

## NEWS RELEASE

### CapitaLand Ascott Trust acquires three rental housing properties in Japan for JPY4 billion to strengthen stable income stream

**Singapore, 27 August 2025** – CapitaLand Ascott Trust (CLAS) has acquired three freehold rental housing properties in Japan for a total of JPY4 billion (S\$34.2 million<sup>1</sup>). Two of the rental housing properties, Splendide Namba West and Pregio Esaka South, are in Osaka, while the third, Pre de Cort Nishikyogoku, is in Kyoto.

On a FY 2024 pro forma basis, the acquisition of the three rental housing properties has a Distribution per Stapled Security (DPS) accretion of 0.3%. In line with CLAS' portfolio reconstitution strategy, the acquisition was funded by proceeds from CLAS' divestment of Citadines Karasuma-Gojo Kyoto in October 2024 and JPY-denominated debt.

The expected net operating income (NOI) entry yield of the acquisition is 4% in FY 2025. This is significantly higher than the NOI exit yield of 0.4%<sup>2</sup> from the divestment of Citadines Karasuma-Gojo Kyoto. The three operating assets will contribute to CLAS' distributable income immediately. On an annualised basis, the combined distributable income is expected to more than fully replace the income from the divested Citadines Karasuma-Gojo Kyoto.

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 demonstrates CLAS' ability to reconstitute our portfolio by redeploying divestment proceeds into higher-yielding assets, further enhancing CLAS' portfolio and the quality of our earnings. Built about five years ago, the three rental housing properties are located in prime areas of key gateway cities with expanding economic opportunities. With average lease terms of about two years and an average occupancy of about 97%<sup>3</sup>, the acquisition strengthens our stable income stream and portfolio resilience. Meanwhile, our earlier acquisition of two hotels in Tokyo and Kanazawa in January 2025 positions us to benefit from the growing travel demand. This combination of stable and growth income sources is a key strength for CLAS."

"Japan is one of our key markets. Post-acquisition, CLAS' properties in Japan<sup>4</sup> accounts for 17.7% of our total portfolio value, enabling us to better capitalise on the strong lodging demand in the country, while maintaining a geographically diverse portfolio. We remain focused on our three-pronged strategy: unlocking value through divestments, investing in yield-accretive

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<sup>1</sup> Based on an exchange rate of JPY1 to S\$0.008634 unless stated otherwise.

<sup>2</sup> Based on FY 2023 NOI.

<sup>3</sup> As of June 2025.

<sup>4</sup> Includes Citadines Central Shinjuku Tokyo as the proposed divestment is subject to Stapled Securityholders' approval and is expected to be completed in 4Q 2025.

opportunities, and uplifting portfolio quality through well-timed asset enhancement initiatives (AEIs), to deliver steady long-term returns to our Stapled Securityholders,” added Ms Teo.

Post-acquisition, CLAS will have 33 assets<sup>4</sup> in Japan, comprising two serviced residences, four hotels, 26 rental housing properties and a student accommodation property. Its properties in the living sector such as rental housing and student accommodation account for about 17% of CLAS’ total portfolio value. In the medium term, CLAS aims to increase its allocation towards living sector assets to about 25-30%, with the remaining 70-75% to serviced residences and hotels.

Expanding economic opportunities in Osaka and Kyoto continue to attract young professionals, students and expatriates from Japan’s suburbs and outside the country. For example, Osaka’s population grew 1.8% between 2019 and 2024, despite the pandemic<sup>5</sup>. Rents in Osaka and Kyoto have also been trending upwards for the past decade and are expected to rise between 10% to 15%<sup>6</sup> over the next five years, supported by favourable demand-supply dynamics.

#### Centrally located assets within the gateway cities of Osaka and Kyoto

The 56-unit Splendide Namba West and 48-unit Pregio Esaka South were completed in 2021. Both properties are about a 10-minute walk to the subway station. Two of Osaka’s busiest train stations - the Umeda Station, the city’s regional transport hub for local trains, and Shin-Osaka Station, the city’s Shinkansen train station, are about 10 to 20 minutes away by the subway. The Umeda central business district (CBD) and the city’s iconic Namba dining and entertainment district are also easily accessible.

The 85-unit Pre de Cort Nishikyogoku was completed in 2020. The nearest subway station is a 10-minute walk away, offering residents a direct connection to Kyoto’s CBD. Notably, Kyoto’s well-known Kawaramachi and Shijo districts, as well as the city’s largest train terminal, the Kyoto Station, are all within a 15-minute subway ride. The Kyoto Koka Women’s University and the prestigious Kyoto University are also easily accessible.

For more information on the three properties, please refer to the Annex.

#### Enhancing CLAS’ portfolio in Japan

The acquisition of three rental housing properties follows CLAS’ acquisition of ibis Styles Tokyo Ginza and Chisun Budget Kanazawa Ekimae in January 2025 for a total of JPY21 billion (S\$178.5 million). On a FY 2024 pro forma basis, the acquisition of the two hotels has a DPS accretion of 1.6%. The blended NOI yield of the acquisition is 4.3% in FY 2024. The acquisition was funded by JPY-denominated debt and divestment proceeds as part of CLAS’ portfolio reconstitution strategy.

On 29 July 2025, CLAS announced an AEI for Sotetsu Grand Fresa Osaka-Namba to uplift the hotel’s value and profitability. The AEI is scheduled to be carried out and completed in 2026.

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<sup>5</sup> Savills: Osaka Residential Markets, February 2025

<sup>6</sup> Sumitomo Mitsui Trust Research Institute report, January 2025.

On 31 July 2025, CLAS proposed to divest Citadines Central Shinjuku Tokyo for JPY25 billion (S\$222.7 million). The divestment will unlock a net gain after tax of JPY5.7 billion (S\$50.8 million) and generate net proceeds of JPY21 billion (S\$187.4 million). CLAS can redeploy the capital into more effective uses such as repaying higher-interest debt, funding AEs, reinvesting in higher-yielding properties and/or for general corporate purposes. CLAS will seek Stapled Securityholders' approval for the divestment at an Extraordinary General Meeting scheduled for September 2025. The transaction is expected to be completed by 4Q 2025.

**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 30 June 2025. 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 101 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 30 June 2025.

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 in 2021, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 13 August 2025, CLI had S\$117 billion of funds under management held via stakes in seven listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in demographics, disruption and digitalisation-themed strategies. Its diversified real asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage, 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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## Annex – Details of the three rental housing properties

	<b>Splendide Namba West</b>	<b>Pregio Esaka South</b>	<b>Pre de Cort Nishikyogoku</b>
<b>Location</b>	Naniwa-ward, Osaka	Suita-city, Osaka	Ukyo-ku, Kyoto
<b>Year Completed</b>	2021	2021	2020
<b>Tenure</b>	Freehold		
<b>Net Lettable Area (sqm)</b>	1,582	1,453	2,399
<b>Building Floors</b>	15	9	7
<b>Number of units</b>	56	48	85