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To All Concerned Parties

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Notice concerning Obtainment of Preferential Negotiation Rights for Acquisition of a Property
(Higobashi Center Building)

TOKYO, December 22, 2016 – SIA REIT, Inc. (hereafter referred to as “SIA REIT”) announces that it today obtained preferential negotiation rights for the acquisition of the trust beneficiary right (hereafter referred to as the “Property”) of Higobashi Center Building (hereafter referred to as the “Real Estate”) (hereafter referred to as the “Preferential Negotiation Rights”), as follows.

1. Overview of the Preferential Negotiation Rights

(1)	Target asset	Trust beneficiary right of Higobashi Center Building (Please refer to “3. Features and Overview of the Real Estate” for the details of the Real Estate.)
(2)	Entity from which SIA REIT obtained the Preferential Negotiation Rights	Not disclosed (Note)
(3)	Description of the preferential negotiation rights	The rights for SIA REIT to preferentially negotiate regarding the acquisition of the Property
(4)	Exercise period of the Preferential Negotiation Rights	From December 22, 2016 to March 31, 2019
(5)	Period allowed for sale	From March 1, 2018 to March 31, 2019
(6)	Terms and conditions for exercising the Preferential Negotiation Rights	The following conditions shall be met: 1) The purchase price is at least 8,930 million yen (excluding consumption tax) 2) The transaction date is on a business day during the period allowed for sale.

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

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

The obtainment of the Preferential Negotiation Rights does not fall under the category of a transaction with “an interested person, etc.” as defined in the Act on Investment Trusts and Investment Corporations or with “interested

parties” as set forth in the interested party transaction rules of Simplex REIT Partners Inc. (hereinafter referred to as the “Asset Management Company.”) However, if SIA REIT acquires the Property in the future, it will fall under the category of a transaction with “interested parties,” and thus the decision shall be made after predetermined procedures are taken in accordance with the internal rules and regulations of the Asset Management Company and SIA REIT.

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

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

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

In this transaction, SIA REIT obtained sales information from Simplex Real Estate Management Inc. (hereafter referred to as “SRM”), which possesses extensive know-how on property selection and management, and acquired the Preferential Negotiation Rights through the establishment of the scheme with the support of SRM. Going forward, SIA REIT will continue its endeavors to enhance the stability and quality of its portfolio by utilizing sponsor support and such, with an aim to increase unitholder value and medium- to long-term growth.

3. Features and Overview of the Real Estate

The Real Estate is an office building located a five-minute walk from Yodoyabashi Station on the Osaka Subway Midosuji Line and a one-minute walk from Higobashi Station on the Osaka Subway Yotsubashi Line, and located along Yotsubashisuji, one of the main streets in the city, with high visibility.

Its features include having the same seismic performance as the new earthquake-resistance standard (undergone structural evaluation of high-rise structures), a floor plate with a regular shape that can respond to various area needs from around 20 to 260 tsubos, a new building grade after undergoing a large-scale renewal, and more, and the Real Estate maintains competitive advantages in the area where it is located.

The Property is a landmark building in the Higobashi area where tenant needs of companies emphasizing accessibility to the city center and main transport hubs such as Umeda, Namba and Shin-Osaka or affiliated companies and clients of large companies occupying large buildings in the Nakanoshima area can be expected, and stable operation is expected to continue in the future.

Due to the abovementioned characteristics, the acquisition of the Real Estate is considered to contribute to enhancing the stability of SIA REIT’s portfolio.

<The Real Estate Overview>

(1)	Property name	Higobashi Center Building
(2)	Address (domicile)	1-9-1 Edobori, Nishi-ku, Osaka-shi, Osaka
(3)	Use	Office, shop
(4)	Area	2,844.26m ²
(5)	Total floor space	23,991.23m ²
(6)	Completed	September 1977
(7)	Structure and number of floors	S/SRC/RC with flat roof, B2/18F

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

<Photo and Map of the Real Estate>



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