

February 14, 2014

To All Concerned Parties

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### **Notice concerning Tenant Relocation (Follow-up)**

TOKYO, February 14, 2013 – SIA REIT, Inc. (hereafter referred to as “SIA REIT”) announced today that it has agreed (hereafter referred to as “the Agreement”) to terminate the lease agreement (hereafter “Former Lease Agreement”) between a tenant (hereafter referred to as “the Tenant”) of the Minami-Shinagawa JN Building and Minami-Shinagawa N Building from which it received a notice of termination (hereafter referred to as the “Received Lease Termination Notice”) dated December 26, 2013, and concluded a new lease agreement (hereafter referred to as the “New Lease Agreement”; the Agreement and New Lease Agreement will be collectively referred to as “the Relocation”) with the Tenant for the Minami-Shinagawa JN Building as follows.

#### **1. Overview of the Agreement**

(1)	Name of tenant	TOSHIBA Lighting & Technology Corporation
(2)	Name of properties	Minami-Shinagawa JN Building / Minami-Shinagawa N Building
(3)	Total leased area in the Former Lease Agreement	3,757.12 m <sup>2</sup> (Minami-Shinagawa JN Building: 3,111.28 m <sup>2</sup> ; Minami-Shinagawa N Building: 645.84 m <sup>2</sup> )
(4)	Total leased area subject to termination and scheduled date of termination as noted on the Received Lease Termination Notice	3,214.02 m <sup>2</sup> (Minami-Shinagawa JN Building: 2,568.18 m <sup>2</sup> ; Minami-Shinagawa N Building: 645.84 m <sup>2</sup> ) Scheduled termination date: June 26, 2014
(5)	Agreement date	February 14, 2014
(6)	Main matters agreed to	<ul style="list-style-type: none"> <li>• Irrespective of the Received Lease Termination Notice, as of March 3, 2014 the entire Former Lease Agreement for the Minami-Shinagawa JN Building and Minami-Shinagawa N Building will be terminated (total leased area subject to termination: 3,757.12 m<sup>2</sup>) (Note).</li> <li>• The New Lease Agreement subject to the entire 6th and 7th floors of the Minami-Shinagawa JN Building (total of 1,519.40 m<sup>2</sup>) will be concluded with the lease start date, effective March 4, 2014 (see “2. Overview of New Lease Agreement” below).</li> <li>• The Tenant will pay a lease termination fee in accordance with the provisions of the Former Lease Agreement with regards to the leased area applicable to the termination in the Received Lease Termination Notice. In addition, for the leased area subject to termination, excluding the leased area in the New Lease Agreement, the Tenant will pay an equivalent amount of restoration work instead of restoring the area to its original condition in accordance with the Former Lease Agreement.</li> </ul>

Note: The total leased area subject to termination (3,757.12 m<sup>2</sup>) is larger than the leased area subject to termination in the Received Lease Termination Notice (3,214.02 m<sup>2</sup>) by 543.10 m<sup>2</sup>. This increase is attributed to the termination of the entire Former Lease Agreement, including the leased area not subject to termination in the Received Lease Termination Notice, in order to conclude the New Lease Agreement as described in “2. Overview of New Lease Agreement.”

## 2. Overview of New Lease Agreement

(1)	Name of tenant	TOSHIBA Lighting & Technology Corporation
(2)	Name of properties	Minami-Shinagawa JN Building
(3)	Total leased area in the lease agreement	1,519.40 m <sup>2</sup> (Note)
(4)	Date New Lease Agreement concluded	February 14, 2014
(5)	Start date of lease	March 4, 2014

Note: The area not subject to termination in the Received Lease Termination Notice (area in the Former Lease Agreement that the Tenant intended to continue to lease) was parts of the 6F and 7F of the Minami-Shinagawa JN Building totaling 543.10 m<sup>2</sup>. Under the New Lease Agreement the entire 6F and 7F of the same building will be leased totaling 1,519.40 m<sup>2</sup>, which resulted in a net decrease in the leased area subject to termination in the Received Lease Termination Notice.

## 3. Background for the Relocation

After receiving the lease termination notice, the Tenant requested to vacate the area early and make changes to the area subject to termination (area that it would continue leasing). After discussing both with the Tenant, an agreement was reached on the vacating timing of the space and the new area subject to termination (area that it will continue leasing). As a result, the Former Lease Agreement will be terminated effective March 3, 2014 and the New Lease Agreement for the area that the Tenant will continue using was concluded and will begin on March 4, 2014.

## 4. Earnings Outlook

As the scheduled termination date of the Agreement is March 3, 2014 and the lease start date of the New Lease Agreement is March 4, 2014, there will be no impact on the earnings results for the fiscal period ending February 2014 (first fiscal period). In addition, in accordance with the Agreement, the scheduled termination date released in the “Notice concerning Tenant Relocation” dated December 26, 2014 will be moved up, but the Tenant will pay a termination fee that includes an amount equivalent to the lease payments until June 26, 2014 and an equivalent amount for work to restore the area to its original condition. As a result, the impact on the fiscal period ending August 2014 will be minimal and no revisions will be made to the earnings forecast for the fiscal period ending August 2014 (second fiscal period) released in the “Notice concerning Revisions to Financial Results for the Fiscal Periods Ending February 2014 and August 2014” dated October 9, 2013.

This Agreement will push forward the date the Tenant vacates the leased area, which will make it possible to begin specific sourcing activities for new tenants, including site showings, by about one month compared to the initial plan.

SIA REIT will continue to focus on sourcing new tenants for its portfolio properties.

Furthermore, the occupancy rate outlook for the Minami-Shinagawa JN Building and Minami-Shinagawa N Building after the Relocation is as follows.

	December 31, 2013 (Results)	January 31, 2014 (Forecast)	February 28, 2014 (Forecast)	March 31, 2014 (Forecast after the Relocation)
Minami-Shinagawa JN Building	93.8%	93.8%	93.8%	68.9%
Minami-Shinagawa N Building	88.8%	88.8%	88.8%	77.0%

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SIA REIT corporate website:

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