

April 14, 2017

Name of REIT Issuer: SIA REIT, Inc.
1-8-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
Hiroyuki Katsuno, Executive Director

Simplex REIT Partners Inc.
Hiroyuki Katsuno, President and Representative Director
Contact Person: Takeshi Akimoto, Head of Finance &
Administration Division
Tel: +81-3-3242-7155

Supplement to the Forecast of Financial Results Announced Today and the Series of Press Releases

“Summary of Financial Results for the Fiscal Period Ended February 2017 (REIT)”

“Notice concerning Revisions to Forecast of Financial Results and Cash Distribution for the Fiscal Period Ending August 2017 (8th Fiscal Period)”

“Notice concerning Partial Amendments to the Articles of Incorporation and the Election of Directors”

“Notice concerning Changes of Directors and Planned Changes of Representative Director at Asset Management Company”

“Notice concerning Amendment to Asset Management Fee System”

 **SIA REIT, Inc.** (TSE Code: 3290)

Mizuho Financial Group

Simplex REIT Partners Inc. (Asset Management Company)

Overview of Financial Results (Fiscal Period Ended February 2017) and Earnings Forecast (Fiscal Periods Ending August 2017 and February 2018)

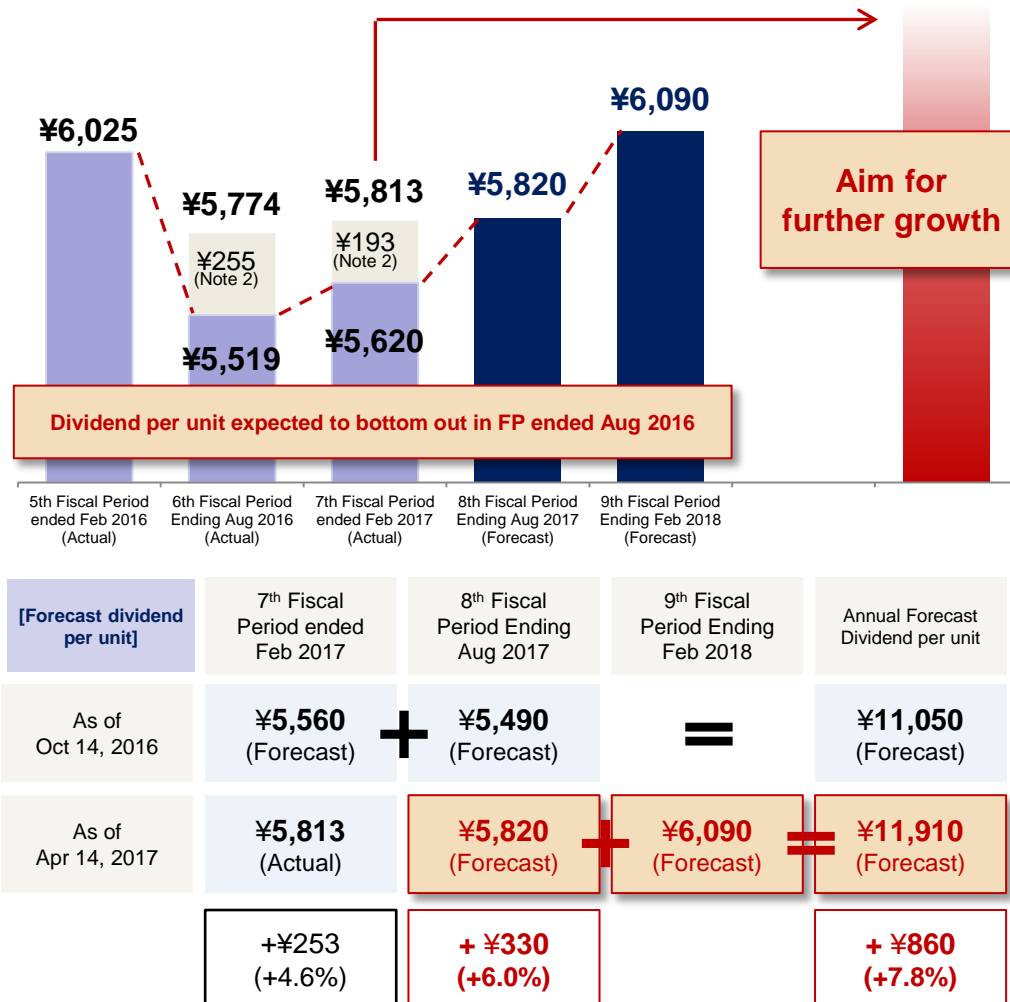
- Dividend per unit for the fiscal period ended February 2017 (Note 1) increased by ¥253 (+4.6%) compared to the forecast and by ¥39 (+0.7%) period-on-period.
- Forecast dividend per unit is forecasted to increase by ¥7 (+0.1%) period-on-period for the fiscal period ending August 2017 and by ¥270 (+4.6%) period-on-period for the fiscal period ending February 2018.

Overview of Financial Results

(Millions of yen)	6 th Fiscal Period (Ended Aug 2016)	7 th Fiscal Period (Ended Feb 2017)		8 th Fiscal Period (Ending Aug 2017)	9 th Fiscal Period (Ending Feb 2018)
	Actual	Most recent forecast	Actual	Forecast	Forecast
Operating revenue	2,967	3,343	3,349	3,454	3,420
Operating profit	1,177	1,404	1,431	1,412	1,474
Recurring profit	868	1,053	1,101	1,102	1,154
Net income	867	1,052	1,100	1,101	1,152
Dividend per unit (Note 1)	¥5,774 (¥11,549)	¥5,560 (¥11,120)	¥5,813 (¥11,626)	¥5,820	¥6,090

Please refer to the next page for details of dividend forecast.

Dividend per unit (Note 1)



(Note 1) Since the effective date for the 2-for-1 split of investment units has been set as March 1, 2017 (start of the fiscal period ending August 2017), amounts of "Dividend per unit" in or before the fiscal period ended February 2017 are figures after adjusting with the split. Furthermore, the figures in the parenthesis under amounts of "Dividend per unit" in the table of "Overview of Financial Results" are actual figures before the split of investment units. The same applies hereafter in this document.

(Note 2) The figure is obtained by converting the following "temporary factors" into dividend per unit. [Temporary factors] FP ended Aug 2016: restoration-related income and expenditure (¥48 million); FP ended Feb 2017: amount equivalent to taxes and public dues for the newly acquired properties that are not expensed (¥36 million, calculated based on the number of days of ownership of the newly acquired properties in the FP ended Feb 2017 (175 days))

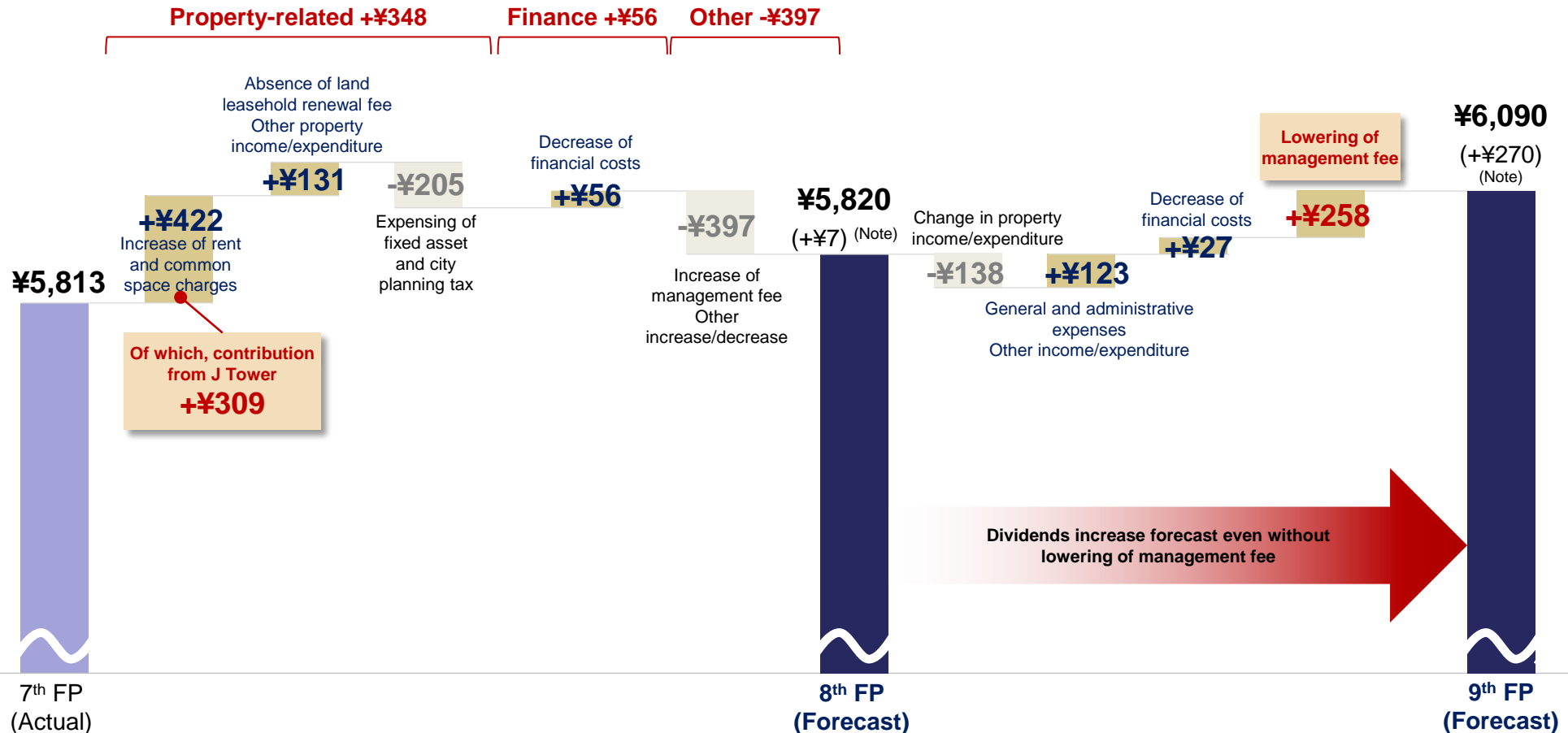
Changes in Dividend per Unit in Earnings Forecasts (Fiscal Period Ending August 2017 and February 2018)

Dividend forecast for the fiscal period ending August 2017: **5,820 (+¥7 period-on-period)**

Despite “expensing of fixed asset and city planning tax” and “increase in management fee,” dividends are expected to increase due to the increase in rent income and such.

Dividend forecast for the fiscal period ending February 2018: **¥6,090 (+¥270 period-on-period)**

Aim for further increase to achieve **annual dividends of ¥12,000**



(Note) Figures in the parenthesis indicate period-on-period changes of dividend per unit.

Structural Reform of Operation / Management and Growth Strategy (Overview)

Major Achievements		Fiscal Period Ended August 2016	Fiscal Period Ended February 2017
External Growth	Asset size ^(Note 1)	¥74.3 billion (19 properties)	¥89.3 billion (22 properties)
	Ratio of top 10 tenants ^(Note 1)	25.8%	25.7% (-0.1% period-on-period)
	Preferential negotiation rights ^(Note 1)	3 properties / ¥15.8 billion ^(Note 2)	5 properties / ¥35.2 billion (+¥19.4 billion period-on-period) ^(Note 2)
Internal Growth	Portfolio occupancy rate ^(Note 1)	94.0%	98.3% (+4.3% period-on-period)
	Rent increase ^(Note 3)	+¥2,191 thousand/month	+¥642 thousand/month
Financial Strategy	Collateral ^(Note 1)	Secured	Unsecured
	External credit ratings ^(Note 1)	— (Not acquired)	JCR/A (stable)
	LTV ^(Note 1)	51.8%	51.3% (-0.5% period-on-period)
	Average interest rate ^(Note 1)	1.089%	0.853% (-0.236% period-on-period)

Structural Reform of Operation / Management for Further Growth in the Future

1. Change in the management team with personnel from Mizuho ^(Note 4)

Accelerating growth through reinforced cooperation with Mizuho

2. Change in the name of the investment corporation ^(Note 5)

One REIT, Inc. (“ONE”)

3. Lowering the upper limit of the management fee ^(Note 5)

Reflecting attitude towards “growth of REIT”

Growth Strategy (Overview)

- ① **Continuous growth of dividends**
- ② **Disciplined external growth considering the portfolio and financial structure**

(Note 1) Statutes at the end of each fiscal period are indicated.

(Note 2) The number of properties for which SIA REIT holds preferential negotiation rights at the end of each fiscal period and the total of minimum purchase prices are indicated. The subject properties for each fiscal period are: for the fiscal period ended August 2016, Daihakata Building (¥10,650 million), Daido Life Omiya Building (¥3,000 million) and Yamagami Building (¥2,200 million); and for the fiscal period ended February 2017, Tokyo Parkside Building (¥10,450 million) and Higobashi Center Building (¥8,930 million) in addition to the three properties mentioned for the fiscal period ended August 2016.

(Note 3) The amounts indicated are figures obtained by, concerning lease contract renewals or contracts under effective rent revision, aggregating net increase/decrease, which is calculated by subtracting the total of decreased amounts from the total of increased amounts before/after the renewals or rent revisions. (Based on monthly rent)

(Note 4) The appointment of the Representative Director of the Asset Management Company is based on the conditions that the person is elected (reappointed) as Director at the Ordinary General Meeting of Shareholders to be held in June 2017 and that the person assumes the office of President and Representative Director at the Board of Directors Meeting to be held after the Ordinary General Meeting of Shareholders. Furthermore, the appointment of the Executive Director of SIA REIT is also based on the condition that the proposal on the election of the Executive Director is approved at the General Meeting of Unitholders of SIA REIT (to be held on May 23, 2017; hereinafter, the “Next General Meeting of Unitholders”) as originally proposed.

(Note 5) This is on the condition that the proposal on the amendments to the Articles of Incorporation is approved at the Next General Meeting of Unitholders as originally proposed.

1. Change in the management team with personnel from Mizuho (Note 1)

✓ Accelerating growth through reinforced cooperation with Mizuho

- President of the Asset Management Company and Executive Director of SIA REIT are scheduled to be replaced with persons from Mizuho Trust & Banking Co., Ltd.
- Accelerate the growth of SIA REIT by further deepening partnership with Mizuho Trust & Banking Co., Ltd. and Mizuho Financial Group, Inc. while taking advantage of their abundant track record and experience in real estate and real estate securitization.

Koji Hashimoto

【Career highlights of the candidate】

- April 1988 Joined The Yasuda Trust and Banking Co., Ltd. (Currently: Mizuho Trust & Banking Co., Ltd.)
- October 2013 Appointed General Manager of Real Estate Consulting Department of Mizuho Trust & Banking Co., Ltd.
- November 2015 Appointed Director (part-time) of Simplex REIT Partners Inc. (current)
- June 2017 To be appointed Executive Director of SIA REIT, Inc. (plan)
To be appointed Representative Director of Simplex REIT Partners Inc. (plan)

2. Change in the name of the investment corporation (Note 2)

✓ One REIT, Inc. (“ONE”)

- Understanding the value infused in the corporate philosophy (“The most (number one) trusted financial services group,” “The best (number one) financial services provider” and “The most (number one) cohesive financial services group”) of Mizuho Financial Group, Inc. to which the sponsor (Mizuho Trust & Banking Co., Ltd.) belongs, as universal value, the name shows determination to jointly aim for maximization of unitholder value by sharing the value among SIA REIT, the Asset Management Company and the sponsor under “One.”
- The name reflects our desire to become “unique” and the “sole” REIT in the increasingly competitive REIT market.

3. Lowering the upper limit of the management fee (Note 2)

✓ Reflecting the approach towards “growth of REIT”

- Lower the upper limit of management fee by 0.10% from annual 0.55% to 0.45% (to be applied from the 9th fiscal period ending February 2018) in light of financial stability, etc. of the Asset Management Company
- Reflect the approach of the sponsor and Asset Management Company towards “growth of REIT.”
- Impact of lowering the upper limit on dividend per unit is equivalent to +258 yen period-on-period for the 9th fiscal period ending February 2018

(Note 1) The appointment of the Representative Director of the Asset Management Company is based on the conditions that the person is elected (reappointed) as Director at the Ordinary General Meeting of Shareholders and that the person assumes the office of President and Representative Director at the Board of Directors Meeting to be held after the Ordinary General Meeting of Shareholders. Furthermore, the appointment of the Executive Director of SIA REIT is also based on the condition that the proposal on the election of the Executive Director is approved at the Next General Meeting of Unitholders of SIA REIT as originally proposed.

(Note 2) This is based on the condition that the proposal on the amendments to the Articles of Incorporation is approved at the Next General Meeting of Unitholders as originally proposed.

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Asset Management Company: Simplex REIT Partners Inc.
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 Financial Instruments Business Operator; Member, The Investment Trusts Association, Japan

Contact	Simplex REIT Partners Inc. (Asset Management Company) Finance & Administration Division
Telephone	+81-3-3242-7155
Operating Hours	9:00 a.m. - 5:30 p.m. (Closed Saturdays, Sundays, holidays, and company holidays)
Website	http://www.sia-reit.com/en/