
ANNUAL VALUATION OF SAIZEN REIT'S PROPERTY PORTFOLIO

Japan Residential Assets Manager Limited (the "**Manager**"), the manager of Saizen Real Estate Investment Trust ("**Saizen REIT**"), is pleased to announce that the annual valuation (the "**Annual Valuation**") of Saizen REIT's property portfolio for the financial year ended 30 June 2015 ("**FY2015**") has been completed.

A total of 136 properties held by Saizen REIT as at 30 June 2015 were subjected to the Annual Valuation.

The Annual Valuation was conducted by independent valuers namely, Real Estate Appraisal Aota Jimusho ("**Aota**"), Asset Research Inc. ("**AR**"), DTZ Debenham Tie Leung KK ("**DTZ**"), K.K. Halifax Associates dba Colliers International ("**HACI**"), International Appraisals Incorporated ("**IAI**"), Jones Lang LaSalle K.K. ("**JLL**"), Prime Appraisal Institute Co., Ltd ("**Prime**"), Rich Appraisal Institute Co., Ltd ("**RH**"), Real Value Inc. ("**RV**"), KK Sakura Business Partners ("**Sakura**"), KK Soken ("**Soken**") and Success Solution Inc. ("**SS**").

Based on the Annual Valuation, the aggregate value of Saizen REIT's properties amounted to JPY 43,093.1 million (S\$474.1 million¹). This represents an increase of 3.6% to the aggregate value of JPY 41,591.2 million² (S\$457.5 million) of the same 136 properties based on the valuation performed as at 30 June 2014.

The Management Team has observed an improvement in the overall property market in the past year, with capital values enhanced by a compression of average capitalisation rates in many cities. Valuations of properties in the cities of Fukuoka, Sapporo, Sendai and Tokyo increased by 5.6% on average on the back of improvements in the local property markets. On the other hand, the valuation of properties in Kitakyushu, Kagoshima and Kumamoto increased marginally by 0.6% on average due to challenging leasing conditions.

Based on the Management Team's recent discussions with Saizen REIT's panel of independent valuers, it was noted that the valuers generally adopt a conservative approach in their valuations such that there is a general lag in timing in recognising the market uptrend. Additionally, fast-moving market conditions may not be fully reflected in the valuers' assumptions due to the lack of public market transaction data (other than those published by REITs listed in Japan) and the lack of immediate information flow. Consequently, valuations in a buoyant market typically lag behind actual market transaction prices. For reference, Saizen REIT had previously divested 3 properties in 2014 at premiums of between 12.8% and 19.0% over valuation and had recently signed a conditional sale and purchase agreement to sell Niken Chaya Grand Heights at a premium of 20.4% over valuation³.

Details of the Annual Valuation are set out in the table below. These valuations will be reflected in the financial statements of Saizen REIT for FY2015.

¹ Based on an exchange rate of JPY90.9/S\$ as at 30 June 2015.

² Excludes 2 properties which were divested in July 2014 and November 2014.

³ Sale prices include consumption tax.

No.	Property Name	Location	Valuer	Annual Valuation (JPY)	Valuation Point
1.	Arati Hakata South	Fukuoka	JLL	411,000,000	30-Jun-15
2.	AS Residence Hakataekiminami	Fukuoka	Sakura	615,000,000	30-Jun-15
3.	Central Court Tenjin Higashi	Fukuoka	Sakura	134,000,000	30-Jun-15
4.	Chic Takaramachi	Fukuoka	JLL	222,000,000	30-Jun-15
5.	Gold Mansion Nakao	Fukuoka	Prime	113,000,000	30-Jun-15
6.	La Finesse Hakataeki Minami	Fukuoka	Sakura	493,000,000	30-Jun-15
7.	Le Pied Hirao	Fukuoka	Prime	257,000,000	30-Jun-15
8.	Orion Heim	Fukuoka	Prime	224,000,000	30-Jun-15
9.	Relief Ohorinishi	Fukuoka	Prime	119,000,000	30-Jun-15
10.	Wing Befu	Fukuoka	Prime	124,000,000	30-Jun-15
11.	Matsukaze Building	Hakodate	DTZ	264,000,000	30-Jun-15
12.	Estate 18 Shinonome	Hiroshima	Soken	254,000,000	30-Jun-15
13.	Fujimicho Building	Hiroshima	RV	365,000,000	30-Jun-15
14.	Grand Polestone Fujimi	Hiroshima	RV	181,000,000	30-Jun-15
15.	Grand Polestone Higashi Hiratsuka	Hiroshima	IAI	406,000,000	30-Jun-15
16.	Grand Polestone Kinya	Hiroshima	IAI	141,000,000	30-Jun-15
17.	Grand Polestone Otemachi	Hiroshima	Soken	473,000,000	30-Jun-15
18.	Grand Polestone Otemachi II	Hiroshima	IAI	405,000,000	30-Jun-15
19.	Grand Polestone Takeya	Hiroshima	RV	543,000,000	30-Jun-15
20.	Grand Polestone Tsurumi	Hiroshima	Soken	366,000,000	30-Jun-15
21.	Grand Polestone Tsurumi II	Hiroshima	RV	672,000,000	30-Jun-15
22.	Kusatsu Higashi Heights	Hiroshima	Soken	217,000,000	30-Jun-15
23.	Matoba Meijibashi II	Hiroshima	IAI	282,000,000	30-Jun-15
24.	Quest Tower Noboricho	Hiroshima	RV	695,000,000	30-Jun-15
25.	Royal Shinonome	Hiroshima	Soken	331,000,000	30-Jun-15
26.	Shinonome Heights	Hiroshima	Soken	170,000,000	30-Jun-15
27.	Villa Kaita	Hiroshima	Soken	338,000,000	30-Jun-15
28.	VOGA Minami Kannon	Hiroshima	RV	192,000,000	30-Jun-15
29.	Wing Nakahirodori	Hiroshima	RV	768,000,000	30-Jun-15
30.	Abitare Korimoto	Kagoshima	Prime	249,000,000	30-Jun-15
31.	Abitare Shimoarata I	Kagoshima	Prime	259,000,000	30-Jun-15
32.	Abitare Shinyashiki	Kagoshima	Prime	241,000,000	30-Jun-15
33.	Yamamoto Mansion	Kagoshima	Prime	554,000,000	30-Jun-15
34.	Alte Heim Kokura	Kitakyushu	RH	58,000,000	30-Jun-15
35.	Alte Heim Kokura II	Kitakyushu	RH	395,000,000	30-Jun-15
36.	Alte Heim Kokura IV	Kitakyushu	RH	70,000,000	30-Jun-15
37.	Alte Heim Mojekimae	Kitakyushu	RH	139,000,000	30-Jun-15
38.	Chalet Aoyama	Kitakyushu	Soken	233,000,000	30-Jun-15
39.	Chalet Einomaru II	Kitakyushu	Soken	100,000,000	30-Jun-15
40.	Chalet Harunomachi	Kitakyushu	Sakura	360,000,000	30-Jun-15
41.	Chalet Kanda II	Kitakyushu	Sakura	206,000,000	30-Jun-15
42.	Chalet Kishinoura	Kitakyushu	Soken	288,000,000	30-Jun-15
43.	Chalet Matsuo II	Kitakyushu	Sakura	48,000,000	30-Jun-15
44.	Chalet Numahon Machi II	Kitakyushu	Sakura	147,000,000	30-Jun-15
45.	Chalet Shiragane	Kitakyushu	Soken	214,000,000	30-Jun-15
46.	Chalet Suwamachi	Kitakyushu	Sakura	256,000,000	30-Jun-15
47.	Chalet Tsudashin Machi	Kitakyushu	Soken	131,000,000	30-Jun-15
48.	City Room Nakai III	Kitakyushu	RH	153,000,000	30-Jun-15
49.	Cosmos Kokura Eki Mae	Kitakyushu	RH	785,000,000	30-Jun-15

No.	Property Name	Location	Valuer	Annual Valuation (JPY)	Valuation Point
50.	Katano Residential Building	Kitakyushu	Soken	326,000,000	30-Jun-15
51.	Shinko Kokura Kogane Sky Mansion	Kitakyushu	Soken	172,000,000	30-Jun-15
52.	Arioso Phrase	Koriyama	RH	466,000,000	30-Jun-15
53.	Leggiero Viola	Koriyama	RH	291,000,000	30-Jun-15
54.	Maestoso Figur	Koriyama	RH	375,000,000	30-Jun-15
55.	EMYU Heisei Keyakidori Mansion	Kumamoto	SS	651,000,000	30-Jun-15
56.	EMYU Honjo	Kumamoto	CI	907,000,000	30-Jun-15
57.	EMYU Shinmachi	Kumamoto	CI	619,000,000	30-Jun-15
58.	EMYU Suizenji	Kumamoto	CI	1,080,000,000	30-Jun-15
59.	Flour Mansion Jyosei	Kumamoto	SS	1,000,000,000	30-Jun-15
60.	KC Heights	Kumamoto	SS	117,000,000	30-Jun-15
61.	Mon Palais Toroku	Kumamoto	SS	207,000,000	30-Jun-15
62.	Rise Fujisaki Dai	Kumamoto	SS	296,000,000	30-Jun-15
63.	Rise Heiseiekimae	Kumamoto	CI	206,000,000	30-Jun-15
64.	Rise Kuhonji II	Kumamoto	SS	429,000,000	30-Jun-15
65.	Rise Kumamoto Station South	Kumamoto	SS	141,000,000	30-Jun-15
66.	Rise Oe	Kumamoto	CI	256,000,000	30-Jun-15
67.	Rise Shimodori	Kumamoto	SS	325,000,000	30-Jun-15
68.	Rise Shinoe	Kumamoto	SS	273,000,000	30-Jun-15
69.	Rise Yotsugibashi	Kumamoto	SS	435,000,000	30-Jun-15
70.	Romaugé Kamidori Namikizaka	Kumamoto	SS	640,000,000	30-Jun-15
71.	Gardenia Kurashiki	Kurashiki	RV	111,000,000	30-Jun-15
72.	K2 Mansion Morioka	Morioka	RH	313,000,000	30-Jun-15
73.	Senboku Heim I	Morioka	RH	157,000,000	30-Jun-15
74.	Senboku Heim II	Morioka	RH	78,000,000	30-Jun-15
75.	GEO Kamiokawamaedori 3	Niigata	CI	400,000,000	30-Jun-15
76.	Hills Kawabata	Niigata	CI	302,000,000	30-Jun-15
77.	Hills Nogizaka	Niigata	CI	330,000,000	30-Jun-15
78.	Taisei Building III	Oita	SS	270,000,000	30-Jun-15
79.	Aster Yamahana	Sapporo	RH	132,000,000	30-Jun-15
80.	Bibress Tsukisamu Chuo Station	Sapporo	AR	633,000,000	30-Jun-15
81.	Casa Motomachi	Sapporo	RH	340,000,000	30-Jun-15
82.	Chateau 24	Sapporo	RH	428,000,000	30-Jun-15
83.	Chateau Nakanoshima	Sapporo	RH	217,000,000	30-Jun-15
84.	Dear Misono	Sapporo	RH	47,000,000	30-Jun-15
85.	Dominion Yamanote	Sapporo	RV	152,000,000	30-Jun-15
86.	Ebisu Building III	Sapporo	Aota	69,800,000	30-Jun-15
87.	Estella 24-ken A	Sapporo	RH	77,000,000	30-Jun-15
88.	First Kotake Building	Sapporo	RV	872,000,000	30-Jun-15
89.	Glance Nishimachi	Sapporo	AR	364,000,000	30-Jun-15
90.	Heart Inn Hongou	Sapporo	Aota	70,600,000	30-Jun-15
91.	Infinity Higashi Sapporo	Sapporo	RV	153,000,000	30-Jun-15
92.	Jeunes 23	Sapporo	RH	254,000,000	30-Jun-15
93.	Kohatsu 88	Sapporo	RH	49,000,000	30-Jun-15
94.	Kotoni 1-6 Mansion	Sapporo	RH	287,000,000	30-Jun-15
95.	Les Chambres	Sapporo	AR	70,000,000	30-Jun-15
96.	Luna Heights	Sapporo	RH	254,000,000	30-Jun-15
97.	Maison Towa	Sapporo	RV	172,000,000	30-Jun-15
98.	Matsui 53	Sapporo	RH	174,000,000	30-Jun-15
99.	Matsui 82	Sapporo	AR	296,000,000	30-Jun-15

No.	Property Name	Location	Valuer	Annual Valuation (JPY)	Valuation Point
100.	Misono	Sapporo	RV	302,000,000	30-Jun-15
101.	Park Crystal	Sapporo	RV	243,000,000	30-Jun-15
102.	Plaza Nakajima Park	Sapporo	RH	274,000,000	30-Jun-15
103.	Residence Shiroishi ABCD	Sapporo	RV	506,000,000	30-Jun-15
104.	S. Heim	Sapporo	RV	103,000,000	30-Jun-15
105.	Sec' As Blue II	Sapporo	RH	361,000,000	30-Jun-15
106.	Suien	Sapporo	RV	104,000,000	30-Jun-15
107.	Sun City	Sapporo	AR	319,000,000	30-Jun-15
108.	Three Tower	Sapporo	RH	830,000,000	30-Jun-15
109.	TOA Mansion	Sapporo	RH	684,000,000	30-Jun-15
110.	Towa Kita 7 Jo	Sapporo	Aota	371,000,000	30-Jun-15
111.	Towa Kotoni	Sapporo	Aota	311,000,000	30-Jun-15
112.	Treasure 15	Sapporo	RV	139,000,000	30-Jun-15
113.	Urban Yamahana	Sapporo	AR	98,700,000	30-Jun-15
114.	Aisho Plaza Hachiman	Sendai	AR	192,000,000	30-Jun-15
115.	Castle Kano	Sendai	Aota	204,000,000	30-Jun-15
116.	Clio Court	Sendai	Aota	194,000,000	30-Jun-15
117.	Core Life	Sendai	Aota	457,000,000	30-Jun-15
118.	Etoile Higashi Sendai	Sendai	DTZ	118,000,000	30-Jun-15
119.	Exceed Tsuchitoi	Sendai	AR	86,000,000	30-Jun-15
120.	Fantage Yaotome	Sendai	DTZ	247,000,000	30-Jun-15
121.	Floreceer Miyagino	Sendai	DTZ	342,000,000	30-Jun-15
122.	Liesse Wakabayashi	Sendai	AR	161,000,000	30-Jun-15
123.	Lively Kamisugi	Sendai	DTZ	79,500,000	30-Jun-15
124.	Maison d'Etoile II	Sendai	DTZ	140,000,000	30-Jun-15
125.	Niken Chaya Grand Heights	Sendai	AR	382,000,000	30-Jun-15
126.	Royal Hills Katagiri	Sendai	AR	164,000,000	30-Jun-15
127.	Royal Hills Komatsushima	Sendai	AR	156,000,000	30-Jun-15
128.	Sun Hills Asahigaoka	Sendai	AR	58,500,000	30-Jun-15
129.	Sun Rise Kashiwagi	Sendai	AR	181,000,000	30-Jun-15
130.	Sun Vario Shinden Eki Mae	Sendai	Aota	439,000,000	30-Jun-15
131.	Urban Hills Dainohara	Sendai	AR	141,000,000	30-Jun-15
132.	YSK Co-op Saiwaicho	Sendai	Aota	415,000,000	30-Jun-15
133.	AMS Hatchobori I	Tokyo	IAI	1,317,000,000	30-Jun-15
134.	Clair Court Roka Koen	Tokyo	IAI	774,000,000	30-Jun-15
135.	Cosmo Reveur Sangenjaya	Tokyo	DTZ	649,000,000	30-Jun-15
136.	The Palms Denenchofu	Tokyo	JLL	605,000,000	30-Jun-15

The valuation reports are available for inspection at the Manager's registered office at 3 Anson Road, #34-01 Springleaf Tower, Singapore 079909, during business hours for three months from the date hereof.

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

20 August 2015

Important Notice

The value of units in 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 may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The 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 REIT is not necessarily indicative of the future performance of Saizen REIT.