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CapitaLand sees potential to double Japan AUM to S\$5 billion

Singapore, 6 June 2017 – CapitaLand Limited sees potential to grow its assets under management (AUM) in Japan to S\$5 billion, double its current AUM of over S\$2.5 billion as at 31 March 2017. The Group is also on track to achieve at least S\$3 billion worth of AUM in the market by the end of 2017. Japan is expected to feature prominently in the Group's recurring income strategy, with a robust portfolio of income-producing shopping malls, serviced residences and offices.

The Group's wholly owned serviced residence arm, The Ascott Limited (Ascott), today marked the grand opening of Ascott Marunouchi Tokyo, officiated by Guest of Honour Mr Goh Chok Tong, Emeritus Senior Minister of the Republic of Singapore, Member of Parliament, and graced by His Excellency Mr Chin Siat Yoon, Ambassador of the Republic of Singapore. They were joined by Mr Junichi Yoshida, President & Chief Executive Officer of Mitsubishi Estate and Co., Ltd., partner owner of Ascott Marunouchi Tokyo; Mr Ng Kee Choe, Chairman of CapitaLand Limited; Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited; Mr Lee Chee Koon, CEO of Ascott; Mr Kevin Goh, Chief Operating Officer of Ascott; and Mr Tan Lai Seng, Country Head for Japan of CapitaLand Limited.

The 130-unit Ascott Marunouchi Tokyo is the first luxury serviced residence in Japan under Ascott's premier Ascott The Residence brand, and among the seven serviced residences the Group owns and manages in the country. The property has the best of both worlds – located in the prestigious Otemachi-Marunouchi business district while being close to the Ginza shopping area. It is well-connected with direct access to the Otemachi subway station served by 5 subway lines, and is a mere 10-minute walk to Tokyo station that gives guests quick access to major cities via the Shinkansen. It also enjoys a good view of the East Garden of the Tokyo Imperial Palace, a rare sanctuary in the bustling city.

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: "CapitaLand's continual effort to reconstitute and optimise our portfolio in Japan is taking shape. We now have a robust portfolio in Japan that is income-producing, comprising five shopping malls, four office buildings as well as 23 serviced residences and rental apartment properties. Our total AUM in Japan stands at over S\$2.5 billion. We strengthened our foothold in Greater Tokyo earlier this year with the acquisition of three office buildings and a mall for S\$620.1 million, and are poised to continue expanding our presence in Japan to S\$3 billion in AUM by the end of this year. We see potential to double our AUM in the country to S\$5 billion by exploring opportunities across asset classes, including tapping various capital sources and third-party assets. Our enlarged portfolio will serve as the Group's platform to develop a sustainable long-term growth strategy in Japan."

He added: “Real estate is a capital intensive and location-centric business. Having good partners allows us to enter larger scale projects, which offers us depth in the market, as well as access to highly coveted quality assets. The grand opening of Ascott Marunouchi Tokyo today marks another milestone in our long-standing partnerships with Japanese companies such as Mitsubishi Estate Co. Ltd. since we entered the market in 2001. Over the years, our partnership with Japanese companies has extended beyond Japan, to our core markets of Singapore and China, as well as our growth market Vietnam. These partnerships span across real estate asset classes in the serviced residence, office, residential and fund management sectors. We look forward to continue forging strong ties with our valued partners in the country.”

Mr Lee Chee Koon, CEO of Ascott, said: “Japan’s GDP is expected to grow up to 2% over the next few years. Demand for serviced residences is likely to grow with the government’s proactive efforts to attract foreign direct investment and promote Tokyo as an international financial and business centre. Ascott Marunouchi Tokyo is our first luxury serviced residence in Japan under Ascott’s premier Ascott The Residence brand. It is timely for us to open this flagship property ahead of the upcoming 2020 Olympics in Tokyo, as the city is also set to welcome more business and leisure travellers. We will continue to look for growth opportunities through investments, management contracts and lease agreements, to achieve our target of at least a dozen more serviced residences in Japan by 2020; this includes an upcoming venture with Takashimaya in the vibrant Namba area of Osaka.”

Japan, the world’s third largest economy and one of the top real estate investment markets in Asia, offers sufficient liquidity and stock of quality assets amidst a stable political atmosphere. Ascott Marunouchi Tokyo’s grand opening comes after the successful acquisition of four income-producing office and retail properties in Japan’s Greater Tokyo Area at an agreed property price of JPY49.7 billion (S\$620.1 million) by CapitaLand in February 2017. Through Ascott, the Group owns and manages 23 serviced residences and rental apartment projects across 8 cities - Tokyo, Kyoto, Kobe, Osaka, Nagoya, Hiroshima, Sapporo, Fukuoka.

About CapitaLand Limited (www.capitaland.com)

CapitaLand is one of Asia’s largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth more than S\$78 billion as at 31 March 2017, comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 140 cities in about 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand’s competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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