



## Saizen Real Estate Investment Trust

(A real estate investment trust constituted on 27 September 2007 under the laws of the Republic of Singapore (as amended))

### For Immediate Release

## **New beginnings for Saizen REIT - begins cash accumulation for distribution payout**

- *Property operations in the third quarter ended 31 March 2010 (“3Q FY2010”), which has been the busy leasing season, remained stable with overall occupancy rate remaining healthy at 93.4% at the end of March 2010*
- *Financial position continued to strengthen with repayment of loans and establishment of new banking relationships*
- *Repaid all but one commercial mortgage-backed securities (“CMBS”) loan*

**(Singapore, 12 May 2010)** – Japan Residential Assets Manager Limited (the “**Manager**”), as manager of Saizen Real Estate Investment Trust (“**Saizen REIT**”), has announced the unaudited financial results of Saizen REIT for 3Q FY2010.

“The Management Team has always strongly believed that the mission of a REIT is to payout its distributable income to its Unitholders. The collapse of the Japanese CMBS market in 2008 was truly an exceptional event, and the Management Team had to make the tough decision to suspend distribution payout in order to preserve the value of Saizen REIT.

We are delighted to have turned the corner and have begun cash accumulation in May 2010 for distribution for the financial year ending 30 June 2010 (“FY2010”). Unitholders can expect to receive it in September 2010.

With the stable operational cash flow and cash conserved, we have repaid all but one CMBS loan. The CMBS loan of YK Shintoku, which is currently in maturity default, is a non-recourse debt which will not affect Saizen REIT’s other property portfolios. In addition, about 33% of our property portfolio is unencumbered.

It’s a new beginning for Saizen REIT as the fundamental investment merits of Japanese residential properties remain while its previous problems have largely been overcome.”

**Mr Chang Sean Pey, Chief Executive Officer**

### Summary of Saizen REIT's Operating Performance

	3Q FY2010 <sup>1</sup>	2Q FY2010 <sup>2</sup>	3Q FY2009 <sup>3</sup>
<b>Gross revenue</b> (JPY'000) (S\$'000)	1,025,064 15,843 <sup>4</sup>	1,026,319 15,937 <sup>5</sup>	1,079,686 <sup>6</sup> 17,442 <sup>7</sup>
<b>Net property income</b> (JPY'000) (S\$'000)	654,942 10,123 <sup>4</sup>	715,384 11,108 <sup>5</sup>	715,545 <sup>6</sup> 11,560 <sup>7</sup>
<b>Net income from operations</b> (JPY'000) (S\$'000)	332,910 5,145 <sup>4</sup>	364,000 5,652 <sup>5</sup>	345,935 <sup>6</sup> 5,589 <sup>7</sup>

**Notes:**

1. There were 161 properties at the start and end of 3Q FY2010.
2. There were 162 properties at the start of the second quarter ended 31 December 2009 ("2Q FY2010") and 161 properties at the end of 2Q FY2010.
3. There were 166 properties at the start and end of the third quarter ended 31 March 2009 ("3Q FY2009").
4. Based on S\$/JPY average exchange rate of 64.7 between 1 January 2010 and 31 March 2010.
5. Based on S\$/JPY average exchange rate of 64.4 between 1 October 2009 and 31 December 2009.
6. The gross revenue, net property income and net income from operations include a one-off refund of loan-related costs for GK Choan of JPY 20.0 million following the refinancing of its loan in August 2008 as well as a refund of consumption tax of JPY 3.2 million.
7. Based on S\$/JPY average exchange rate of 61.9 between 1 January 2009 and 31 March 2009.

**Property operations remained stable** in the 3Q FY2010, which has been the busy leasing season. At the end of March 2010, a healthy overall occupancy rate of 93.4% had been achieved.

**All but one CMBS loan have been repaid.** Saizen REIT has repaid all of its CMBS loans, with the exception of the loan of YK Shintoku has been in maturity default since November 2009. In respect of the loan of YK Shintoku, the loan servicer is still in the process of formulating a course of action and there is currently no indication of foreclosure actions.

**Distributions to resume.** Saizen REIT has commenced accumulating cash in May 2010 for the resumption of distribution for FY2010. Payment of FY2010 distributions to unitholders is expected to take place in September 2010.

**Financial position strengthened with the establishment of new banking relationship.** YK Shinzan obtained a JPY 2.0 billion loan in 3Q FY2010 which is secured over its property portfolio of JPY 4.8 billion.

**- The End -**



## **Saizen Real Estate Investment Trust**

(A real estate investment trust constituted on 27 September 2007 under the laws of the Republic of Singapore (as amended))

### **About Saizen REIT**

Saizen REIT was listed on the Main Board of the Singapore Exchange on 9 November 2007. It is the only Singapore-listed real estate investment trust with purely Japanese regional residential properties. Saizen REIT was 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.

### **About The Sponsor**

Japan Regional Assets Manager Limited is an investment management company specialising in the investment management of real estate assets in regional cities across Japan. It is one of the largest operators in the Japanese regional residential property market. Over the last three years, the property portfolio managed by its key personnel has grown from 25 as at 30 June 2004 to more than 200 today.

### **About The Manager**

Japan Residential Assets Manager Limited is a wholly-owned subsidiary of the Sponsor, responsible for Saizen REIT's investment and financing strategies, asset acquisition and divestment policies, and the overall management of Saizen REIT's real estate and real estate-related assets. The Management Team possesses extensive experience and expertise in managing investments in the Japanese regional residential property markets.

### **Investor Relations Contact**

Kamal Samuel / El Lee

#### **Financial PR Pte Ltd**

Tel: (65) 6438 2990

Fax: (65) 6438 0064

E-mail: [kamal@financialpr.com.sg](mailto:kamal@financialpr.com.sg)  
[el@financialpr.com.sg](mailto:el@financialpr.com.sg)