



SaizenREIT 最善

**3Q FY2010 Results
Briefing**

www.saizenreit.com.sg

Disclaimer

- The value of units (the “**Units**”) of Saizen Real Estate Investment Trust (“**Saizen REIT**”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, Japan Residential Assets Manager Limited as manager of Saizen REIT (the “**Manager**”), or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Saizen REIT is not necessarily indicative of the future performance of Saizen REIT.
- This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Prospective investors and unitholders of Saizen REIT (the “**Unitholders**”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.
- Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing the Units on the SGX-ST does not guarantee a liquid market for the Units.

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Company Overview

- Listed on SGX Mainboard in Nov 2007
- Only Singapore-listed REIT to offer access exclusively to Japanese residential properties
- Properties targeted at mass market tenants in regional cities
- Size of portfolio: JPY42.1 billion
- Total net lettable area: 219,009 sqm



As at 31 Mar 2010

Share Information

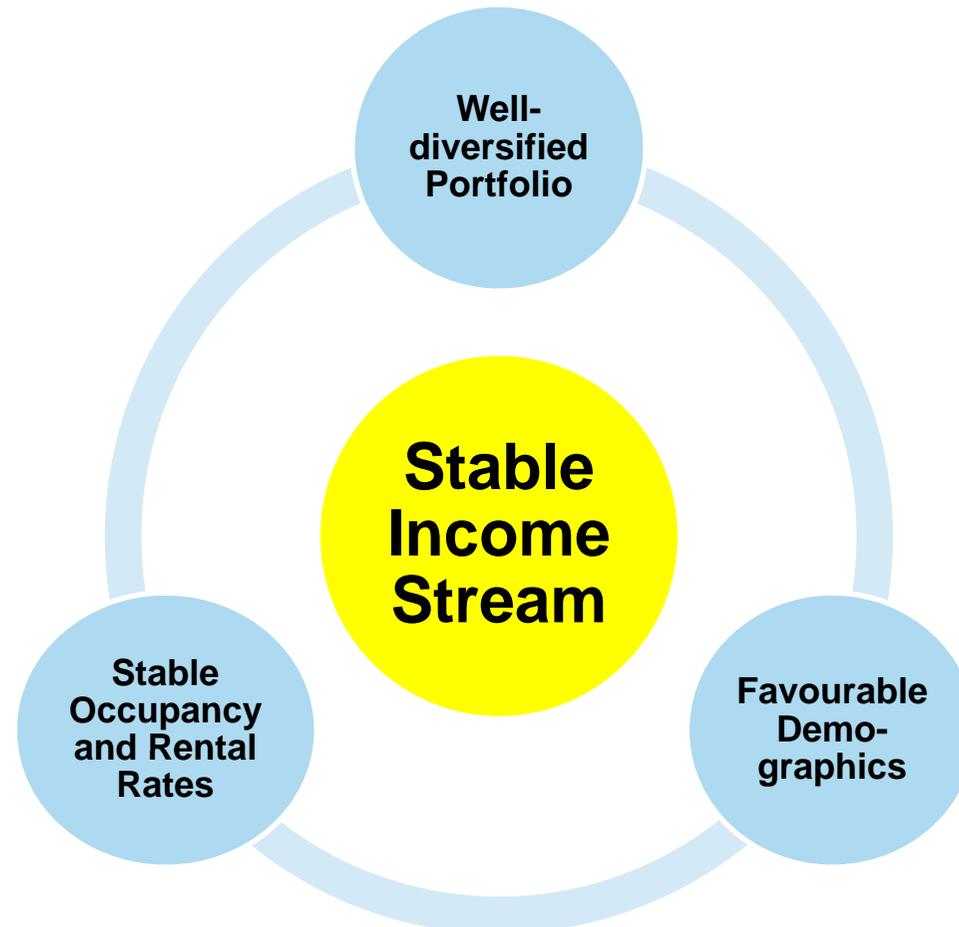
Share Price (as of closing 11 May 2010)	S\$0.165
Market Capitalization	S\$157.24 million
52 week high / low	S\$0.18 / S\$0.115
NAV per Unit ¹	S\$0.39
Number of Units	952.999 million
Number of Warrants	493.358 million
Major Shareholders:	Argyle Street Management (11.45%) Credit Suisse Group (5.21%)

Source: Bloomberg (11 May 2010)

¹ Computed based on an exchange rate of JPY 66.3 : S\$1.00 as at 31 March 2010.

Investment Strategies

- Saizen REIT invests in properties which
 - have close proximity to business districts and transportation hubs
 - cater to market segments of singles and childless couples



Well-diversified Portfolio

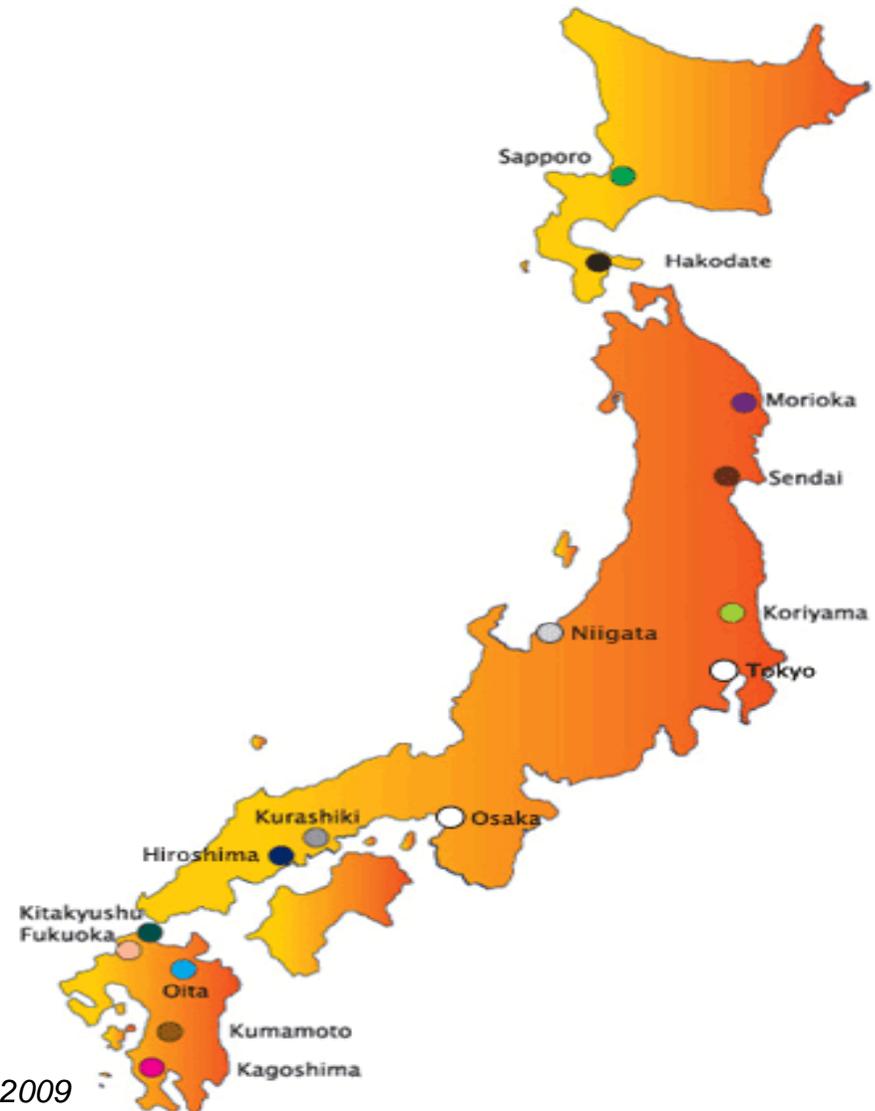
- **161 freehold** properties in Japan
- **5,896** residential units
- **113** commercial units
- **1,875** car parks



As at 31 Mar 2010

Well-diversified Portfolio

Location	Portfolio Value Breakdown (%)
Sapporo	24.6
Hiroshima	19.4
Kumamoto	15.8
Kitakyushu	11.4
Sendai	10.6
Fukuoka	5.9
Kagoshima	3.2
Koriyama	2.7
Niigata	2.3
Hakodate	1.6
Morioka	1.5
Oita	0.6
Kurashiki	0.3

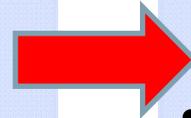


Current portfolio - Based on property valuations at 30 Jun 2009

Favourable Demographics

Cause

- High cost of housing in Japan
- Rising number of singles and families without children
- Trend of rural-urban migration due to better job prospects, education and medical care
- Difficult home loan procedure for rural-urban migrants

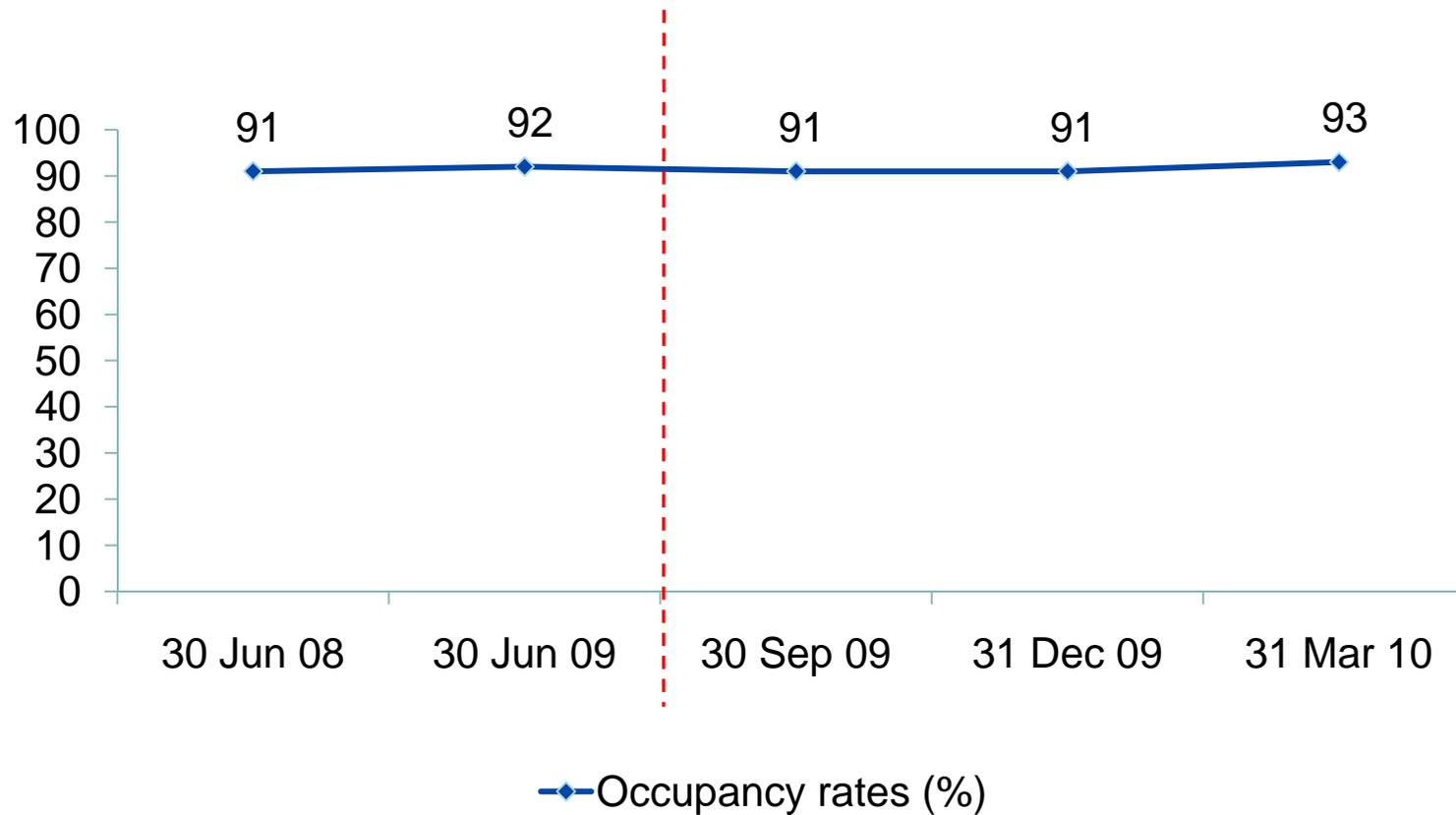


Effect

- Strong demand for rental housing in regional cities
- Increasing needs for affordable small family units
- Low home ownership (60% in Japan vs. 89% in Singapore)

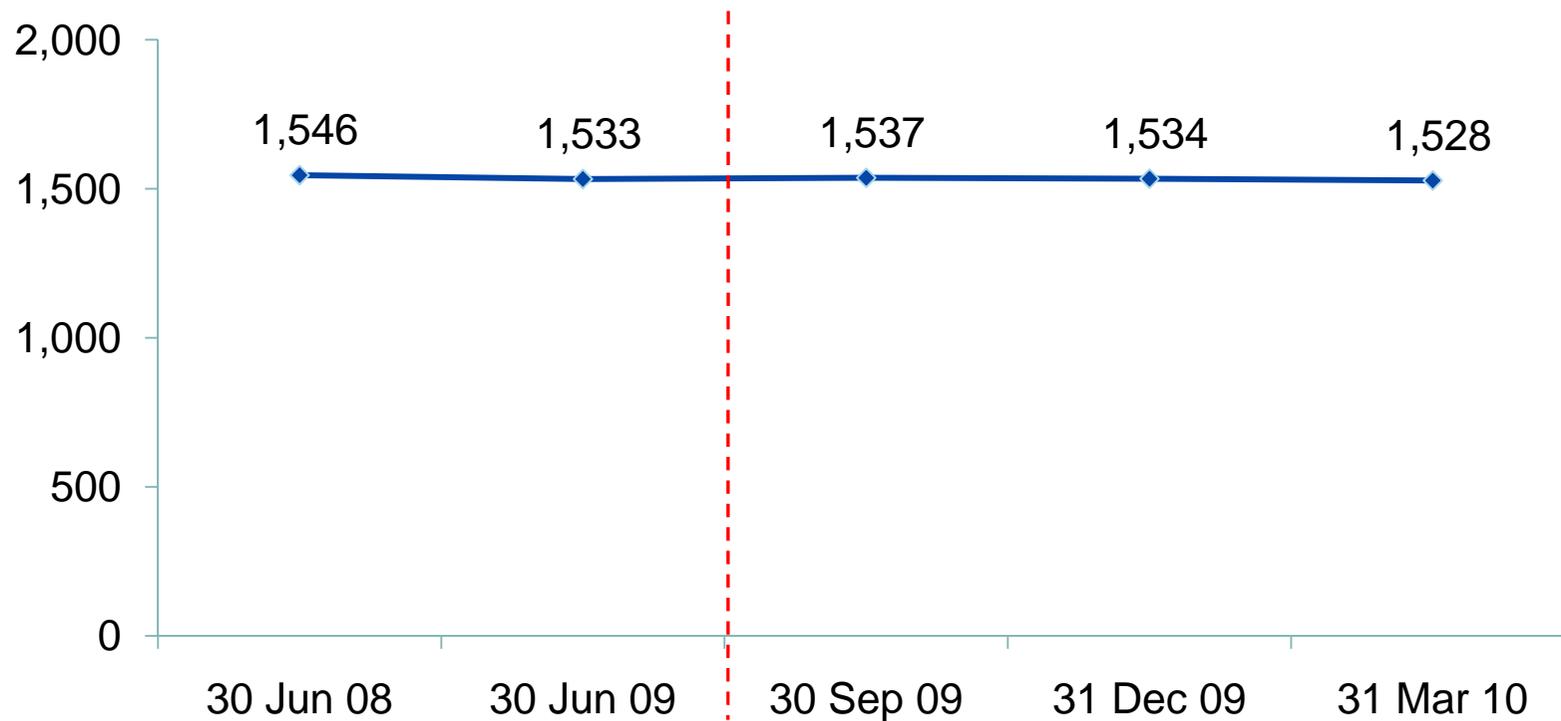
Stable Occupancy Rates

- Occupancy rates stay above 90% through economic crisis



Stable Rental Rates

- Average rental rates maintained above JPY 1,500 / sqm (approx. S\$23 / sqm) since Jun 08



◆ Average rental rates of residential units (JPY / sqm)

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Debt Maturity Profile

Company	Source of Debt	Maturity Date	Prevailing Interest Rate (%)	Loan Amount (JPY'mln)	Property Value (JPY'mln)	Loan-to-value (%)
YK Kokkei	-	-	-	-	1,427.0	-
YK Shingen	-	-	-	-	9,758.1	-
YK Keizan	-	-	-	-	2,758.4	-
Unencumbered Properties Subtotal					13,943.5	-
GK Chosei	Financial Institution Loan	May 2011	3.30625	448.6	552.1	81.3
GK Choan	Bank Loan	Jul 2011	2.66	5,900.0	10,767.3	54.8
YK Shinzan	Bank Loan	Mar 2015	3.75625	2,000.0	4,798.1	41.7
YK JOF	Bank Loan	Sep 2019	3.50	950.0	2,269.7	41.9
GK Chogen	Bank Loan	Mar 2023	3.075	312.5	656.0	47.6
YK Shintoku	CMBS Loan	Maturity default	7.07	7,111.0	9,078.7	78.3
Grand Total				16,722.1	42,065.4	

Non-recourse Debt

Scenario 1: Refinancing

- Recent successful bank loan refinancing

Date of Refinancing	Company	Cost of Refinancing (%)	Loan Amount (JPY'mln)
Sep 2009	Mizuho Bank	3.50	1,000
Mar 2010	Tokyo Star Bank	3.75625	2,000
Total			3,000

Scenario 2: Asset Sale

- Divested 5 properties from YK Shintoku portfolio

Date	Area (sqm)	Sold Amount (JPY'mln)	Premium/(discount) of sale price over valuation
Aug 2009	2,002	274.680	7%
Sep 2009	1,027	93.415	(5%)
Sep 2009	1,486	108.130	(9%)
Sep 2009	661	123.749	(9%)
Oct 2009	799	66.963	(8%)
Total	5,975	666.937	

Scenario 3: Foreclosure

- Pro forma financial effects of foreclosure

		Group (including YK Shintoku portfolio)	Pro Forma Group (excluding YK Shintoku portfolio)	Change (%)
YTD March 2010	Gross Revenue (JPY'mln)	3,103	2,392	(22.9)
	Net Property Income (JPY'mln)	2,106	1,643	(22.0)
As at 31 March 2010	NAV Per Unit (S\$)	0.395	0.356	(9.9)
	Gearing ¹ (%)	36.9	27.4	N.M.

¹ Gearing = Total borrowings / Total assets.

Scenario 4: Maintain Status Quo

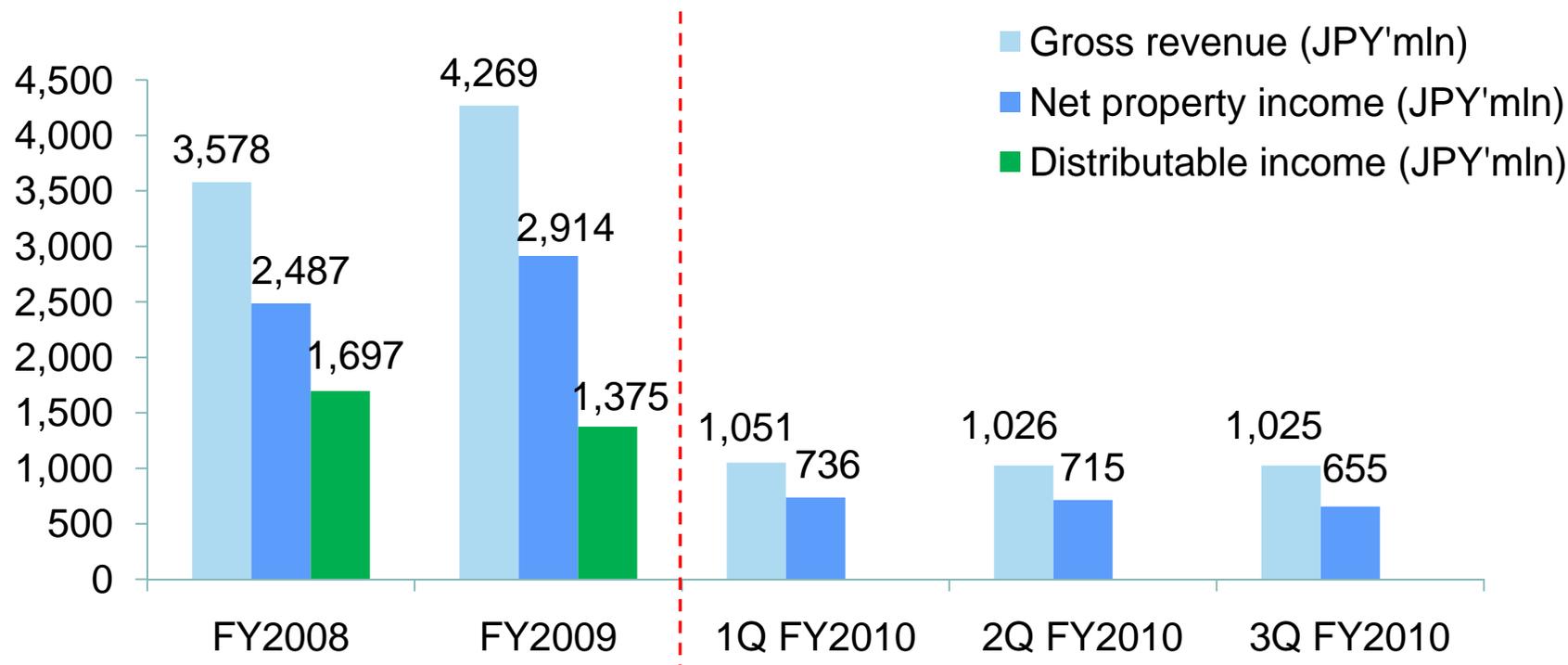
- Loan servicer still formulating course of action
- No indication of foreclosure actions
- Continue to pay default interest rate of 7.07%

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Financial Performance

Stable Income From Property Operations



- Stopped distribution to conserve cash since 1H FY2009
- Expect to resume distributions for FY2010

Financial Performance

Lower Leverage

	31 Mar 2010	30 Jun 2009
Number of Units in Issue ('000)	952,932	949,194
Outstanding Warrants ('000)	493,575	497,163
NAV Per Unit (JPY)	26.16	26.05
NAV Per Unit (S\$)¹	0.39	0.39
- Adjusted for warrants (S\$)^{1 2}	0.32	0.31
Gearing³	36.9%	43.5%
- Adjusted for warrants²	30.5%	37.6%
Price/Book (times)¹	0.4 ⁴	0.3 ⁵
- Adjusted for warrants (times)^{1 2}	0.5 ⁴	0.4 ⁵

1. Computed based on an exchange rate of JPY 66.3 : S\$1.00 as at 31 March 2010.

2. Computed based on a total of 1,446,357,417 Units after conversion of all warrants outstanding, and assuming all warrant proceeds are used to repay borrowings.

3. Gearing = Total borrowings / Total assets.

4. Computed based on closing price of S\$0.165 per Unit on 31 March 2010.

5. Computed based on closing price of S\$0.130 per Unit on 30 June 2009.



Q & A

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