



PRESS RELEASE

For Immediate Release

SAIZEN REIT RETURNS TO STABILITY, REPORTS RISE IN DISTRIBUTABLE INCOME FOR FY2011

- **DPU for the six months ended 30 June 2011 of 0.50 Singapore cents**
- **Successful resolution of loan default situation and strengthened financial position**
- **Upgrade of Moody's corporate family rating to B1**

Singapore, 23 August 2011 – Japan Residential Assets Manager Limited (the “Manager”), manager of Saizen Real Estate Investment Trust (“Saizen REIT”), Singapore’s first REIT with purely Japanese regional residential properties, has reported a jump in distributable income to JPY 402.0 million (S\$6.1 million) as at 30 June 2011, an increase from JPY 176.1 million (S\$2.7 million) as at 30 June 2010. This increase was mainly due to a lower amount of cash used for loan repayments during the financial year ended 30 June 2011 (“FY2011”) as compared to the previous year.

A distribution of 0.50 Singapore cents per unit for the six months ended 30 June 2011 has been declared.

Saizen REIT’s financial position has been strengthened with the successful resolution of the maturity default of the loan of YK Shintoku, which was fully repaid in May 2011. Saizen REIT has since been able to resume a normalised state of operations without the burden of default interest charges and pressure to sell its properties.

Saizen REIT’s property operations remained stable overall in FY2011 with average occupancies above 90% and marginal downward rental reversions for new contracts. The sale of 31 properties, conducted throughout FY2011 to repay the defaulted loan, contributed to the decrease in year-on-year gross revenue of 6.4%. On the other hand, Saizen REIT’s gearing has dropped to 24.5% as at 30 June 2011 from 36.9% a year ago following loan repayments made in FY2011.

Said Mr Chang Sean Pey, Co-Chief Executive Officer of the Manager, “In the past year, Saizen REIT’s performance has been underpinned by its stable and resilient operations, even when faced with the unfortunate and difficult circumstances caused by the March 2011 earthquake.”

Moody's recently announced a corporate family rating upgrade of Saizen REIT from Caa1 to B1, reflecting its improved liquidity and credit profile. Its stable outlook reflects Saizen REIT's improved liquidity and the absence of material refinancing needs in the next two years.

Mr Linus Koh, Co-Chief Executive Officer of the Manager, added, "With the loan default situation behind us, we can now look to the future and focus on strengthening and growing our asset portfolio to deliver sustainable returns to unitholders. With our on-going efforts to seek new financing and the improvement in Saizen REIT's corporate family rating, we are hopeful of securing additional financing for property acquisition opportunities this financial year. Barring unforeseen circumstances, Saizen REIT's property operations are expected to remain stable and generate steady cash flow to enable Saizen REIT to continue to pay out semi-annual distributions."

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About Saizen REIT

Saizen REIT was listed on the Main Board of the Singapore Exchange on 9 November 2007. It is a Singapore-based real estate investment trust established with the principle objective of investing in a diversified portfolio of income-producing real estate located in Japan, which is used primarily for residential and residential-related purposes, and real estate-related assets in connection with the foregoing. Through investing in assets with attractive cash flow growth and capital gains prospects, Saizen REIT aims to deliver regular and stable distributions to Unitholders and achieve long-term growth in distributions and NAV per Unit.