

The financial results presented in this Presentation are for the period from 10 May 2013 (being the official listing date (the "Listing Date") of Croesus Retail Trust ("CRT")) to 31 March 2014. However, the financial statements and results as presented in the announcement of results dated 15 May 2014 are for the period from 7 May 2012 (being the date of constitution of CRT) to 31 March 2014. Although CRT was constituted on 7 May 2012, CRT had been dormant as a private trust during the period from 7 May 2012 to 9 May 2013. The acquisition of properties by CRT was only completed on the Listing Date and consequently, the actual income derived from the properties for the current period was from the Listing Date to 31 March 2014.



Croesus Retail Trust

Financial Results for the period
from 10 May 2013 to 31 March
2014

15 May 2014



Important Notice



Certain statements in this presentation constitute “forward-looking statements”, including forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Croesus Retail Trust (“CRT”) or Croesus Retail Asset Management Pte. Ltd., as trustee-manager of CRT (the “Trustee-Manager”) to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Trustee-Manager’s present and future business strategies and the environment in which CRT or the Trustee-Manager will operate in the future. Because these statements and financial information reflect the Trustee-Manager’s current views concerning future events, they necessarily involve risks, uncertainties and assumptions and investors are cautioned not to place undue reliance on these statements and financial information. Actual performance could differ materially from these forward-looking statements and forward-looking financial information.

The Trustee-Manager expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this presentation to reflect any change in the Trustee-Manager’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations, the rules of Singapore Exchange Securities Trading Limited (the “SGX-ST”) and/or any other regulatory or supervisory body or agency.

This presentation contains certain information with respect to the trade sectors of CRT’s tenants. The Trustee-Manager has determined the trade sectors in which CRT’s tenants are primarily involved based on the Trustee-Manager’s general understanding of the business activities conducted by such tenants. The Trustee-Manager’s knowledge of the business activities of CRT’s tenants is necessarily limited and such tenants may conduct business activities that are in addition to, or different from, those shown herein.

This presentation includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. While the Trustee-Manager has taken reasonable steps to ensure that the information from such industry publications, surveys and forecasts are extracted accurately and in their proper context, the Trustee-Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither the Trustee-Manager or any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of CRT is not indicative of the future performance of CRT. Similarly, the past performance of the Trustee-Manager is not indicative of the future performance of the Trustee-Manager.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in CRT.

About Croesus Retail Trust



Aeon Town Moriya

A suburban shopping centre located in Moriya city, Ibaraki Prefecture, a growing residential area



Luz Shinsaibashi

A prime retail property located in Shinsaibashisuji Avenue, a premier shopping district in Osaka



Luz Omori

A prime retail property located 3 minutes walking distance from JR Omori Station



Aeon Town Suzuka

A suburban shopping centre located in Suzuka city, Mie Prefecture



Mallage Shobu

A suburban shopping centre located in Kuki city, Saitama Prefecture



NIS Wave I

A prime retail property directly connected to JR Tachikawa Station via pedestrian deck

1 First Asia-Pacific retail business trust with an initial portfolio in Japan listed on the SGX-ST

2 Portfolio currently comprises 6 quality prime and suburban retail malls with an aggregate NLA of 198,168 sq m and committed occupancy of approximately 100% as at 31 March 2014

3 Market Capitalisation of S\$399 million ¹

4 Exposure to resilient income-producing stabilised assets in Japan

- Close to major transportation nodes and conveniently accessible
- Mix of quality malls catering to the young and trendy and suburban malls catering to daily necessities
- Most leases are Fixed-Term Leases, allowing for adjustment in rental income and tenant composition upon expiry

Unless otherwise defined, all capitalised terms used in this Presentation shall bear the same meaning as in the prospectus of CRT dated 2 May 2013 (the "Prospectus").

(1) Based on closing price of S\$0.930 on 9 May 2014.

Key Highlights

Financial Highlights

Portfolio Performance

Outlook

港 CROESUS
区 RETAIL TRUST



Key Highlights



- CRT's first distribution per unit of 5.24⁽¹⁾ Singapore cents was paid on 31 March 2014
- Q3 FY2014 Available Distribution Per Unit of 1.76⁽²⁾ Singapore cents exceeds the forecast figures⁽⁴⁾ by 8.0%. Year-to-date Available Distribution Per Unit of 7.00⁽³⁾ Singapore cents also exceeds forecast figures⁽⁴⁾ by 7.7%
- Portfolio gross revenue and net property income for Q3 FY2014 exceeds forecast figures by 3.7% and 12.3%, respectively, due mainly to better than expected performance of Mallage Shobu. Tenant replacements at Mallage Shobu continue to show positive rental reversions
- The two Tokyo acquisitions in March 2014 were DPU accretive by 5.7% for Forecast Year 2014⁽⁵⁾, and increased the portfolio value by approximately 28.3% and further expanded NLA by approximately 9.0%
- CRT voted Best Small-Cap Company in Singapore in FinanceAsia's Best Managed Companies Poll 2014 and 6th most committed listed company in Singapore to a strong dividend policy

(1) For the Period from 10 May 2013 to 31 December 2013.

(2) For the Period from 1 January 2014 to 31 March 2014.

(3) For the Period from 10 May 2013 to 31 March 2014.

(4) The forecast figures are extracted from the announcement dated 27 February 2014 in relation to the acquisition of Luz Omori and NIS Wave I (the "Additional Portfolio"), subject to the bases and assumptions stated therein, and pro-rated using the actual number of days attributable to the respective reporting period, except for non-recurring items such as unrealized fair value gains, their related deferred tax expenses, prepaid property tax and a part of finance cost which are not proportionally prorated.

(5) From the announcement dated 27 February 2014 in relation to the acquisition of the Additional Portfolio.

Key Highlights

Financial Highlights

Portfolio Performance

Outlook

港區 CROESUS
RETAIL TRUST



Financial Highlights – 10 May to 31 March 2014



	10 May to 31 March 2014 ⁽¹⁾			1 Jan to 31 March 2014		
	Actual	Forecast ⁽²⁾	Variance %	Actual	Forecast ⁽²⁾	Variance %
Income Available for Distribution (¥'000)	2,472,314	2,301,859	7.4%	619,785	576,946	7.4%
Available Distribution Per Unit (Singapore cents)	7.00	6.50	7.7%	1.76	1.63	8.0%
Historical Annualised DPU (Singapore cents)	7.84 ⁽³⁾	7.41				
Historical Annualised Distribution Yield⁽⁴⁾						
@ S\$0.930 per unit (IPO Price & Closing Price on 9 May 2014)	8.4%	8.0%				

- (1) The acquisition of the Portfolio of CRT was completed on 10 May 2013, which was the day CRT was officially listed on the SGX-ST.
- (2) The forecast figures are extracted from the announcement dated 27 February 2014 in relation to the acquisition of the Additional Portfolio, subject to the bases and assumptions stated therein, and pro-rated using the actual number of days attributable to the respective reporting period, except for non-recurring items such as unrealized fair value gains, their related deferred tax expenses, prepaid property tax and a part of finance cost which are not proportionally prorated.
- (3) The historical annualised DPU is calculated by dividing the available DPU for the period from 10 May 2013 to 31 March 2014 by 326 days and multiplying the result by 365 days (the "Historical Annualised DPU"). The annualised DPU is for illustrative purposes only and should not be construed as a representation of the future DPU in FY2014 or a forecast of the future DPU.
- (4) The annualised distribution yield is calculated by dividing the Historical Annualised DPU by the respective unit price (in Singapore cents). The annualised distribution yield is for illustrative purposes only and should not be construed as a representation of the future distribution yield in FY2014 or a forecast of the future distribution yield.

Income Available for Distribution Exceeds Forecast by 7.4%



	YTD – 10 May to 31 March 2014			Q3 – 1 Jan to 31 March 2014		
(JPY"000)	Actual	Forecast ⁽⁵⁾	Variance %	Actual	Forecast ⁽⁵⁾	Variance %
Gross Revenue	4,676,803	4,603,929	1.6%	1,391,654	1,341,658	3.7%
Less: Property Operating Expenses	(1,667,754)	(1,754,188)	(4.9)%	(457,921)	(510,367)	(10.3)%
Net Property Income	3,009,049	2,849,741	5.6%	933,733	831,291	12.3%
Trustee Manager's Fees ⁽¹⁾	(417,501)	(408,865)	2.1%	(130,567)	(120,282)	8.6%
Finance Costs	(474,945)	(477,873)	(0.6)%	(185,836)	(187,695)	(1.0)%
Other Trust Expenses ⁽⁴⁾	(135,514)	(119,826)	13.1%	(86,456)	(36,753)	135%
Total Trust Income and Expenses	1,981,089	1,843,177	7.5%	530,874	486,561	9.1%
Net Change in Fair Value of Investment Properties/ Financial Instruments ⁽²⁾	1,855,082	1,683,585	10.2%	329,407	411,941	(20.0)%
Income Tax Expenses ⁽⁴⁾	(874,429)	(591,847)	47.7%	(243,211)	(154,082)	57.8%
Profit after Tax	2,961,742	2,934,915	0.9%	617,070	744,420	(17.1)%
Distribution Adjustments ⁽³⁾	(489,428)	(633,056)	(22.7)%	2,715	(167,474)	102%
Income Available for Distribution to Unitholders	2,472,314	2,301,859	7.4%	619,785	576,946	7.4%

(1) Includes Japan Asset Manager's fees.

(2) Net sum between the fair value gain on investment properties arose from unrealized gain on revaluation of the investment properties of the Group and the fair value loss on financial instruments arose from mark to market of forward foreign exchange contracts (in accordance with FRS 39) used to hedge distribution for the financial periods from Listing Date to 30 June 2014 and 1 July 2014 to 30 June 2015.

(3) Adjustments include Trustee-Manager's fees paid/ payable in units, amortization of upfront costs, amortization of prepaid property tax, fair value gains on investment properties net of tax, fair value losses on financial instruments, and others.

(4) Reclassification of JPY5,343,000 of business scale taxes from the forecasted income tax expenses to forecasted other trust expenses were made to be consistent with the actual accounts.

(5) The forecast figures are extracted from the announcement dated 27 February 2014 in relation to the acquisition of the Additional Portfolio, subject to the bases and assumptions stated therein, and pro-rated using the actual number of days attributable to the respective reporting period, except for non-recurring items such as unrealized fair value gains, their related deferred tax expenses, prepaid property tax and a part of finance cost which are not proportionally prorated.

Healthy Balance Sheet



(JPY'000)	Actual as of 31 December 2013	Actual as of 31 March 2014
Investment Properties	52,954,221	67,917,027
Other Non-current Assets	1,577,990	2,285,771
Current Assets	5,996,587	5,534,720
Total Assets	60,528,798	75,737,518
Loans and Borrowings (long-term)	24,012,719	40,152,436
Other Non-current Liabilities	2,637,308	3,603,701
Current Liabilities	2,115,981	1,468,068
Net Assets	31,762,790	30,513,313
Number of Units Issued and to be issued ⁽¹⁾	428,698,000	430,038,000
Net Asset Value per Unit (JPY)	74.09	70.95

(1) The number of units issued and to be issued as of 31 March 2014 consists of a) the number of units in issue as at 31 March 2014 of 428,698,000; and b) the estimated number of units to be issued to the Trustee-Manager as partial satisfaction of Trustee-Manager's fees payable for the period from 1 January 2014 to 31 March 2014 of 1,340,000.**

** As provided for in the trust deed dated 7 May 2012 constituting CRT (the "Trust Deed"), the price of the units issued shall be computed based on the volume weighted average price of a unit for the period of ten business days immediately preceding the relevant business day of the issue of such units. Therefore, the actual number of units to be issued may deviate from the above illustrative number of units.

Key Financial Indicators



	Actual as of 31 December 2013	Actual as of 31 March 2014
Gearing Ratio	41.8%	53.5%
Interest Coverage Ratio	5.9 times	5.2 times
% of Debt Hedged	100%	100%
Average All-In Cost of Debt⁽¹⁾	1.59%	2.15%
Debt Maturity	4.4 years	4.0 years
Additional Debt Headroom⁽²⁾	JPY27.5 billion	JPY12.3 billion

(1) Cost of debt excluding professional and other fees incurred during the transaction.

(2) Calculated based on a leverage limit of 60.0%.

Key Highlights

Financial Highlights

Portfolio Performance

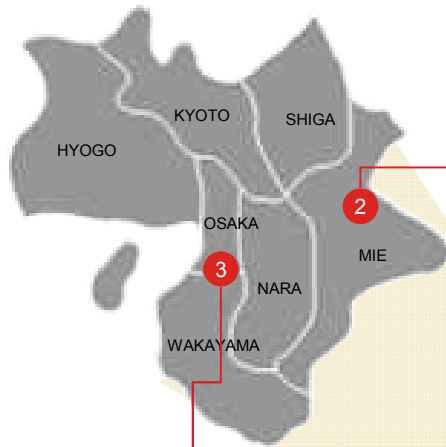
Outlook

港 CROESUS
区 RETAIL TRUST



Portfolio Overview

Sponsor has locked in attractive purchase prices (4.7% discount to valuation⁽²⁾) for the recent acquisition of Luz Omori and NIS Wave I, at a time when real estate prices in Japan are escalating. Enlarged Portfolio is geographically diversified across Japan, located near major transportation nodes.




Aeon Town Suzuka




Valuation ⁽¹⁾ (JPY mm)	8,790
NLA (sqm)	43,501
Vendor: Daiwa House	

Mallage Shobu



Valuation ⁽¹⁾ (JPY mm)	21,900
NLA (sqm)	67,853
Vendor: Sojitz	

NIS Wave I



Valuation ⁽²⁾ (JPY mm)	11,400
NLA (sqm)	7,141
Vendor: US Private Fund	

Luz Omori

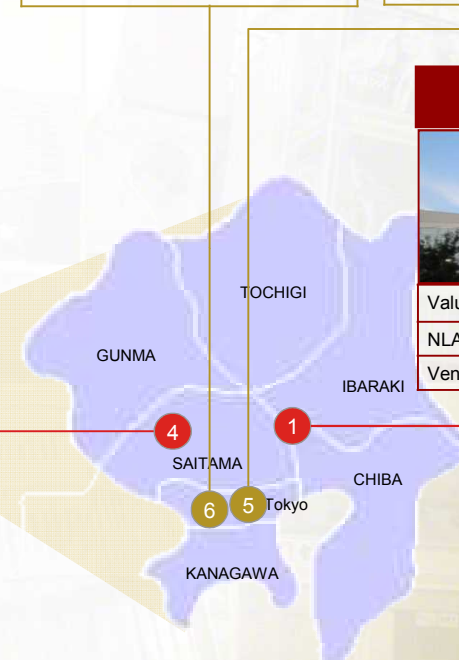
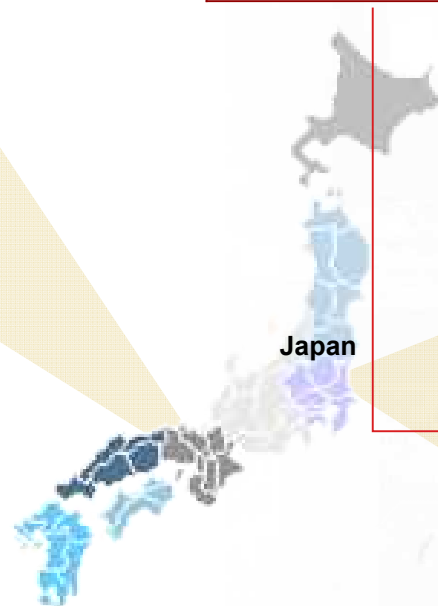


Valuation ⁽²⁾ (JPY mm)	3,560
NLA (sqm)	9,285
Vendor: Marubeni	


Luz Shinsaibashi



Valuation ⁽¹⁾ (JPY mm)	9,380
NLA (sqm)	2,342
Vendor: Marubeni	



Aeon Town Moriya

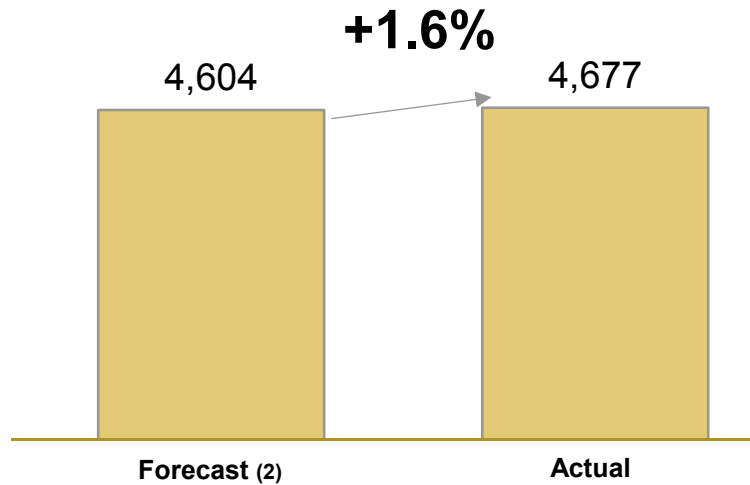


Valuation ⁽¹⁾ (JPY mm)	12,800
NLA (sqm)	68,047
Vendor: Daiwa House	

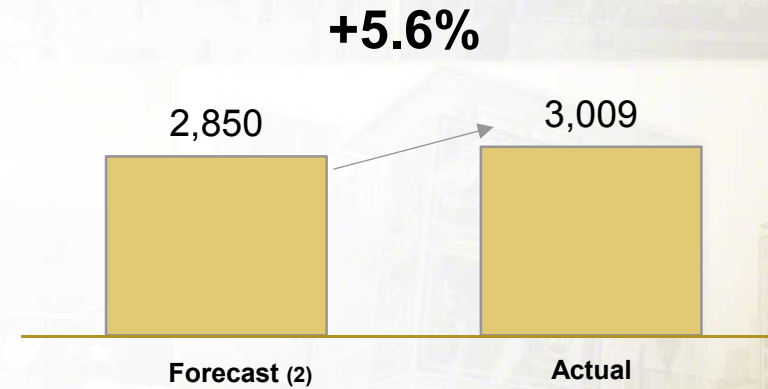
(1) Based on valuation by DTZ as of 31 Mar 2013. For Mallage Shobu, valuation by DTZ as of 1 June 2013, after inclusion of the Uniqlo annex.
 (2) Based on valuation by DTZ as of 18 Sep 2013.

Portfolio Gross Revenue and NPI — above Forecast

Gross Revenue⁽¹⁾ (JPY mm)



Net Property Income⁽¹⁾ (JPY mm)



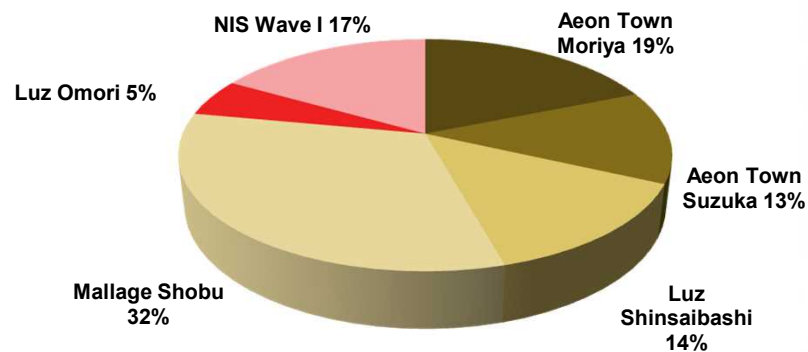
(1) For the period from Listing Date of 10 May 2013 to 31 March 2014.

(2) The forecast figures are extracted from the announcement dated 27 February 2014 in relation to the acquisition of the Additional Portfolio, subject to the bases and assumptions stated therein, and pro-rated using the actual number of days attributable to the respective reporting period, except for non-recurring items such as unrealized fair value gains, their related deferred tax expenses, prepaid property tax and a part of finance cost which are not proportionally prorated.

Key Information on the Enlarged Portfolio

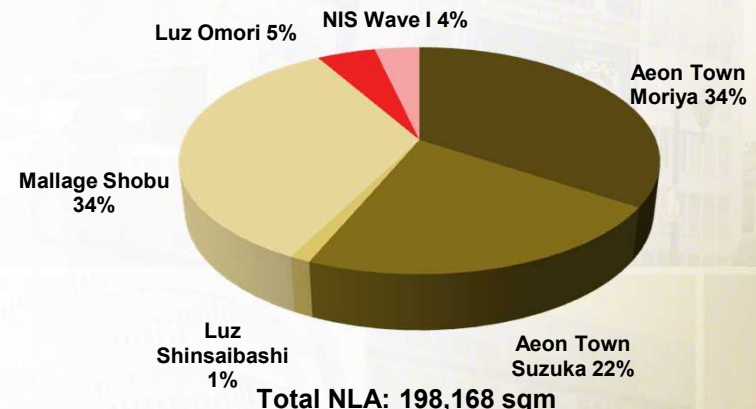
	City	Number of Tenants	Age of Building (yrs) ⁽¹⁾	Leasehold / Freehold	Valuation ⁽²⁾ (JPY mm)	Forecast Year 2014 NPI ⁽³⁾ (JPY mm)	Purchase Price (JPY mm)	Annualised NPI Yield ⁽⁴⁾
Aeon Town Moriya	Ibaraki	1 master lessee, 110 subtenants	6.8	Freehold	12,800	820.0	12,154	6.7%
Aeon Town Suzuka	Mie	1 master lessee, 41 subtenants	6.8	Freehold	8,790	591.5	8,439	7.0%
Luz Shinsaibashi	Osaka	4	4.5	Freehold	9,380	449.2	9,021	5.0%
Mallage Shobu	Saitama	242	5.4	Freehold	21,900	1,261.1	20,584	6.1%
Luz Omori	Tokyo	30	3.1	Leasehold expiring in July 2059	3,560	71.4⁽⁶⁾	3,450	6.2%
NIS Wave I	Tokyo	11	6.8	Freehold / Leasehold expiring in Dec 2029 ⁽⁵⁾	11,400	217.4⁽⁶⁾	10,800	6.0%
Total		438	6.1		67,830	3,410.6	64,448	6.2%

Breakdown of Valuation



Total Valuation: JPY 67,830 mm

Breakdown of NLA



Total NLA: 198,168 sqm

(1) As at 31 March 2014

(2) For the Initial Portfolio, based on valuation by DTZ as of 31 Mar 2013. For Mallage Shobu, valuation by DTZ as of 1 Jun 2013, after inclusion of the Uniqlo annex. For the Enlarged Portfolio, based on valuation by DTZ as of 18 Sep 2013

(3) From 1 July 2013 to 30 June 2014

(4) Based on annualised forecast NPI (for the 12-month period ended 30 June 2014 and for the Forecast Period, for the Existing Portfolio and the Properties respectively) divided by the purchase price

(5) NIS Wave I comprises 4 plots of amalgamated land. 3 parcels are freehold and owned by CRT, while 1 parcel is leasehold with an expiry in Dec 2029

(6) Based on four months contribution (1 March 2014 to 30 June 2014) for the Forecast Period

Balanced Portfolio Ensures Stable Income and Sustainable Growth

Each of the properties is strategically located within its submarket, being directly connected via major transportation nodes

	Forecast Year 2014 NPI % ⁽²⁾	Occupancy ⁽³⁾	WALE by NLA ⁽³⁾ (yrs)	Lease Expiry Profile		Connectivity		Key Tenants / Sub tenants
				31 Mar 2014 to 30 Jun 2014	Projection Year 2015	By Train	By Major Road	
Aeon Town Moriya	24%	100%	13.2	-	-	✓	✓	Aeon Cinema, Alpen, Food Square Kasumi, Futaba-Tosho, Uniqlo, Nojima
Aeon Town Suzuka	17%	100%	13.2	-	-	✓	✓	Kahma Home Centre, APINA, Nitori, Hana-Shobu, Uniqlo, Atelier, Seria, G.U.
Luz Shinsaibashi	13%	100%	8.0	-	-	✓	✓	H&M
Mallage Shobu	37%	99.3%	5.1	0.2%	21.1%	✓	✓	Nafco, 109 Cinemas, Himaraya, York Mart, Nojima, Academia, Sanki, Play Land, Uniqlo
Luz Omori	2% ⁽¹⁾	97.2%	16.5	-	-	✓	✓	Ota ward, Docomo, Daiso
NIS Wave I	7% ⁽¹⁾	100%	4.6	-	0.4%	✓	✓	NEXUS Holdings, Sumitomo Mitsui Trust Bank

41% of Forecast Period NPI secured through master leases with high quality tenant (Aeon Town)

Approximately 100% occupancy across all properties

~99% of period from 31 Mar 2014 to 30 June 2014 and ~79% of Projection Year 2015 rentals already locked in

Well-connected by train, bus or major roads

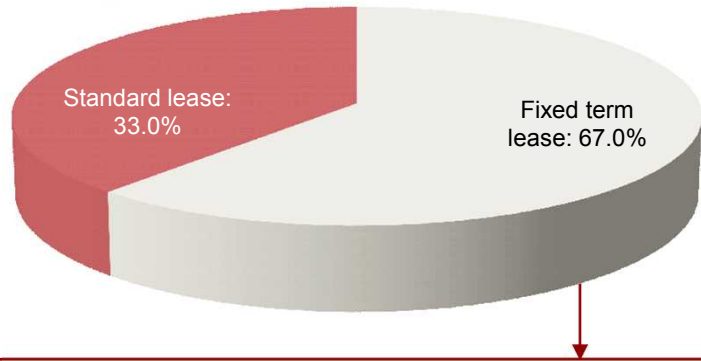
Quality tenant base from diversified trade sectors

- (1) Based on four months contribution (1 March 2014 to 30 June 2014) for the Forecast Period
 (2) From 1 July 2013 to 30 June 2014
 (3) As of 31 March 2014

Favorable Lease Profile

A substantial portion of CRT's Gross Rental Income is derived from leases structured as Fixed Term Leases, giving it greater flexibility to adjust rentals / tenant composition, or variable rent, allowing it to share any income upside with its tenants.

% of Gross Rental Income from Fixed Term Leases⁽²⁾



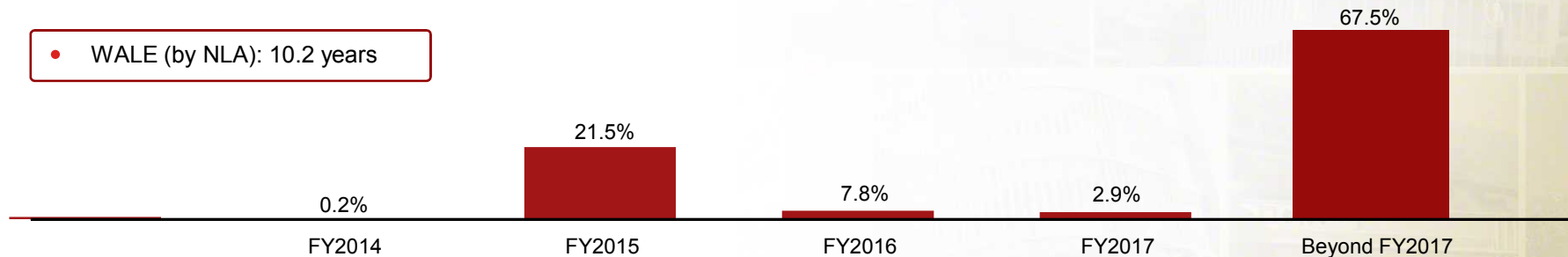
- Greater flexibility in adjusting rental income and tenant composition upon expiry of lease
- Shorter lease tenure (typically 3 – 5 years)

Growth in Gross Rental Income from Variable Rent⁽¹⁾

- Among the Properties, Luz Omori, Luz Shinsaibashi and Mallage Shobu, have leases with variable rent components
- As of 31 March 2014⁽³⁾ 41.8% of monthly gross rental income of the portfolio had a variable rent component
- Of total variable rent, the variable portion is 15.3% and 26.5% is guaranteed minimum base rent. Therefore, pure fixed rent constitutes 84.7% of total portfolio gross rental income

Lease Expiry Profile⁽²⁾

- WALE (by NLA): 10.2 years



(1) Variable rent figures mentioned included guaranteed minimum rent.

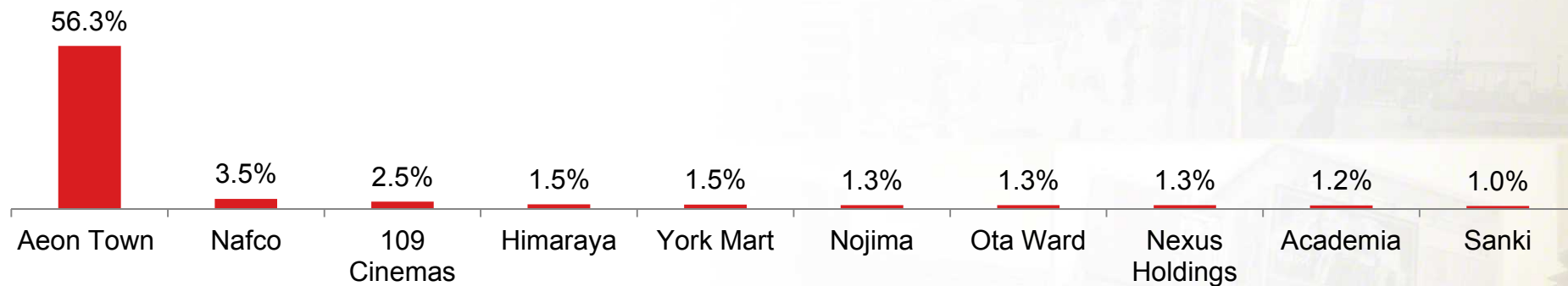
(2) By Gross Rental Income for the month of March 2014.

(3) From 1 July 2013 to 31 March 2014.

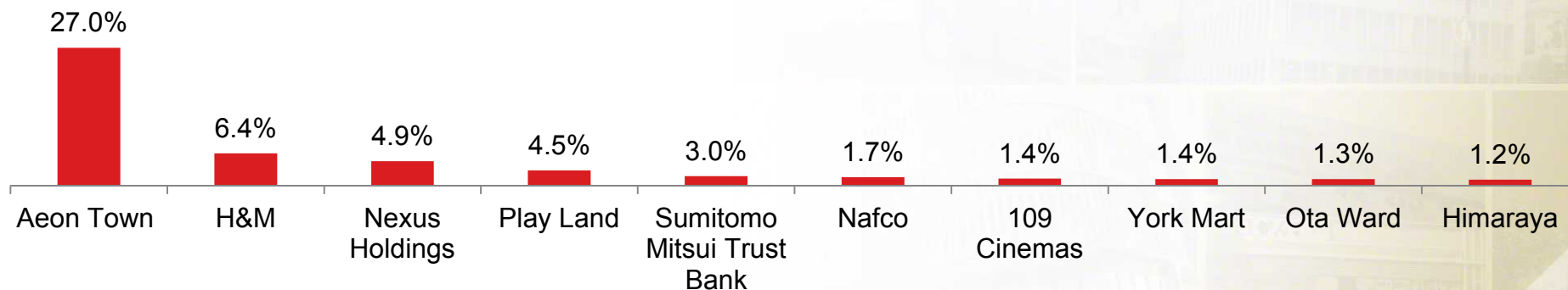
Top Ten Tenants of CRT

Diversification of CRT's tenant base achieved post recent acquisitions with additions of new anchor tenants

Top 10 Tenants by **NLA**
 (As at 31 March 2014)



Top 10 Tenants by **Gross Rental Income**
 (For the month of March 2014)



Mallage Shobu – New Shop Openings in Q3 FY2014



EMODA



Arnold Palmer



NEW STYLE



SUUMO Service Counter

Mallage Shobu – Marketing & Promotional Activities

22 February ~ 13 April 2014 Pop Circus



Mallage Shobu – Tenant Replacements

- Significant movement in the tenant composition, with 148 of 242 leases expiring in Nov-14
 - Rental reversion upon lease expiry, since most of the expiring leases were entered into in 2008 with lease terms favoring the lessees, given market conditions at the time
 - Attract strategic anchor tenants to further enhance the overall growth
 - Recent additions of new tenants such as Arnold Palmer, Emoda, New Style and SUUMO; currently in negotiations with other high quality tenants

15 March 2014 EXILE Makidai's Talk Show

Favorable rental reversions anticipated when leases expire in November 2014

Key Highlights

Financial Highlights

Portfolio Performance

Outlook

港 CROESUS
区 RETAIL TRUST



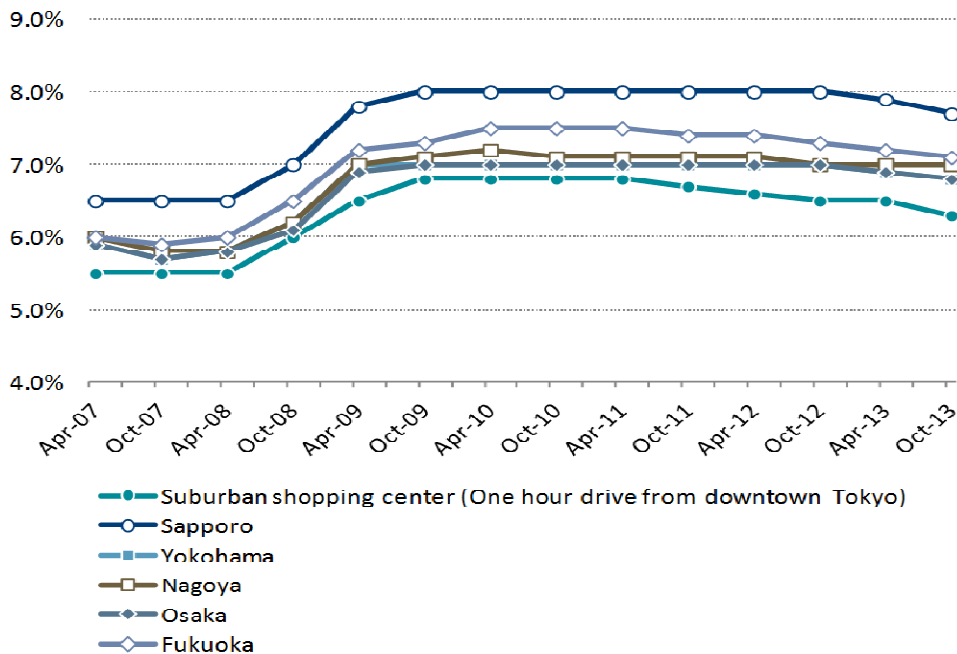
- Promising GDP and Tankan data
 - 4Q 2013 annualised GDP growth of +0.7% (quarter-on-quarter) to mark fifth straight quarter of expansion.
 - Quarterly Tankan index released in March 2014 rose to +17 from -8 in March 2013, reaching its highest level in the post-bubble era and highlighting increased confidence and optimism for the economy.
- Increase in CPI numbers
 - Core consumer prices for the month of March 2014 rose 1.3% on a year-to-year basis, making it the tenth consecutive month of increase.
 - 2013 annual CPI rose 0.4% (year-to-year), indicating an annual increase for the first time in the past five years.⁽¹⁾
- Based on survey by Japan Real Estate Institute
 - Suburban Tokyo, suburban Nagoya and prime Osaka have all shown expected cap rate compressions of approximately 10 to 30bps for the period from April 2012 to October 2013.
 - Tokyo suburban shown compression of 50bps from its recent peak in 2011.

Source: Barclays Research Report and Japan Real Estate Institute

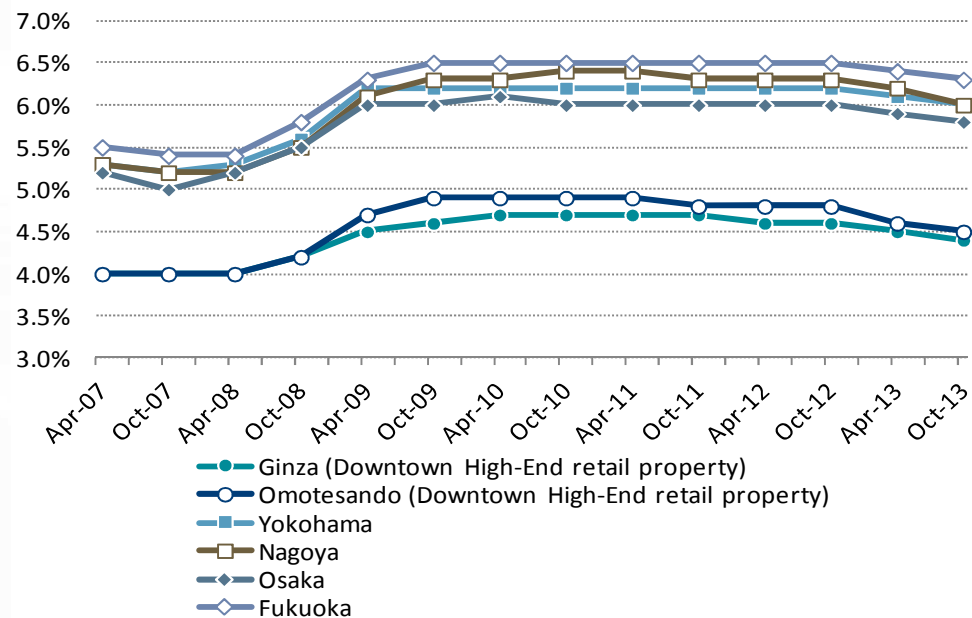
Each of Barclays and the Japan Real Estate Institute has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Trustee-Manager has taken reasonable actions to ensure that the information from the respective reports published by Barclays and the Japan Real Estate Institute is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Trustee-Manager nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

Retail Cap Rate Trends

Suburban Retail Cap Rate Trends



Prime Retail Cap Rate Trends



	2007.4	2007.10	2008.4	2008.10	2009.4	2009.10	2010.4	2010.10	2011.4	2011.10	2012.4	2012.10	2013.4	2013.10
Suburban shopping center (One hour drive from downtown Tokyo)	5.5%	5.5%	5.5%	6.0%	6.5%	6.8%	6.8%	6.8%	6.8%	6.7%	6.6%	6.5%	6.5%	6.3%
Sapporo	6.5%	6.5%	6.5%	7.0%	7.8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	7.9%	7.7%
Yokohama	5.9%	5.7%	5.8%	6.2%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	6.9%	6.8%
Nagoya	6.0%	5.8%	5.8%	6.2%	7.0%	7.1%	7.2%	7.1%	7.1%	7.1%	7.1%	7.0%	7.0%	7.0%
Osaka	5.9%	5.7%	5.8%	6.1%	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	6.9%	6.8%
Fukuoka	6.0%	5.9%	6.0%	6.5%	7.2%	7.3%	7.5%	7.5%	7.5%	7.4%	7.4%	7.3%	7.2%	7.1%

	2007.4	2007.10	2008.4	2008.10	2009.4	2009.10	2010.4	2010.10	2011.4	2011.10	2012.4	2012.10	2013.4	2013.10
Ginza (Downtown High-End retail property)	4.0%	4.0%	4.0%	4.2%	4.5%	4.6%	4.7%	4.7%	4.7%	4.7%	4.6%	4.6%	4.5%	4.4%
Omotesando (Downtown High-End retail property)	4.0%	4.0%	4.0%	4.2%	4.7%	4.9%	4.9%	4.9%	4.9%	4.8%	4.8%	4.8%	4.6%	4.5%
Yokohama	5.3%	5.2%	5.3%	5.6%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.1%	6.0%
Nagoya	5.3%	5.2%	5.2%	5.5%	6.1%	6.3%	6.3%	6.4%	6.4%	6.3%	6.3%	6.3%	6.2%	6.0%
Osaka	5.2%	5.0%	5.2%	5.5%	6.0%	6.0%	6.1%	6.0%	6.0%	6.0%	6.0%	6.0%	5.9%	5.8%
Fukuoka	5.5%	5.4%	5.4%	5.8%	6.3%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.4%	6.3%



Expected cap rates of suburban shopping centers located one hour drive from Tokyo have shown compression by 50bp to 6.3% compared to the highest point in April 2011 of 6.8%.



Osaka's expected cap rate has recently compressed by 10bp to 5.8% compared to just 6 months ago in April 2013 when the survey was last conducted.

Significant Retail deals across Japan

Property Name	Town/ City	Purchaser	Vendor	Price (JPY Billion)	NOI Cap Rate (%)	Closing Date
Yodobashi Camera Multimedia Kichijoji	Kichijoji, Tokyo	United Urban Investment (REIT)	Kichijoji YCM Funding	28.0	5.2	Mar 2013
Kawasaki Lefront	Kawasaki, Kanagawa	Japan Retail Fund Investment (REIT)	MJ Retail Investments One	30.0	6.2	Oct 2013
G Building Shinsaibashi 03	Shinsaibashisuji, Osaka	Japan Retail Fund Investment (REIT)	Unique Osaka LLC (RREEF)	22.3	4.3	Oct 2013
Aeon Lake Town Mori (40%)	Koshigaya, Saitama	Aeon REIT Investment (REIT)	Aeon Retail	21.1	5.6	Nov 2013
Kobe Kyu Kyoryuchi 25 Bankan (includes hotel)	Kobe, Hyogo	Activia Properties (REIT)	SPC of Tokyu Land	21.3	4.8	Dec 2013

Source: DTZ Research

Japan may see another property price boom

'Asset inflation' in stock prices has returned, property prices may follow suit

By ANTHONY ROWLEY in Tokyo
A 74 billion yen (\$996.1 million) property deal in one of Tokyo's prime districts has sparked speculation that a property price boom may be brewing again in major Japanese cities after some 25 years of continuing price declines following the collapse of Japan's bubble economy after 1990.

stuffed with excess reserves, and low loan to deposit ratios, there is an ocean of ultra cheap liquidity now available for investors," Mr Curtis noted.

"With little of that so far flowing into the real economy - similar to the US and EU experience of quantitative easing, and to Japan's experience in the late 1990s and after - that means that there is a tsunami of funds which has now started to flow into asset markets - both in Japan, and from Japan to world markets.

"With cap (capitalisation) rates low, real estate in central Tokyo looks like one of the best games in town, and so I expect to see further rises in Japanese real estate prices. Is this a new bubble? Not yet, but the market is now building good momentum."

The BOJ is now embarked on a quantitative easing (quant) programme three times more aggressive in GDP-related terms than those pursued by the US Federal Reserve until recently, Mr Curtis noted.

"If that is where we are headed, and nothing indi-

Japan's massive quantitative and qualitative easing.

As reported also in BT this month, land prices in some major Japanese cities rose last year for the first time in many years - by more than 10 per cent in parts of Tokyo - as a result of the BOJ's easing, although government officials reject the idea that an asset bubble is building up.

Prices of residential land in major metropolitan areas of Tokyo, Osaka and Nagoya rose on average by 0.5 per cent last year, while commercial land prices went up by an average of 1.6 per cent - the first upticks in Japan since 2009.

While attention continues to be focused on whether the Bank of Japan can succeed in turning 15 years of declining prices into a 2 per cent annual increase in consumer prices, "asset inflation" in stock prices has roared back and property prices may be about to follow suit.

The plan by Osaka-based house builder Sekisui House to buy the Kokusai Akasaka Building, reported at the weekend by Reuters quoting

41-year-old Kokusai Akasaka

22 | Friday - Sunday, February 28 - March 2, 2014

MARKETS

Japan Property Hunger

Sumitomo Mitsui Trust Pushes to Broker Sales as Demand Surges

By ATSUKO FURUSE

TOKYO - The top executive of Sumitomo Mitsui Trust Bank said he is making a stronger push to broker real-estate deals with Asian investors as Japan's improving economy has sparked a resurgence in interest in the country's property market.

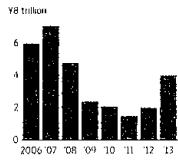
His effort comes as Japan's real-estate industry has benefited from Prime Minister Shinzo Abe's economic and monetary policies, known as Abenomics. The Bank of Japan has expanded its purchases of shares in Japanese real-estate investment trusts, or REITs.

The country's biggest trust bank by assets is now taking advantage of its expertise as a real-estate broker to meet a growing investment appetite for condominiums and office buildings, Hitoshi Tsunekage, the president of Sumitomo Mitsui Trust Bank, said in an interview.

"We held several seminars in Singapore, Taiwan and South Korea for prospective investors last year, and we've seen great interest from them in a wide range of properties from offices through apartments," Mr. Tsunekage said.

On the Rise

The transaction amount for Japanese commercial real-estate deals doubled last year.



Source: Janso Lang LaSalle, The Wall Street Journal

Land prices in Japan's major cities continued to rise in the final three months of 2013, according to government data released Tuesday. Prices of commercial properties rose in the biggest metropolitan areas, while residential prices also showed gains.

The land ministry's quarterly survey found that prices rose in 122 urban locations out of the 150 surveyed, mainly in Tokyo, Osaka and

As the Bank of Japan buys up various financial assets, including Japanese REITs, land prices in Japanese major cities have surged for the first time in five years. The Tokyo Stock Exchange REIT index, which consists of more than 40 real-estate investment trusts, rose above 1,500 in late December for the first time since June 2009.

According to Jones Lang LaSalle, a real-estate services company, the transaction amount for Japanese commercial real-estate deals doubled in 2013 to ¥4 trillion (\$39 billion) from ¥2 trillion. That was the biggest figure since 2008.

"Abenomics has been effectively boosting investors' sentiment," Yasuo Nakashima, chief executive officer for LaSalle Investment Management in Japan, said at a news conference on Feb. 20. "We've seen asset-price inflation in the Japanese real-estate market in the past 14 months, helped by the country's monetary easing," Mr. Nakashima said, though he added that similar trends have been seen in the U.S. and U.K. in the past few years.

U.K. real-estate firm Grosvenor Ltd. listed 200 rooms in a luxury

THE STRAITS TIMES FRIDAY, APRIL 4, 2014

Ascendas on track to beefing up presence in Japan

Trust raises \$50m to partly fund Osaka acquisition



By CHERYL ONG
PROPERTY from Ascendas Hospitality Trust is a step closer to boosting its presence in Japan

NEWS ANALYSIS

per cent of Ascendas Hospitality's portfolio, with its remaining assets spread out over Australia, Singapore and China.
"This 'diversification strategy'", according to Mr Tan, is important "because different countries will have different cycles of the economy and the tourism factor".
"This package will go some way to ride out any rough spots in a single market."
asc@sg.morningstar.com



Visitors enjoying the view from the observation deck at the Abeno Harukas building in Osaka. Tourism in Japan has picked up, with the number of foreign visitors crossing the 10 million mark last year for the first time. PHOTO: SHUTTERSTOCK

A22 | WORLD

THURSDAY, MARCH 20, 2014 THE STRAITS TIMES

Land prices rise in Japan's 3 largest cities

Tokyo, Osaka and Nagoya post first increase since 2008

TOKYO - Land prices in Japan's three largest metropolitan areas gained for the first time in six years amid efforts by Prime Minister Shinzo Abe to revive the world's third-largest economy.
The value of land in Tokyo, Osaka and Nagoya was on average 0.7 per cent higher as of Jan 1 from 12 months earlier, compared with a 0.6 per cent decline in the previous year, the Ministry of Land, Infrastructure and Transport said yesterday.

Real estate investments have picked up since Mr Abe pledged to end 15 years of deflation and the Bank of Japan embarked on an unprecedented monetary easing, an approach dubbed Abenomics. The nation's real estate investment trusts, or REITs, bought property worth 2.13 trillion yen (\$42.7 billion) last year, making them the biggest buyers of the assets, according to the Association for Real Estate Securitization.

"Land prices will probably continue to rise in the medium term," said Mr Akira Mori, chief executive officer of Mori Trust, a closely held developer. He cited below-average office supply, rising rents and investments at home and abroad as reasons for a recovery.
Nationwide, land prices on average fell 0.6 per cent as of Jan 1, compared with a 1.8 per cent decline a year earlier, the land ministry said. The drop was the smallest over the last six years, the data showed. Values declined 1.7 per cent on average in non-major cities, falling for 22 years straight, it showed.
Residential land prices in the three major cities rose 0.6 per cent, compared with a 0.6 per cent drop a year earlier, the report showed. Commercial land values in the regions gained 1.6 per cent after declining 0.5 per cent a year earlier. Mr Abe has promised to loosen business regulations and increase govern-



Commercial property in Tokyo's Ginza shopping district remains the most expensive, with land costing as much as 28.6 million yen (\$370,000) per square metre. PHOTO: GLOMBECK

ment support to help Japan's industry as part of a three-pronged strategy to stem deflation and revive growth, following fiscal and monetary stimulus measures.
"We have started to see effects such as an improvement in sentiment from Abenomics," said Mr Kenji Kimura, chairman of developer Mitsubishi Estate. "We continue to see signs of recovery."
Residential price rises in Tokyo's central three wards - Chuo, Chiyoda and Minato - the report showed. They climbed as much as 6.7 per cent in Chuo ward, which includes part of Tokyo Bay and some of the 2020 Olympic games venues.
The nation's commercial real estate market is also showing signs of a recovery. Office vacancies in Tokyo fell to 7.01 per cent last month from 8.57 per cent a year earlier, according to brokerage MEIJI Shoji.
The most expensive piece of commercial property remained in Tokyo's Ginza shopping district in Chuo ward, where land costs as much as 28.6 million yen per square metre. The area posted a 0.6 per cent gain from a year earlier, according to the report.
GLOMBECK

Ascott Reit buys Japan property for 6.3b yen

Yield-accrue acquisition is trust's second property in Fukuoka

By Lee Meixian
leem@sph.com.sg
Singapore

It is also its second acquisition since its rights issue last December, which raised around \$253.7 million.

At the time, it had said the rights issue was to "increase Ascott Reit's debt headroom through a reduction of its borrowings, hence enhancing Ascott Reit's ability to pursue potential acquisitions in an efficient manner and upholding its competitive positioning in the market through various asset enhancement plans."

It had added that the rights issue would also improve its credit profile and financial flexibility, so that it can negotiate and secure debt facilities for future acquisitions on more competitive terms.



Ascott Reit said the 389-unit property, which is a 25-minute drive to the CBD and offers two to four bedroom apartments, will enhance its income stability as the property is under a master lease to a third party.

Bloomberg

Print Back to story

Goldman to Expand Japan REIT to 60 Billion Yen as Demand Rises

By Katsuyo Kuwako and Kathleen Chiu - Mar 11, 2014

Goldman Sachs Group Inc. (GS) plans to expand its private real estate investment trust in Japan to 60 billion yen (\$583 million) by the end of March amid rising demand to invest in the nation's real estate market.

The REIT will acquire two office buildings in Tokyo and Fukuoka, on the southern island of Kyushu, said Hiroyasu Kaizuka, head of the real estate investment department at Goldman Sachs Asset Management Co. in Tokyo. The REIT, which started in August 2012 with 30 billion yen, plans to add about 4 billion yen of properties by the end of June, he said.

Goldman Sachs, the first non-Japanese company to start a private REIT, is targeting 100 billion yen of properties in three years from inception. Property transactions in Japan may rise as much as 30 percent to about 5 trillion yen this year from 4 trillion yen in 2013, according to an estimate by brokerage Jones Lang LaSalle Inc. (JLL)

Bloomberg

Print Back to story

Japan Beyond Tokyo Luring BlackRock With Overseas Money

By Kathleen Chiu and Katsuyo Kuwako - Jan 28, 2014

BlackRock Inc. (BLK), the world's biggest money manager, is helping to drive a revival in Japan's property market as investors bet Prime Minister Shinzo Abe's plan to sustain economic growth will boost real estate returns.

BlackRock is looking for investments outside of Tokyo this year as it seeks higher yields, said John Saunders, managing director and head of Asian real estate. Japan real estate investment trusts, or J-REITs, acquired properties worth 2.23 trillion yen (\$21.6 billion) in 2013, almost triple the previous year, after raising a record amount of cash from equity sales, according to the Association for Real Estate Securitization.



Thank You

Key Contact:

Ms. Hanako Tokunaga
Investor Relations & Financial Controller
Tel: +65 6622 5531
Email: htokunaga@croesusgroup.com

