

October 1, 2014

To All Concerned Parties

Name of REIT Issuer:  
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 Contact:  
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### **Notice concerning Borrowing of Funds**

TOKYO, October 1, 2014 – SIA REIT, Inc. (hereafter referred to as “SIA REIT”) announced that it today decided on borrowing of funds (hereafter referred to as “the Borrowing”) as follows.

#### **1. Reason for the Borrowing**

SIA REIT will conduct the Borrowing in order to partially fund the repayment of an existing loan (Contract No. 0001 with 13,454.25 million yen outstanding) that will mature on October 10, 2014. As the total amount of the Borrowing is 13,420 million yen, the remaining 34.25 million yen will be repaid by using cash on hand.

#### **2. Details of the Borrowing**

Contract No. 0007

|     |                            |   |
|-----|----------------------------|---|
| (1) | Lenders                    | Sumitomo Mitsui Banking Corporation: 957 million yen<br>Aozora Bank, Ltd.: 1,985 million yen<br>The Bank of Fukuoka, Ltd.: 989 million yen<br>Sumitomo Mitsui Trust Bank, Limited: 989 million yen                  |
| (2) | Borrowing amount           | 4,920 million yen   |
| (3) | Interest rate              | Floating rate: base interest rate (JBA one-month Japanese yen TIBOR) + 0.60% (Note 1)   |
| (4) | Drawdown date              | October 10, 2014  |
| (5) | Borrowing method           | SIA REIT plans to execute individual loan agreements with the above lenders on October 7, 2014.   |
| (6) | Interest payment date      | The interest payment date will be the 10th of each month (or the following business day if the date is not a business day), with November 10, 2014 set as the first payment date, and the principal repayment date. |
| (7) | Principal repayment method | Repayment in installments (Note 2)  |
| (8) | Principal repayment date   | October 13, 2015  |
| (9) | Collateral                 | Secured/Unguaranteed  |

(Note 1) The base interest rate to be applied for the calculation period of the interest due on each interest payment date is the one-month Japanese yen TIBOR announced by the Japanese Bankers Association (JBA) on the day two business

days prior to the immediately preceding interest payment date. The Japanese yen TIBOR by JBA can be found on the website of the JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>).

(Note 2) Part of the principal (12.3 million yen) will be repaid on April 10, 2015, and the remaining amount of the principal will be repaid in a lump sum on the principal repayment date.

Contract No. 0008

|     |                            |  |
|-----|----------------------------|--|
| (1) | Lender                     | Sumitomo Mitsui Banking Corporation: 1,500 million yen<br>Aozora Bank, Ltd.: 1,000 million yen<br>Resona Bank, Limited: 2,000 million yen<br>ORIX Bank Corporation: 1,000 million yen  |
| (2) | Borrowing amount           | 5,500 million yen  |
| (3) | Interest rate              | Fixed rate: TBD (Note 3)   |
| (4) | Drawdown date              | October 10, 2014   |
| (5) | Borrowing method           | SIA REIT plans to execute individual loan agreements with the above lenders on October 7, 2014.  |
| (6) | Interest payment date      | The interest payment date will be the 10th of April and October of each year (or the following business day if the date is not a business day), with April 10, 2015 set as the first payment date, and the principal repayment date. |
| (7) | Principal repayment method | Repayment in installments (Note 4)   |
| (8) | Principal repayment date   | October 10, 2017   |
| (9) | Collateral                 | Secured/Unguaranteed   |

(Note 3) The interest rate will be determined on the date two business days prior to the drawdown date, based on the individual loan agreements to be executed on October 7, 2014. SIA REIT will announce the interest rate as soon as it is determined.

(Note 4) Part of the principal (13.75 million yen) will be repaid on the 10th of April and October each year (or the following business day if the date is not a business day), with April 10, 2015 set as the first repayment date, and the remaining amount of the principal will be repaid in a lump sum on the principal repayment date.

Contract No. 0009

|     |                            |  |
|-----|----------------------------|--|
| (1) | Lender                     | Sumitomo Mitsui Banking Corporation: 2,000 million yen<br>The Mie Bank, Ltd.: 1,000 million yen  |
| (2) | Borrowing amount           | 3,000 million yen  |
| (3) | Interest rate              | Fixed rate: TBD (Note 5)   |
| (4) | Drawdown date              | October 10, 2014   |
| (5) | Borrowing method           | SIA REIT plans to execute individual loan agreements with the above lenders on October 7, 2014.  |
| (6) | Interest payment date      | The interest payment date will be the 10th of April and October of each year (or the following business day if the date is not a business day), with April 10, 2015 set as the first payment date, and the principal repayment date. |
| (7) | Principal repayment method | Repayment in installments (Note 6)   |
| (8) | Principal repayment date   | October 13, 2020   |
| (9) | Collateral                 | Secured/Unguaranteed   |

(Note 5) The interest rate will be determined on the date two business days prior to the drawdown date, based on the individual loan agreements to be executed on October 7, 2014. SIA REIT will announce the interest rate as soon as it is determined.

(Note 6) Part of the principal (7.5 million yen) will be repaid on the 10th of April and October each year (or the following business day if the date is not a business day), with April 10, 2015 set as the first repayment date, and the remaining amount of the principal will be repaid in a lump sum on the principal repayment date.

### 3. Amount, Use and Expenditure Date of Funds to be Procured

(1) Amount of funds procured

13,420 million yen

(2) Specific use of the funds procured

The total amount of the funds to be procured will be used to partially fund the repayment of an existing loan (Contract No. 0001).

<Outline of the existing loan to be repaid>

Contract No. 0001

|     |                |   |
|-----|----------------|---|
| (1) | Lender         | Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Bank of Fukuoka, Ltd. and Sumitomo Mitsui Trust Bank, Limited |
| (2) | Loan balance   | 13,454.25 million yen   |
| (3) | Drawdown date  | October 10, 2013  |
| (4) | Repayment date | October 10, 2014  |

(3) Expenditure date

October 10, 2014

### 4. Status of Interest-Bearing Debt after Conducting the Borrowing and Repayment of the Existing Loan

(Millions of yen)

|  |   | Before the borrowing<br>and repayment | After the borrowing and<br>repayment | Change (Note 3) |
|--|---|---------------------------------------|--------------------------------------|-----------------|
|  | Short-term borrowings<br>(Note 1 and 2) | 13,454.25                             | 4,920                                | -8,534.25       |
|  | Long-term borrowings<br>(Note 1 and 2)  | 28,638.75                             | 36,972.5                             | 8,333.75        |
|  | Total borrowings                        | 42,093                                | 41,892.5                             | -200.5          |
|  | Investment corporation bonds            | —                                     | —                                    | —               |
|  | Total interest-bearing debt             | 42,093                                | 41,892.5                             | -200.5          |

(Note 1) “Short-term borrowings” refers to borrowings with a maturity of up to one year from today to the repayment date, and “Long-term borrowings” refers to borrowings with a maturity of more than one year from today to the repayment date.

(Note 2) The base date is set at October 10, 2014, but the Contract No. 0007 loan (repayment date; October 13, 2015) is included in the category of short-term borrowings.

(Note 3) SIA REIT will repay 166.25 million yen as agreed upon as of October 10, 2014. This, combined with the repayment of 34.25 million yen of the existing loan (Contract No. 0001) by using cash on hand, will reduce the total interest-bearing debt by 200.5 million yen.

### 5. Other

The Borrowing will make no change to the content of “Investment Risk” described in SIA REIT’s Securities Report filed on May 29, 2014.

SIA REIT corporate website:

<http://www.sia-reit.com/en>