

SaizenREIT) 最善



Presentation

**Distribution
Reinvestment
Plan**

August 2015

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

- Only Singapore-listed REIT to offer access exclusively to Japanese residential properties
- Properties targeted at mass market tenants in 14 cities
- Size of property portfolio: JPY 41.7 billion (S\$479 million¹) as at 31 March 2015
- Saizen REIT has a corporate family rating of Ba3, with a stable outlook (rated by Moody's)

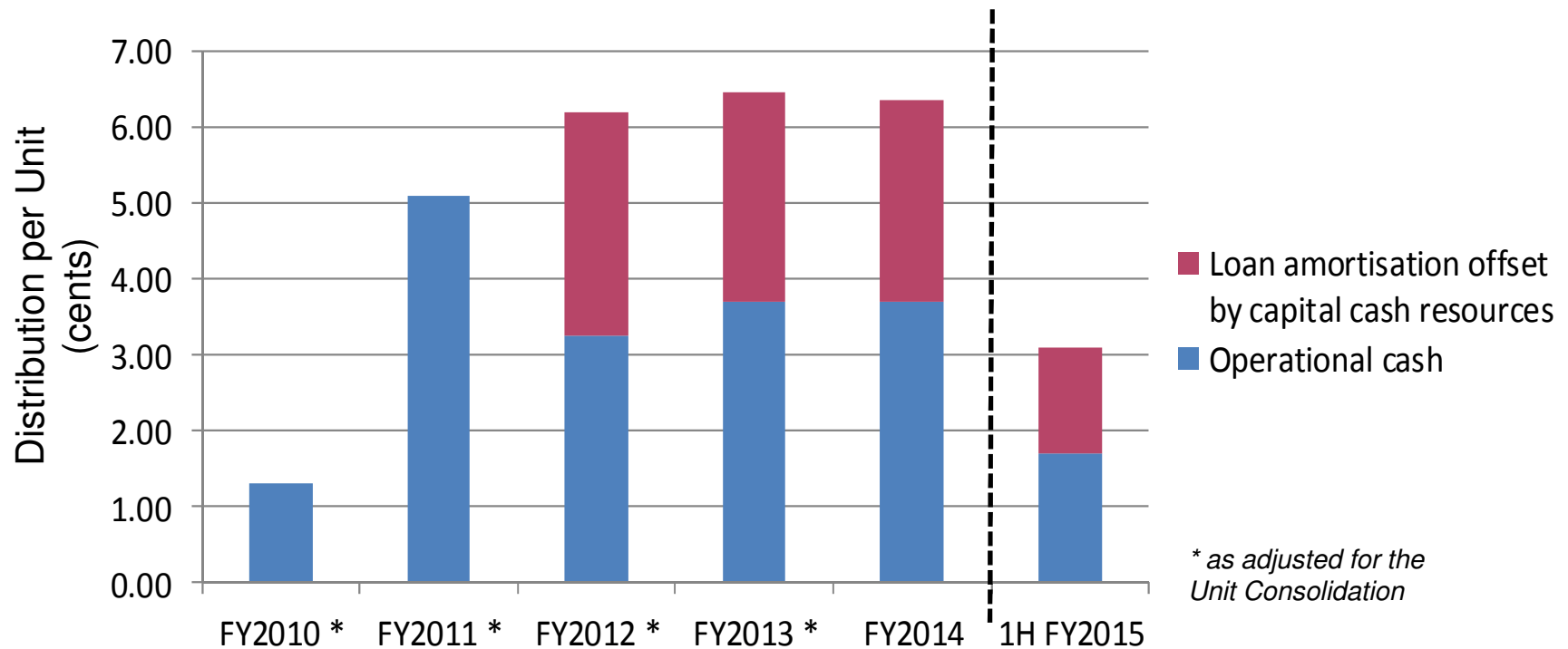
1. Computed based on an exchange rate of JPY87.1/S\$ as at 31 March 2015, which is used throughout this report unless stated otherwise.

Distribution Reinvestment Plan (“DRP”)

- Unitholders may elect to receive distributions in the form of fully-paid units or cash, or a combination of both
- Progressive and proactive approach to capital management will pave the way for Saizen REIT to:
 - Increase its flexibility to fund further growth
 - Continue delivering stable returns to Unitholders

Distribution

- Saizen REIT pays out semi-annual distributions



Benefits of DRP

- Cash retained may be used to manage the regular principal repayment obligations of Saizen REIT's long-term loans
 - Loan principal repayments on Saizen REIT's 14 loans in Japan amount to an aggregate of approximately JPY 694 million (S\$8 million) annually (as at March 2015)
 - For 1H FY2015, the use of capital cash resources to offset loan principal repayment contributed to 1.39 cents out of the DPU of 3.10 cents
 - It is Saizen REIT's intention to utilise, when possible, undeployed capital resources to offset loan principal repayments, thereby effectively making available operational cash for distributions
 - More flexibility in capital management

Benefits of DRP

- Allows Unitholders to acquire additional Units without having to incur transaction or other related costs
- Unitholders can choose to receive a combination of fully-paid units and cash
 - Unitholders may elect to receive a portion of the distribution in cash to avoid receiving odd-lots
 - Alternatively, Unitholders who receive odd lots of Units under the DRP and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one Unit
- Enlarges Saizen REIT's capital base, strengthens working capital reserves and improves the liquidity of the Units

Unit Entitlement

Important note: Please refer to Saizen REIT's Distribution Reinvestment Plan Statement for further information.

- The number of Units to be allotted and issued to the Participating Unitholder electing to receive Units shall be calculated in accordance with the following formula:

$$N = \frac{U \times D}{V}$$

Where:

- N is the number of Units to be allotted and issued as fully paid to the Participating Unitholder
- U is the number of Participating Units held by the Participating Unitholder as at the Books Closure Date
- D is the Qualifying Distribution (after the deduction of any applicable tax, if any)
- V is the issue price of a Unit, which shall for the purpose of calculating the number of Units to be allotted and issued as fully paid to Participating Unitholders, pursuant to the DRP, be an amount in S\$ determined by the Manager

- Fractional entitlements to the new Units allotted and issued under the DRP will be rounded down to the nearest whole Unit, with the fractional entitlements disregarded

Other Matters

Important note: Please refer to Saizen REIT's Distribution Reinvestment Plan Statement for further information.

- The price of a Unit issued under the DRP shall not exceed, nor be set at a discount of more than **10.0%** (or such other discount as may be permitted by the Listing Manual) to, the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading during the **10 Business Day** period prior to and ending on to the Books Closure Date
- Notice of Election must be received by CDP no later than the date and time to be specified by the Manager



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Thank You