



**OPPORTUNITIES**  
FOR GROWTH



**Presentation**  
**February 2012**

[www.saizenreit.com.sg](http://www.saizenreit.com.sg)

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- The value of units (the “**Units**”) in 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.
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## Saizen REIT in brief

- Listed on SGX Mainboard in November 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: JPY 34.0 billion (S\$570 million)<sup>1</sup>
- Saizen REIT has a corporate family rating of B1, with a stable outlook (rated by Moody's)

1. Computed based on an exchange rate of JPY 59.6 : S\$1.00 as at 31 December 2011

## Recent Developments

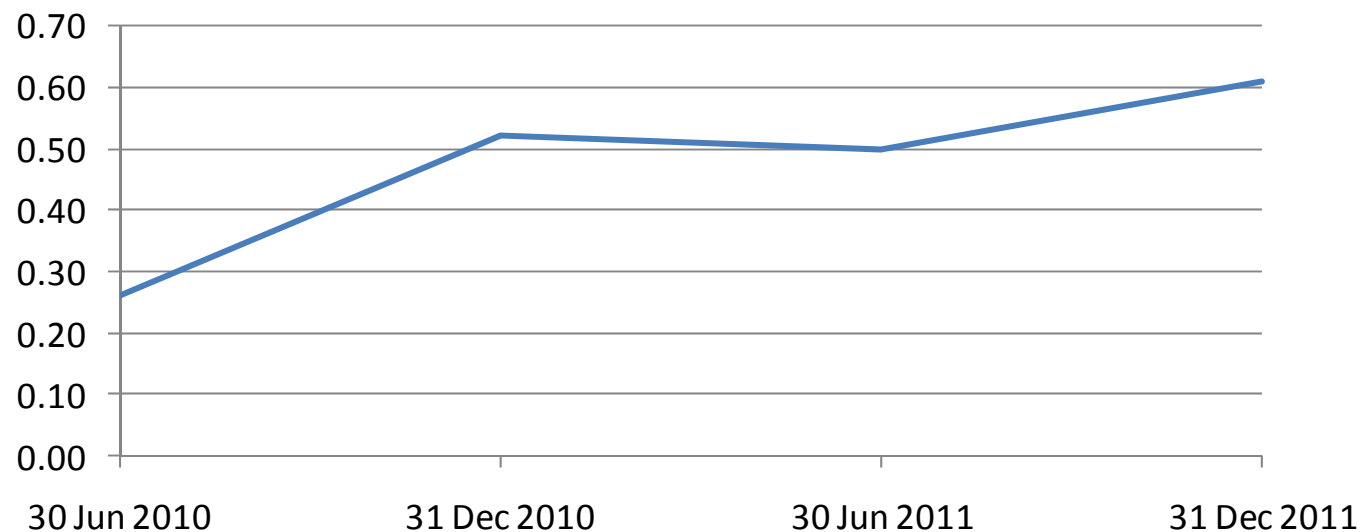
- Distribution of 0.61 cents for the six-month financial period ended 31 December 2011
- 5 loans, amounting to an aggregate of JPY 6.7 billion, secured since July 2011
- Acquisition of Flour Mansion Jyosei in December 2011
- Property operations remain stable

# Distributions

## Present distribution:

Distribution per Unit	0.61 Singapore cents
Distribution Period	1 July 2011 to 31 December 2011
Book Closure Date	20 February 2012
Payment of Distribution	6 March 2012

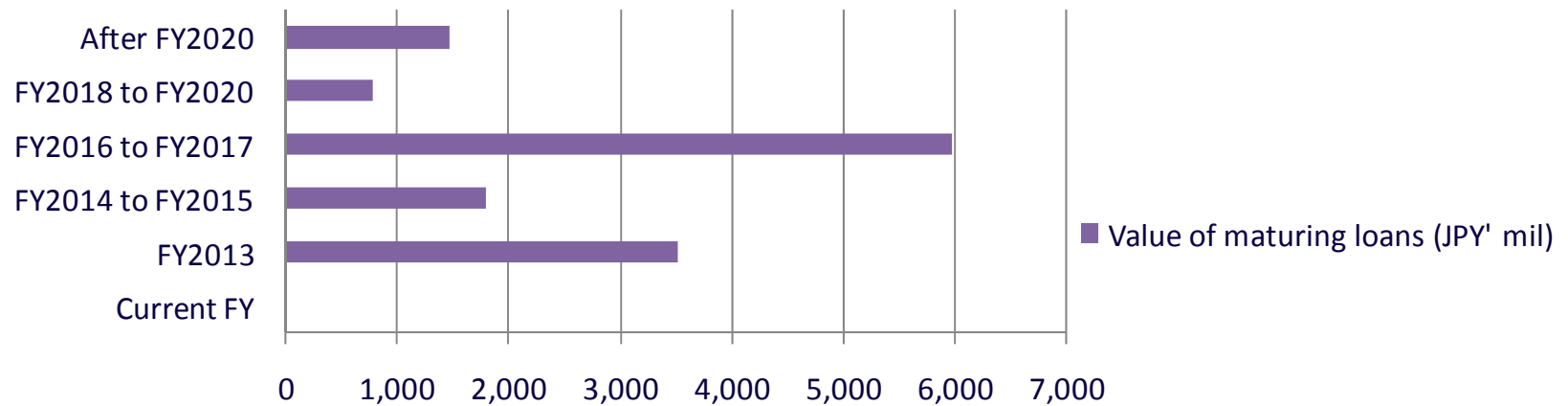
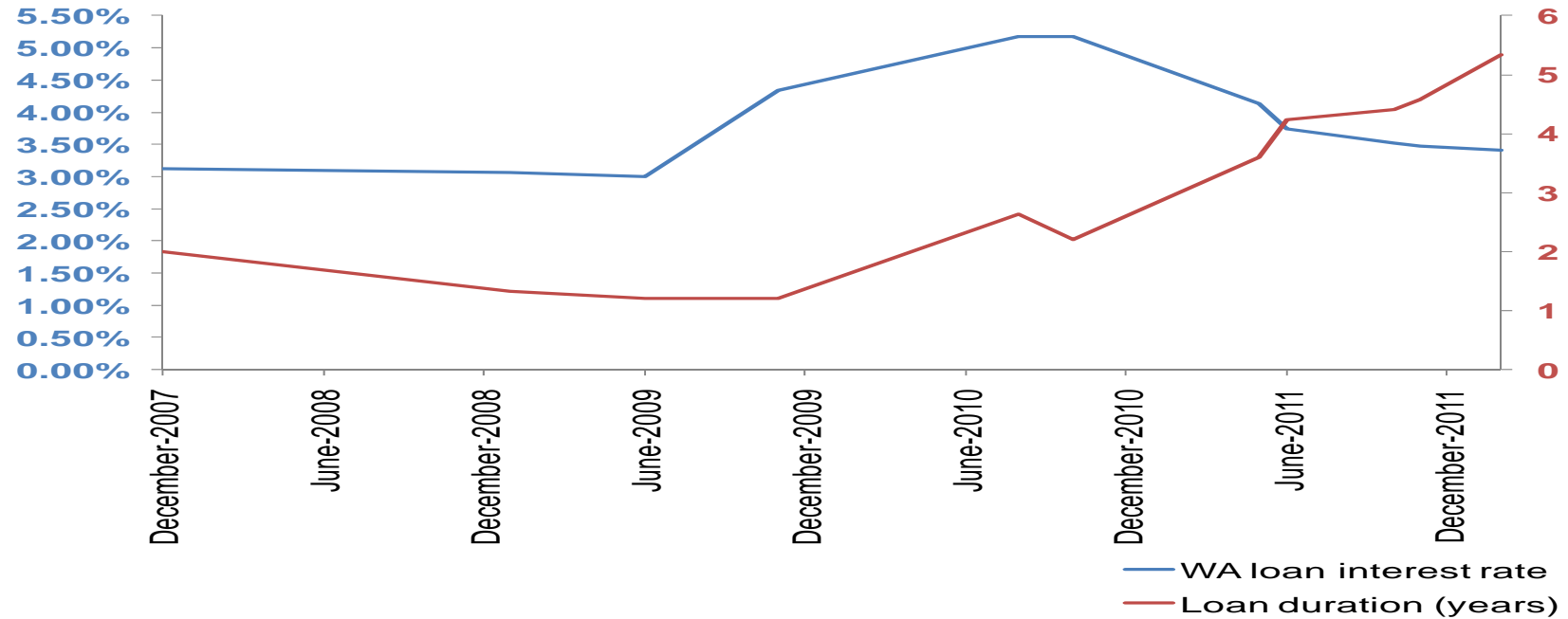
**Distribution per Unit (Singapore cents)**



# Debt Profile

Company	Source of Debt	Maturity Date	Prevailing Interest Rate (%)	Loan Amount (JPY'mln)	Property Value (JPY'mln)	Loan-to-value (%)
GK Choan and YK Kokkei	Societe Generale	Jun 2013	3.8275	3,516.5	11,377.4	30.9
YK Shinzan	Tokyo Star Bank	Mar 2015	3.75625	1,800.0	4,490.3	40.1
YK Shingen and YK Keizan	Tokyo Star Bank	Sep 2016	3.2175	3,970.0	8,470.9	46.9
YK Shintoku And GK Chosei	Tokyo Star Bank	Nov 2016	3.2025	2,000.0	4,598.7	43.5
YK JOF	Mizuho Bank	Sep 2019	2.69	774.8	1,928.6	40.2
GK Chogen	The Higo Bank	Mar 2023	3.075	277.4	638.0	43.5
GK Gyokou	Kumamoto Dai-ichi Shinkin Bank	Feb/Oct 2031	3.50/3.35	978.6	2,044.0	47.9
GK Gyosei	Hiroshimashi Credit Cooperative	Aug/Oct 2041	2.50	213.2	410.5	51.9
<b>Grand Total</b>				<b>13,530.5</b>	<b>33,958.4</b>	

# Debt Profile



# Acquisition Highlights

## *Flour Mansion Jyosei*



Purchase price : JPY 901.7 million

Valuation : JPY 916.0 million

Year Built : 1999

No. of residential units : 98

No. of commercial units : 1

No. of car parking units : 104

Net lettable area : 5,889 sqm

Current occupancy rate by NLA : 100%

Current NOI yield : 8%

Location : Kumamoto



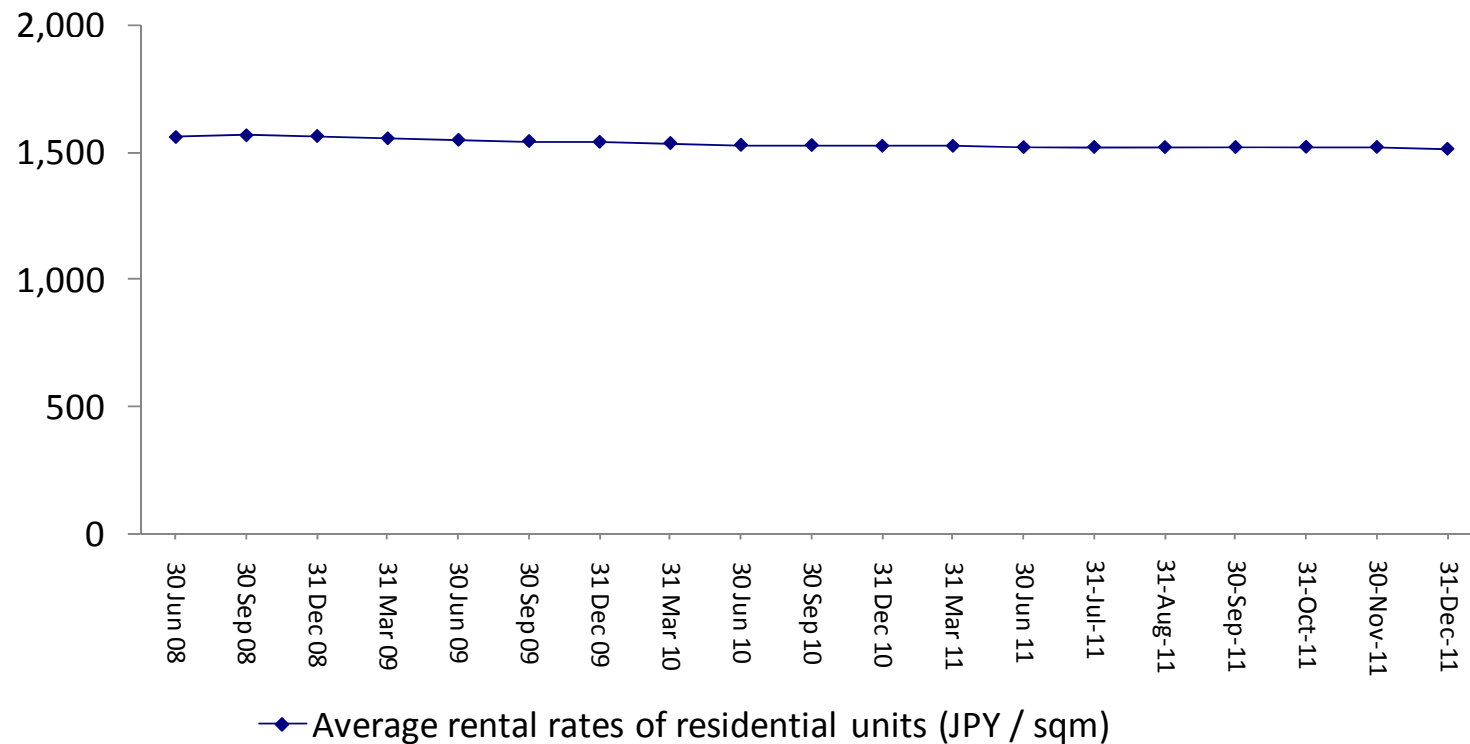
# Well-diversified Portfolio

Location	Portfolio distribution by revenue (%)
Sapporo	25.2
Kumamoto	18.3
Hiroshima	14.9
Sendai	12.9
Kitakyushu	9.9
Fukuoka	5.5
Kagoshima	3.9
Koriyama	3.0
Niigata	2.6
Morioka	1.7
Oita	1.0
Hakodate	0.8
Kurashiki	0.3



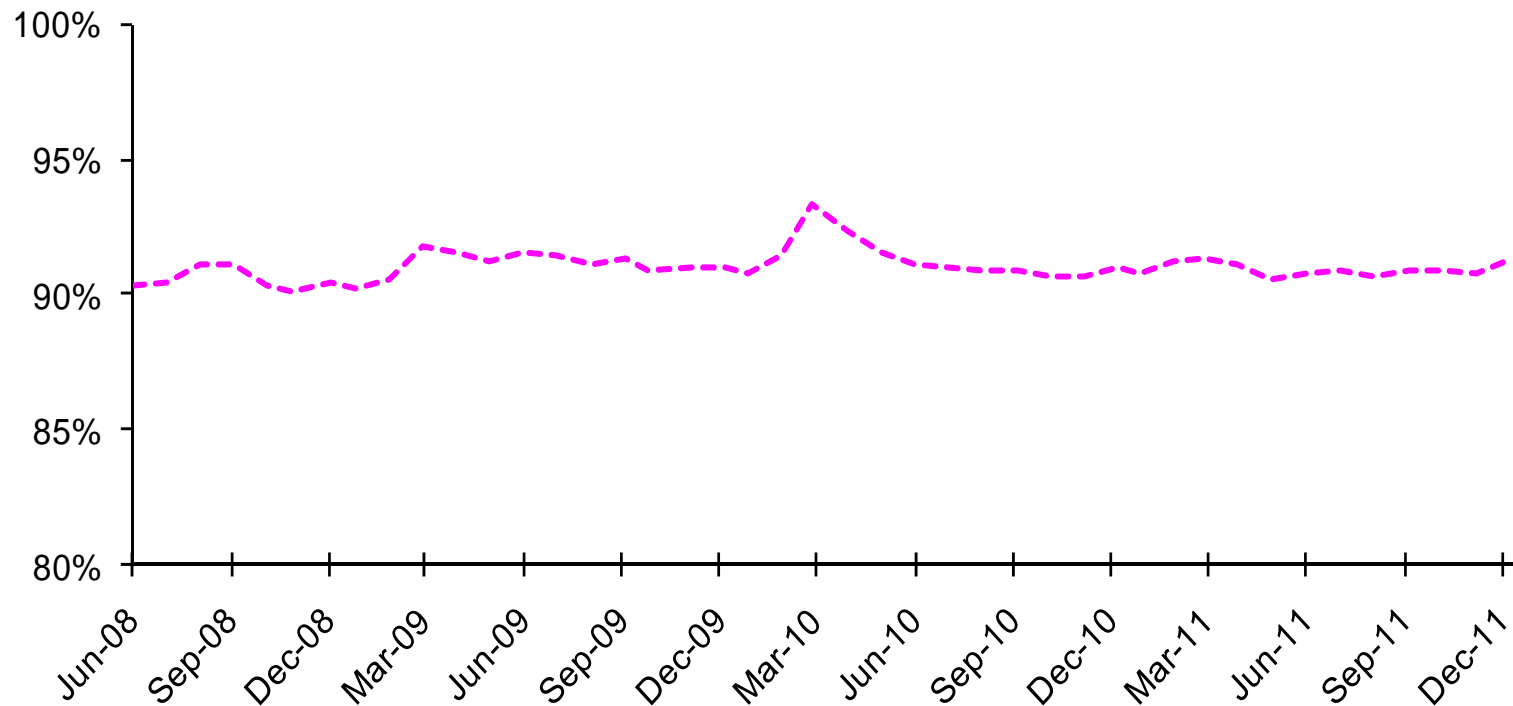
# Stable Rental Rates

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



# Occupancy Rates

- Average occupancy rates remained stable above 90% since Jun 08



# Asset Enhancements

## Taisei Building III (Oita city)

Before



Rent: JPY 55,000

*After*



*Rent: JPY 65,000*

## Towa Kita 7 Jo (Sapporo)



Before



## Chalet Kishinoura (Kitakyushu)

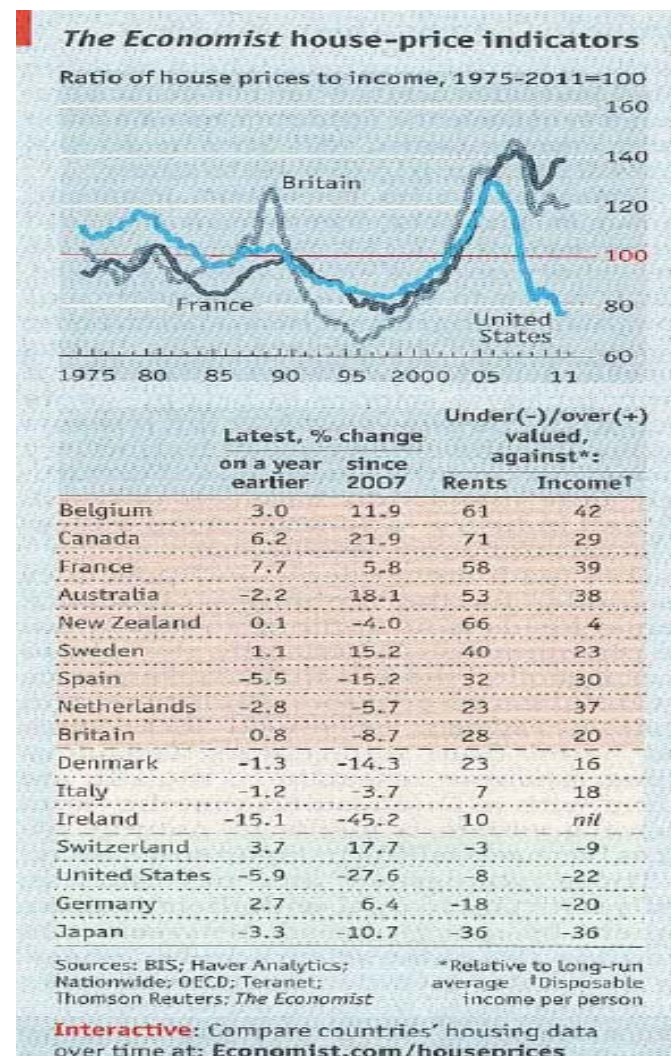


*After*



# Upcoming Plans

- Explore acquisition opportunities
  - Improve and re-balance portfolio mix to enhance quality and yield
  - Exploring investment opportunities (including Tokyo)



Source: The Economist, Nov 2011

# Key Financial Information

Number of Units in Issue as at 13 February 2012	1,253,855,081
Outstanding Warrants as at 13 February 2012	192,502,336
NAV attributable to Unitholders as at 30 June 2011 <sup>1</sup>	S\$378.5 million
NAV attributable to Unitholders as at 31 December 2011 <sup>2</sup>	S\$429.9 million
Market capitalisation as at 31 December 2011 <sup>3</sup>	S\$172.9 million
NAV per Unit as at 31 December 2011 <sup>2</sup> / Adjusted for warrants <sup>2 4</sup>	S\$0.35 / S\$0.32
2Q FY2012 interest cover ratio	4.7 times
Gearing as at 31 December 2011 <sup>5</sup> / Adjusted for warrants <sup>4</sup>	33% / 30%
Unit Price (closing price as at 13 February 2012)	S\$0.148
52 week high / low	S\$0.170 / S\$0.125

1. Computed based on an exchange rate of JPY 65.5 : S\$1.00 as at 30 June 2011.

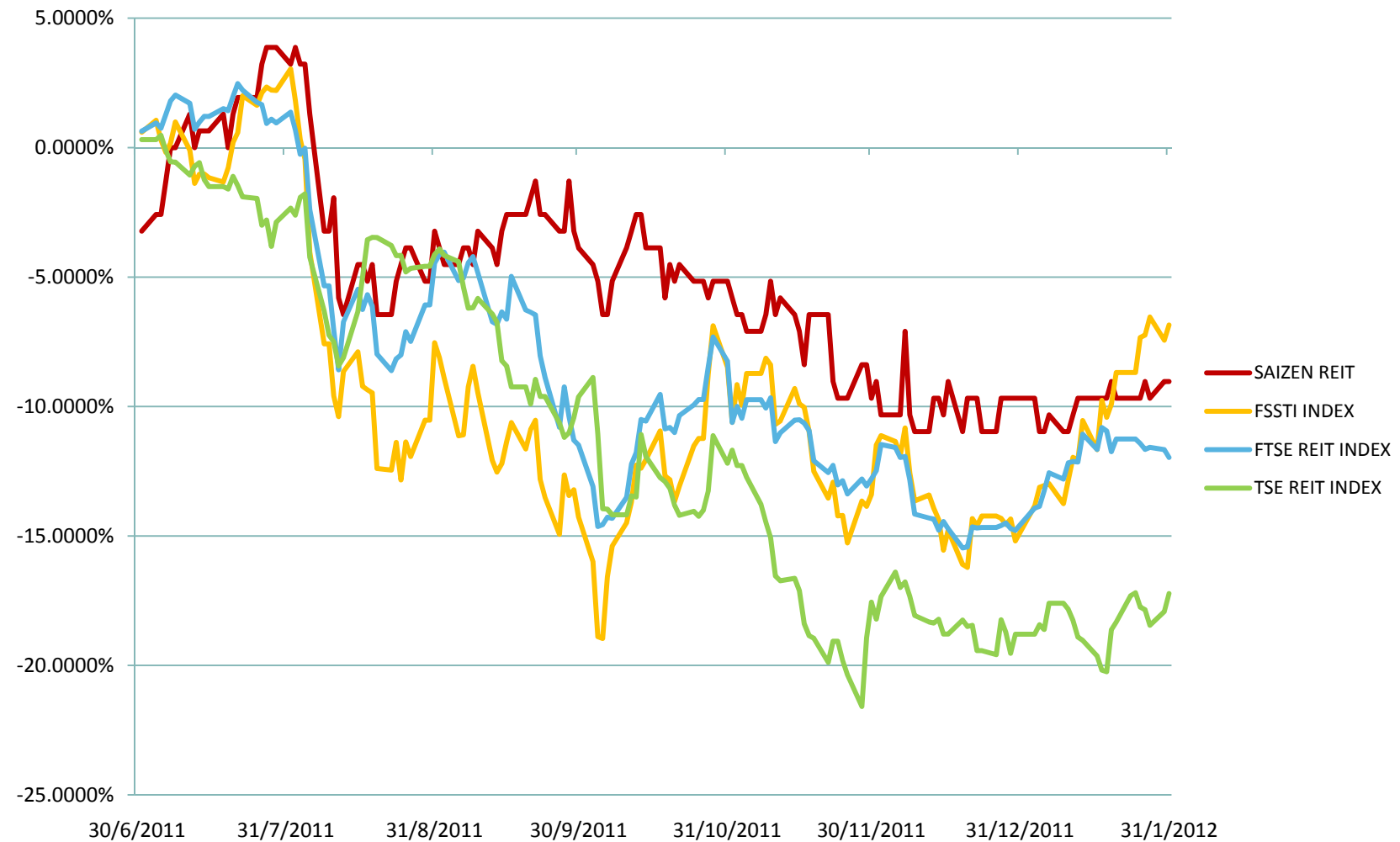
2. Computed based on an exchange rate of JPY 59.6 : S\$1.00 as at 31 December 2011.

3. Computed based on 1,235,177,081 Units in issue and unit price of S\$0.14 as at 30 December 2011.

4. 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.

5. Gearing = Total borrowings / Total assets

# Unit Price Performance





# Japan remains vibrant

## Hakata City, Fukuoka





# Japan remains vibrant

## Kumamoto Station





**Thank You**