

SaizenREIT) 最善

Presentation



March 2013

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 39 billion (S\$509 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

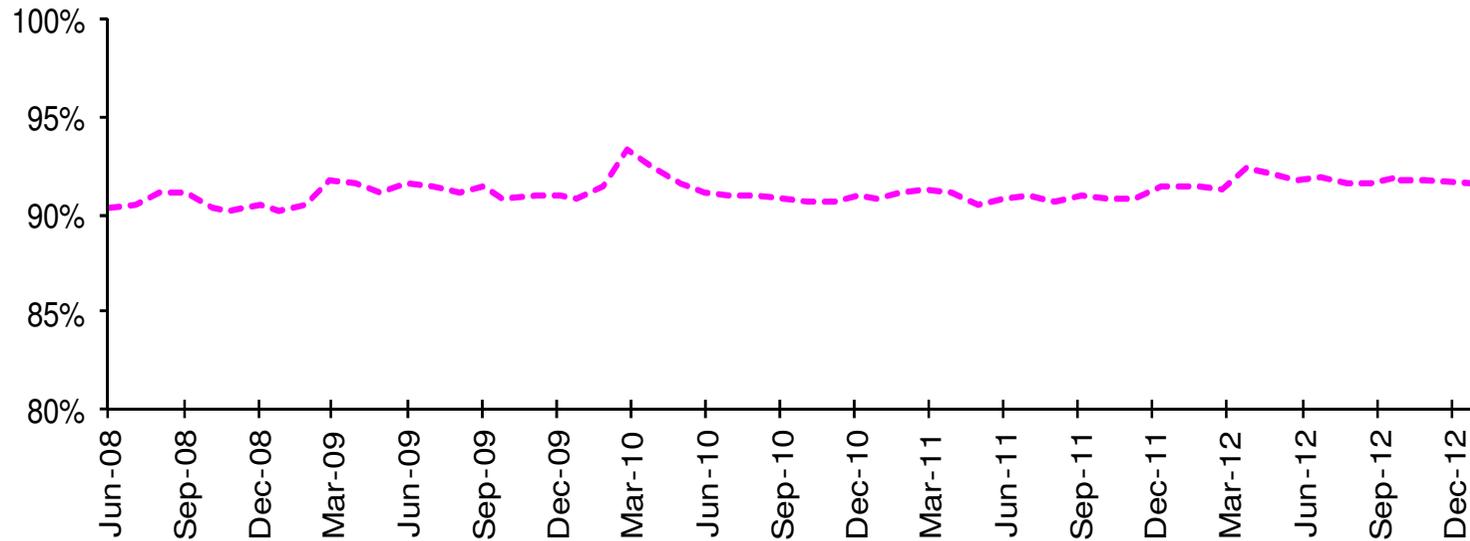
1. Computed based on an exchange rate of JPY 76.6 : S\$1.00 as at 21 March 2013.

Property Operations in 2Q FY2013

- Revenue and income from operations increased in 2Q FY2013
 - 10.7% and 51.2% year-on-year increase in gross revenue and net income from operations respectively
 - 1.0% and 8.3% 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 2Q FY2013, as compared to 91.0% in 2Q FY2012 and 91.7% in 1Q FY2013
 - Overall rental reversion of new contracts entered into in 1Q FY2013 was marginally lower by about 0.3% (2Q FY2012 and 1Q FY2013: lower by about 1.9% and 1.3% respectively) from previous contracted rates

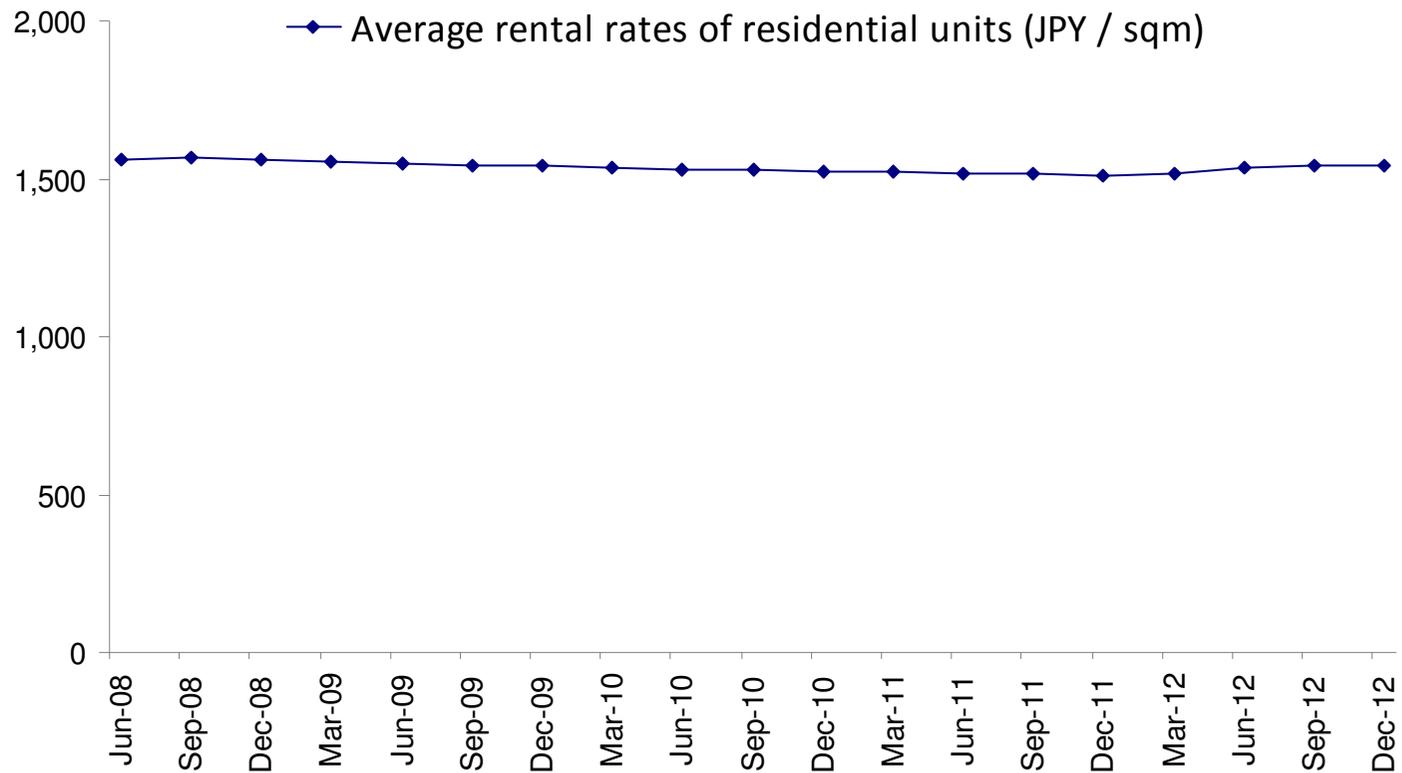
Occupancy Rates

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



Stable Rental Rates

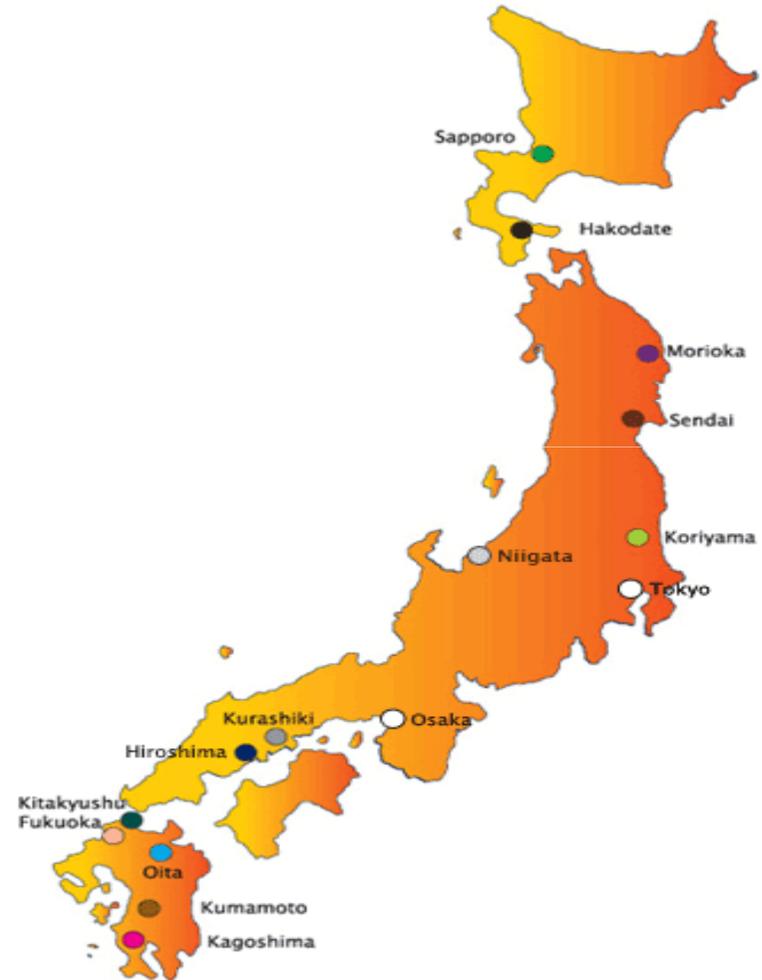
- Average rental rates maintained above JPY 1,500 / sqm (approx. S\$23 / sqm) since Jun 08



Well-diversified Portfolio

Location	Portfolio distribution by revenue (%)
Sapporo	24.9
Kumamoto	17.8
Hiroshima	12.8
Sendai	11.8
Kitakyushu	10.7
Fukuoka	4.8
Tokyo	5.3
Kagoshima	3.2
Koriyama	2.8
Niigata	2.3
Morioka	1.6
Oita	0.9
Hakodate	0.7
Kurashiki	0.4

Total number of properties: 137



Acquisition Highlights

	Rise Yotsugibashi	Cosmo Reveur Sangenjaya	Rise Shinoe	Clair Court Roka Koen	Cosmos Kokura Eki Mae
					
Location	Kumamoto	Tokyo	Kumamoto	Tokyo	Kitakyushu
Year built	2012	1989	2003	1998	2006
Purchase price (JPY'mil)	428.0	590.0	285.0	712.5	753.9
Valuation (JPY'mil)	420.0	593.0	280.0	716.0	762.0
NPI yield (at acquisition)	6.4% (expected)	4.8%	6.8%	5.0%	6.6%
Net lettable area (sqm)	1,812	1,189	1,556	1,621	3,063

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

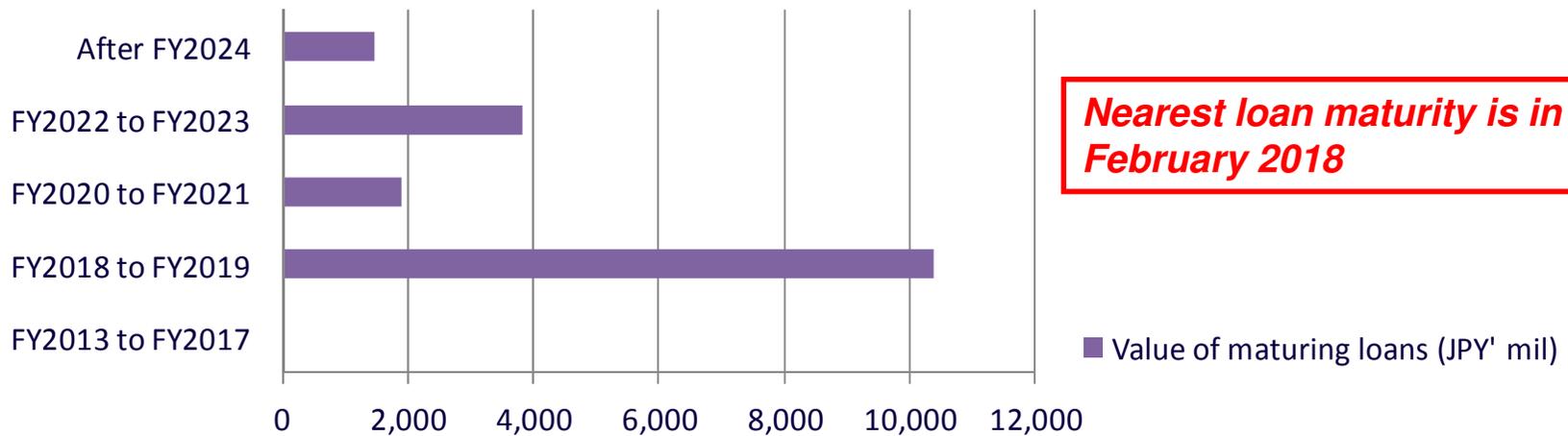
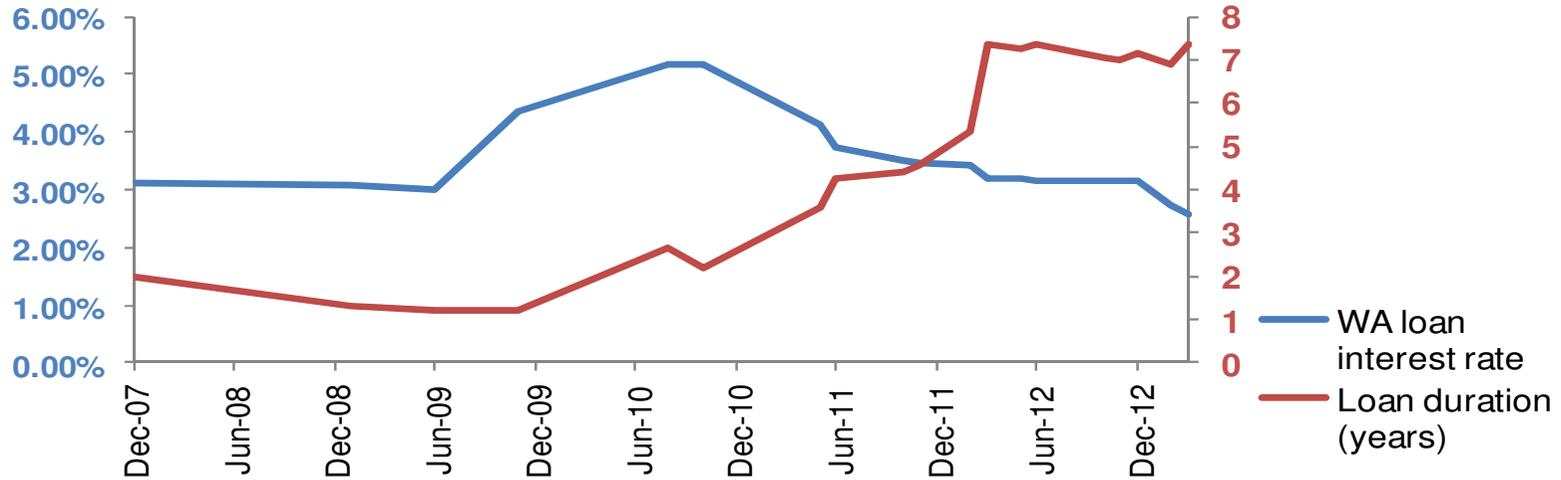
Unit buy-back activity between 24 August 2012 and 22 March 2013

Number of Units bought back	5,620,000
Highest price paid per Unit	S\$0.174
Lowest price paid per Unit	S\$0.164
Total consideration (incl. brokerage, GST etc.)	S\$946,572.35

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>					762.0		
GK Chosei	Tokyo Star Bank	Feb 2018	2.42	0.175	10,380.0	548.0	57.0	259.5
YK JOF						1,972.0		
YK Keizan						2,407.4		
YK Kokkei						3,118.6		
YK Shingen						6,101.8		
YK Shintoku						4,075.5		
YK Shinzan	Bank of Fukuoka	Mar 2020	2.223	0.175	1,900.0	4,393.1	43.2	100.0
GK Choan	Mizuho Bank	Mar 2022	2.91	0.3	2,887.5	10,228.7	28.2	150.0
GK Tosei		Jun 2022	2.81	0.3	686.0	1,712.0	40.1	28.0
GK Chogen	The Higo Bank	Mar 2023	3.075	-	256.4	635.0	40.4	20.7
		Dec 2032	3.175	-	200.0	420.0	47.6	10.0
GK Gyokou	Kumamoto Dai-ichi Shinkin Bank	Feb 2031	3.50	-	453.6	1,129.0	40.2	25.2
		Oct 2031	3.35	-	472.5	916.0	51.6	25.2
	Kumamoto Shinkin Bank	Dec 2032	3.175	0.3	138.8	280.0	49.6	7.0
GK Gyosei	Hiroshimashi Credit Cooperative	Jul 2041	2.55	-	72.4	130.0	55.7	2.5
		Sep 2041	2.50	-	134.2	271.0	49.5	4.7
Grand Total					17,581.4	39,100.1		632.8

Debt Profile

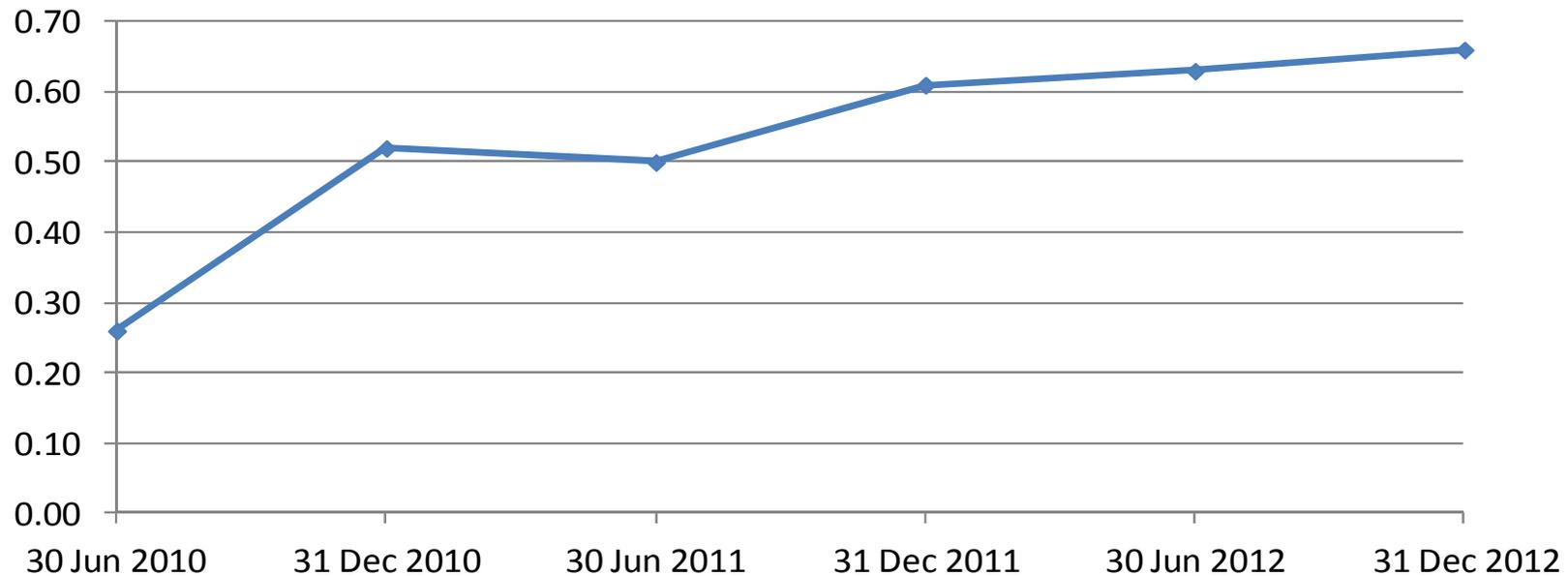


Distributions

Recent distribution:

Distribution per Unit	0.66 Singapore cents
Distribution Period	1 July 2012 to 31 December 2012
Date paid	22 March 2013

Distribution per Unit (Singapore cents)



Upcoming plans

- Deployment of loan proceeds towards property acquisitions

Gearing up and property acquisition	Potential reported as at 31 March 2012	Achieved as at 22 March 2013
Increase in portfolio size	JPY 5.2 billion	JPY 4.5 billion
Increase in annual net property income ¹	JPY 375 million	JPY 303 million

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

- Explore refinancing of existing borrowings with loans of longer tenures, lower principal amortisation and lower interest rates
- Explore opportunities to diversify Saizen REIT's sources of financing
- 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 22 March 2013	1,418,763,795
NAV attributable to Unitholders as at 31 December 2012 ¹	S\$388 million
NAV per Unit as at 31 December 2012 ¹	S\$0.27
Market capitalisation as at 22 March 2013 ²	S\$265 million
2Q FY2013 interest cover ratio	6.3 times
Gearing ³ / net gearing ⁴ as at 31 December 2012	32% / 26%
Adjusted gearing / net gearing as at 22 March 2013 ⁵	39% / 32%
Unit Price (closing price as at 22 March 2013)	S\$0.187
52 week high / low	S\$0.200 / S\$0.127

Notes:

1. Computed based on an exchange rate of JPY 70.2 : S\$1.00 as at 31 December 2012
2. Computed based on 1,418,763,795 Units in issue and Unit price of S\$0.187 as at 22 March 2013
3. $Gearing = \frac{\text{Total borrowings}}{\text{Total assets}}$
4. $Net\ gearing = \frac{\text{Total net borrowings (net of cash)}}{\text{Total value of Saizen REIT's investment properties}}$
5. Please refer to Saizen REIT's announcement entitled "New Loan from The Bank of Fukuoka, Ltd" which was published on 22 March 2013 for further information



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Thank You