

Financial Results

For the period from
1 January 2016 to 31 March 2016 (“3Q FY2016”), and;
1 July 2015 to 31 March 2016 (“3Q YTD2016”)

13 May 2016



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.

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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.

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In this presentation, unless otherwise stated, references to “forecast figures” or “forecast” are to forecast figures for Projection Year 2015 which the Trustee-Manager has extracted from the prospectus of CRT dated 2 May 2013 (the “Prospectus”), and these are subject to the bases and assumptions stated therein, and pro-rated 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. Such forecast figures are for illustrative purposes only and should not be construed as a representation of the actual performance or results of CRT.

- ✓ First Asia-Pacific retail business trust with an initial portfolio in Japan listed on the SGX-ST
- ✓ Portfolio comprises 8 quality prime and suburban retail malls with an aggregate NLA of 328,020 sq m and committed occupancy of 98.1% as at 31 March 2016
 - 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
- ✓ Market Capitalisation of S\$592.3 million ⁽¹⁾



Aeon Town Moriya

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



Croesus 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 in Tokyo



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



Croesus Tachikawa

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



One's Mall

A suburban shopping centre located in Inage ward, Chiba city, Chiba Prefecture



Torius

A suburban shopping centre located in Kasuyagun, Fukuoka Prefecture

Key Highlights

Financial Highlights

Portfolio Performance

Outlook



- 3Q FY2016 DPU of **1.86 cents per unit** with quarterly year-on-year DPU growth of 19.2%¹.
- 3Q YTD2016 DPU of **5.36 cents per unit** with half yearly year-on-year DPU growth of 8.1%¹.
- Strong contributions from Torius and the tenants renewal exercise at Mallage Shobu that were completed in October 2015 provided for this quarter's growth in gross revenue, net property income ("NPI") and distribution per unit ("DPU").
- Organic growth plans in progress
 - Undertaking asset enhancement initiative for One's Mall and Torius
- Favourable macro environment
 - Negative interest introduced by BOJ could cause lower debt cost and further increase in asset valuation.
 - Japanese Yen continues to appreciate due to global environment, which increase NAV of CRT
- Expected distribution hedge for second half of FY2016 is fully hedged at an average rate of SGD/JPY 85.01 while FY2017 and FY2018 are hedged at an average rate of 83.95 and 76.43 respectively.

(1) Based on the restated DPU in 3Q FY2015 where the number of units issued and to be issued at the end of period and DPU for the period based on the number of units entitled to distribution have been restated to reflect the effect of 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015.

Key Highlights for Post 3Q FY2016

- Successful equity fund raising S\$52.5 million via a private placement launched and completed on 23 March 2016 and 24 March 2016 respectively.
- Successful issue of S\$60 million 5.0% Fixed Rate Notes
 - Fully swap proceeds to Japanese Yen to get JPY fixed interest rate of 2.65% per annum
- Completed acquisition of Fuji Grand Natalie on 18 April 2016; financial effects to be realised from 4Q FY2016 onwards.

(1) The Adjusted VWAP is computed based on the VWAP of all trades in the Units on the SGX-ST for the full Market Day on 23 March 2016, and subtracting the Advanced Distribution (as defined in the Announcement) of approximately 1.95 Singapore cents per Unit.

	1 Jan 2016 to 31 Mar 2016	1 Jan 2015 to 31 Mar 2015		
	(Actual)	(Actual)	(Restated) ⁽⁴⁾	Variance % ⁽⁵⁾
Income Available for Distribution (¥'000)	1,020,620	815,729	815,729	25.1%
Distribution Per Unit ('DPU') (Singapore cents)⁽³⁾	1.86	1.90	1.56	19.2%
Historical Annualised DPU (Singapore cents)⁽¹⁾	7.54	7.71	6.33	
Historical Annualised Distribution Yield⁽²⁾				
@ S\$0.93 per unit (IPO Price) or S\$0.87⁽⁶⁾ per unit (Right adjusted IPO Price)	8.7%	8.9%	7.3%	
@ S\$0.83 per unit (closing price on 3 May 2016)	9.1%	N.M.	7.6%	

- (1) The historical annualised DPU is calculated by dividing the DPU for the period from 1 January to 31 March by 90 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.
- (2) 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 or a forecast of the future distribution yield.
- (3) CRT had entered into forward foreign currency exchange contracts to hedge the currency risk on distributions to the unitholders of CRT ("Unitholders"). The DPU for the period from 1 January 2016 to 31 March 2016 is computed based on an average exchange rate of SGD/JPY84.81. The average exchange rate takes into consideration the forward currency contract rate and spot rate at the end of the period.
- (4) The number of unit issued and to be issued at the end of period and DPU for the period based on the number of units entitled to distribution have been restated to reflect the effect of 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015.
- (5) Comparing 3Q FY2016 (Actual) to 2Q FY2015 (Restated) figures.
- (6) For a meaningful comparison, historical annualised DPU yields for the period from 1 January 2016 to 31 March 2016 (Actual) and for the period from 1 January 2015 to 31 March 2015 (Restated) were computed based on S\$0.87 which is weighted average price of S\$0.93 (IPO Price) and S\$0.61 (Rights Units Issue Price) per Unit.

YTD Financial Highlights

1 July 2015 to 31 March 2016

	1 Jul 2015 to 31 Mar 2016	1 Jul 2014 to 31 Mar 2015		
	(Actual)	(Actual)	(Restated) ⁽⁴⁾	Variance % ⁽⁵⁾
Income Available for Distribution (¥'000)	2,912,475	2,481,479	2,481,479	17.4%
Distribution Per Unit ('DPU') (Singapore cents)⁽³⁾	5.36	6.06	4.96	8.1%
Historical Annualised DPU (Singapore cents)⁽¹⁾	7.14	8.07	6.61	
Historical Annualised Distribution Yield⁽²⁾				
@ S\$0.93 per unit (IPO Price) or S\$0.87⁽⁶⁾ per unit (Right adjusted IPO Price)	8.2%	9.3%	7.6%	
@ S\$0.83 per unit (closing price on 3 May 2016)	8.6%	N.M.	8.0%	

(1) The historical annualised DPU is calculated by dividing the DPU for the period from 1 July to 31 March by 274 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.

(2) 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 or a forecast of the future distribution yield.

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(4) The number of unit issued and to be issued at the end of period and DPU for the period based on the number of units entitled to distribution have been restated to reflect the effect of 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015.

(5) Comparing 3Q YTD2016 (Actual) to 3Q YTD2015 (Restated) figures.

(6) For a meaningful comparison, historical annualised DPU yields for the period from 1 October 2015 to 31 December 2015 (Actual) and for the period from 1 October 2014 to 31 December 2014 (Restated) were computed based on S\$0.87 which is weighted average price of S\$0.93 (IPO Price) and S\$0.61 (Rights Units Issue Price) per Unit.

3Q FY2016 DPU 19.2% above restated 3Q FY2015

(JPY'000)	3Q FY2016 Actual	3Q FY2015 Actual	Variance %
Gross Revenue	2,465,596	1,982,267	24.4%
Less: Property Operating Expenses	(1,056,976)	(819,578)	29.0%
Net Property Income	1,408,620	1,162,689	21.2%
Trustee-Manager's Fees ⁽¹⁾	(178,824)	(158,168)	13.1%
Finance Costs	(268,272)	(253,491)	5.8%
Other Trust Expenses	(25,533)	(36,409)	30.4%
Profit before changes in Fair Value and Tax	889,636	768,576	15.8%
Net Change in Fair Value of Investment Properties/ Financial Instruments ⁽²⁾	29,227	(258,734)	(111.3)%
Income Tax Expenses	(187,056)	(210,437)	(11.1)%
Profit after Tax	731,807	299,405	144.4%
Distribution Adjustments ⁽³⁾	288,813	(516,324)	44.1%
Income Available for Distribution	1,020,620	815,729	25.1%
Distribution per Unit before rights issue (Singapore cents)	-	1.90	-
Distribution per Unit (Singapore cents)	1.86	1.56 (Restated)⁽⁴⁾	19.2%

(1) Includes Japan Asset Manager's fees.

(2) Net sum between the fair value gain on investment properties which arose from unrealised gains on revaluation of the investment properties of the CRT Group and the fair value losses/ gains on financial instruments which arose from mark to market of forward currency contracts (in accordance with FRS 39) used to hedge distributions.

(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/ gains on derivative financial instruments, deferred tax expenses and others.

(4) The number of unit issued and to be issued at the end of period and DPU for the period based on the number of units entitled to distribution have been restated to reflect the effect of 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015.

3Q YTD2016 DPU 8.1% above restated 3Q YTD2016

(JPY'000)	3Q YTD2016 Actual	3Q YTD2015 Actual	Variance %
Gross Revenue	6,905,816	5,646,810	22.3%
Less: Property Operating Expenses	(2,896,508)	(2,171,301)	33.4%
Net Property Income	4,009,308	3,475,509	15.4%
Trustee-Manager's Fees ⁽¹⁾	(521,523)	(473,234)	10.2%
Finance Costs	(797,743)	(744,115)	7.2%
Other Trust Expenses	(93,561)	(111,086)	(15.8)%
Profit before changes in Fair Value and Tax	2,486,971	2,192,260	13.4%
Net Change in Fair Value of Investment Properties/ Financial Instruments ⁽²⁾	(418,637)	135,915	(408.0)%
Income Tax Expenses	(608,896)	(729,311)	(16.5)%
Profit after Tax	1,512,157	1,906,198	(20.7)%
Distribution Adjustments ⁽³⁾	1,400,318	575,281	143.4%
Income Available for Distribution	2,912,475	2,481,479	17.4%
Distribution per Unit before rights issue (Singapore cents)	-	6.06	-
Distribution per Unit (Singapore cents)	5.36	4.96 (Restated)⁽⁴⁾	8.1%

(1) Includes Japan Asset Manager's fees.

(2) Net sum between the fair value gain on investment properties which arose from unrealised gains on revaluation of the investment properties of the CRT Group and the fair value losses/ gains on financial instruments which arose from mark to market of forward currency contracts (in accordance with FRS 39) used to hedge distributions.

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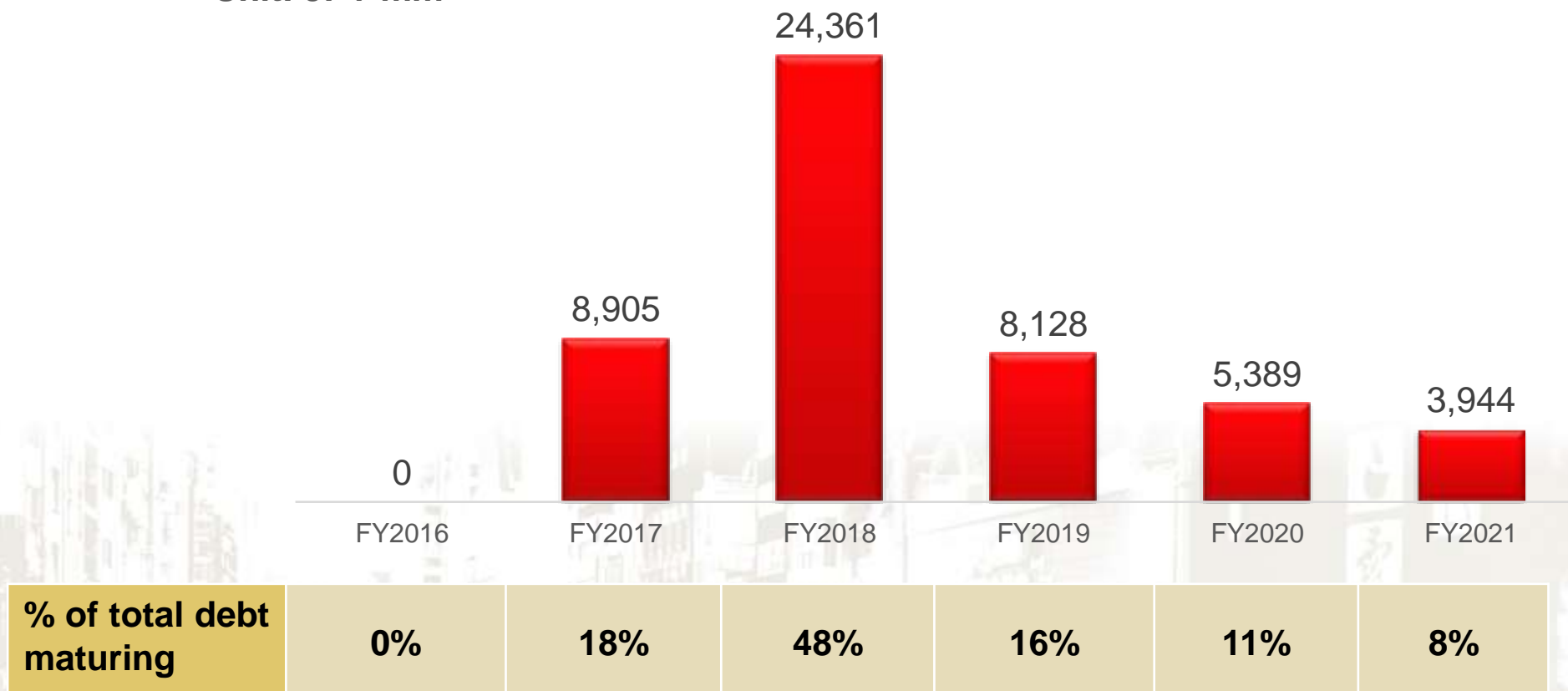
(JPY'000)	Actual as at 31 March 2016	Actual as at 30 June 2015
Investment Properties	96,337,890	87,930,000
Other Non-current Assets	5,729,052	5,062,870
Current Assets	7,785,915	7,408,083
Total Assets	109,852,857	100,400,953
Loans and Borrowings (long-term)	50,727,044	47,487,213
Other Non-current Liabilities	8,703,851	7,193,783
Current Liabilities	11,674,960	2,780,668
Net Assets	47,651,952	43,586,162
Number of Units Issued and to be issued ⁽¹⁾	646,965,618	519,193,989
Net Asset Value ("NAV") per Unit (JPY)	73.65	83.95

(1) The number of units issued and to be issued as at 31 March 2016 consists of 646,965,618; and 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 2016 to 31 March 2016 is 2,180,000.

** 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 50,727 million

Unit: JPY mm



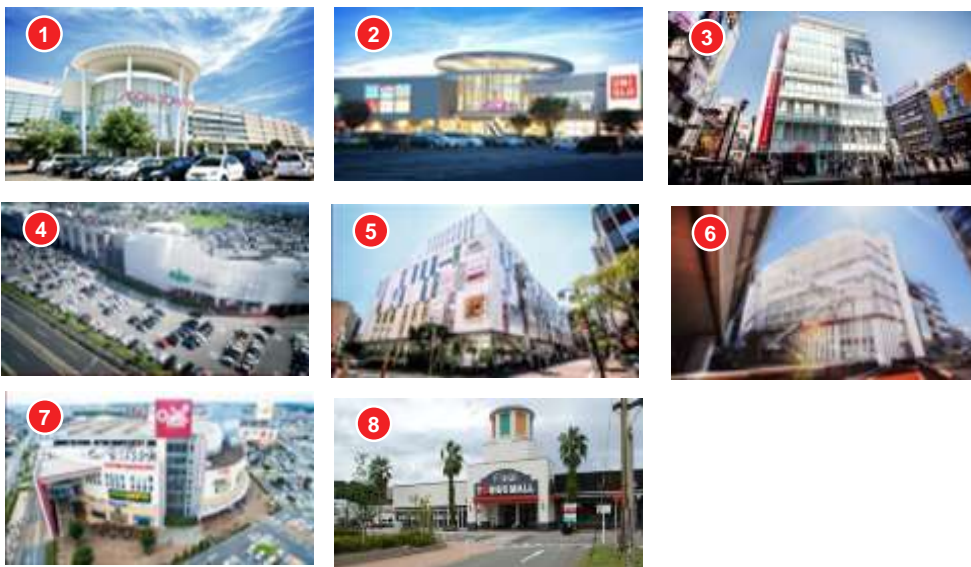
- Weighted debt maturity as at 31 March 2016 is 2.4 years

	Actual as at 31 March 2016	Actual as at 31 December 2015
Gearing Ratio	46.2%	46.3%
Interest Coverage Ratio	4.4 times	4.1 times
% of Debt Hedged	82.5%	98.9%
Average All-In Cost of Debt⁽¹⁾	1.91%	1.90%
Debt Maturity	2.4 years	2.6 years
Additional Debt Headroom⁽²⁾	JPY 37.9 billion	JPY 37.8 billion

Key Highlights
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Total Portfolio of 8 high-quality retail assets – well-located near major transportation nodes and geographically diversified across Japan



1 — 8
Denotes order of acquisition

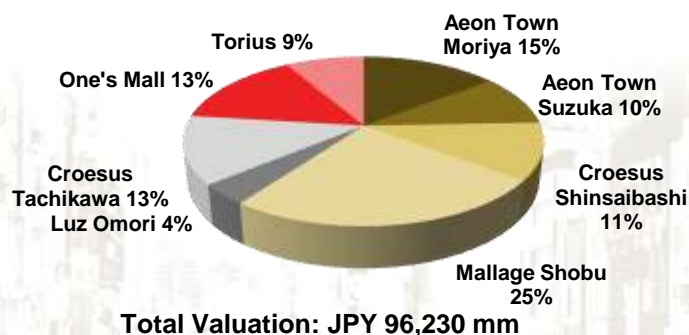


	Acquired	NLA (sq m)
1. Aeon Town Moriya	May 2013	68,047
2. Aeon Town Suzuka	May 2013	43,501
3. Croesus Shinsaibashi	May 2013	2,342
4. Mallage Shobu	May 2013	67,961
5. Luz Omori	Mar 2014	9,285
6. Croesus Tachikawa	Mar 2014	7,141
7. One's Mall	Oct 2014	52,849
8. Torius	Oct 2015	76,926
Total		328,020

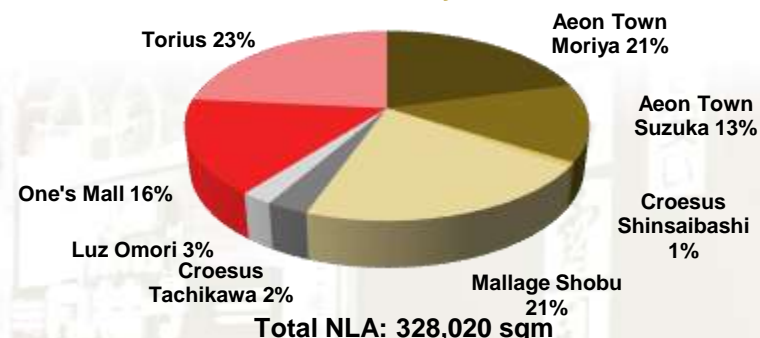
Key Information on the Assets

	City	Number of Tenants ⁽¹⁾	Age of Building (yrs) ⁽¹⁾	Leasehold / Freehold	Valuation ⁽²⁾ (JPY mm)	3Q YTD2016 Actual NPI (JPY mm)	Purchase Price (JPY mm)	Annualised NPI Yield ⁽³⁾
Aeon Town Moriya	Ibaraki	1 master lessee, 111 subtenants	8.8	Freehold	14,400	611.5	12,154	6.7%
Aeon Town Suzuka	Mie	1 master lessee, 40 subtenants	8.8	Freehold	9,650	447.7	8,439	7.0%
Croesus Shinsaibashi	Osaka	4	6.5	Freehold	10,700	347.8	9,021	5.1%
Mallage Shobu	Saitama	222	7.4	Freehold	24,500	1,146.9	20,584	7.4%
Luz Omori	Tokyo	27	5.1	Leasehold expiring in July 2059	3,880	191.6	3,450	7.2%
Croesus Tachikawa⁽⁶⁾	Tokyo	10	8.8	Freehold / Leasehold expiring in Dec 2029 ⁽⁴⁾	12,800	492.6	10,800	5.8%
One's Mall	Chiba	51 ⁽⁵⁾	15.4	Freehold	12,000	476.1	11,000	5.7%
Torius	Fukuoka	145	17.0	Leasehold ⁽⁷⁾	8,300	295.2	7,997	7.6%
Total		610	11.4		96,230	4,009.4	83,445	6.6%

Breakdown by Valuation



Breakdown by NLA



(1) As at 31 March 2016.

(2) Based on valuations as at 30 June 2015 conducted by CBRE for all properties (except One's Mall and Torius), One's Mall conducted by DTZ as at 30 June 2015 and Torius conducted by DTZ as at 31 July 2015.

(3) Based on annualising the Actual NPI (which comprises of the 184-day period from 1 July 2015 to 31 December 2015 and for the 77-day period from October 2015 to 31 December 2015 for TORIUS, 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.

(4) Croesus Tachikawa 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.

(5) Aeon Retail, one of the key tenants at One's Mall, further subleases to 19 subtenants.

(6) Name change from NIS Wave I to Croesus Tachikawa effective 1 February 2015.

(7) The leasehold interest in respect of the main parcel of land on which Torius is located (Comprising a land area of 205,543 sqm) expires on 9 February 2060.

Balanced Portfolio Contributing to Stable Income and Sustainable Growth

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

	3Q YTD2016 NPI %	Occupancy (¹)	WALE by NLA (¹) (yrs)	Lease Expiry Profile		Connectivity		Key Tenants / Sub tenants
				FY2016	FY2017	By Train	By Major Road	
Aeon Town Moriya	15%	100%	11.2	-	-	✓	✓	Aeon Cinema, Sports DEPO, Food Square Kasumi, Futaba-Tosho, Uniqlo, Nojima, Aeon Bike, MUJI
Aeon Town Suzuka	11%	100%	11.2	-	-	✓	✓	Kahma Home Centre, APINA, Nitori, Hana-Shobu, Uniqlo, Shimamura, G.U.
Croesus Shinsaibashi	9%	100%	6.0	-	0.3%	✓	✓	H&M
Mallage Shobu	29%	97.5%	5.9	0.4%	1.8%	✓	✓	Nafco, 109 Cinemas, Himaraya, York Mart, Nojima, Toys 'R' Us, Academia, R.O.U., Play Land, Uniqlo, MUJI, OLD NAVY
Luz Omori	5%	95.2%	15.6	0.1%	0.5%	✓	✓	Ota ward, Docomo, Daiso
Croesus Tachikawa⁽²⁾	12%	100.0%	4.4	-	-	✓	✓	NEXUS Holdings, Sumitomo Mitsui Trust Bank
One's Mall	12%	99.2%	4.3	0.1%	1.3%	✓	✓	Aeon Retail, Central Sports, Toys 'R' Us, Nitori, Sports DEPO, Tam Tam
Torius	7% ⁽³⁾	95.4%	6.4	1.8%	3.7%		✓	Costco, Nafco, United Cinema, Rakuichi Rakuza, Daiso, GU, Sweet Villa Garden, GAP Outlet, Off House

26% of NPI secured through master leases with high quality tenant (Aeon Town)

Approximately 100% occupancy across all properties

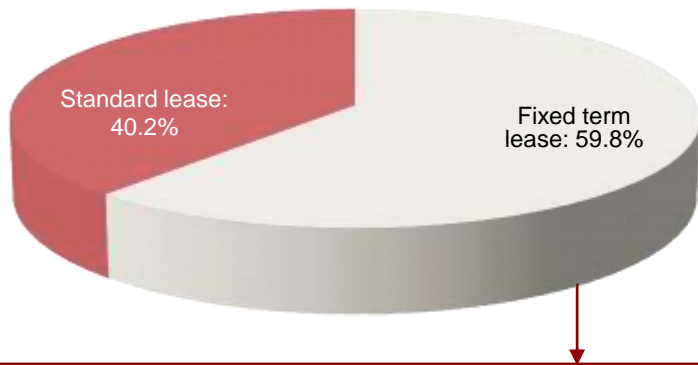
~97.6% of FY2016 and ~90.0% of FY2017 rentals have been locked in

Well-connected by train, bus or major roads

Quality tenant base from diversified trade sectors

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⁾



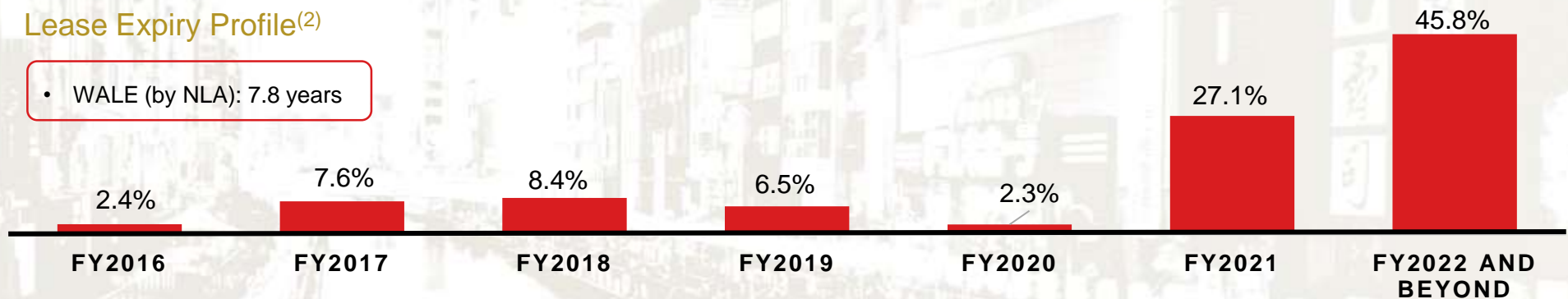
- Greater flexibility in adjusting rental income and tenant composition upon expiry of lease
- Shorter lease tenure (typically 3 – 5 years)

Growth in Gross Rental Income from Variable Rent⁽¹⁾

- Among the properties, Croesus Shinsaibashi, Luz Omori, Mallage Shobu, One's Mall and Torius have leases with variable rent components
- As of 31 March 2016⁽³⁾ 34.8% of gross rental income of the portfolio had a variable rent component
- Of total variable rent, the variable portion is 12.1% and 22.8% is guaranteed minimum base rent. Therefore, pure fixed rent constitutes 87.9% of total portfolio gross rental income

Lease Expiry Profile⁽²⁾

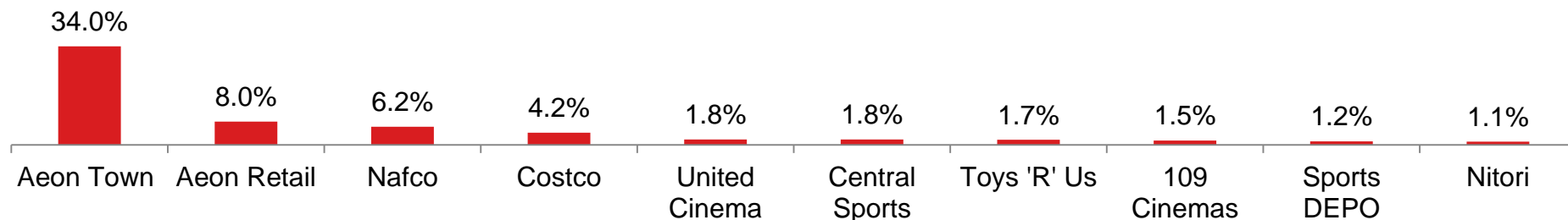
- WALE (by NLA): 7.8 years



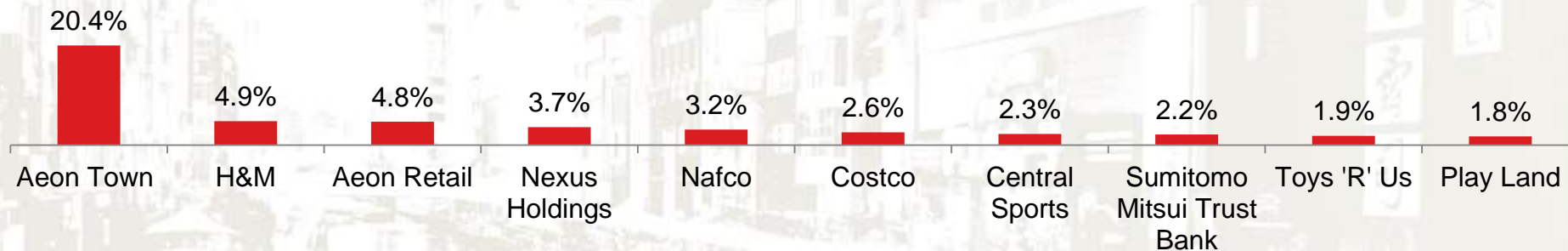
18 (1) Variable rent figures mentioned includes guaranteed minimum rent.
 (2) By Gross Rental Income for the month of March 2016.
 (3) From 1 July 2015 to 31 March 2016

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

Top 10 Tenants by **NLA** (As at 31 March 2016)



Top 10 Tenants by **Gross Rental Income** (For the month of March 2016)



Promotional Events



Torius : Movie Photo Session



Torius: Children's Experience Day



Aeon TownSuzuka : Tsugaru shamisen live performance



Torius : Rock Climbing for Kids



Torius: New Year Celebration



Aeon Town Suzuka: Toy Railway Showcase

Promotional Events



One's Mall: Shrine in the Mall



One's Mall: Fire Safety Fair



One's Mall: Spring Break Indoor Playground



Luz Omori: Novelty Distribution



Aeon Town Moriya: Hiroshi – Fans Meeting Session



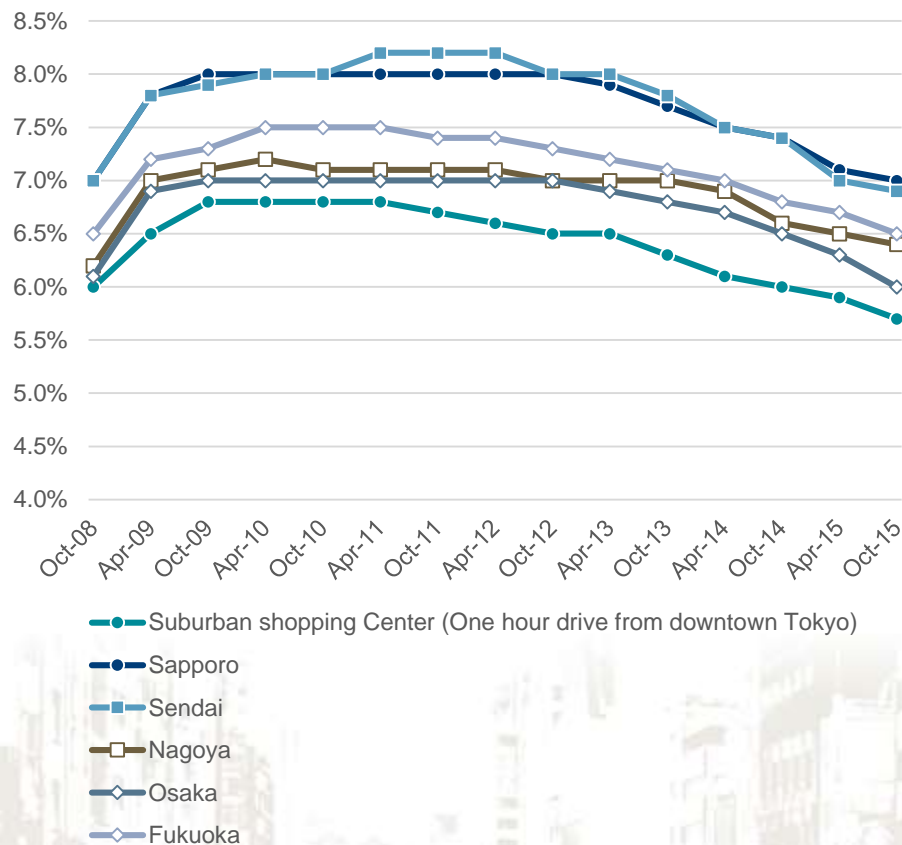
Aeon Town Moriya : Forest Friendship Concert

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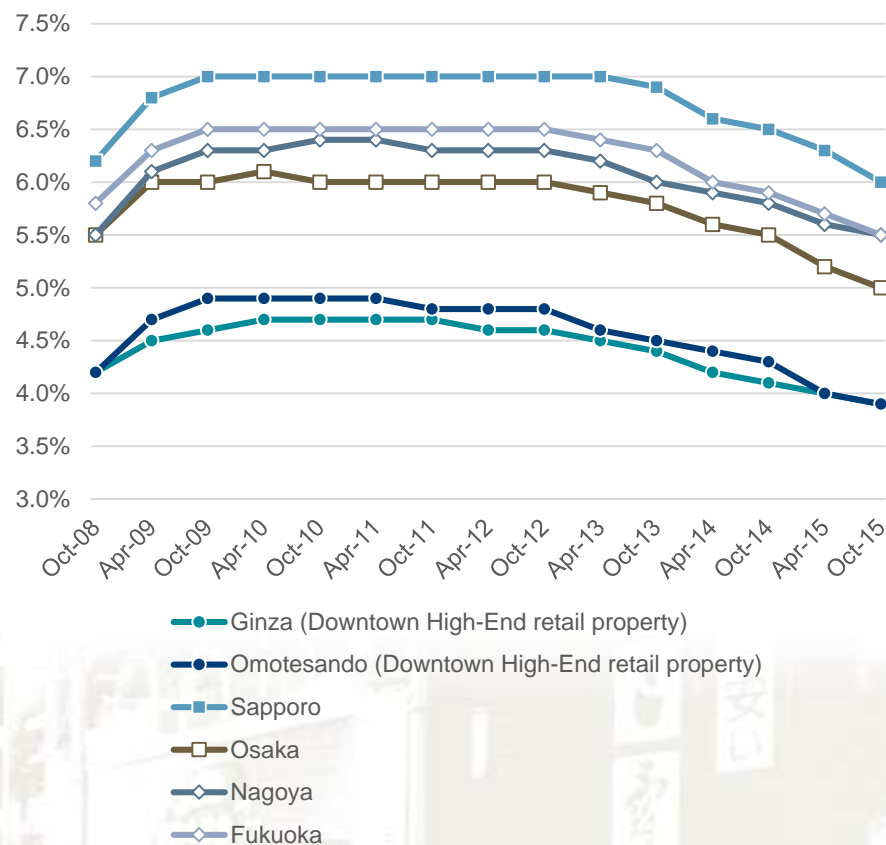


- Promising GDP and Tankan data
 - 4Q 2015 annualised GDP contracted 1.1% lower than its preliminary estimates of 1.4% due to a slight decline in the consumer spending and exports.
 - Quarterly Tankan index⁽¹⁾ for March 2016 achieved +6 which is an increase of +3 higher than its forecast of +3, this shows the market buoyancy and resilience in the market and Japan's top manufacturers continued confidence in the economy
- Improvement in CPI numbers
 - Core consumer prices⁽²⁾ for the month of March 2016 increased 0.1% month-on-month for the past three consecutive months.
- Recent move to negative interest rates expected to encourage further growth and recovery
- Increase in property prices seen by recent cap rate compression

Suburban Retail Cap Rate Trends



Prime Retail Cap Rate Trends



Expected cap rates of suburban shopping centers located one hour drive from Tokyo have shown compression by 110bps to 5.7% compared to the highest point in April 2011 of 6.8%



Osaka's expected cap rate has recently compressed by 90bps to 5.0% compared to April 2013

Significant Retail deals across Japan (1)

Property Name	Town/ City	Purchaser	Vendor	Price (JPY Billion)	NOI Cap Rate (%)	Closing Date
Valor Suzuka Shopping Center	Suzuka-shi, Mie	Orix J-REIT Inc. (REIT)	Orix Real Estate	3.2	6.3	April 2014
Inage Kaigan Building	Mihama-ku, Chiba-shi, Chiba	Tosei REIT Investment Corporation	Tosei Corporation	2.4	6.2	Nov 2014
Shinsaibashi Square	Shinsaibashisuji, Osaka	Frontier Real Estate Investment Corporation (REIT)	Mitsui Real Estate Corporation	8.6	4.1	Dec 2014
Ichigo Kamata Building	Ota-ku, Tokyo	Ichigo Real Estate Investment Corporation (REIT)	Domestic TMK	1.4	5.1	Jan 2015
Unicus Ina	Kitaadachi-gun, Saitama	Kenedix Retail REIT Corporation	Mitsui Sumitomo Finance & Lease	4.4	5.2	Feb 2015
Unicus Yoshikawa	Yoshikawa-shi, Saitama	Kenedix Retail REIT Corporation	P&D Consulting	3.6	5.1	Feb 2015
Fururu Garden Yachiyo	Yachiyo-shi, Chiba	Kenedix Retail REIT Corporation	JFW Godo Kaisha	14.9	5.2	Feb 2015

Source: DTZ Research & Daiwa Real Estate Market Report Summer 2014/ Spring 2015.

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Significant Retail deals across Japan (2)

Property Name	Town/ City	Purchaser	Vendor	Price (JPY Billion)	NOI Cap Rate (%)	Closing Date
Roseo Mito	Mito-shi, Ibaraki	Kenedix Retail REIT Corporation	Roseo Godo Kaisha	9.7	5.7	Feb 2015
Mitsui Shopping Park Lalaport Shin-Misato	Misato-shi, Saitama	Frontier Real Estate Investment Corporation (REIT)	Mitsui Real Estate Corporation	4.7	5.0	April 2015
G Building Umeda 01	Osaka, Osaka	Japan Retail Fund Investment Corporation	Chayamachi 1522 LLC	9.5	4.0	Oct 2015
Aeon Yachiyo-Midorigaoka	Chiba, others	Double O Five	Japan Retail Fund	69.0	4.2	Oct 2015
Q plaza SHINSAIBASHI	Osaka, Osaka	Activia Properties Inc.	Tokyu Land Corporation	13.4	4.0	Nov 2015
G Building Kichijoji	Kichijoji, Tokyo	Japan Retail Fund	DREAM Private REIT Inc.	15.3	4.1	Feb 2016

Source: DTZ Research & Daiwa Real Estate Market Report Summer 2014/ Spring 2015.

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THE STRAITS TIMES

The way ahead for the fourth year of Japan's growth strategy: The Yomiuri Shimbun



Shinzo Abe speaks after the opening of a public conference in Tokyo on April 20, 2014.

9:45 AM

In its editorial on Apr 27, the paper urges the government to review individual business rules working out a new strategy.

The new route for fourth growth strategy - one of the paper pillars of the Abe's economic policy package - to be completed.

To make the strategy function as planned for the Japanese economy, it is essential to reexamine the business rules to be used to accelerate the pace of reform.

THE STRAITS TIMES

Markets shocked by BOJ's decision to hold off more stimulus moves



9:45 AM

The government rejected the idea yesterday after the Bank of Japan (BOJ) said it will not do more stimulus moves.

9:45 AM

Tokyo stocks tumble, yen rises against greenback.

TODAY • The Bank of Japan (BOJ) decided yesterday to remain cautious, sparking questions about whether there is anything more a sliding economy.

THE STRAITS TIMES

Bank of Japan mulls over negative rate on some loans

9:45 AM

This may positively impact economy but would also raise questions about subsidies to lenders, say officials.

TOKYO • Having adopted a negative interest rate on some excess reserves to provide financial institutions the lending money rule, the Bank of Japan (BOJ) may consider helping them lend by offering a negative rate on some loans, according to people familiar with talks.

Such a discussion could happen in conjunction with any decision to make a deeper cut to the current negative rate on reserves, said the sources, who added not to be named.

The BOJ's Standing Bank Lending Facility, which now offers loans at zero per cent interest, could be the most likely vehicle for this action, they said yesterday. The officials said earlier

THE STRAITS TIMES

GOVERNMENT & ECONOMY

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Japan March industrial output up 3.6% month on month

MORE

- South Korea March factory output worse than expected, services shine
- Abe must keep wind behind third arrow to crack Japan's old habits
- Tokyo gets G-20 backing on exchange rate policy
- March industrial output falls, signals weak Q1 GDP growth



Industrial output rose 3.6 per cent in March, rebounding from a big drop logged in February, government data showed on Thursday, in a tentative sign of a pick-up in factory activity. PHOTO: REUTERS.

9:05 AM

Japan's industrial output rose 3.6 per cent in March, rebounding from a big drop logged in the prior month, government data showed on Thursday, in a tentative sign of a pick-up in factory activity.

It compared with the median estimate of a 2.9 per cent rise in a Reuters poll of economists.

Croesus trust to acquire Japanese mall

Marissa Lee **change filing yesterday.** The purchase price represents a 6.3 per cent discount to the property's S\$52 billion valuation. Fuji Grand Natalie is a sub-

The acquisition is expected to cost about 3.6 billion yen after fees and taxes. Croesus added that it is also evaluating further potential retail acquisitions.

about five-year specified bonds. For illustration purposes only, Croesus said that if Fuji Grand Natalie had been held by the trust for the 2016 financial year, its net property income yield would have been about 6.3 per cent, with a distribution per unit (DPU) of about 3.80 Singapore cents. The trust's actual net property in-

浩正零售信托4020万元购广岛零售商场

徐博强 报道
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浩正零售信托(Croesus Retail Trust)以33亿日元(约4020万新元)买下位于日本广岛县(Hiroshima Prefecture)的零售商场Fuji Grand Natalie。该1999年建成的Fuji Grand Natalie的可用面积为5万1065平方米。商场共有53个租户,包括超市、服装、百货零售、食品、健身与娱乐中心等。主要租户为日本富士(Fuji)。

浩正零售信托昨日在公告中表示,投资是在2014年7月收购的。该资产净收入(NPI)收益率为6.3%,比现有投资组合的5.5%



浩正零售信托在日本广岛重新收购的零售商场Fuji Grand Natalie,可出租面积为5万1065平方米,商场共有53个租户。(浩正零售信托提供)

BUSINESS THE STRAITS TIMES

Croesus trust to acquire Japanese mall



The acquisition will cost about 3.6 billion yen after fees and taxes. Croesus added that it is also evaluating further potential retail acquisitions.

BUSINESS THE STRAITS TIMES

Croesus Retail Trust launches private placement to raise up to S\$46.2m

Singapore - Croesus Retail Asset Management Pte Ltd (CRAT) has launched the private placement of 60 million of between 54.3 Singapore cents and 77 Singapore cents to raise gross proceeds of up to S\$46.2 million.

浩正集团董事总经理徐博强表示,日本零售信托也在改善,预计其高的零售额会保持乐观,并有望实现上升的趋势。

Deal Street Asia

HOPE SINGAPORE INDONESIA PHILIPPINES MYANMAR THAILAND VIETNAM MALAYSIA

Singapore: Croesus Retail Trust buys Japanese Fuji Grand Natalie for \$30m



Aug 7, 2014 - Singapore-based Croesus Retail Asset Management Pte Ltd, which represents Croesus

COMPANIES & MARKETS

Croesus Retail Trust sells S\$60m of 5% notes due 2020

Corporate digest
CROESUS Retail Trust has issued S\$60 million of 5 per cent senior unsecured notes due 2020 as part of its US\$500 million euro medium-term note programs.

Stocks to watch: OCBC, South Marine, Mares Paks Marins, Croesus Retail Trust, Tripart
The Japan-focused retail business trust said it will use the proceeds for financing or refinancing acquisitions and investments, and for major renovation works at existing properties.

Croesus Retail Trust to acquire Hirochikus suburban mall for 3.3b yen
The dollar proceeds from the debt issuance have been swapped into about 4.95 billion yen (\$451.2 million) at a forward exchange rate of 82.50 yen to S\$1 at a fixed yen interest rate of 2.65 per cent.

Singapore's MAS easing
Croesus shares closed at 82 Singapore cents on Wednesday before the announcement.

Croesus Retail acquiring mall in Hiroshima

Trust also evaluating other potential acquisitions of retail assets in Japan

By Lee Marissa
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Fuji Grand Natalie Trust is CRAT's latest acquisition. CEO Teoh Kah Ho believed the mall's impact from a planned consumption tax hike as "Croesus may forget about the tax when shopping". PHOTO ABOVE: AP/WIDE WORLD

Singapore Croesus Retail Trust (CRT) is acquiring a suburban mall - Fuji Grand Natalie - in Japan's Hiroshima prefecture for 3.3 billion yen (S\$45.1 million), with a view to making more acquisitions going forward.

In a Thursday announcement, it said it is "actively evaluating further potential acquisitions of its net property income yield would have been about 6.3 per cent, with a distribution per unit (DPU) of about 3.80 Singapore cents. The trust's actual net property in-

The latter acquisition will cost about 3.6 billion yen after fees and taxes. Croesus added that it is also evaluating further potential retail acquisitions.

Teoh Kah Ho, in a note to clients, said "With about S\$47.4 million of proceeds from the recent placement will be deployed, we believe there will be more acquisition coming over the next 12 months."

In an interview with The Business Times in Thailand, James Ho, director of Croesus Retail Asset Management, described the difficulty of raising financing for acquisitions in the general volatile capital markets.

"Equity markets - not only it's up, and then it's down, then October last year, it's just been a very difficult road to market returns," said Mr. Ho. "Interest markets - now they rates are going up, and they rates are going down. It makes it very difficult for the managers to coordinate the movement of their portfolio assets and funding."

"Because you could be ready with one, but the other doesn't coordinate. It's like an accordion. The window for open markets is very tight now. The markets could open up for two months, and they close again for two months, and it's very difficult to plan the funding because what if you acquire in a ready but the markets are not? It drives people crazy," he added.

By his calculation, the blended cost of funding for the Japan acquisition is about 3.7 per cent. This makes the latest buy a well-executed one. On a pro forma basis, its net property income (NPI) said would be about 6.3 per cent, better than the 5.5 per cent of the existing portfolio of 5.5 per cent. The former distribution per unit (DPU) of the enlarged portfolio would also increase to about 3.8 Singapore cents, better than that of the existing portfolio of 3.80 cents.

Talking about the trust's run of debt and equity financing, he added: "We may be looking at a few other potential assets and we have to find the right capital structure in order to achieve valid success." He also noted that the trust is looking for more acquisitions in Japan, but said that the choice in Japan is ripe for property investment now.

There is a lot of activity driven by the low cost of funding. Rates have gone negative in Japan, causing a bid raised by volatility in the stock market. Low rates drive asset values, but volatility in stock market disrupts agencies. But it all together, you're still net positive in terms of appetite and demand. The good thing is that the issue structures are very suitable. The bid-ask expectations are less to vary. Deals can actually get done these days," said Mr. Ho.

Speaking on Japan's main economy, chief financial officer James Ho said that while monetary easing is expected to boost consumption growth, the effect is more likely to be slow. Japanese retail sales have been "flat" this year, he said. Month on month, they averaged 2.1 per cent in February, followed a 0.4 per cent drop in January. Year-on-year, sales rose 0.3 per cent.

"Maybe it takes time," he said. "The government has to keep working on it until people start to change their behavior." He added, pointing part of the blame also on complex regulations that drive Minister Shinzo Abe's plan to revive Japan's economy will work.

There is also uncertainty about whether a rate hike in the economy should be 8 per cent or 10 per cent scheduled for April 2015, will be postponed. But he believes that going by the last hike in 2014, the impact should be minimal as consumers tend to forget about the tax when shopping. "Our malls also focus on daily necessities like groceries, so they are not affected too much."

By latest deal, the Fuji Grand Natalie, located in Hirochikus City, has about 53 sub-tenants in fashion, goods, services, food and other services.

It has a weighted average lease expiry of 8.2 years, and the Tokyo-based retail chain, Fit, is a major tenant and anchor tenant.

The consideration is a 5.1 per cent discount to the property's valuation of 3.2 billion yen.

With the addition of Fuji Grand Natalie, the trust's portfolio will comprise more properties with an overall valuation of 99.8 billion yen.



Thank You

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