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 30 June 2014. However, the financial statements and results as presented in the announcement of results dated 28 August 2014 are for the period from 7 May 2012 (being the date of constitution of CRT) to 30 June 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 to 30 June 2014.

Croesus Retail Trust

Financial Results for the period from 10 May 2013 to 30 June 2014

28 August 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.

In this presentation, references to "forecast figures" or "forecast" are to forecast figures which the Trustee-Manager has extracted from the announcement dated 27 February 2014 (the "Acquisition Announcement") in relation to the acquisition of Luz Omori and NIS Wave I (the "Additional Portfolio") and forecast figures for Forecast Year 2014 which the Trustee-Manager has extracted from the prospectus of CRT dated 2 May 2013 (the "Prospectus"), are subject to the bases and assumptions stated therein respectively, and pro-rated or, as the case may be, extrapolated for the actual number of days attributable to the respective reporting period, except for non-recurring items such as unrealised fair value gains, their related deferred tax expenses and prepaid property tax which are not proportionally pro-rated, or as the case may be, extrapolated. Such forecast figures are for illustrative purposes only and should not be construed as a representation or a forecast of the performance of ² results of CRT.

About Croesus Retail Trust





Aeon Town Moriya

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



Croesus Shinsaibashi (1) A prime retail property located in Shinsaibashisuji Avenue, a premier shopping district in

Luz Omori

Osaka

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



3

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

- 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 30 June 2014
 - Market Capitalisation of S\$434 million ⁽²⁾







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

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) Previously known as Luz Shinsaibashi. Please refer to the announcement dated 2 June 2014 for more details in relation to the change in name.
- (2) Based on closing price of S\$1.010 on 26 August 2014.

Key Highlights Financial Highlights Portfolio Performance

Outlook





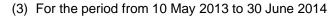


Key Highlights

- FinanceAsia ASIA'S BEST COMPANIES 2014
- CRT's second Distribution Per Unit of 3.74⁽¹⁾ Singapore cents to be paid in September 2014
- Q4 FY2014 Distribution Per Unit of 2.00⁽²⁾ Singapore cents exceeds the forecast figures by 2.0%. Year-to-date Distribution Per Unit of 8.98⁽³⁾ Singapore cents also exceeds forecast figures by 6.3%
- Portfolio Net Property Income and Income Available for Distribution for Q4 FY2014 exceeds forecast figures by 2.6% and 2.1%, respectively, due mainly to lower property operating expenses achieved through cost savings in property management and repair expenses
- Portfolio valuation appreciated by 3% as at 30 June 2014(4)
- Tenant replacements at Mallage Shobu continue to show positive rental reversions



(2) For the period from 1 April 2014 to 30 June 2014



(4) See slide 9 for further details on the basis of computation



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Financial Highlights – 10 May 2013 to 30 June 2014



	10 May	/ 2013 to 30 Jur	ne 2014 ₍₁₎	1 April 2014 to 30 June 2014					
	Actual	Forecast	Variance %	Actual	Forecast	Variance %			
Income Available for Distribution (¥'000)	3,179,716	2,994,922	6.2%	707,402	693,063	2.1%			
Distribution Per Unit ('DPU') (Singapore cents)	8.98	8.45	6.3%	2.00	1.96	2.0%			
Historical Annualised DPU (Singapore cents)	7.86(2)	7.41							
Historical Annualised Distribution Yield(3)									
@ S\$0.93 per unit (IPO Price)	8.5%	8.0%							
@ S\$1.01 per unit (closing price on 26 Aug 2014)	7.8%	7.3%							

(1) The acquisition of the Initial Portfolio of CRT was completed on 10 May 2013, which was the day CRT was officially listed on the SGX-ST.

(2) The historical annualised DPU is calculated by dividing the DPU for the period from 10 May 2013 to 30 June 2014 by 417 days and multiplying the result by 365 days (the "Historical Annualised DPU"). The Historical Annualised DPU is for illustrative purposes only and should not be construed as a representation of the future DPU or a forecast of the future DPU.

(3) The historical annualised distribution yield is calculated by dividing the Historical Annualised DPU by the respective unit price (in Singapore cents). The historical annualised distribution yield is for illustrative purposes only and should not be construed as a representation of the future distribution yield.

distribution yield or a forecast of the future distribution yield.

7

Income Available for Distribution Exceeds Forecast by 6.2%



	YTD – 10) May 2013 to 30 Ju	ine 2014	Q4 – 1 Apr 2014 to 30 June 2014					
(JPY"000)	Actual	Forecast	Variance %	Actual Forecast Va		Variance %			
Gross Revenue	6,261,227	6,203,340	0.9%	1,584,424	1,599,410	(0.9)%			
Less: Property Operating Expenses	(2,232,387)	(2,359,897)	(5.4)%	(564,633)	(605,708)	(6.8)%			
Net Property Income	4,028,840	3,843,443	4.8%	1,019,791	993,702	2.6%			
Trustee Manager's Fees (1)	(565,508)	(555,943)	1.7%	(148,007)	(147,077)	0.6%			
Finance Costs	(707,116)	(717,889)	(1.5)%	(232,171)	(240,016)	(3.3)%			
Other Trust Expenses (4)	(196,827)	(169,613)	16.0%	(61,313)	(49,787)	23.2%			
Total Trust Income and Expenses	2,559,389	2,399,998	6.6%	578,300	556,822	3.9%			
Net Change in Fair Value of Investment Properties/ Financial Instruments (2)	3,783,952	1,683,585	125%	1,928,870	411,941	368%			
Income Tax Expenses (4)	(1,550,802)	(660,375)	135%	(676,373)	(158,476)	327%			
Profit after Tax	4,792,539	3,423,208	40.0%	1,830,797	810,287	126%			
Distribution Adjustments (3)	(1,612,823)	(428,286)	277%	(1,123,395)	(117,224)	858%			
Income Available for Distribution to Unitholders	3,179,716	2,994,922	6.2%	707,402	693,063	2.1%			

(1) Includes Japan Asset Manager's fees.

(2) Net sum between the fair value gain on investment properties which arose from unrealized gain on revaluation of the investment properties of the Group and the fair value loss on financial instruments which arose from mark to market of forward foreign exchange contracts (in accordance with FRS 39) used to hedge distribution.

(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, deferred tax expenses 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. Other trust expenses comprise of finance income, other administrative expenses, other trust expenses and foreign exchange losses.

Appreciation in Portfolio Valuation by 3.0% as at 30 June 2014



	Valuation (JPY mm) as at 30 June 2014 (2)	Discount Rate (%)	Terminal Cap Rate (%)	Prior Valuation (1) (JPY mm)	Change in Valuation (%)	Purchase Price (JPY mm)
Aeon Town Moriya	13,000	5.9%	6.2%	12,800	1.6%	12,154
Aeon Town Suzuka	8,970	6.2%	6.5%	8,790	2.0%	8,439
Croesus Shinsaibashi	9,940	4.3%	4.6%	9,380	6.0%	9,021
Mallage Shobu	22,700	6.0%	6.3%	21,900	3.7%	20,584
Luz Omori	3,560	5.2%	5.5%	3,560	0.0%	3,450
NIS Wave I	11,700	5.0%	5.3%	11,400	2.6%	10,800
Total Portfolio	69,870			67,830	3.0%	64,448

(1) For the Initial Portfolio, based on valuation by DTZ as at 31 Mar 2013 (see the Prospectus for further details). For Mallage Shobu, valuation by DTZ as at 1 June 2013, after inclusion of the Uniqlo annex. For the Additional Portfolio, based on valuation by DTZ as at 18 Sept 2013 (see the announcement dated 27 February 2014 for further details).

9 (2) Valuation as at 30 June 2014 by independent valuer, DTZ (see announcement dated 28 August 2014 for further details).

Healthy Balance Sheet – Growing Net Asset Value per Unit



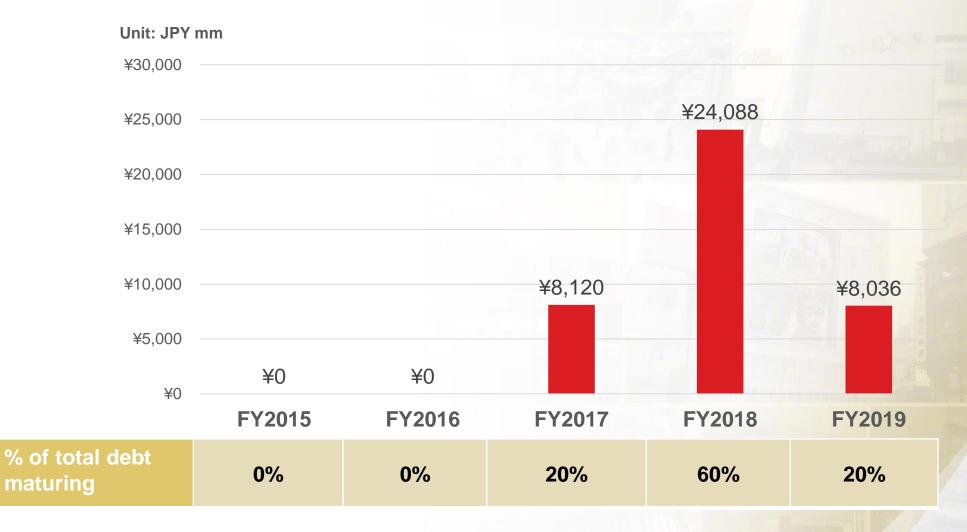
(JPY"000)	Actual as of 31 March 2014	Actual as of 30 June 2014
Investment Properties	67,917,027	69,870,000
Other Non-current Assets	2,285,771	2,335,047
Current Assets	5,534,720	6,346,037
Total Assets	75,737,518	78,551,084
Loans and Borrowings (long-term)	40,152,436	40,244,092
Other Non-current Liabilities	3,603,701	3,989,538
Current Liabilities	1,468,068	1,923,920
Net Assets	30,513,313	32,393,534
Number of Units Issued and to be issued (1)	430,038,000	431,438,000
Net Asset Value per Unit (JPY)	70.95	75.08

(1) The number of units issued and to be issued as of 30 June 2014 consists of a) the number of units in issue as at 30 June 2014 of 429,988,000; 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 April 2014 to 30 June 2014 of 1,450,000.**

** As provided for in the trust deed dated 7 May 2012 constituting CRT as amended (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.



Total Long-term Debt: JPY 40,244 million



Weighted debt maturity as of 30 June 2014 is 3.7 years

٠



Key Financial Indicators



	Actual as of 31 March 2014	Actual as of 30 June 2014
Gearing Ratio	53.5%	51.7%
Interest Coverage Ratio	5.2 times	4.6 times
% of Debt Hedged	100%	100%
Average All-In Cost of Debt(1)	2.15%	2.13%
Debt Maturity	4.0 years	3.7 years
Additional Debt Headroom(2)	JPY12.3 billion	JPY16.2 billion

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

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



Distribution Details



Distribution Period	1 January 2014 – 30 June 2014
Distribution Per Unit	3.74 Singapore cents

Distribution Timetable

Notice of Books Closure Date

Units Trading Ex-Distribution

Books Closure Date

Cash Distribution Payment Date

Thursday, 28 August 2014

9:00 am, Monday, 8 September 2014

5:00 pm, Wednesday, 10 September 2014

Friday, 26 September 2014



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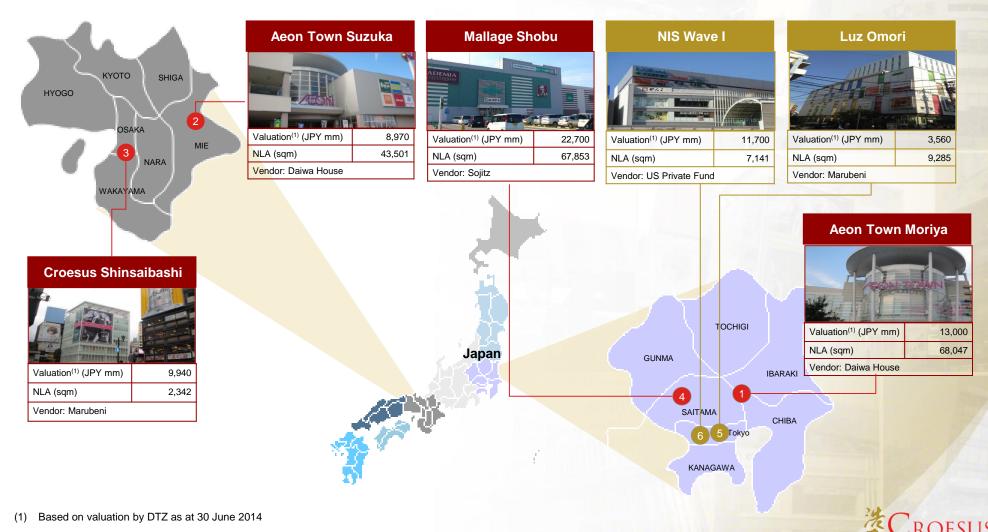




Portfolio Overview



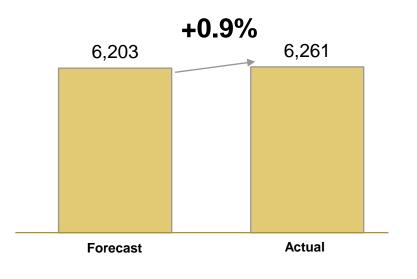
Sponsor had locked in attractive purchase prices for the acquisitions of Luz Omori and NIS Wave I, at a time when real estate prices in Japan are escalating. Enlarged Portfolio is geographically diversified across Japan, located near major transportation nodes.

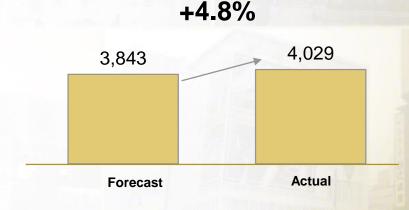




Gross Revenue (1) (JPY mm)

Net Property Income (1) (JPY mm)



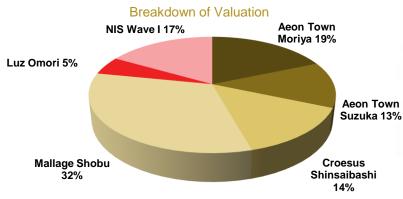




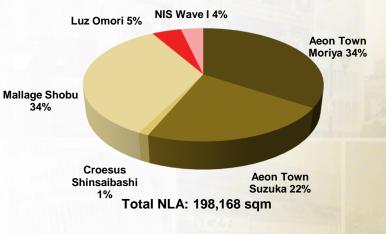
Key Information on the Enlarged Portfolio

FinanceAsia
-
ASIA'S
BEST
COMPANIES
2014

	City	Number of Tenants	Age of Building (yrs) ⁽¹⁾	Leasehold / Freehold	Valuation ⁽²⁾ (JPY mm)	FY2014 Actual NPI ⁽³⁾ (JPY mm)	Purchase Price (JPY mm)	Annualised NPI Yield ⁽⁴⁾
Aeon Town Moriya	Ibaraki	1 master lessee, 110 subtenants	7.1	Freehold	13,000	937.3	12,154	6.8%
Aeon Town Suzuka	Mie	1 master lessee, 42 subtenants	7.1	Freehold	8,970	678.4	8,439	7.0%
Croesus Shinsaibashi (6)	Osaka	4	4.8	Freehold	9,940	527.4	9,021	5.1%
Mallage Shobu	Saitama	239	5.6	Freehold	22,700	1,606.5	20,584	6.8%
Luz Omori	Tokyo	29	3.4	Leasehold expiring in July 2059	3,560	71.7	3,450	6.5%
NIS Wave I	Tokyo	10	7.0	Freehold / Leasehold expiring in Dec 2029 ⁽⁵⁾	11,700	207.5	10,800	6.0%
Total		434	6.4		69,870	4,028.8	64,448	6.4%



Breakdown of NLA



Total Valuation: JPY 69,870 mm

- (1) As at 30 June 2014.
- (2) Based on valuation by DTZ as at 30 June 2014.
- (3) From 10 May 2013 to 30 June 2014.
- (4) Based on annualising the Actual NPI (which comprises of 417 day period from 10 May 2013 to 30 June 2014 for the Initial Portfolio and for 117 day period from 6 March 2014 to 30 June 2014 for the Additional Portfolio, respectively) divided by the purchase price. The annualised NPI yield is for illustrative purposes only and should not be construed as a representation or forecast of the future NPI yield.
- 17 (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) Name change from Luz Shinsaibashi to Croesus Shinsaibashi effective 1 June 2014.

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.

			WALE by	Lease Exp	oiry Profile	Conne	ectivity				
	FY2014 NPI % ⁽¹⁾	Occupancy (2)	NLA ⁽²⁾ (yrs)	FY2015	FY2016	By Train	By Major Road	Key Tenants / Sub tenants			
Aeon Town Moriya	20%	100%	13.0	-	-	~	~	Aeon Cinema, Alpen, Food Square Kasumi, Futaba-Tosho, Uniqlo, Nojima			
Aeon Town Suzuka	14%	100%	13.0	-		V	\checkmark	Kahma Home Centre, APINA, Nitori, Hana-Shobu, Uniqlo, Atelier, Seria, G.U.			
Croesus Shinsaibashi (3)	11%	100%	7.7	-	-	\checkmark	\checkmark	H&M			
Mallage Shobu	34%	98.8%	4.8	20.0%	2.8%	✓	~	Nafco, 109 Cinemas, Himaraya, York Mart, Nojima, Academia, Sanki, Play Land, Uniqlo			
Luz Omori	5%	96.8%	16.3	-	1.0%	\checkmark	\checkmark	Ota ward, Docomo, Daiso			
NIS Wave I	16%	100%	4.3	0.4%	4.9%	\checkmark	\checkmark	NEXUS Holdings, Sumitomo Mitsui Trust Bank			
34% of NPI secured through master leases with high quality tenant (Aeon Town)			Approximately 100% occupancy across all properties		~79% of FY2015 and ~91% of FY2016 rentals have been locked in		ected by or major	Quality tenant base from diversified trade sectors			

(1) Annualised NPI contribution for each of the properties based on the actual FY2014 NPI. Actual NPI for the Initial Portfolio and Additional Portfolio was pro-rated by dividing by 417 days from 10 May 2013 to 30 June 2014 and 117 days from 6 March 2014 to 30 June 2014, respectively, and then multiplying by 365 days. Subsequently, the percentage of contribution for each of the properties were calculated.

(2) As of 30 June 2014.

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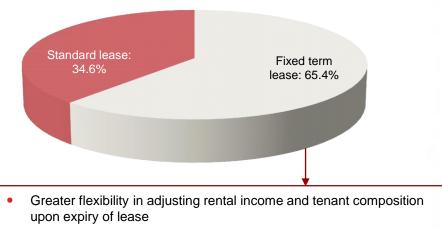
(3) Name change from Luz Shinsaibashi to Croesus Shinsaibashi effective 1 June 2014.

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.

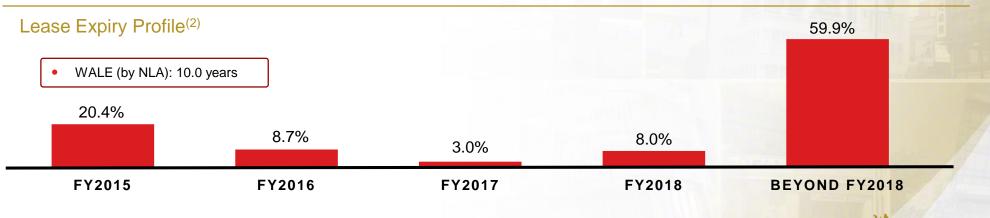
% of Gross Rental Income from Fixed Term Leases⁽²⁾



• Shorter lease tenure (typically 3 – 5 years)

Growth in Gross Rental Income from Variable Rent⁽¹⁾

- Among the Properties, Croesus Shinsaibashi, Luz Omori and Mallage Shobu have leases with variable rent components
- As of 30 June 2014(3) 39.6% of gross rental income of the portfolio had a variable rent component
- Of total variable rent, the variable portion is 14.0% and 25.6% is guaranteed minimum base rent. Therefore, pure fixed rent constitutes 86.0% of total portfolio gross rental income



(1) Variable rent figures mentioned included guaranteed minimum rent

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

(3) From 1 July 2013 to 30 June 2014

Top Ten Tenants of CRT



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



New Shop Openings in Q4 FY2014





Mallage Shobu: Keittio SM2



Aeon Town Suzuka: Golf King



Mallage Shobu: Combi mini



Mallage Shobu – Marketing & Promotional Activities



28 April 2014 Yokai Watch Air Trampoline



Mallage Shobu – Tenant Replacements

- Renovation work associated with 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 Keittio SM2 (fashion brand) and Combi mini (baby products); currently in negotiations with other high quality tenants

Favorable rental reversions anticipated when leases expire in November 2014

2 May 2014 Happiness Live Event



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Outlook





Outlook: Promising Macro-Environment

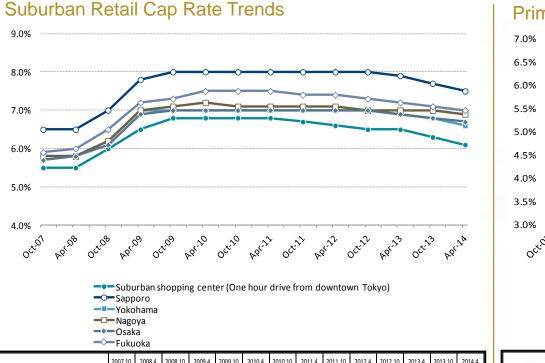


- Promising GDP and Tankan data
 - Q1 2014 annualised GDP growth of +6.1% (q-on-q) to mark sixth straight quarter of expansion. However, Q2 2014 annualised GDP contracted 6.8% due to the consumption tax increase from 5 to 8% effective 1 April 2014, which impacted private consumption.
 - Quarterly Tankan index released in June 2014 rose to +12 from -8 in March 2013, highlighting increased confidence and optimism for the economy.
- Increase in CPI numbers
 - Core consumer prices for the month of June 2014 rose 3.3% on a year-to-year basis, making it the thirteenth 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.
- Based on survey by Japan Real Estate Institute
 - Suburban Tokyo, suburban Nagoya and prime Osaka have all shown expected cap rate compressions of approximately 20 to 50bps for the period from April 2012 to April 2014.
 - Tokyo suburban shown compression of 70bps from its recent peak in 2011.

Source: Barclays Research Report, Japan Real Estate Institute and the Japanese Ministry of Internal Affairs and Communication Each of Barclays, Japan Real Estate Institute and the Japanese Ministry of Internal Affairs and Communication 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.

(1) Announced by the Japanese Ministry of Internal Affairs and Communication on 31 January 2014.

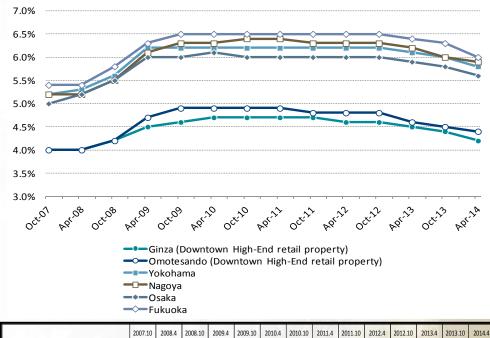
Retail Cap Rate Trends



	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	2014.4
Suburban shopping center (One hour drive from downtown Tokyo)	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%	6.1%
Sapporo	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%	7.5%
Yokohama	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%	6.6%
Nagoya	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%	6.9%
Osaka	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%	6.7%
Fukuoka	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%	7.0%

Expected cap rates of suburban shopping centers located one hour drive from Tokyo have shown compression by 70bps to 6.1% compared to the highest point in April 2011 of 6.8%





	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	2014.4
Ginza (Downtown High-End retail property)	4.0%	4.0%	4.2%	4.5%	4.6%	4.7%	4.7%	4.7%	4.7 <mark>%</mark>	4.6%	4.6%	4.5%	4.4%	4.2%
Omotesando (Downtown High-End retail property)	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%	4.4%
Yokohama	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%	5.8%
Nagoya	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%	5.9%
Osaka	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%	5.6%
Fukuoka	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%	6.0%



Osaka's expected cap rate has recently compressed by 30bps to 5.6% compared to just 12 months ago in April 2013



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
Valor Suzuka Shopping Center	Suzuka-shi, Mie	Orix J-REIT Inc.	Orix Real Estate	3.2	6.3	April 2014

Source: DTZ Research & Daiwa Real Estate Market Report Summer 2014

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Japan News

FinanceAsia ASIA'S BEST COMPANIES

2014

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Japan may see another property price boom

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

By ANTHONY ROWLEY

A 74 billion ven (S\$906.1 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 af-

ter 1990 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 fol-

low suit The plan by Osaka-based house builder Sekisui House to buy the Kokusai Akasaka Building reported at the

stuffed with excess reserves. Japan's massive quantitative and low loan to deposit ratios. and qualitative easing, there is an ocean of ultra cheap liquidity now available month, land prices in some for investors," Mr Courtis not- major Japanese cities rose last year for the first time in "With little of that so far many years - by more than 10

flowing into the real economy per cent in parts of Tokvo - as a result of the BOJ's easing, al-- similar to the US and EU exthough government officials reject the idea that an asset perience of quanto easing, and to Japan's experience in the late 1990s and after - that bubble is building up Prices of residential land

means that there is a tsunami of funds which has now startin major metropolitan areas of Tokyo, Osaka and Nagova ed to flow into asset markets rose on average by 0.5 per both in Japan, and from Jacent last year, while commerpan to world markets. "With cap (capitalisation) cial land prices went up by an average of 1.6 per cent - the

rates low, real estate in cen-tral Tokyo looks like one of first upticks in six years, ac ording to the Ministry of the best games in town, and Land, Infrastructure, Transso I expect to see further rises port and Tourism. in Japanese real estate prices. During Japan's bubble economy period from 1985 to Is this a new bubble? Not yet, but the market is now build-1990, land prices rocketed so far that the grounds of the Iming good momentum."

The BOJ is now embarked perial Palace in Tokyo briefly on a quantitative easing (quanbecame worth as much as the to) programme three times entire state of California. Pricmore aggressive in GDP-relaes then collapsed back to tive terms than those pursued pre-bubble levels over a periby the US Federal Reserve unod of many years. til recently, Mr Courtis noted.

Sekisui House has agreed "If that is where we are to buy the 20-store weekend by Reuters quoting headed, and nothing indi- 41-year-old Kokusai Akasaka

TOKYO-The top executive of The transaction amount for Sumitomo Mitsui Trust Bank said Japanese commercial real-ostate he is making a stronger push to brodeals doubled last year ker real-estate deals with Asian investors as Japan's improving econ-¥8 trillior omy has snarked a resurgence in interest in the country's property

On the Rise

Japan Property Hunger

Sumitomo Mitsui Trust Pushes to Broker Sales as Demand Surges

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

By ATSUKO FURASE

vestment trusts, or REITS,

Bank said in an interview.

Mr. Tsunekage said.

market.



The country's biggest trust bank Scale Knestarstasali by assets is now taking advantage of The Wall Strok Journal its expertise as a real-estate broker

to meet a growing investment appetite for condominiums and office Land prices in Japan's major citbuildings, Hitoshi Tsunekage, the ies continued to rise in the final three president of Sumitomo Mitsui Trust months of 2013 according to government data released Tuesday. Prices of "We held several seminars in commercial properties rose in the Singapore, Taiwan and South Korca biggest metropolitan areas, while residential prices also showed gains. for prospective investors last year. and we've seen great interest from The land ministry's quarterly them in a wide range of properties survey found that prices rose in 122 urban locations out of the 150 surfrom offices through apartments," veyed, mainly in Tokyo, Osaka and

As the Bank of Japan buys up various financial assets, including Japanese REITs, land prices in Japa nese major cities have surged for the first time in five years. The Tokyo Stock Exchange REIT index which consists of more than 40 realestate investment trusts, rose above 1.500 in late December for the first time since June 2008.

MARKETS

According to Jones Lang La-Salle, a real-estate services company, the transaction amount for Jananese commercial real-estate deals doubled in 2013 to ¥4 tril-4 | Thursday, July 24, 2014 lion (\$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 20 rooms in a luxury

WORLD

Ascendas on track to beefing up presence in Japan

FRIDAY APRIL4 2014

Trust raises \$50m to partly fund Osaka acquisition



THE STRAITS TIMES

PROPERTY firm Ascendas Hospitality Trust is a

tep closer to boosting its presence in Tapan's far

per cent of Ascendas Hospitality's portfolio, with its remaining assets spread out over Australia, Sin

its remaining assets spread out over Australia, sin" gapore and China. This "diversification strategy", according to Mr Tan, is important "because different countries will have different cycle of the economy and the tourism sector This, perhaps, will go some way to ride out any rough spots in a single market. Hi ocheryl Esph.com.sg

Visitors enjoying the view from the observation deck at the Abero 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. PROTO:BLD0.NBE2G

could promote winter golfing trips

in Kyushu, he suggested. While Tokyo and Kyoto have

scored high in recent travel sur

vevs-the capital was picked as the

city with the "best experience" in May by Internet travel site TripAd

visor-the country needs to develop

other destinations. Mr. Iiiima said

Tourism powerhouse France sees over 80 million visitors from over-

seas a year, but only about 20 mil



Japan Draws Record Number of Foreign Travelers South Koreans, the gove

By JUN HONGO

The Japan National Tourist Organization said 6.26 million travel-ers from overseas visited Japan in the first half of 2014, a pace that puts the nation on track to shatter the annual record of 10.4 million visitors reached last year.

The number of foreign tourists in the first six months marked a 26.4% increase from the first half of 2013. June saw 1.06 million visitors. which was a record for the month. "There are a variety of reasons

for the increase, including the cheaper yen," Yasuhiro Iijima, a se-nior director at the Japan Tourism Agency, said in an interview. He also

pointed to the growing number of people with disposable income in Prime Minister Shinzo Abe's growth strategy. Government statistics show that the average foreign tray neighboring countries like China eler spent ¥136,704 (\$1,348) while in Japan in 2013 compared with and South Korea. The government's decision to ease visa requirements for some Asian countries also about ¥48,000 (\$473) that Japanese helped, he said. "In Thailand, for example, we tourists spend while traveling do-mestically. In the Akihabara electronics

started exemption of visas for some travelers in 2013. We promoted vis shop district, busloads of visitors can be seen stocking up on house-hold appliances. One Taiwanese its to Japan saying, 'You can be in Japan tomorrow if you wish to,' " Mr. Iiiima said. As a result, the tourist traveling with his family of number of nights spent by Thai na-tionals in Japan leapt 76% in 2013 seven said he spent about \$500 apiece for three rice cookers-two from the previous year, topping the of them intended for relatives in percentage increases of every other Taipei-as well as a hair dryer and

country. some cos ome cosmetics. Overall, the 10.4 million tourists Boosting tourism is a pillar of

in Japan, a 30.6% rise from the previous year, according to government estimates. In April, Japan marked its first tourism surplus in 44 years, meaning foreign visitors in the

country spent more than the amount Japanese travelers spent overseas. The government's goal is to double the number of foreign vis-itors to Japan to 20 million by 2020, with the figure rising to 30 million by 2030.

Mr. lijima said hitting the target would require tapping into a new lion of those use airplanes to enter the country, he observed. "For Jakind of traveler. Nearly a quarter of pan to reach 20 million visitors visitors in Japan come from South Korea, but they are typically in their most of whom will have to fly in, we really need to push forward some 20s and 30s, he said. To lure older unprecedented measures," he said

THE STRAITS TIMES THURSDAY, MARCH 20, 2014

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 Keiji Kimura, chairman of developer Mitsubishi Estate "We continue to see signs of recovery. Residential prices rose in Tokyo's cen tral three wards - Chuo, Chivoda and Minato - the report showed. They climbed as much as 8.7 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 recov-ery. Office vacancies in Tokyo fell to 7.01 per cent last month from 8.57 per cent a year earlier, according to broker age Miki Shoji.

The most expensive piece of commer cial property remained in Tokyo's Ginza shopping district in Chuo ward, where land costs as much as 29.6 million yen per square metre. The area posted a 9.6 per cent gain from a year earlier, accord ig to the report

Commercial property in Tokyo's Ginza shopping district remains the most expensive, with land costing as much as 29.6 million yen (\$\$370,000) BLOOMBERG



Ascott Reit buys - Distant

debt facilities for future acquisi- 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

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

The value of land in Tokyo, Osaka and Nagoya was on average 0.7 per cent "Land prices will probably conti 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 vester-

rents and investments at home and

last year, making them the biggest buy-ers of the assets, according to the Associ-"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

abroad as reasons for a recovery. Nationwide, land prices on average

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

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 busi ness regulations and increase govern

fell 0.6 per cent as of Jan 1, compared

22 years straight, it showed. Residential land prices in the three major cities rose 0.5 per cent, compared

per square metre. PHOTO: BLOOMBERG

tioning in the market through var sue would also improve its credit profile and financial flexibility, so that it can negotiate and secure INFINI GARDEN

The latest acquisition was tions on more competitive terms.

It is also its second acquisition since its rights issue last Decem ber, which raised around \$253.7 through a reduction of its borrowings, hence enhancing Ascott Reand uplifting its competitive posi

ASCOTT Residence Trust (Ascott million. Reit) has signed a deal to pur- . At the time, it had said the chase rental housing property In- rights issue was to "increase Asfini Garden in Fukuoka, Japan, cott Reit's debt headroom for 6.3 billion ven (S\$78.4 mil-The 389-unit property was ac- it's ability to pursue potential ac-

Japan property

for 6.3b yen

second property in Fukuoka

By Lee Meixian

Singapore

ments

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leemx@sph.com.sg

Yield-accretive acquisition is trust's

quired from The Ascott Limited quisitions in an efficient manner and ArcResidential Japan Invest-The Ascott Limited, a Capita- ious asset enhancement plans", Land unit, set up Ascott Reit in It had added that the rights is-

2006. Ascott Reit's manager. Ascott Residence Trust Management Limited, is itself wholly owned by The Ascott Limited.



day. The increase was the first since 2008, the data showed. Real estate investments have picked Nagoya post first up since Mr Abe pledged to end 15 years deflation and the Bank of Japan emincrease since 2008

barked on an unprecedented monetary easing, an approach dubbed Abenomics. The nation's real estate investment trusts, or J-Reits, bought property worth 2.23 trillion yen (\$\$27.7 billion)

world's third-largest economy.



Tokyo, Osaka and

A22



THE WALL STREET JOURNAL.

Thank You

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