Appraisal value (Note 2)	Book value (Note 2)	Occupancy rate (Note 2)
Office buildings	Tokyo metropolitan area	OT-1	J Tower	Fuchu City, Tokyo	24,394	32.8%	25,200	24,348	96.7%
		OT-2	SIA Kanda Square	Chiyoda Ward, Tokyo	7,350	9.9%	8,100	7,110	99.0%
		OT-3	Tachikawa Nishiki-cho Building	Tachikawa City, Tokyo	3,264	4.4%	3,760	3,377	100.0%
		OT-4	CP10 Building	Taito Ward, Tokyo	3,229	4.3%	3,190	3,210	100.0%
		OT-5	Yokohama AP Building	Yokohama City, Kanagawa Prefecture	3,110	4.2%	3,570	3,092	100.0%
		OT-6	Yushima First Genesis Building	Bunkyo Ward, Tokyo	2,751	3.7%	2,910	2,718	100.0%
		OT-7	Miyaji Building	Nakano Ward, Tokyo	2,880	3.9%	3,060	2,873	100.0%
		OT-8	36 Sankyo Building	Shinjuku Ward, Tokyo	2,395	3.2%	2,570	2,376	100.0%
		OT-9	Minami-Shinagawa JN Building	Shinagawa Ward, Tokyo	2,165	2.9%	1,974	2,193	87.2%
		OT-10	Minami-Shinagawa N Building	Shinagawa Ward, Tokyo	2,292	3.1%	2,110	2,277	100.0%
		OT-11	Minami-Shinagawa J Building	Shinagawa Ward, Tokyo	2,020	2.7%	2,130	1,990	100.0%
		OT-12	MY Atsugi Building	Atsugi City, Kanagawa Prefecture	1,240	1.7%	1,310	1,214	97.1%
		OT-13	Hachioji SIA Building	Hachioji City, Tokyo	730	1.0%	810	720	100.0%
	Ordinance-designated cities, etc.	OO-1	Central Shin-Osaka Building	Osaka City, Osaka Prefecture	4,612	6.2%	4,880	4,496	100.0%
		OO-2	Karasuma Plaza 21	Kyoto City, Kyoto Prefecture	3,700	5.0%	3,400	3,721	100.0%
		OO-3	Stoke Building Nagoya	Nagoya City, Aichi Prefecture	2,381	3.2%	2,640	2,367	100.0%
		OO-4	MY Kumamoto Building	Kumamoto City, Kumamoto Prefecture	1,152	1.5%	1,280	1,136	97.3%
	Subtotal • Average				69,665	93.7%	72,894	69,226	98.0%
	Retail facilities	R-1	fab Minami-Osawa	Hachioji City, Tokyo	4,250	5.7%	4,410	4,162	100.0%
R-2		Niigata Higashibori-dori Parking Building	Niigata City, Niigata Prefecture	432	0.6%	592	434	100.0%	
Subtotal • Average				4,682	6.3%	5,002	4,597	100.0%	
Total • Average				74,347	100.0%	77,896	73,823	98.3%	

(Note 1) Investment ratios are calculated based on acquisition price.

(Note 2) All figures are as of the end of February 2016 (end of the fifth fiscal period).

[Investment ratio^(Note 1): By property type]

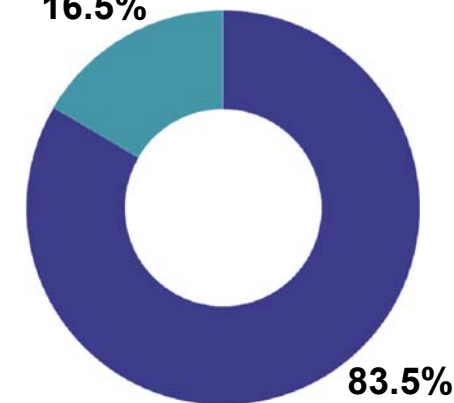
6.3%



■ Office buildings
■ Retail facilities

[Investment ratio^(Note 1): By region]

16.5%



■ Tokyo metropolitan area
■ Ordinance-designated cities, etc.

Portfolio List: Occupancy Rate

Property type and region	Property No.	Property name	First fiscal period	Second fiscal period	Third fiscal period	Fourth fiscal period	Fifth fiscal period						
			End of Feb. 2014	End of Aug. 2014	End of Feb. 2015	End of Aug. 2015	End of Sept. 2015	End of Oct. 2015	End of Nov. 2015	End of Dec. 2015	End of Jan. 2016	End of Feb. 2016	
Office buildings	Tokyo metropolitan area	OT-1	J Tower	76.0%	77.7%	76.4%	94.7%	98.9%	98.9%	98.9%	96.7%	96.7%	96.7%
		OT-2	SIA Kanda Square	99.0%	100.0%	100.0%	71.5%	71.5%	87.8%	87.8%	99.0%	99.0%	99.0%
		OT-3	Tachikawa Nishiki-cho Building	96.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-4	CP10 Building	85.2%	100.0%	70.2%	90.8%	90.8%	90.8%	90.8%	100.0%	100.0%	100.0%
		OT-5	Yokohama AP Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-6	Yushima First Genesis Building	47.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-7	Miyaji Building	100.0%	94.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-8	36 Sankyo Building	86.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-9	Minami-Shinagawa JN Building	93.8%	72.1%	85.2%	88.6%	88.6%	81.0%	81.0%	81.0%	81.0%	87.2%
		OT-10	Minami-Shinagawa N Building	88.8%	81.4%	84.3%	96.4%	98.0%	98.0%	98.0%	100.0%	100.0%	100.0%
		OT-11	Minami-Shinagawa J Building	93.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OT-12	MY Atsugi Building	94.3%	96.2%	93.2%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%
		OT-13	Hachioji SIA Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Average occupancy rate			85.3%	87.3%	86.8%	94.5%	96.3%	96.7%	96.7%	97.0%	97.0%	97.5%
	Ordinance-designated cities, etc.	OO-1	Central Shin-Osaka Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OO-2	Karasuma Plaza 21	79.1%	100.0%	100.0%	100.0%	100.0%	96.7%	96.7%	100.0%	100.0%	100.0%
		OO-3	Stoke Building Nagoya	78.4%	87.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		OO-4	MY Kumamoto Building	95.7%	100.0%	100.0%	98.1%	98.1%	98.1%	98.1%	98.1%	98.1%	97.3%
		Average occupancy rate			88.3%	97.5%	100.0%	99.7%	99.7%	98.7%	98.7%	99.7%	99.7%
	Average occupancy rate			86.1%	89.8%	90.1%	95.8%	97.2%	97.2%	97.2%	97.7%	97.7%	98.0%
Retail facilities	R-1	fab Minami-Osawa	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	R-2	Niigata Higashibori-dori Parking Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	R-3	NEXT21	94.3%	93.6%									
	Average occupancy rate			97.5%	97.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Overall average occupancy rate			88.5%	91.4%	91.4%	96.3%	97.5%	97.6%	97.6%	98.0%	98.0%	98.3%	
Reference: Average occupancy rate excluding J Tower			92.4%	95.7%	96.7%	96.9%	97.0%	97.1%	97.1%	98.5%	98.5%	98.9%	

Portfolio Map



J-Tower



fab Minami-Osawa



SIA Kanda Square



Yushima First Genesis Building



Tachikawa Nishiki-cho Building



Miyaji Building



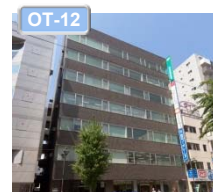
CP10 Building



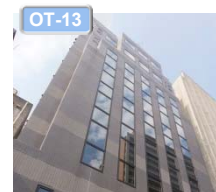
36 Sankyo Building



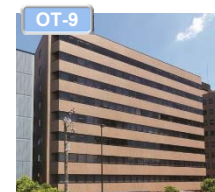
Yokohama AP Building



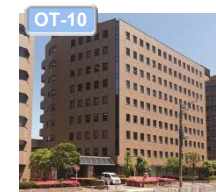
MY Atsugi Building



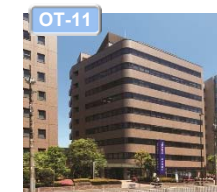
Hachioji SIA Building



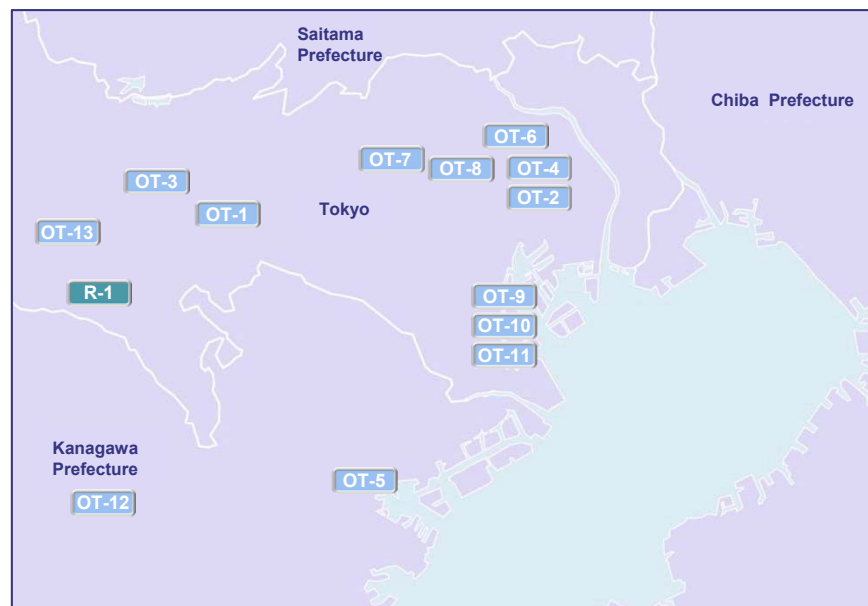
Minami-Shinagawa JN Building



Minami-Shinagawa N Building



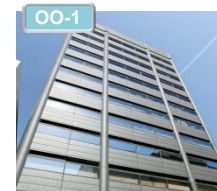
Minami-Shinagawa J Building



■ Tokyo metropolitan area



Niigata Higashibori-dori Parking Building



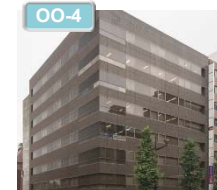
Central Shin-Osaka Building



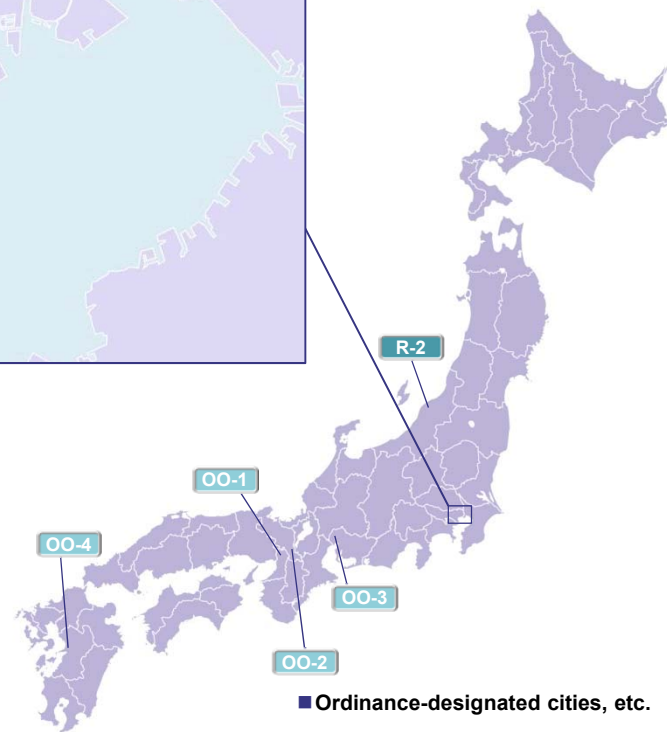
Karasuma Plaza 21



Stoke Building Nagoya








MY Kumamoto Building



■ Ordinance-designated cities, etc.






Overview of Individual Properties (1)

(As of the end of February 2016 fiscal period)

Property Name	OT-1 J-Tower	OT-2 SIA Kanda Square	OT-3 Tachikawa Nishiki-cho Building	OT-4 CP10 Building	OT-5 Yokohama AP Building
					
Location	Fuchu City, Tokyo	Chiyoda Ward, Tokyo	Tachikawa City, Tokyo	Taito Ward, Tokyo	Yokohama City, Kanagawa Prefecture
Nearest Station	Fuchu Station on Keio Line	Kanda Station on JR Line	Tachikawa Station on JR Line	Okachimachi Station on JR Line	Yokohama Station on JR Line
Completed	March 1992	April 2007	June 1991	March 1989	May 1983
Acquisition Price	¥24,394 million	¥7,350 million	¥3,264 million	¥3,229 million	¥3,110 million
Appraisal Value	¥25,200 million	¥8,100 million	¥3,760 million	¥3,190 million	¥3,570 million
Structure	S/RC/SRC	SRC	SRC	SRC	RC
Number of Floors	B2/18F	10F	8F	B1/7F	B1/8F
Total Floor Area	53,685.80m ²	7,145.42m ²	8,026.84m ²	4,454.05m ²	5,648.65m ²
Total Leasable Area	34,281.89m ²	5,263.30m ²	5,633.29m ²	3,506.66m ²	4,480.98m ²
PML	2.80%	6.06%	4.51%	3.51%	10.17%
Occupancy Rate	96.7%	99.0%	100.0%	100.0%	100.0%
Number of Tenants	31	29	21	7	10






Overview of Individual Properties (2)

(As of the end of February 2016 fiscal period)

Property Name	OT-6 Yushima First Genesis Building	OT-7 Miyaji Building	OT-8 36 Sankyo Building	OT-9 Minami-Shinagawa JN Building	OT-10 Minami-Shinagawa N Building
					
Location	Bunkyo Ward, Tokyo	Nakano Ward, Tokyo	Shinjuku Ward, Tokyo	Shinagawa Ward, Tokyo	Shinagawa Ward, Tokyo
Nearest Station	Hongo 3-chome Station on Tokyo Metro Line	Nakano Station on JR Line	Idabashi Station on JR Line	Aomono Yokocho Station on Keikyu Line	Aomono Yokocho Station on Keikyu Line
Completed	August 1991	August 1994	October 1991	July 1990	July 1994
Acquisition Price	¥2,751 million	¥2,880 million	¥2,395 million	¥2,165 million	¥2,292 million
Appraisal Value	¥2,910 million	¥3,060 million	¥2,570 million	¥1,974 million	¥2,110 million
Structure	SRC	S/SRC	RC	SRC	SRC
Number of Floors	B1/7F	B1/7F	B2/4F	B2/10F	B2/10F
Total Floor Area	5,048.99m ²	4,316.75m ²	4,687.65m ²	9,621.66m ²	8,570.72m ²
Total Leasable Area	2,947.07m ²	3,116.49m ²	3,724.17m ²	6,405.24m ²	5,477.76m ²
PML	7.00%	3.04%	8.85%	5.57%	5.50%
Occupancy Rate	100.0%	100.0%	100.0%	87.2%	100.0%
Number of Tenants	7	8	3	16	18





Overview of Individual Properties (3)

(As of the end of February 2016 fiscal period)

Property Name	OT-11 Minami-Shinagawa J Building	OT-12 MY Atsugi Building	OT-13 Hachioji SIA Building	OO-1 Central Shin-Osaka Building	OO-2 Karasuma Plaza 21
					
Location	Shinagawa Ward, Tokyo	Atsugi City, Kanagawa Prefecture	Hachioji City, Tokyo	Osaka City, Osaka Prefecture	Kyoto City, Kyoto Prefecture
Nearest Station	Aomono Yokocho Station on Keikyū Line	Honatsugi Station on Odakyū Line	Hachioji Station on JR Line	Shin-Osaka Station on JR Line	Karasuma Station on Hankyū Line
Completed	July 1992	September 1988	September 1993	June 1992	November 1986
Acquisition Price	¥2,020 million	¥1,240 million	¥730 million	¥4,612 million	¥3,700 million
Appraisal Value	¥2,130 million	¥1,310 million	¥810 million	¥4,880 million	¥3,400 million
Structure	SRC	RC/SRC	SRC	S	SRC
Number of Floors	B1/10F	8F	9F	B1/12F	B1/8F
Total Floor Area	5,529.02m ²	5,040.07m ²	3,920.36m ²	13,624.65m ²	11,998.02m ²
Total Leasable Area	3,673.61m ²	3,847.70m ²	2,751.01m ²	9,399.87m ²	8,890.42m ²
PML	3.70%	7.69%	4.53%	12.72%	5.18%
Occupancy Rate	100.0%	97.1%	100.0%	100.0%	100.0%
Number of Tenants	10	22	14	26	12

Overview of Individual Properties (4)

(As of the end of February 2016 fiscal period)

Property Name	OO-3 Stoke Building Nagoya	OO-4 MY Kumamoto Building	R-1 fab Minami-Osawa	R-2 Niigata Higashibori-dori Parking Building
				
Location	Nagoya City, Aichi Prefecture	Kumamoto City, Kumamoto Prefecture	Hachioji City, Tokyo	Niigata City, Niigata Prefecture
Nearest Station	Fushimi Station on Nagoya City Subway Line	Kumamoto Tram Kumamoto Castle/ City Hall Tram Stop	Minami-Osawa Station on Keio Line	Niigata Station on JR Line
Completed	April 1991	October 1987	December 2001	March 1993
Acquisition Price	¥2,381 million	¥1,152 million	¥4,250 million	¥432 million
Appraisal Value	¥2,640 million	¥1,280 million	¥4,410 million	¥592 million
Structure	S/SRC	S/RC	S	S
Number of Floors	B1/8F	9F	7F	10F
Total Floor Area	8,147.56m ²	4,980.96m ²	9,140.30m ²	8,867.26m ²
Total Leasable Area	5,801.80m ²	3,755.60m ²	8,409.23m ²	8,725.90m ²
PML	13.58%	5.08%	3.03%	6.08%
Occupancy Rate	100.0%	97.3%	100.0%	100.0%
Number of Tenants	5	18	14	1

Environmental Initiatives: Acquisition of Certification in CASBEE

■ Acquisition of Certification in CASBEE for Market Promotion

On April 2, 2014, SIA REIT's assets J Tower and SIA Kanda Square **acquired “Rank A (extremely good)”** ratings in CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for Market Promotion.

Low environmental risk location conditions, energy-saving functions, office space comfort, etc. were rated highly at J Tower while low environmental risk location conditions, long-term service lives of the structural framework and major equipment, office space comfort, etc. were highly evaluated at SIA Kanda Square, resulting in both acquiring Rank A ratings.

■ J Tower



■ SIA Kanda Square



Reference Overview of Certification in CASBEE for Market Promotion

CASBEE is a rating system which comprehensively evaluates the environmental performance of buildings with reduced environmental burden through energy-saving, resource-saving and recycling functions, and increased environmental quality and environmental functions such as in-door comfort and consideration of landscape. It is developed and managed primarily by the Institute for Building Environment and Energy Conservation (hereafter “IBEC”) under the direction of the Ministry of Land Infrastructure Transport and Tourism.

CASBEE for Market Promotion was developed for the purpose of being used for the evaluation of real estate. The evaluation standards are formulated assuming use by stakeholders engaged in the transaction of real estate and such and are thus limited to items that are closely related to real estate appraisal.

In addition, in order to secure appropriate management and proliferation of CASBEE as well as reliability and transparency of evaluation results, ratings in CASBEE for Market Promotion are conducted by third-party institutions certified by IBEC. Properties assessed to be appropriate for performance evaluation by the standards are given one of five ratings, “Rank S (excellent),” “Rank A (extremely good),” “Rank B+ (good),” “Rank B- (somewhat inferior)” or “Rank C (inferior),” according to acquired points.

List of Appraisal Values

Property number	Property name	Acquisition price (Millions of yen)	End of fifth fiscal period (ended Feb. 2016)						End of fourth fiscal period (ended Aug. 2015)	
			Appraisal value (Millions of yen)		Direct cap rate		Book value (Millions of yen)	Unrealized gain (loss) (Millions of yen)	Appraisal value (Millions of yen)	Direct cap rate
				Difference from end of previous period		Difference from end of previous period				
OT-1	J Tower	24,394	25,200	0	5.0%	-0.2%	24,348	851	25,200	5.2%
OT-2	SIA Kanda Square	7,350	8,100	560	4.0%	-0.3%	7,110	989	7,540	4.3%
OT-3	Tachikawa Nishiki-cho Building	3,264	3,760	160	4.9%	-0.1%	3,377	382	3,600	5.0%
OT-4	CP10 Building	3,229	3,190	90	4.5%	-0.1%	3,210	-20	3,100	4.6%
OT-5	Yokohama AP Building	3,110	3,570	110	4.7%	-0.1%	3,092	477	3,460	4.8%
OT-6	Yushima First Genesis Building	2,751	2,910	70	4.5%	-0.1%	2,718	191	2,840	4.6%
OT-7	Miyaji Building	2,880	3,060	60	4.8%	-0.1%	2,873	186	3,000	4.9%
OT-8	36 Sankyo Building	2,395	2,570	50	4.6%	-0.1%	2,376	193	2,520	4.7%
OT-9	Minami-Shinagawa JN Building	2,165	1,974	30	4.8%	-0.1%	2,193	-219	1,944	4.9%
OT-10	Minami-Shinagawa N Building	2,292	2,110	10	5.0%	-0.1%	2,277	-167	2,100	5.1%
OT-11	Minami-Shinagawa J Building	2,020	2,130	30	5.0%	-0.1%	1,990	139	2,100	5.1%
OT-12	MY Atsugi Building	1,240	1,310	20	5.8%	-0.1%	1,214	95	1,290	5.9%
OT-13	Hachioji SIA Building	730	810	7	5.4%	-0.1%	720	89	803	5.5%
OO-1	Central Shin-Osaka Building	4,612	4,880	100	4.8%	-0.1%	4,496	383	4,780	4.9%
OO-2	Karasuma Plaza 21	3,700	3,400	10	5.1%	-0.1%	3,721	-321	3,390	5.2%
OO-3	Stoke Building Nagoya	2,381	2,640	90	5.1%	-0.1%	2,367	272	2,550	5.2%
OO-4	MY Kumamoto Building	1,152	1,280	0	6.2%	0.0%	1,136	143	1,280	6.2%
R-1	fab Minami-Osawa	4,250	4,410	100	5.2%	-0.1%	4,162	247	4,310	5.3%
R-2	Niigata Higashibori-dori Parking Building	432	592	87	6.7%	-0.1%	434	157	505	6.8%
Total		74,347	77,896	+1,584	-	-	73,823	4,072	76,312	-

(Note) Amounts are rounded down to the nearest million yen.

Lease Business Revenue and Expenditure by Property (1)

Property number	OT-1	OT-2	OT-3	OT-4	OT-5	OT-6	OT-7	OT-8	OT-9	OT-10
Property name	J-Tower	SIA Kanda Square	Tachikawa Nishiki-cho Building	CP10 Building	Yokohama AP Building	Yushima First Genesis Building	Miyaji Building	36 Sankyo Building	Minami-Shinagawa JN Building	Minami-Shinagawa N Building
① Total property-related operating revenue (Thousands of yen)	966,599	156,381	147,241	94,548	127,937	93,498	110,118	85,946	106,680	105,509
Lease business revenue	818,423	148,119	140,704	83,216	113,838	87,693	100,892	75,938	101,179	97,735
Other lease business revenue	148,175	8,261	6,537	11,331	14,099	5,804	9,226	10,008	5,501	7,774
② Total property-related operating expenses (Thousands of yen)	360,360	49,123	41,026	26,215	33,177	24,361	23,837	22,397	79,438	45,025
Property management fees	82,709	28,318	15,109	8,046	9,124	7,537	7,819	5,502	22,060	7,799
Utilities expenses	191,028	10,605	10,286	8,955	8,128	6,351	7,272	8,315	23,030	8,991
Taxes and public dues	65,083	8,384	10,480	6,584	9,600	7,743	7,648	7,300	9,555	9,100
Insurance premiums	1,370	193	207	102	137	122	108	101	235	204
Repair expenses	19,668	1,622	4,142	2,026	5,386	2,106	488	677	8,532	6,016
Other expenses	500	—	800	500	800	500	500	500	16,024	12,912
③ Leasing NOI (= ① - ②) (Thousands of yen)	606,238	107,257	106,215	68,333	94,760	69,137	86,280	63,549	27,241	60,484
④ Depreciation (Thousands of yen)	120,524	70,258	24,319	15,414	10,360	12,623	10,184	8,318	14,827	13,743
⑤ Lease business profit (=③ - ④) (Thousands of yen)	485,713	36,999	81,896	52,918	84,400	56,513	76,096	55,230	12,414	46,741
⑥ Capital expenditures (Thousands of yen)	57,026	1,050	2,064	1,899	—	667	1,278	—	41,529	10,126
⑦ Leasing NCF(=③ - ⑥) (Thousands of yen)	549,211	106,207	104,151	66,433	94,760	68,470	85,001	63,549	-14,287	50,357

(Note) Amounts are rounded down to the nearest thousand yen.

Lease Business Revenue and Expenditure by Property (2)

Property number	OT-11	OT-12	OT-13	OO-1	OO-2	OO-3	OO-4	R-1	R-2	Total for 19 properties
Property name	Minami-Shinagawa J Building	MY Atsugi Building	Hachioji SIA Building	Central Shin-Osaka Building	Karasuma Plaza 21	Stoke Building Nagoya	MY Kumamoto Building	fab Minami-Osawa	Niigata Higashibori-dori Parking Building	
① Total property-related operating revenue (Thousands of yen)	96,410	65,266	49,781	199,048	192,296	117,566	70,638			3,018,957
Lease business revenue	89,695	60,311	45,429	178,244	177,649	101,466	66,023			2,672,204
Other lease business revenue	6,715	4,954	4,352	20,804	14,646	16,099	4,614			346,752
② Total property-related operating expenses (thousands of yen)	32,390	22,472	22,208	59,809	76,373	39,834	23,566			1,067,043
Property management fees	6,127	8,855	10,093	18,138	29,726	11,827	8,837			312,107
Utilities expenses	7,371	7,208	6,361	20,549	20,214	11,490	6,837			399,554
Taxes and public dues	5,593	4,825	4,565	16,167	22,702	9,685	4,781			220,114
Insurance premiums	130	128	87	297	297	190	130			4,295
Repair expenses	3,806	955	601	4,156	2,633	6,140	2,479			73,652
Other expenses	9,362	500	500	500	800	500	500			57,318
③ Leasing NOI (= ① - ②) (Thousands of yen)	64,019	42,793	27,572	139,239	115,923	77,731	47,071	128,804	19,255	1,951,913
④ Depreciation (Thousands of yen)	11,324	12,367	5,222	32,857	14,369	18,200	11,930	32,261	4,145	443,255
⑤ Lease business profit (=③ - ④) (Thousands of yen)	52,695	30,426	22,350	106,381	101,553	59,530	35,140	96,543	15,110	1,508,657
⑥ Capital expenditures (Thousands of yen)	5,262	6,167	550	391	–	17,496	14,162	8,188	8,932	176,793
⑦ Leasing NCF(=③ - ⑥) (Thousands of yen)	58,756	36,626	27,022	138,848	115,923	60,235	32,909	120,616	10,323	1,775,119

(Note 1) Amounts are rounded down to the nearest thousand yen.

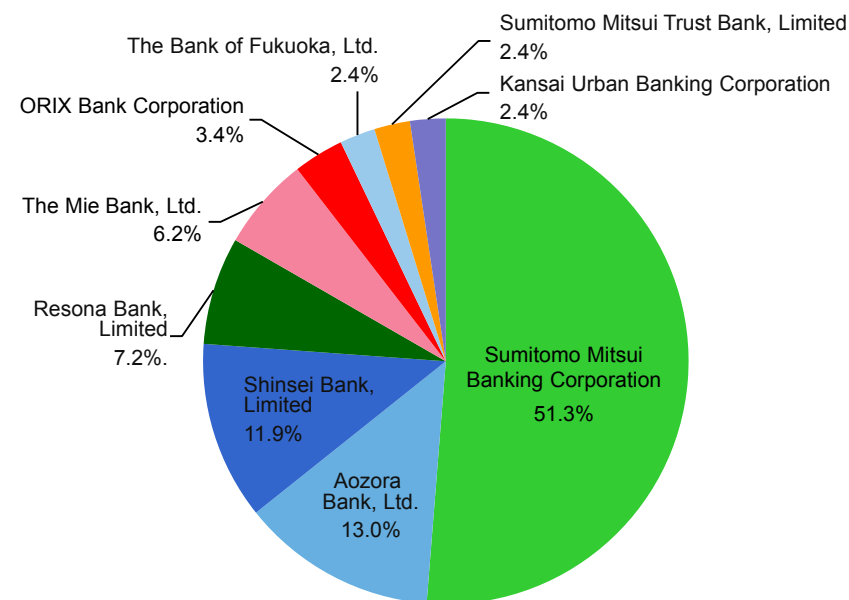
(Note 2) Lease business revenue and property-related expenses of fab Minami-Osawa and Niigata Higashibori-dori Parking Building are undisclosed due to unavoidable circumstances including a lack of tenant consent for the disclosure of lease business revenue.

List of Borrowings: Balance as of February 29, 2016 (end of the fifth fiscal period)

Balance by Repayment Date

Classification (Note)	Lender	Balance (Thousands of yen)	Interest rate (Fixed/floating)	Repayment date
Short-Term Borrowings	Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	1,459,130	0.70182% (Floating)	October 10, 2016
Short-Term Borrowings	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Aozora Bank, Ltd. Resona Bank, Limited	13,330,000	1.16976% (Fixed)	October 10, 2016
Long-Term Borrowings	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. The Bank of Fukuoka, Ltd. The Mie Bank, Ltd. ORIX Bank Corporation	3,436,270	0.75182% (Floating)	October 10, 2017
Long-Term Borrowings	Sumitomo Mitsui Banking Corporation Resona Bank, Limited Aozora Bank, Ltd. ORIX Bank Corporation	5,472,500	1.08473% (Fixed)	October 10, 2017
Long-Term Borrowings	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. The Mie Bank, Ltd.	6,488,500	0.90182% (Floating)	October 10, 2018
Long-Term Borrowings	Sumitomo Mitsui Banking Corporation Kansai Urban Banking Corporation	6,676,500	1.38226% (Fixed)	October 10, 2018
Long-Term Borrowings	Sumitomo Mitsui Banking Corporation	1,645,000	1.10182% (Floating)	October 10, 2019
Long-Term Borrowings	Sumitomo Mitsui Banking Corporation The Mie Bank, Ltd.	2,985,000	1.35961% (Fixed)	October 13, 2020
Total		41,492,900		

Balance by Financial Institution



(Thousands of yen)

Sumitomo Mitsui Banking Corporation	21,266,715
Aozora Bank, Ltd.	5,405,075
Shinsei Bank, Limited	4,921,000
Resona Bank, Limited	2,974,000
The Mie Bank, Ltd.	2,579,000
ORIX Bank Corporation	1,395,000
The Bank of Fukuoka, Ltd.	984,055
Sumitomo Mitsui Trust Bank, Limited	984,055
Kansai Urban Banking Corporation	984,000
Total	41,492,900

(Note) "Short Term" refers to a period within one year to the repayment date and "Long Term" refers to a period of more than one year to the repayment date based on each point in time..

Unitholder Status: As of February 29, 2016 (end of fifth fiscal period)

■ Number of Unitholders and Investment Units by Unitholder Type

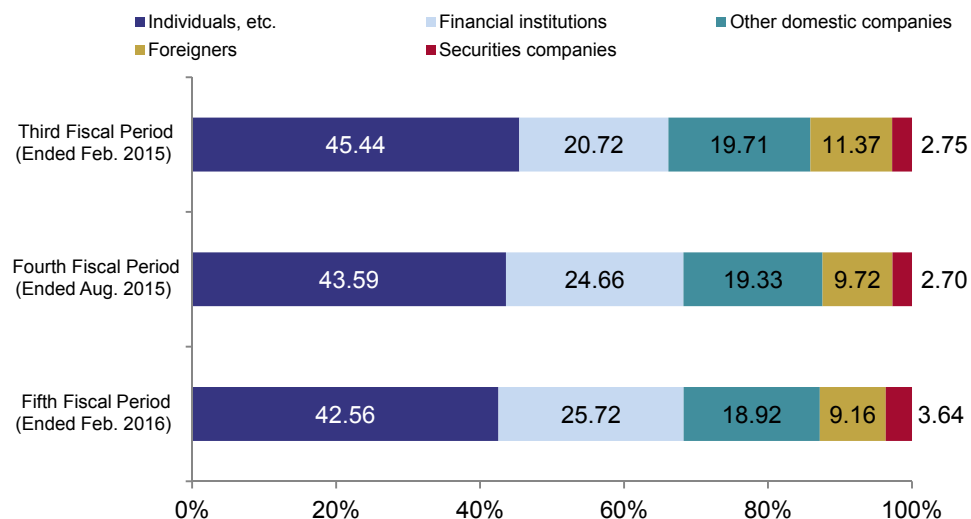
	End of the fifth fiscal period (as of Feb. 29, 2016)			
	Number of unitholders	Percentage (Note)	Number of investment units	Percentage (Note)
Individuals, etc.	6,991	96.60%	31,960	42.56%
Financial institutions	15	0.21%	19,319	25.72%
Other domestic companies	143	1.98%	14,207	18.92%
Foreigners	63	0.87%	6,878	9.16%
Securities companies	25	0.35%	2,736	3.64%
Total	7,237	100.00%	75,100	100.00%

(Note) Percentages are rounded to the second decimal place.

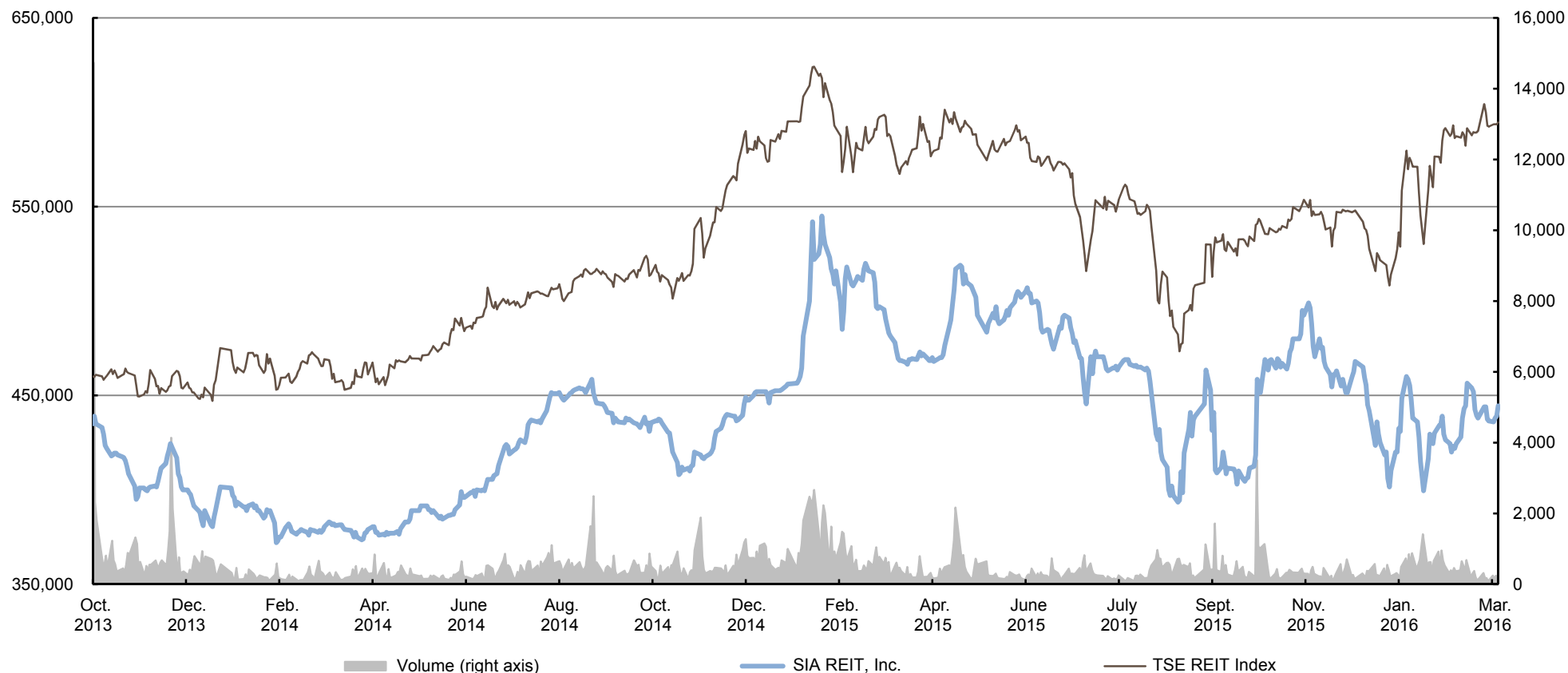
■ Main Unitholders

Main unitholders	Number of investment units	Percentage
Simplex Investment Advisors Inc.	11,265	15.00%
Japan Trustee Services Bank, Ltd. (Trust Acct.)	8,915	11.87%
The Master Trust Bank of Japan, Ltd. (Trust Acct.)	3,467	4.61%
Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	2,977	3.96%
GOLDMAN SACHS INTERNATIONAL	2,838	3.77%
The Nomura Trust and Banking Co., Ltd. (Trust Acct.)	2,160	2.87%
Japan Trustee Services Bank, Ltd. (Trust Acct. 9)	965	1.28%
Individual	768	1.02%
Kabu.com Securities Co., Ltd.	749	0.99%
SBI Securities Co., Ltd.	722	0.96%
Total	34,826	46.37%

■ Investment Unit Ratios



Investment Unit Price



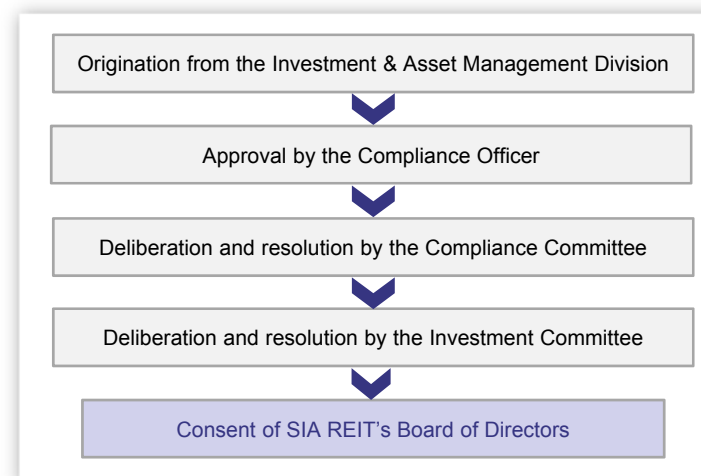
(Note) The closing price of the TSE REIT Index on October 8, 2013 of 1435.10 points is converted to SIA REIT's offer price at its point of listing of ¥450,000 and the relative performance of SIA REIT's investment unit price is compared.

Governance System and Management Fee Scheme

■ Governance System

■ The Asset Management Company's procedures for making decisions concerning related-party transactions

Decisions on proposed acquisition or sale of assets are made by the Asset Management Company. They must originate from the Investment & Asset Management Division, be approved by the Compliance Officer, and be authorized by resolution of the Compliance Committee and the Investment Committee. However, if the acquisition or sale of an asset would constitute a related-party transaction, the consent of SIA REIT's Board of Directors must also be obtained in addition to the above procedures.



■ Introduction of Management Fee System Linked to the Rate of Increase of the Amount Available for Dividends per Unit

Management fee system		Calculation method	Maximum	
Management fees	Management fee 1 ^(Note 3)	Total assets × 0.35% × (Number of months in the fiscal period / 12)	Total assets × 0.55% (annual rate)	Total assets × 0.65% (annual rate)
	Management fee 2 ^(Note 3)	NOI ^(Note 1) × 5.5%		
	Management fee 3 ^(Note 3)	Total assets × DPU growth rate before deductions of management fee 3 (%) ^(Note 2) × (Number of months in the fiscal period / 12)		
Acquisition fees		Acquisition price × 1.0% (Transactions with interested parties: Acquisition price × 0.5%)		
Transfer fees		Transfer price × 1.0% (Transactions with interested parties: Transfer price × 0.5%)		

(Note 1) NOI is the amount arrived at after deducting property-related expenses (excluding depreciation and loss on retirement of noncurrent assets) from the total of the fiscal period's lease business revenues and silent partnership distributions.

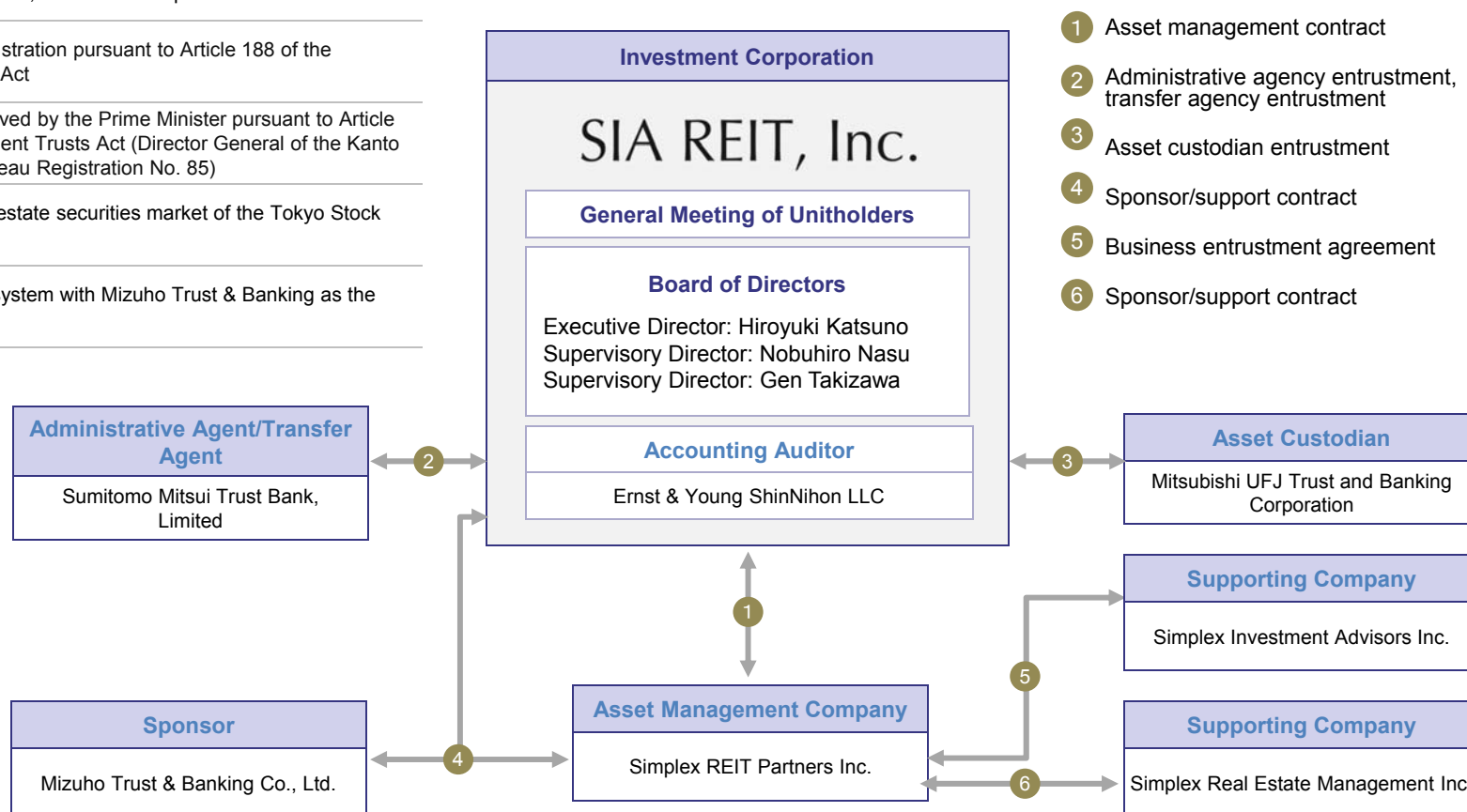
(Note 2) "DPU growth rate before deductions of management fee 3" is the number obtained from the following formula (however, if figures are negative, it is deemed as 0): The fiscal period's DPU before deductions of management fee 3 ÷ the previous fiscal period's DPU before deductions of management fee 3 – 1
Furthermore, "DPU before deductions of management fee 3" is obtained by dividing "the amount obtained by deducting loss carried forward from the net income before income taxes before deductions of management fee 3" by "the fiscal period's outstanding number of investment units as of the period's settlement."

(Note 3) The rates of management fee 1 are 0.20% for the first and second fiscal periods. Management fee 2 will arise starting from the third fiscal period and management fee 3 from the fourth fiscal period.

Overview of SIA REIT

History

Jun. 20, 2013	Notification of incorporation of SIA REIT by the organizer (Simplex REIT Partners Inc.) pursuant to Article 69 of the Investment Trusts Act
Jun. 25, 2013	Registration of incorporation pursuant to Article 166 of the Investment Trusts Act, SIA REIT incorporated
Jul. 8, 2013	Application for registration pursuant to Article 188 of the Investment Trusts Act
Jul. 23, 2013	Registration approved by the Prime Minister pursuant to Article 189 of the Investment Trusts Act (Director General of the Kanto Local Finance Bureau Registration No. 85)
Oct. 9, 2013	Listed on the real estate securities market of the Tokyo Stock Exchange
Dec. 29, 2015	Transitioned to a system with Mizuho Trust & Banking as the sponsor



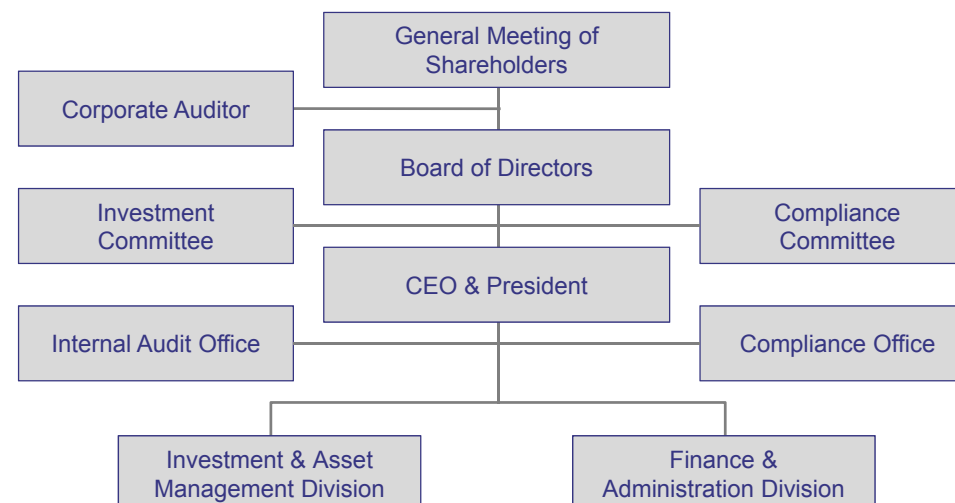
Overview of the Asset Management Company



Name	Simplex REIT Partners Inc.
Established	July 1, 2005
Capital	¥50 million
Representative	Hiroyuki Katsuno, President and Representative Director
Address of head office	Shin-Kasumigaseki Building 19th Floor, 3-3-2 Kasumigaseki, Chiyoda Ward, Tokyo 100-6019, Japan
No. of directors/employees	22 (As of February 1, 2016) ^(Note)
Shareholder	Simplex Investment Advisors Inc. (100%)
Membership	The Investment Trusts Association, Japan
Licenses, etc.	Investment Management Business: Director General of Kanto Local Finance Bureau (Financial Instruments) Registration No. 342 Building Lots and Buildings Transaction Business: Governor of Tokyo (3) Registration No. 84787 Trading Agency Etc. License: Minister of Land, Infrastructure, Transport and Tourism License No. 46

(Note) Includes full-time auditors, contract employees, and employees on postings from other companies. Does not include outside directors or temporary staff. Includes members holding concurrent positions among SIA Group companies.

Organization



Disclaimer

The contents of this document are provided solely for informational purposes and are not intended for the purpose of soliciting investment in, or as a recommendation to purchase or sell, any specific products.

Besides descriptions of SIA REIT, Inc. (hereafter “SIA REIT”) this document contains charts, data, etc. prepared by Simplex REIT Partners Inc. (hereafter the “Asset Management Company”) based on data, indices, etc. released by third parties as well as descriptions of the Asset Management Company’s analysis, judgments and other opinions on these (materials) as of the date of this document.

The content of this document is unaudited. SIA REIT does not guarantee the accuracy and completeness of the content. Moreover, analysis, judgments, etc. of the Asset Management Company indicate opinions as of the date of this document. Readers are cautioned that such may be changed or deleted without prior notice.

Neither SIA REIT nor the Asset Management Company bear any responsibility with regard to the accuracy of data, indices, etc. released by third parties (including data based on real estate appraisal reports).

This document contains forward-looking statements regarding forecasts and performance. The forward-looking statements do not guarantee SIA REIT’s future performance, financial conditions, etc.

Asset Management Company: Simplex REIT Partners Inc.
License No. 342, Director-General, Kanto Finance Bureau (Financial Instruments and Exchange Act),
Financial Instruments Business Operator; Member, The Investment Trusts Association, Japan