



Presentation

November 2013

SaizenREIT) 最善

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**”). The 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 41.2 billion (S\$526 million¹)
- Saizen REIT has a corporate family rating of Ba3, with a stable outlook (rated by Moody's)
- Unitholders approved Unit Consolidation and renewal of Unit buy-back mandate in October 2013

1. Computed based on an exchange rate of JPY 78.3 : S\$1.00 as at 30 September 2013.

Well-diversified Portfolio

Region	City	Portfolio distribution by revenue (%)
Kyushu	Kumamoto	17.0
	Kitakyushu	10.5
	Fukuoka	5.9
	Kagoshima	3.3
	Oita	0.8
		37.5
Hokkaido	Sapporo	24.2
	Hakodate	0.7
		24.9
Tohoku	Sendai	11.4
	Koriyama	2.7
	Morioka	1.5
		15.6
Chugoku	Hiroshima	14.2
	Kurashiki	0.3
		14.5
Kanto	Tokyo	5.2
Chubu	Niigata	2.3

Total number of properties: 139



1Q FY2014 Overview

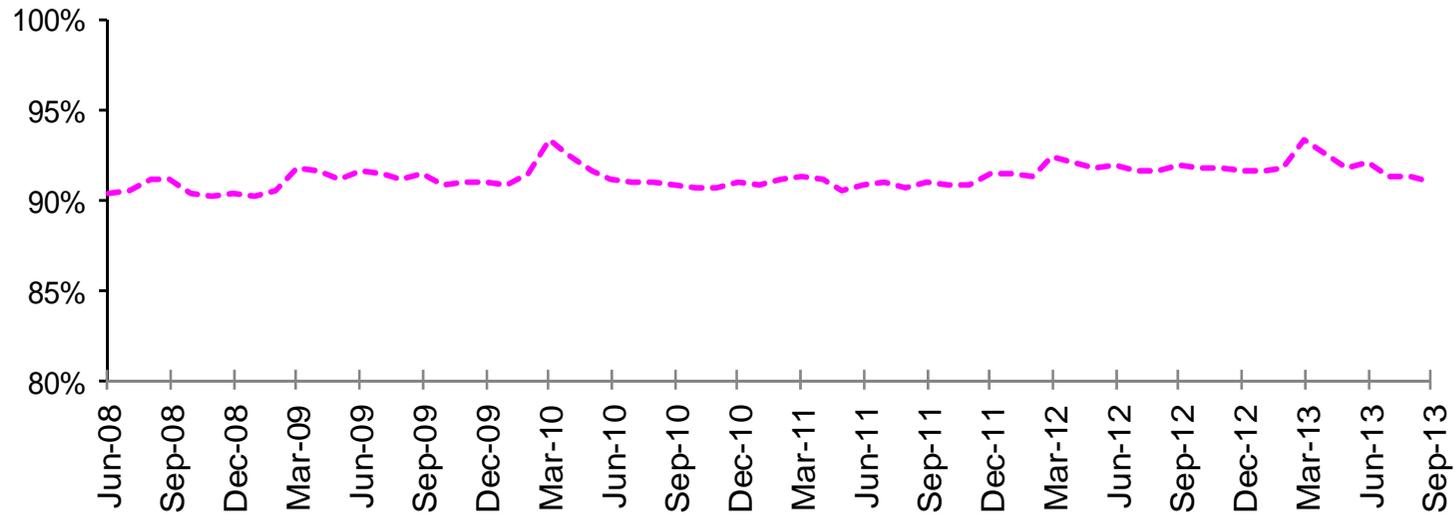
- Year-on-year gross revenue and net property income increased by 6.2% and 5.3% in 1Q FY2014, due mainly to the acquisitions of 5 properties between November 2012 and June 2013
- Quarter-on-quarter gross revenue decreased by 0.3% in 1Q FY2014 as compared to 4Q FY2013, due mainly to a seasonal decrease in average occupancy rates. However, net property income increased by 3.3% on the back of lower repair and renovation expenses as well as leasing and marketing expenses.

1Q FY2014 Overview

- Property operations remained stable
- Average occupancy rate in 1Q FY2014 was 91.2% (1Q FY2013: 91.7%; 4Q FY2013: 92.1%)
- Overall rental reversion of new contracts entered into in 1Q FY2014 was marginally lower by about 0.3% (1Q FY2013 and 4Q FY2013: lower by about 1.3% and 0.4% respectively) from previous contracted rates
- Rental reversion was negative 1.9% in July 2013, due mainly to decreases in the rent of several residential units which were previously contracted more than 7 years ago. Rental reversion improved to positive 0.04% and 0.7% in August 2013 and September 2013 respectively.

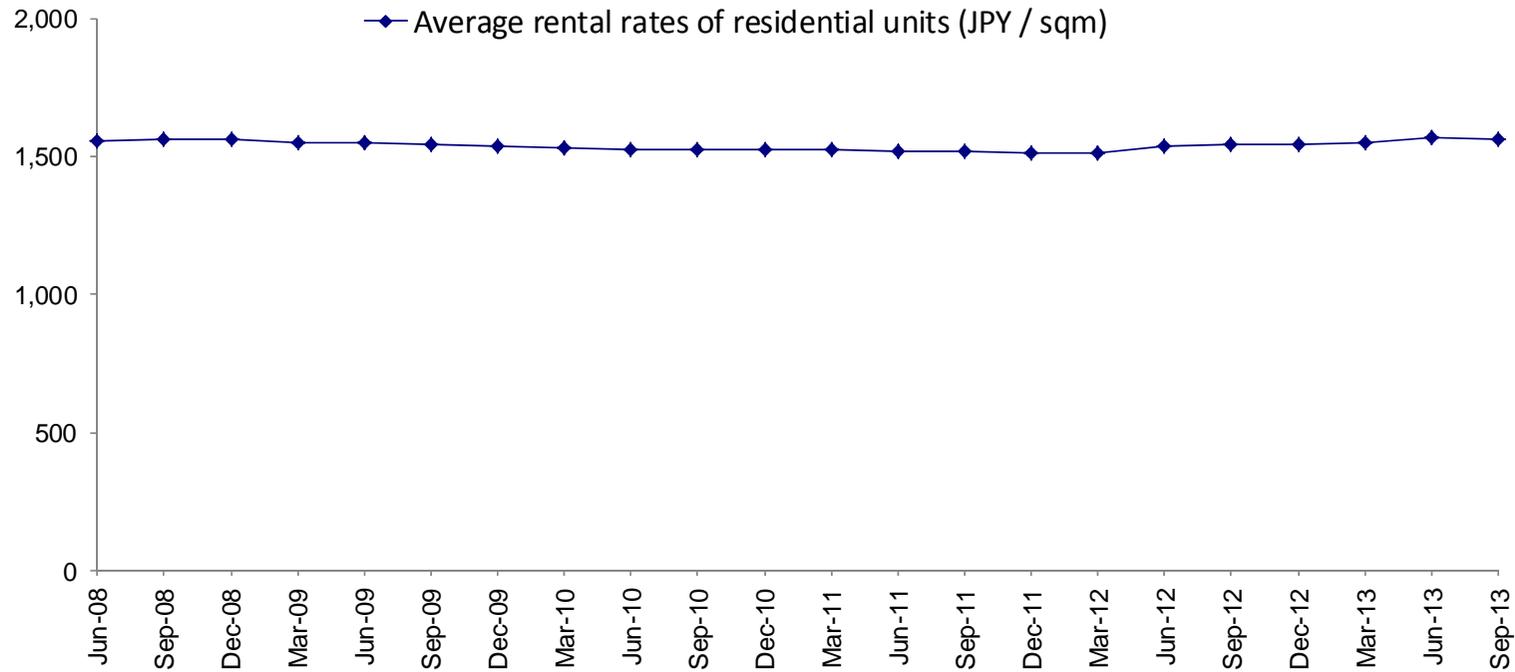
Occupancy Rates

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



Stable Rental Rates

- Average rental rates maintained above JPY 1,500 / sqm (approx. S\$20 / sqm) since Jun 08



Hedging of Distribution Payments

- Saizen REIT's upcoming distribution for the six-month financial period ending 31 December 2013 is expected to be paid in March 2014
- As Saizen REIT's distributable income from operations is generated in JPY, its next two S\$-denominated distributions have been hedged as follows:

Distribution period	6-month period ending 31 December 2013	6-month period ending 30 June 2014
Expected payment	March 2014	September 2014
Hedge rate (S\$/JPY)	81.15	76.18 – 82.00 (Note 1)
Hedge instrument	Forward contracts	Zero-cost collar

Note 1

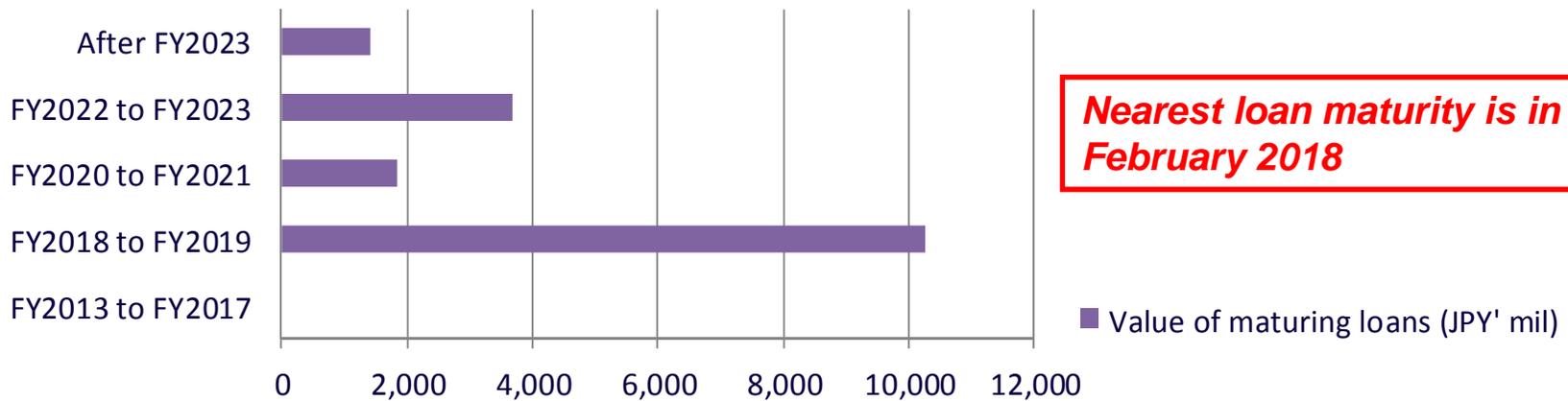
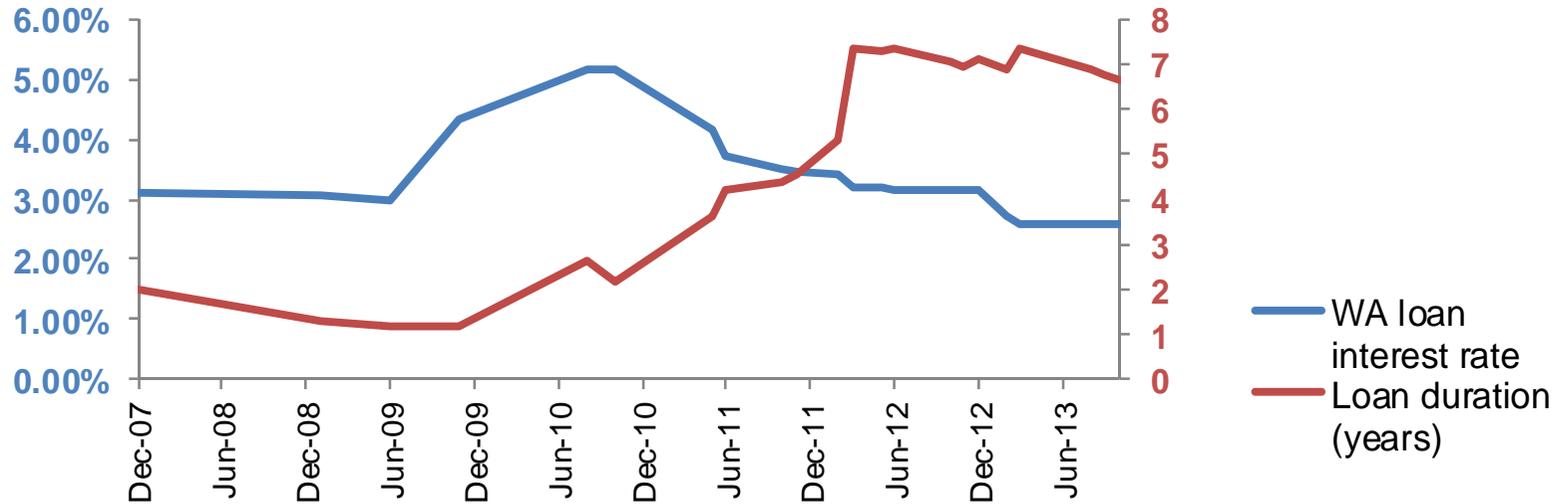
This hedge restricts the range of the JPY/S\$ rate to be applied to that distribution to a cap of JPY82.00/S\$ and a floor of JPY76.18/S\$:

- If the S\$ appreciates against the JPY to a rate that is at or above JPY82.00/S\$, the distribution will be converted at JPY82.00/S\$
- If the S\$ depreciates against the JPY to a rate that is at or below JPY76.18/S\$, the distribution will be converted at JPY76.18/S\$
- If the exchange rate is between JPY76.18/S\$ and JPY82.00/S\$ when the distribution is due, the distribution payment will be converted from JPY to S\$ via a spot trade at the prevailing exchange rate

Debt Profile

Company	Source of Debt	Maturity Date	Prevailing Interest Rate (%)	Guarantor Fee (%)	Loan Amount (JPY'mln)	Property Value (JPY'mln)	Loan-to-value (%)	Annual loan amortisation (JPY'mln)
GK Gyotatsu	<i>Unencumbered</i>					1,347.0		
GK Gyosei	<i>Unencumbered</i>					671.0		
GK Chosei	Tokyo Star Bank	Feb 2018	2.42	0.175	10,250.3	643.0	55.3	259.5
YK JOF						1,982.0		
YK Keizan						2,464.0		
YK Kokkei						3,188.0		
YK Shingen						6,136.7		
YK Shintoku						4,106.0		
YK Shinzan	Bank of Fukuoka	Mar 2020	2.223	0.175	1,850.0	4,547.7	40.7	100.0
GK Choan	Mizuho Bank	Mar 2022	2.91	0.3	2,775.0	10,486.1	26.5	150.0
GK Tosei		Jun 2022	2.81	0.3	665.0	1,756.0	37.9	28.0
GK Chogen	The Higo Bank	Mar 2023	3.075	-	240.2	643.0	37.4	20.7
		Dec 2032	3.175	-	195.0	425.0	45.9	10.0
GK Gyokou	Kumamoto Dai-ichi Shinkin Bank	Feb 2031	3.50	-	436.8	1,138.0	38.4	25.2
		Oct 2031	3.35	-	453.6	951.0	47.7	25.2
	Kumamoto Shinkin Bank	Dec 2032	3.175	0.3	134.2	286.0	46.9	7.0
GK Gyosei	Hiroshimashi Credit Cooperative	Jul 2041	2.40	-	70.5	136.0	51.8	2.5
		Sep 2041	2.35	-	130.7	271.0	48.2	4.7
Grand Total					17,201.3	41,177.5		632.8

Debt Profile



Unit Consolidation

- At an extraordinary general meeting held on 30 October 2013, Unitholders approved the consolidation of every five existing Units in Saizen REIT held by Unitholders into one Unit (the “**Unit Consolidation**”)
- The Unit Consolidation is expected to be completed on 8 November 2013
- Trading on the temporary odd-lot counter will cease at 5.00 p.m. on 3 January 2014

Upcoming Plans

- Explore to undertake strategic review of options for enhancing unitholders' value
- Following the renewal of the Unit buy-back mandate on 30 October 2013, the Manager will conduct Unit buy-back activities when opportunities arise

Key Financial Information

Number of Units in issue as at 4 November 2013	1,418,058,795
Number of Units in issue as at 4 November 2013, as adjusted for Unit Consolidation¹	283,611,759
NAV attributable to Unitholders as at 30 September 2013²	S\$346 million
NAV per Unit as at 30 September 2013²	S\$0.24
NAV per Unit as at 30 September 2013, as adjusted for Unit Consolidation^{1 2}	S\$1.22
Market capitalisation as at 30 September 2013³	S\$261 million
1Q FY2014 interest cover ratio	6.2 times
Gearing⁴ / net gearing⁵ as at 30 September 2013	38% / 32%
Unit price (closing price as at 4 November 2013)	S\$0.185
52 week high / low	S\$0.235 / S\$0.166

Notes:

1. As adjusted for the Unit Consolidation which will become effective on 8 November 2013
2. Computed based on an exchange rate of JPY 78.3 : S\$1.00 as at 30 September 2013
3. Computed based on 1,418,058,795 Units in issue and Unit price of S\$0.184 as at 30 September 2013
4. Gearing = Total borrowings / Total assets
5. Net gearing = Total net borrowings (net of cash) / Total value of Saizen REIT's investment properties



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Thank You