

**PRESS RELEASE**

**RELEASE OF 3Q 2008 RESULTS**

**COMPLETION OF  
INVESTMENT IN A PROPERTY IN KUMAMOTO  
WITH NEW SOURCE OF FINANCING**

**Highlights**

- For the third quarter ended 31 March 2008, Saizen REIT recorded gross revenue at JPY1,054.5 million (S\$14.67 million<sup>1</sup>), and net property income at JPY 711.5 million (S\$9.51 million<sup>1</sup>), up 23.9% and 18.1% respectively from the previous quarter due to full contribution of portfolio properties
- Leasing activities and operations remained stable with occupancy rate rising from 89.4% as at 31 December 2007 to 92.7% as at 31 March 2008
- Completion of acquisition of a property in Kumamoto with new source of financing

**Singapore, 12 May 2008** – Japan Residential Assets Manager Limited (the **%Manager+**), manager of Saizen Real Estate Investment Trust (**%Saizen REIT+**). Singapore's first REIT with purely Japanese regional residential properties, is pleased to provide an update on recent developments of Saizen REIT.

Financial Results for Third Quarter Ended 31 March 2008

In its announcement on 12 May 2008, Saizen REIT announced its third quarterly results for the period ended 31 March 2008 as summarised below:

	<b>3Q FY2008<sup>1</sup></b>	<b>2Q FY2008<sup>2</sup></b>	<b>Increase</b>
	<b>(JPY'000)</b>	<b>(JPY'000)</b>	<b>%</b>
Gross revenue	1,054,523	851,042	23.9
Net property income	711,507	602,439	18.1

*Notes:*

1. There were 164 properties at the start and end of 3Q FY2008
2. There were 103 and 164 properties respectively at the start and end of 2Q FY2008

Gross revenue and net property income increased by 23.9% and 18.1% respectively in the quarter ended 31 March 2008 due primarily to full contribution from all 164 portfolio properties during the quarter. This contrasts with the previous quarter when the portfolio properties were being progressively acquired. Leasing activities and property operations have remained stable and not affected by the global credit crisis which saw occupancy rate improving from 89.4% as at 31

<sup>1</sup> Based on S\$/JPY exchange rate of 71.9 as at 31 March 2008.

December 2007 to 92.7% as at 31 March 2008. Barring unforeseen circumstances, the Manager expects this situation to remain for the rest of the financial year.

Net asset value per Unit remained stable at JPY78.3 (S\$1.09) per Unit as at 31 March 2008.

#### Completion of investment with new source of financing

It was previously announced that the Manager slowed down the investment pace of Saizen REIT in light of uncertainties in the global credit markets.

Saizen REIT is pleased to announce that it completed an investment in Romauge Kamidori Namikizaka (Romauge) in April 2008, its first investment since January 2008. Located in Kumamoto, Romauge is built in April 2007 and is a 10-storey two building complex comprising 56 residential units and 13 commercial units. Its purchase consideration is JPY750 million (S\$10.4 million) and this investment will be accretive to Saizen REIT's distribution per unit.

Saizen REIT successfully obtained financing from a Kyushu-based regional bank to partially finance its acquisition of Romauge.

Mr. Chang Sean Pey, Chief Executive Officer of Saizen REIT, said, "We are pleased to have obtained financing from a Japanese regional bank as it represents a new source of financing, especially in the midst of the global credit market crisis which has affected the availability of financing from major foreign investment banks which we have traditionally worked with." He added, "We will remain prudent with Saizen REIT's investment progress in light of the continued uncertainties, whilst at the same time seeking to take advantage of opportunities, and any improvement in investment terms under current market conditions."

Following this investment, Saizen REIT's portfolio comprises 165 properties located in 13 cities in Japan.

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#### **About Saizen REIT**

Saizen REIT was listed on the Main Board of the Singapore Exchange on 9 November 2007. It is a Singapore-based real estate investment trust established with the principle objective of investing in a diversified portfolio of income-producing real estate located in Japan, which is used primarily for residential and residential-related purposes, and real estate-related assets in connection with the foregoing. Through investing in assets with attractive cash flow growth and capital gains prospects, Saizen REIT aims to deliver regular and stable distributions to Unitholders and achieve long-term growth in distributions and NAV per Unit.

Morgan Stanley is the Financial Adviser to the Offering and, together with Credit Suisse, is Joint Bookrunner and Underwriter. Nomura Singapore Limited is the Sub-underwriter and UOB Asia Limited is the Co-ordinator of the Public Offer in Singapore.

#### **About The Sponsor**

Japan Regional Assets Manager Limited is an investment management company specialising in the investment management of real estate assets in regional cities across Japan. It is one of the largest operators in the Japanese regional residential property market. Over the last three years, the property portfolio managed by its key personnel has grown from 25 as at 30 June 2004 to more than 200 today.

#### **About The Manager**

Japan Residential Assets Manager Limited is a wholly-owned subsidiary of the Sponsor, responsible for Saizen REIT's investment and financing strategies, asset acquisition and divestment policies, and the overall management of Saizen REIT's real estate and real estate-related assets. The Management Team possesses extensive experience and expertise in managing investments in the Japanese regional residential property markets.