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**UPDATE ON IMPACT OF EARTHQUAKE IN JAPAN**

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Further to Saizen Real Estate Investment Trust's ("**Saizen REIT**") announcement on 11 March 2011, the Board of Directors of Japan Residential Assets Manager Limited, the manager of Saizen REIT (the "**Manager**"), would like to provide an update on the situation in Japan in respect of Saizen REIT's properties.

KK Tenyu Asset Management, the asset manager of Saizen REIT, has been able to contact all the local property managers in Sendai, Koriyama and Morioka. The Manager has been advised that their employees are safe and accounted for. However, the property managers have not yet been able to reach and assess the conditions of all Saizen REIT's properties in these cities as they are restricted by safety concerns, and hampered by difficulties in transportation due to damaged roads, as well as disruptions to electricity and telecommunications.

Based on preliminary information, it appears that most of the casualties and property damage have been caused by the tsunami resulting from the earthquake. The property managers have managed to view 6 properties so far, as set out below. Preliminary reports have confirmed that these 6 properties have sustained only minor damage and do not appear in any imminent danger of collapse. However, the full extent of damage can only be ascertained after more detailed assessments.

**Sendai**

The property managers have managed to view 3 out of 22 properties in Sendai. The total valuation (as at 30 June 2010) of Saizen REIT's properties in Sendai is JPY 4.26 billion (S\$66.0 million<sup>1</sup>) or approximately 11.2% of Saizen REIT's total portfolio value. Their annual rental income<sup>2</sup> is approximately JPY 412.6 million (S\$6.4 million), or 10.6% of Saizen REIT's total rental income.

It should be noted that 11 out of these 22 properties (with annual rental income of approximately JPY 152.8 million (S\$2.4 million)) belong to the YK Shintoku portfolio. Revenues from YK Shintoku's properties currently do not contribute to distributions.

**Koriyama**

The property managers have managed to view all 3 properties in Koriyama. The total valuation (as at 30 June 2010) amounts to JPY 1.09 billion (S\$16.9 million) or approximately 2.9% of Saizen REIT's total portfolio value. Their annual rental income is approximately JPY 101.7 million (S\$1.6 million), or 2.6% of Saizen REIT's total rental income.

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<sup>1</sup> Based on an exchange rate of S\$1.00 to JPY 64.5 as at 14 March 2011, which is applied throughout this announcement.

<sup>2</sup> As reported in the annual report of Saizen REIT for the financial year ended 30 June 2010.

## Morioka

The property managers have not managed to view any of the 3 properties in Morioka. Their total valuation (as at 30 June 2010) amounts to JPY 0.53 billion (S\$8.2 million) or approximately 1.4% of Saizen REIT's total portfolio value. Their annual rental income is approximately JPY 64.2 million (S\$1.0 million), or 1.5% of Saizen REIT's total rental income.

It should be noted that 1 out these 3 properties (with annual rental income of approximately JPY 30.6 million (S\$0.5 million)) belongs to the YK Shintoku portfolio.

As at the date hereof, Saizen REIT has 146 properties with aggregate valuation as at 30 June 2010 of JPY 37.93 billion (S\$581.8 million). Their annual rental income is approximately JPY 3.63 billion (S\$56.3 million). The unaudited net asset value of Saizen REIT as at 31 December 2010 is JPY 25.74 billion (S\$399.1 million).

The Manager will continue to monitor the situation and will provide further updates when appropriate.

By Order of the Board  
Japan Residential Assets Manager Limited  
(Company Registration No. 200712125H)  
As Manager of Saizen Real Estate Investment Trust

Chang Sean Pey (Mr.)  
Co-Chief Executive Officer

14 March 2011

## **Important Notice**

The value of units of Saizen REIT (“**Units**”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, 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.

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 of Saizen REIT (the “**Unitholders**”) may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Saizen is not necessarily indicative of the future performance of Saizen REIT.