

SaizenREIT) 最善

Presentation



November 2012

www.saizenreit.com.sg

Disclaimer

- 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.
- 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.

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 14 cities
- Size of portfolio: JPY 37.4 billion (S\$589 million)¹
- Saizen REIT has a corporate family rating of Ba3, with a stable outlook (rated by Moody's)
- Commenced Unit buy-back program in September 2012

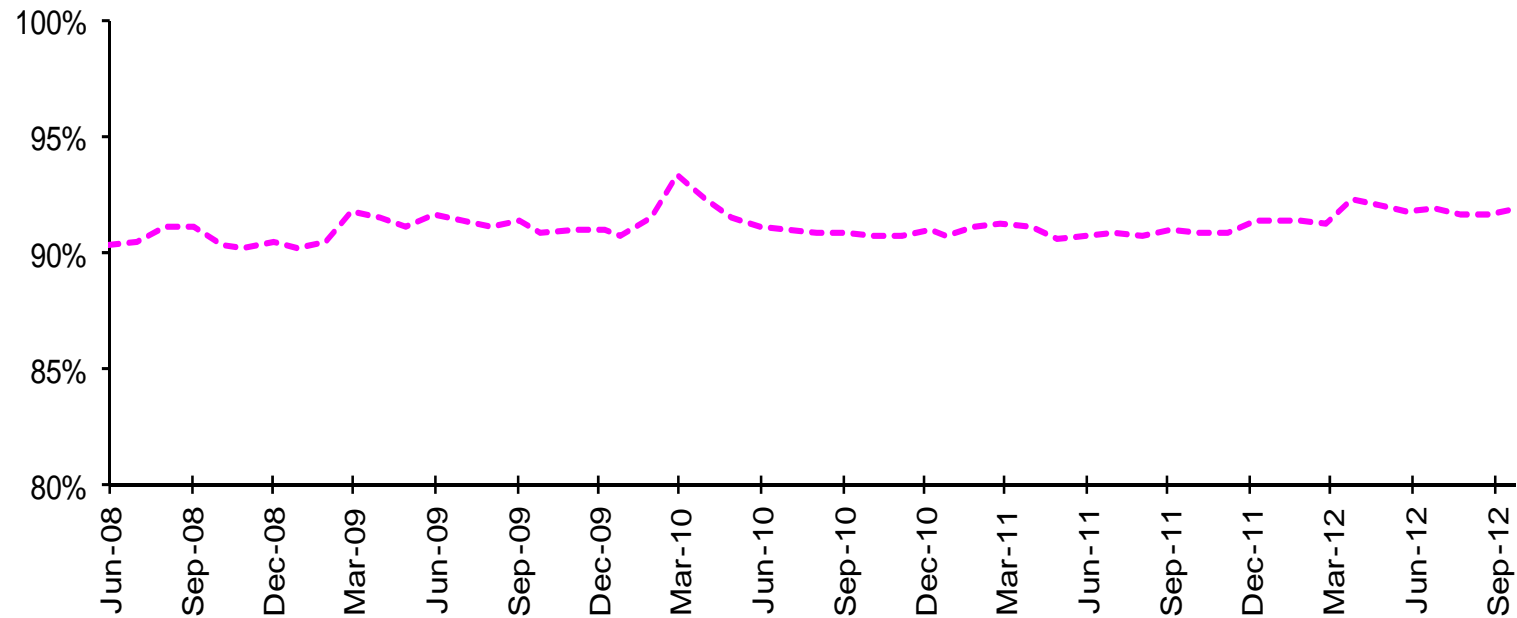
1. Computed based on an exchange rate of JPY 63.5 : S\$1.00 as at 30 September 2012

Property Operations in 1Q FY2013

- Revenue and income from operations increased in 1Q FY2013
 - 9.7% and 31.1% year-on-year increase in gross revenue and net income from operations respectively
 - 2.6% and 13.6% quarter-on-quarter increase in gross revenue and net income from operations respectively
- Property operations remained stable
 - Average occupancy rate was stable 91.7% in 1Q FY2013, as compared to 90.8% in 1Q FY2012 and 91.9% in 4Q FY2012
 - Overall rental reversion of new contracts entered into in 1Q FY2013 was marginally lower by about 1.3% (1Q FY2012 and 4Q FY2012: lower by about 2.4% and 1.6% respectively) from previous contracted rates
- Acquired 2 properties and sold 1 property in August 2012

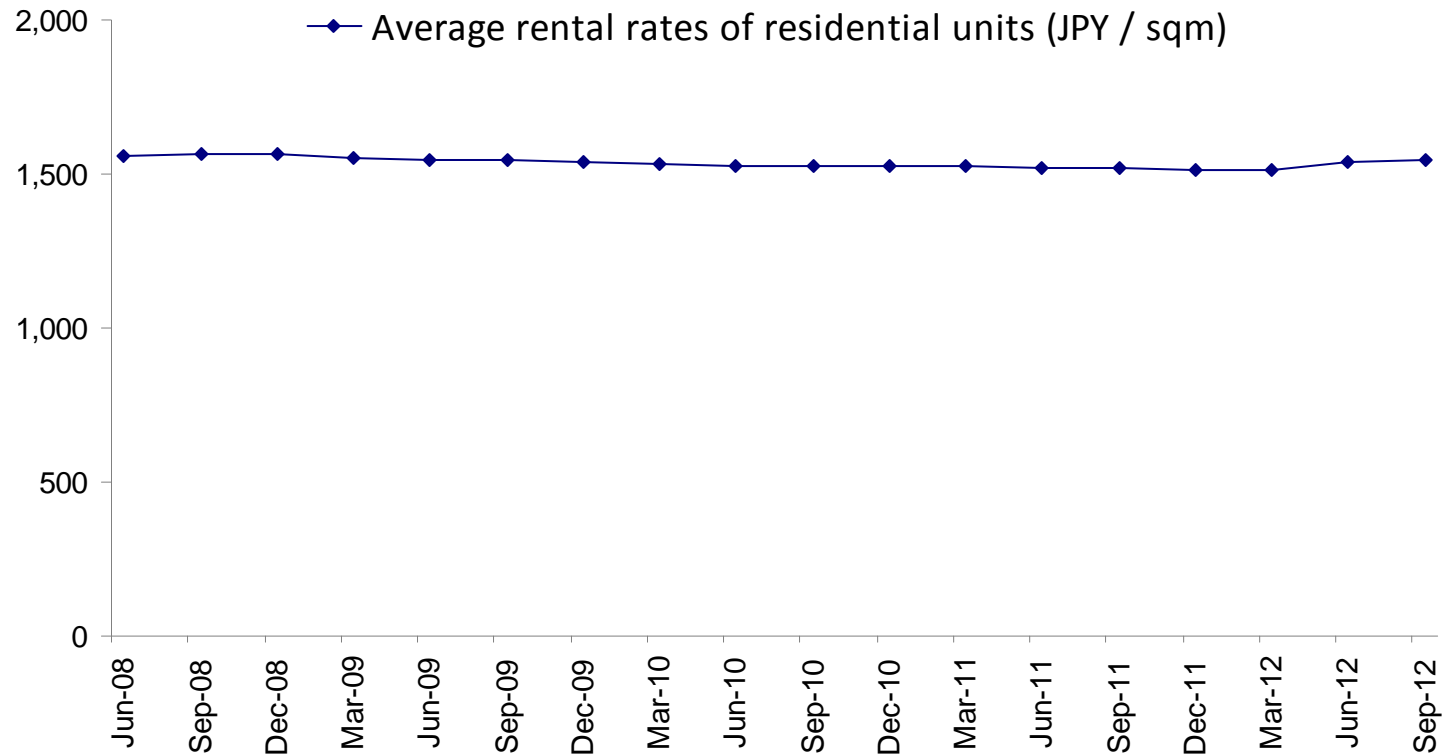
Occupancy Rates

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



Stable Rental Rates

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





Well-diversified Portfolio

Location	Portfolio distribution by revenue (%)
Sapporo	25.3
Kumamoto	17.5
Hiroshima	13.4
Sendai	12.3
Kitakyushu	9.1
Fukuoka	5.2
Tokyo	5.2
Kagoshima	3.4
Koriyama	2.7
Niigata	2.3
Morioka	1.5
Oita	0.9
Hakodate	0.8
Kurashiki	0.4



Acquisition Highlights

	Rise Yotsugibashi	Cosmo Reveur Sangenjaya
		
Location	Kumamoto	Tokyo
Year built	2012	1989
Purchase price (JPY'mil)	428.0	590.0
Valuation (JPY'mil)	420.0	593.0
NOI yield (at acquisition)	6.4% (expected)	4.8%
Net lettable area (sqm)	1,812	1,189

Property Acquisition vs Unit Buy-Back

- Generally, the positive effects on DPU from Unit buy-backs are greater than those from the acquisition of properties when the price of Saizen REIT Units are lower
- Factors affecting the acquisition vs buy-back decision include:
 - Economic conditions and Unit price fluctuations
 - Property market conditions and the merits of property acquisition opportunities
 - Unit buy-backs will depend on the availability of capital and/or profit
 - Property acquisitions will depend on the availability of proceeds from borrowings and/or other cash resources
- Growth in portfolio size via property acquisitions may offer benefits in areas such as banking relationships and the credit rating of Saizen REIT

Unit Buy-Back Activity

Unit buy-back activity between 24 August 2012 and 7 November 2012

Number of Units bought back	3,510,000
Highest price paid per Unit	S\$0.168
Lowest price paid per Unit	S\$0.164
Total consideration (incl. brokerage, GST etc.)	S\$582,898.60

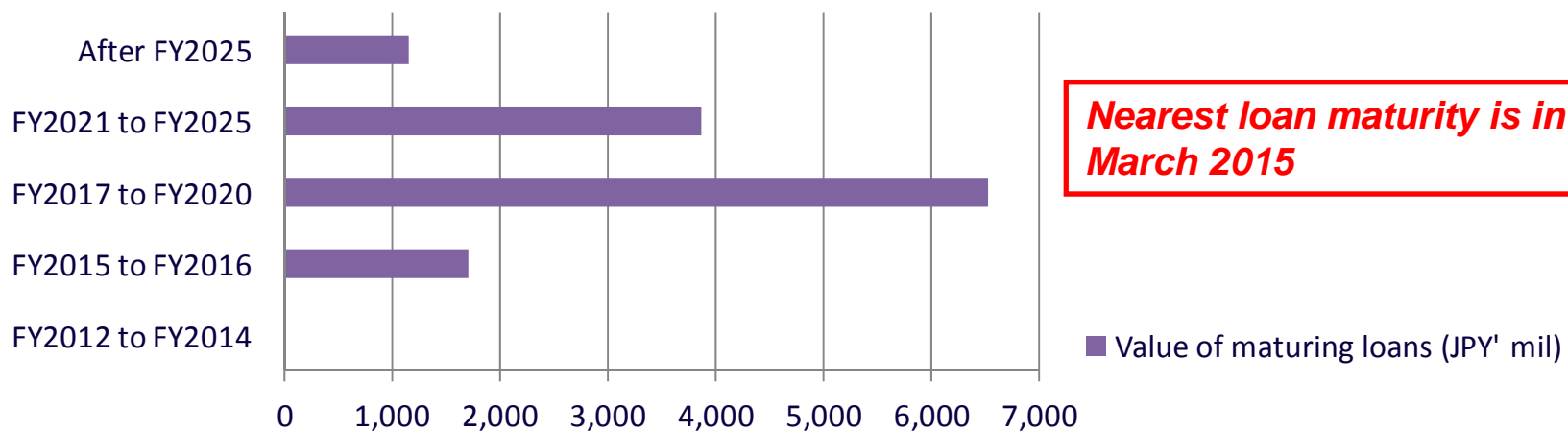
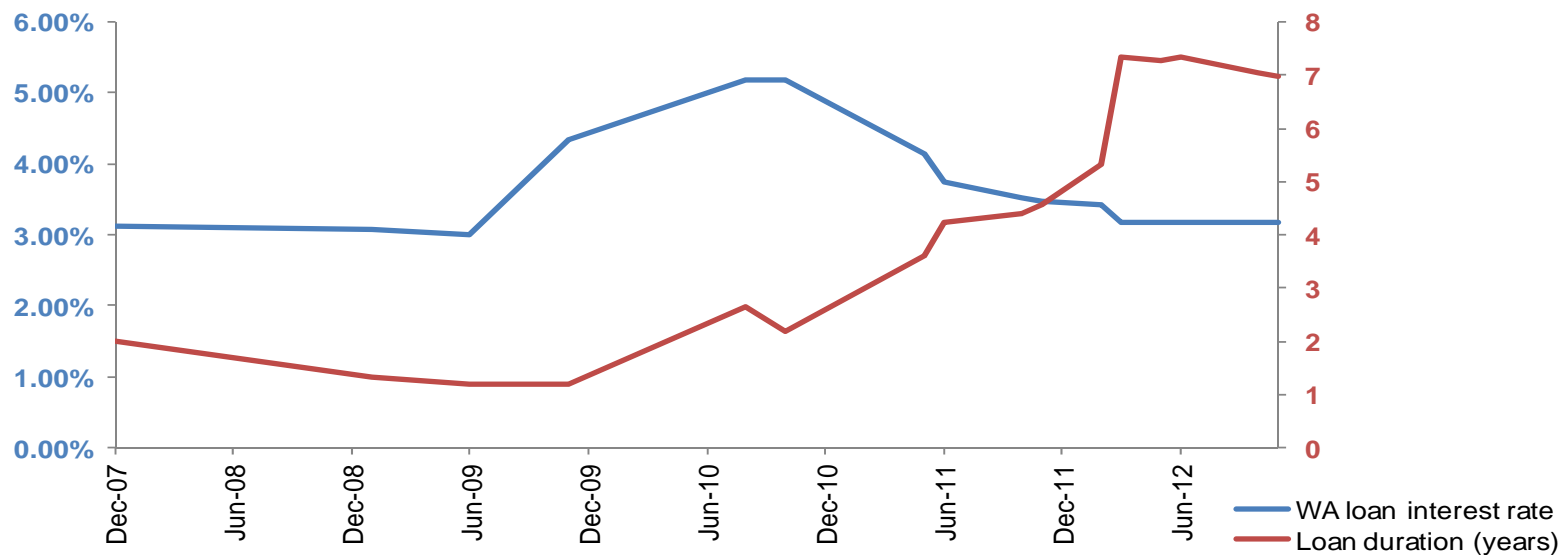
Debt Profile

Company	Source of Debt	Maturity Date	Prevailing Interest Rate (%)	Loan Amount (JPY'mln)	Property Value (JPY'mln)	Loan-to-value (%)	Annual loan amortisation (JPY'mln)
YK Kokkei	<i>Unencumbered</i>				2,402.6		
GK Chogen	<i>Unencumbered</i>				420.0		
YK Shinzan	Tokyo Star Bank	Mar 2015	3.93125 ¹	1,704.3	4,393.1	38.8	100.0
YK Shingen and YK Keizan	Tokyo Star Bank	Sep 2016	3.3925 ¹	3,882.0	8,509.2	45.6	120.0
YK Shintoku And GK Chosei	Tokyo Star Bank	Nov 2016	3.3775 ¹	1,955.0	4,664.2	41.9	60.0
YK JOF	Mizuho Bank	Sep 2019	3.19 ¹	699.8	1,972.0	35.5	100.1
GK Choan	Mizuho Bank	Mar 2022	3.21 ¹	2,925.0	10,228.7	28.6	150.0
GK Tosei	Mizuho Bank	Jun 2022	3.11 ¹	693.0	1,712.0	40.5	28.0
GK Chogen	The Higo Bank	Mar 2023	3.075	261.7	635.0	41.2	20.7
GK Gyokou	Kumamoto Dai-ichi Shinkin Bank	Feb/Oct 2031	3.50/3.35	945.0	2,045.0	46.2	50.4
GK Gyosei	Hiroshimashi Credit Cooperative	Jul/Sep 2041	2.50	209.0	401.0	52.1	7.2
Grand Total				13,274.8	37,382.8		636.4

Note:

1. Includes annual guarantor fees

Debt Profile



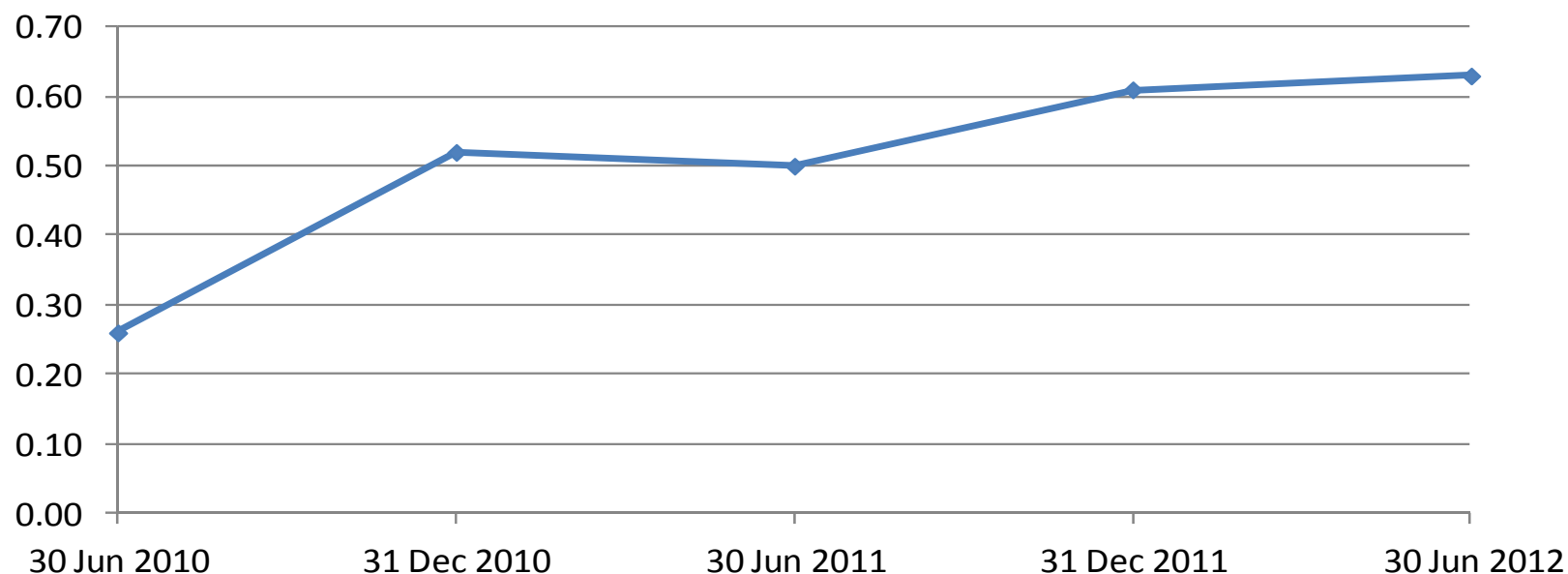
Nearest loan maturity is in March 2015

Distributions

Recent distribution:

Distribution per Unit	0.63 Singapore cents
Distribution Period	1 January 2012 to 30 June 2012

Distribution per Unit (Singapore cents)



Upcoming plans

- Gearing up to 35% and deployment of potential loan proceeds towards property acquisitions

Gearing up and property acquisition	Potential as at 31 March 2012	Achieved as at 7 November 2012
Increase in portfolio size	JPY 5.2 billion	JPY 2.7 billion
Increase in annual net operating income ¹	JPY 375 million	JPY 189 million

1. Before taking into account REIT-level expenses and financing costs.

- Explore refinancing of existing borrowings with loans of longer tenures and lower principal amortisation
- Continue with Unit buy-back activities when opportunities arise

Important:

Please be reminded that the information in the table above is based on management's estimates and purely for illustration purposes only. It assumes, amongst others, properties acquired can achieve on average net operation yields of 7%, that loans can be obtained at LTV of 40%, and all warrant proceeds are deployed towards acquisitions. Actual outcomes may differ materially from the information presented. For example, there is no assurance that Saizen REIT will be successful in obtaining any new financing, that property operations and the property market will remain stable, or that Saizen REIT will be successful in acquiring new properties. It should also be noted that warrant proceeds may be deployed towards the buy-back of Units (the amount is not known at this point in time) instead of acquisitions, thereby resulting in a reduction in the potential portfolio size and net operating income.

Key Financial Information

Number of Units in Issue as at 7 November 2012	1,420,873,795
NAV attributable to Unitholders as at 30 September 2012 ¹	S\$424 million
NAV per Unit as at 30 September 2012 ¹	S\$0.30
Market capitalisation as at 7 November 2012 ²	S\$246 million
1Q FY2013 interest cover ratio	6.2 times
Gearing as at 30 September 2012 ³	31%
Net gearing as at 30 September 2012 ⁴	27%
Unit Price (closing price as at 7 November 2012)	S\$0.173
52 week high / low	S\$0.177 / S\$0.127

Notes:

1. Computed based on an exchange rate of JPY 63.5 : S\$1.00 as at 30 September 2012
2. Computed based on 1,420,873,795 Units in issue and Unit price of S\$0.173 as at 7 November 2012
3. Gearing = Total borrowings / Total assets
4. Net gearing = Total net borrowings (net of cash) / Total value of Saizen REIT's investment properties



Thank You