
UPDATE ON IMPACT OF EARTHQUAKE IN JAPAN

Further to Saizen Real Estate Investment Trust's ("**Saizen REIT**") announcements on 11 March 2011 and 14 March 2011, the Board of Directors of Japan Residential Assets Manager Limited, the manager of Saizen REIT (the "**Manager**"), would like to provide an update on the situation in Japan in respect of Saizen REIT's properties.

To-date, 141 out of Saizen REIT's 146 properties, representing 97.9% of Saizen REIT's total investment property value¹, have been reported by the property managers to be intact.

Update on properties in Sendai

The property managers have managed to view a further 9 properties in Sendai.

In the areas affected by the earthquake and tsunami, all 6 properties in Morioka and Koriyama, and 17 out of 22 properties in Sendai have been viewed by the property managers thus far, and preliminary reports have confirmed that these properties appear to have sustained only minor damage and to have remained intact. However, the full extent of damage can only be ascertained after more detailed assessments.

The value of the 5 properties yet to be viewed represents 2.1%, and 3.1% of Saizen REIT's total investment property value and net asset value² respectively. These properties contribute 2.3% of Saizen REIT's annual rental income³.

These properties belong to 3 out of 9 TK operators of Saizen REIT, viz. GK Choan (1 property), YK Shingen (3) and YK Shintoku⁴ (1). They represent 0.2%, 1.4% and 0.5% respectively of Saizen REIT's investment property value and 0.3%, 2.1% and 0.7% respectively of Saizen REIT's net asset value. These properties contribute 0.3%, 1.5% and 0.5% respectively of Saizen REIT's annual rental income.

To-date, we have not received any reports of tenant casualties, and none of the properties viewed appear to have been vacated.

Risk relating to nuclear power plant

None of Saizen REIT's properties are within the current evacuation zone surrounding the nuclear power plant at risk.

¹ The investment property value is based on the annual valuation conducted on Saizen REIT's properties as at 30 June 2010.

² Based on the net asset value of the Saizen REIT Group attributable to Unitholders as at 31 December 2010.

³ Based on the annual rental income as reported in the annual report of Saizen REIT for the financial year ended 30 June 2010.

⁴ It should be noted that the loan to YK Shintoku is in maturity default and, consequently, income from the properties of YK Shintoku currently does not contribute to distributions.

The Japanese authorities have been evacuating residents within 20 km of the affected power plant in Fukushima and have advised residents within 20 km to 30 km to remain indoors. Our properties closest to the affected nuclear plant are the 3 properties located in Koriyama, and they are more than 50 km away.

Besides those located in Sendai, Morioka and Koriyama (in north-eastern Japan), Saizen REIT's other properties are located mostly in the northern (Sapporo and Hakodate) and southern (Kurashiki, Hiroshima, Kitakyushu, Fukuoka, Oita, Kumamoto and Kagoshima) regions of Japan. Saizen REIT also has 3 properties in the western city of Niigata.

Saizen REIT's underlying business operations remain undisrupted in these northern, southern and western cities.

Announcement issued by Moody's

Moody's Investor Service has issued an announcement today which stated that it sees no immediate impact of the earthquake on Saizen REIT's Caa1 corporate family rating.

The Manager will continue to monitor the situation and will provide further updates when appropriate.

By Order of the Board
Japan Residential Assets Manager Limited
(Company Registration No. 200712125H)
As Manager of Saizen Real Estate Investment Trust

Chang Sean Pey (Mr.)
Co-Chief Executive Officer

15 March 2011

Important Notice

The value of units of Saizen REIT ("**Units**") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, 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.

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 of Saizen REIT (the "**Unitholders**") may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Saizen is not necessarily indicative of the future performance of Saizen REIT.