



## NEWS RELEASE

### **CapitaLand Ascott Trust enhances returns with acquisition of two hotels in Japan for JPY21 billion**

***Acquisition yield at 4.3% is higher than blended exit yield of about 2% for four divested properties in Japan***

**Singapore, 31 January 2024** – CapitaLand Ascott Trust (CLAS) has acquired two freehold limited-service hotels in Japan for a total of JPY21 billion (S\$178.5 million<sup>1</sup>). The two hotels are ibis Styles Tokyo Ginza located in the country’s capital and Chisun Budget Kanazawa Ekimae situated in Kanazawa, one of the top tourist destinations amongst domestic travellers in Japan. The acquisition is priced at an 8.3% discount to independent valuation<sup>2</sup>.

On a FY 2024 pro forma basis, the acquisition of the two hotels has a Distribution per Stapled Security (DPS) accretion of 1.6%. The blended net operating income (NOI) yield of the acquisition is 4.3% in FY 2024. Adopting a natural hedge against currency fluctuations, the acquisition was funded by JPY-denominated debt and proceeds from CLAS’ divestment of four properties<sup>3</sup> in Japan.

Ms Serena Teo, Chief Executive Officer of CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (the Managers of CLAS), said: “The acquisition is part of our portfolio reconstitution strategy to enhance the quality of our portfolio and deliver stable returns to our Stapled Securityholders. The FY 2024 NOI yield of the two hotels is 230 basis points higher than the blended exit yield of approximately 2.0% for the four previous divestments in Japan. By swiftly redeploying divestment proceeds into these higher-yielding assets, we have fully replaced the income from the four divested properties. CLAS continues to focus on delivering growth by ensuring our portfolio is well-positioned to capture lodging demand.”

“Japan is a key market for us. Post-acquisition, 18% of CLAS’ total assets are located in the country. With Japan continuing to enjoy strong international travel demand, the two well-located properties are poised to capture the demand from travellers visiting Tokyo and Kanazawa. Visitors staying in Tokyo and Kanazawa have already surpassed pre-COVID levels by 23% and 12% respectively<sup>2</sup>. The revenue per available room for both Ginza and Kanazawa markets are also set to continue on an upward trajectory. The properties will be under management contracts, enabling CLAS to benefit from income upside. Through our diversified portfolio of assets with different contract types, we have a mix of stable and growth

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<sup>1</sup> Based on an exchange rate of JPY1 to S\$0.0085 unless stated otherwise.

<sup>2</sup> Commissioned independent market valuation by Cushman & Wakefield.

<sup>3</sup> The four divested properties in Japan are Infini Garden, a rental housing property in Fukuoka and three hotels in Osaka – Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West.

income sources that enable us to deliver resilient long-term value for our Stapled Securityholders,” added Ms Teo.

In FY 2024, CLAS’ properties in Japan achieved the strongest performance among its key markets. Revenue per available unit for CLAS’ serviced residences and hotels in Japan grew 37% year-on-year to JPY23,987 in 4Q 2024. Post-acquisition, CLAS’ Japan portfolio comprises two serviced residences, four hotels, 23 rental housing properties and a student accommodation property.

#### Two well-located properties to capture travel demand

ibis Styles Tokyo Ginza is located within the capital city’s premium shopping and entertainment district. The 224-unit hotel is next to Ginza Six, a popular high-end retail mall and the well-known Uniqlo global flagship store in Ginza is just a stone’s throw away. The Ginza Wako clock tower, an iconic landmark in the district, is less than a 10-minute walk away. A plethora of retail and dining options are located around the property’s immediate vicinity. Guests can access Tokyo’s subway network easily via the Higashi Ginza or Ginza station, both about a six- to eight-minute walk away.

The 392-unit Chisun Budget Kanazawa Ekimae is situated in Kanazawa, in the northwest of Japan. Similar to Kyoto, the city is well known for its historical attractions, traditional landscaped gardens, and cultural icons which guests can access easily. These include the Kanazawa Castle, Kenrokuen Garden, and heritage geisha and samurai districts featuring preserved architectural designs from Japan’s Edo period. Kanazawa is also known for its premium seafood given its coastal location. The property is a 10-minute drive to the city’s central business district as well as to event and sports venues. It is within a five-minute walk to the Kanazawa train station, connecting guests to other major cities in Japan via the Shinkansen, the country’s high-speed rail system. The city also has flight connections with Seoul, Shanghai and Taiwan.

#### Recycling capital into quality assets at higher yields

Including ibis Styles Tokyo Ginza and Chisun Budget Kanazawa Ekimae, CLAS has completed investments of about S\$530 million in the last 12 months. These acquisitions are at higher yields than CLAS’ divestments, enhancing CLAS’ income distribution.

Acquisitions completed in 2024 include Teriha Ocean Stage, a rental housing property in Fukuoka, Japan which CLAS acquired in January 2024. In June 2024, CLAS acquired the remaining 10% stake in Standard at Columbia, a student accommodation property in the United States of America and in December 2024, CLAS completed the acquisition of lyf Funan Singapore. In 2024, CLAS completed over S\$500 million in divestments and unlocked about S\$74 million<sup>4</sup> in net gains.

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<sup>4</sup> Includes the transfer of S\$19.3 million from the asset revaluation reserve to revenue reserve for the divestments in Australia.

**About CapitaLand Ascott Trust ([www.capitalandascotttrust.com](http://www.capitalandascotttrust.com))**

CapitaLand Ascott Trust (CLAS) is the largest lodging trust in Asia Pacific with an asset value of S\$8.8 billion as at 31 December 2024. CLAS' objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world. CLAS was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, and is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

CLAS' international portfolio comprises 100 properties with more than 18,000 units in 45 cities across 16 countries in Asia Pacific, Europe and the United States of America as at 31 December 2024.

CLAS' properties are mostly operated under the Ascott, Somerset, Quest and Citadines brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Seoul, Singapore, Sydney and Tokyo.

CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT). The manager and trustee-manager are wholly owned subsidiaries of Singapore-listed CapitaLand Investment Limited, a leading global real asset manager with a strong Asia foothold.

**About CapitaLand Investment Limited ([www.capitalandinvest.com](http://www.capitalandinvest.com))**

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 30 September 2024, CLI had S\$134 billion of assets under management, as well as S\$102 billion of funds under management held via six listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in thematic and tactical strategies. Its diversified real estate asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage, and data centres, private credit and special opportunities.

CLI aims to scale its fund management, lodging management and commercial management businesses globally and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for Scope 1 and 2 by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

**Important Notice**

This release may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses),

governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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