

Saizen Real Estate Investment Trust

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

For Immediate Release

SAIZEN REIT REPORTS MATURITY DEFAULT OF LOAN

- **Does not affect ability to operate as a going concern**
- **Immediate foreclosure not expected – refinancing still possible**
- **Main impact is default interest rate of 7.07% per annum**

Singapore, 3 November 2009 – Japan Residential Assets Manager Limited (the “**Manager**”), as manager of Saizen Real Estate Investment Trust (“**Saizen REIT**”), has announced the maturity default of a JPY 7.253 billion (S\$113.0 million⁽¹⁾) commercial mortgage-backed securities loan (the “**YK Shintoku Loan**”) on 2 November 2009.

Despite efforts since early 2008, no commercially viable solution was available before the maturity of the YK Shintoku Loan. This loan is non-recourse and its default is not expected to affect other portfolios or loans of Saizen REIT. The maturity default is also not expected to affect Saizen REIT’s ability to operate as a going concern, nor impair its ability to obtain further financing from financial institutions.

The main impact of this maturity default is an increase in the interest rate from 3.07% to a default rate of 7.07% per annum. Immediate foreclosure by the lender of the YK Shintoku Loan is not expected, and refinancing of the YK Shintoku Loan is still possible with the consent of the lender. In the event of a foreclosure of YK Shintoku, the pro forma impact on Saizen REIT’s net asset value (based on its audited financial statements as at 30 June 2009) will be a reduction of about 10%.

Mr. Chang Sean Pey, Chief Executive Officer of the Manager, said: “The default of this loan is not indicative of the overall financial health of Saizen REIT. Our property operations have remained stable despite the economic downturn and all of them continue to generate a strong cash flow and operate at more than 90% occupancy. Meanwhile, we will work closely with our asset manager and the lender of the YK Shintoku Loan to devise a viable solution and efforts to refinance the YK Shintoku Loan will continue.”

The Manager believes that given time, continued progress can be made in forming new banking relationships, as evidenced by the new loan obtained by YK JOF on reasonable terms in September 2009.

The Manager expects to fully repay the other loans maturing over the period from November 2009 to January 2010.

In relation to the initial public offering of Saizen REIT, the financial adviser and issue manager is Morgan Stanley Asia (Singapore) Pte.. The joint bookrunners and underwriters are Morgan Stanley Asia (Singapore) Pte., Morgan Stanley & Co. International plc and Credit Suisse (Singapore) Limited.

¹ Based on the exchange rate of S\$1.00 to JPY 64.2 as at 2 November 2009.

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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 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.

Morgan Stanley is the Financial Adviser to the Offering and, together with Credit Suisse, is Joint Bookrunner and Underwriter. Nomura Singapore Limited is the Sub-underwriter and UOB Asia Limited is the Co-ordinator of the Public Offer in Singapore.

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.