



Presentation
May 2014

SaizenREIT 最善

www.saizenreit.com.sg

Disclaimer

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- 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

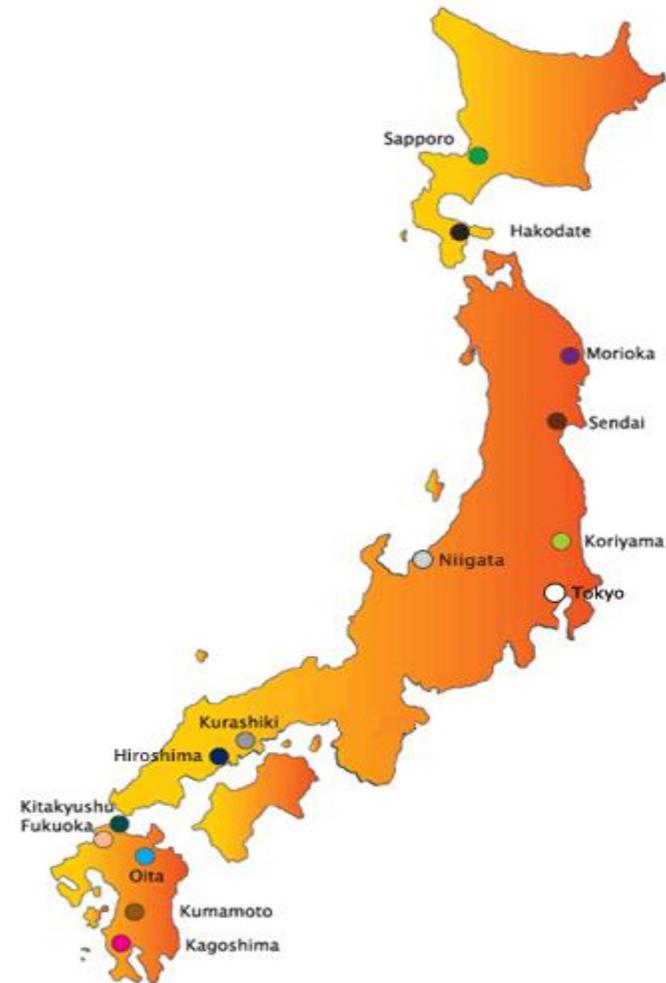
- Listed on SGX Mainboard in November 2007
- Only Singapore-listed REIT to offer access exclusively to Japanese residential properties
- Properties targeted at mass market tenants in 14 cities
- Size of portfolio: JPY 41.3 billion (S\$505 million¹)
- Saizen REIT has a corporate family rating of Ba3, with a stable outlook (rated by Moody's)
- Unit buy-back mandate renewed in October 2013

1. Computed based on an exchange rate of JPY 81.8 : S\$1.00 as at 31 March 2014.

Well-diversified Portfolio

Region	City	Portfolio distribution by revenue (%)
Kyushu	Kumamoto	17.2
	Kitakyushu	10.2
	Fukuoka	6.1
	Kagoshima	3.3
	Oita	0.8
		37.6
Hokkaido	Sapporo	24.3
	Hakodate	0.8
		25.1
Tohoku	Sendai	11.3
	Koriyama	2.7
	Morioka	1.5
		15.5
Chugoku	Hiroshima	14.2
	Kurashiki	0.3
		14.5
Kanto	Tokyo	5.0
Chubu	Niigata	2.3

Total number of properties: 139



3Q FY2014 Overview

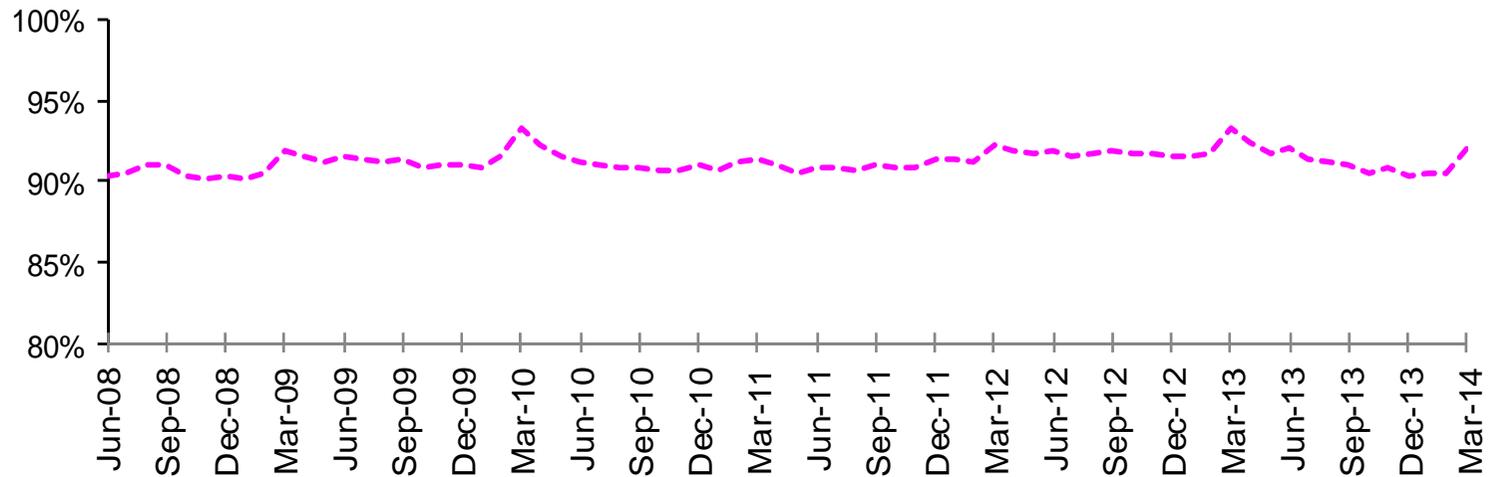
- Year-on-year gross revenue (JPY989 million) and net property income (JPY661 million) increased by 3.1% and 2.5% respectively in 3Q FY2014, due mainly to the acquisitions of 4 properties between February 2013 and June 2013
- Quarter-on-quarter gross revenue remained stable while net property income decreased by 4.1% as compared to 2Q FY2014. Property operating expenses increased by 9.4%, due mainly to seasonal expenses.

3Q FY2014 Overview

- Property operations remained stable
 - Average occupancy rate in 3Q FY2014 was 91.1% (3Q FY2013: 92.2%; 2Q FY2014: 90.6%)
 - Overall rental reversion of new contracts entered into in 3Q FY2014 was marginally lower by about 0.7% (3Q FY2013 and 2Q FY2014: lower by about 0.3% and 0.5% respectively) from previous contracted rates
 - Downward reversions were mainly recorded for expired contracts entered into prior to 2008 as the rent of such contracts had not been changed to prevailing market rates during their multiple contract renewals over the years
 - Meanwhile, upward reversions continued to be generally observed for expired contracts entered into from 2011 onwards

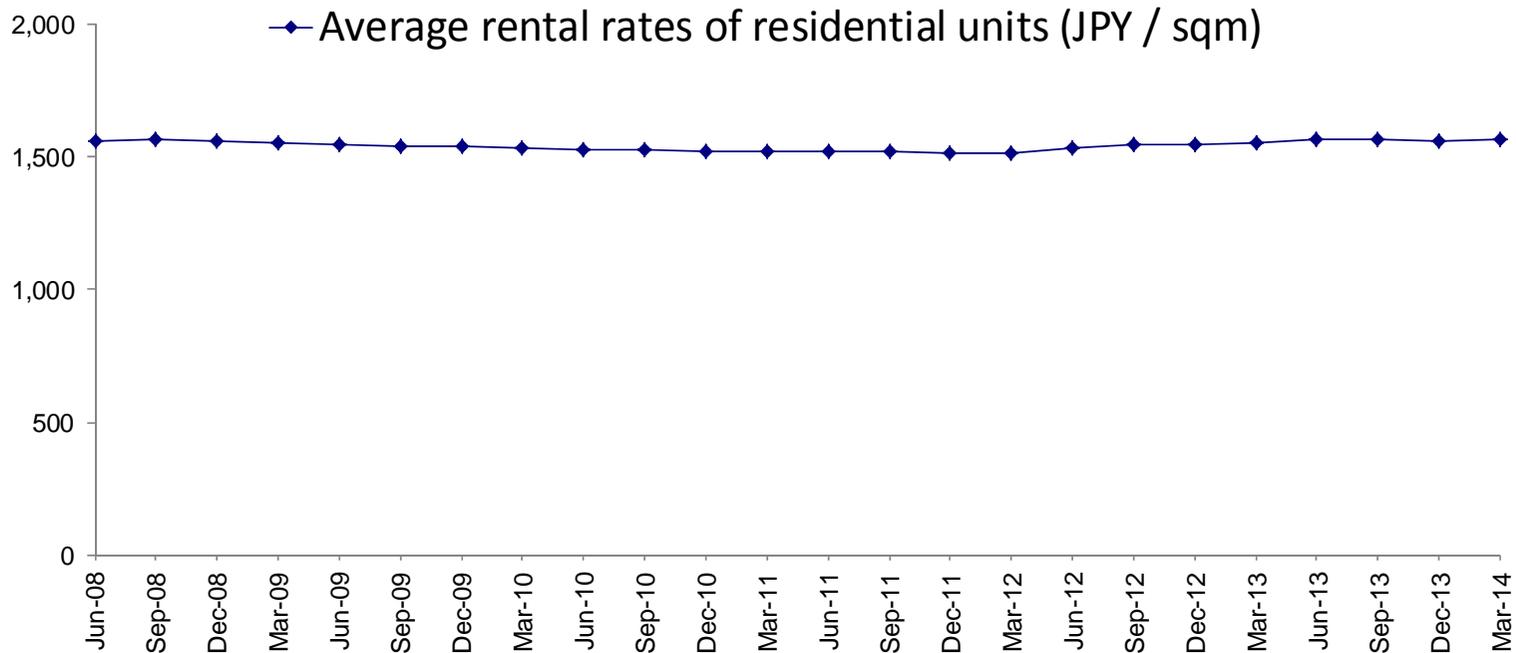
Occupancy Rates

- 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 30 June 2014 is expected to be paid in September 2014
- As Saizen REIT's distributable income from operations is generated in JPY, its S\$-denominated distributions have been hedged as follows:

Distribution period	6-month period ending 30 June 2014	6-month period ending 31 December 2014
Expected payment	September 2014	March 2015
Hedge rate (S\$/JPY)	76.18 – 82.00 (Note 1)	81.9
Hedge instrument	Zero-cost collar	Forward contracts

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

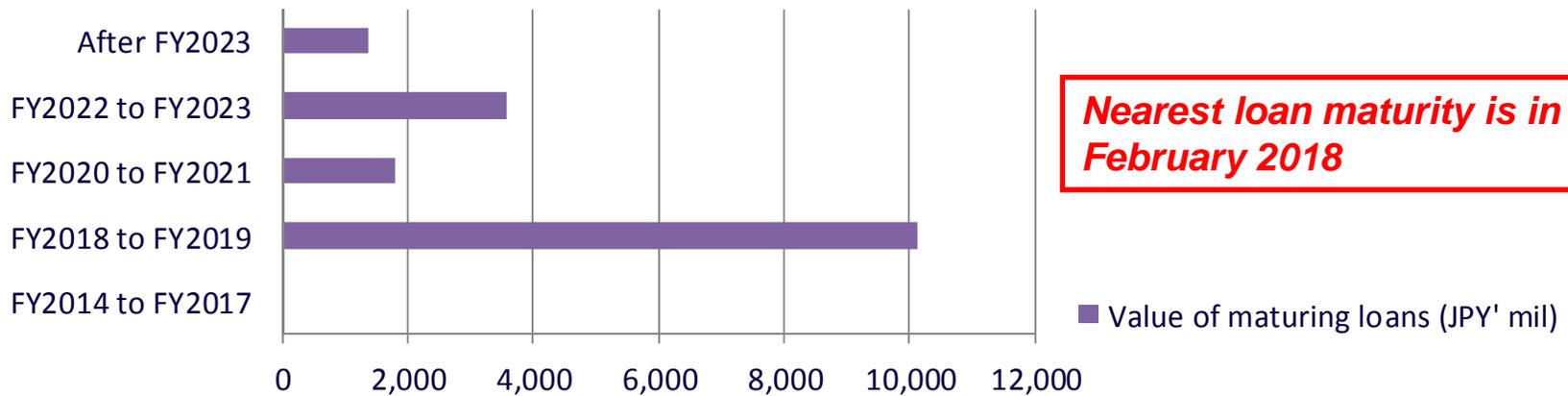
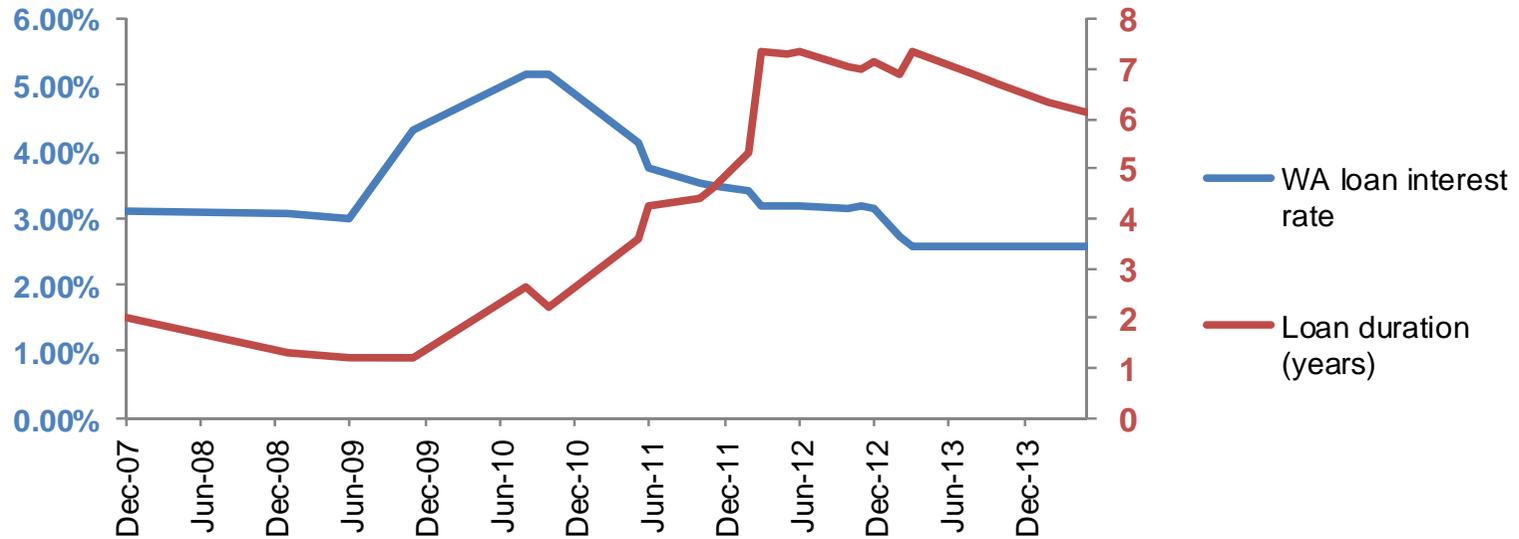
Debt Profile of TK Operators

TK operator	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	10,120.5	643.0	54.6	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	1,800.0	4,547.7	39.6	100.0
GK Choan	Mizuho Bank	Mar 2022	2.91	0.3	2,700.0	10,486.1	25.7	150.0
GK Tosei		Jun 2022	2.81	0.3	651.0	1,756.0	37.1	28.0
GK Chogen	The Higo Bank	Mar 2023	3.075	-	229.3	643.0	35.7	20.7
		Dec 2032	3.175	-	187.5	425.0	44.1	10.0
GK Gyokou	Kumamoto Dai-ichi Shinkin Bank	Feb 2031	3.50	-	424.2	1,138.0	37.3	25.2
		Oct 2031	3.35	-	441.0	951.0	46.4	25.2
	Kumamoto Shinkin Bank	Dec 2032	3.175	0.3	130.6	286.0	45.7	7.0
GK Gyosei	Hiroshimashi Credit Cooperative	Jul 2041	2.45	-	69.0	136.0	50.7	2.5
		Sep 2041	2.40	-	128.0	271.0	47.2	4.7
Grand Total					16,881.1	41,177.5		632.8

Debt Profile of TK Operators

- All loans are:
 - non-recourse to Saizen REIT
 - not cross-collateralised
 - long-term in nature (5 to 30-year loans)
 - secured only by specific properties of the TK operator
- Interest rates for 90% of loans outstanding are fixed

Debt Profile of TK Operators



Upcoming Plans

- Deloitte & Touche Corporate Finance Pte Ltd had been appointed in December 2013 as an independent financial adviser, to undertake strategic review of options for enhancing unitholders' value
- The strategic review has reached an advanced stage, and an announcement is expected to be made as to its outcome by the first half of June 2014

Key Financial Information

Number of Units in issue as at 7 May 2014	283,611,720
NAV attributable to Unitholders as at 31 March 2014 ¹	S\$331 million
NAV per Unit as at 31 March 2014 ¹	S\$1.17
Market capitalisation as at 31 March 2014 ²	S\$252 million
3Q FY2014 interest cover ratio	6.0 times
Gearing ³ / net gearing ⁴ as at 31 March 2014	38% / 32%
Unit price (closing price as at 7 May 2014)	S\$0.90
52 week high / low (as adjusted for the Unit Consolidation)	S\$1.025 / S\$0.840

Notes:

1. Computed based on an exchange rate of JPY 81.8 : S\$1.00 as at 31 March 2014
2. Computed based on 283,611,720 Units in issue and Unit price of S\$0.890 as at 31 March 2014
3. Gearing = Total borrowings / Total assets
4. Net gearing = Total net borrowings (net of cash) / Total value of Saizen REIT's investment properties



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Thank You