



# CapitaLand Limited

## Proposed Acquisition Of A Portfolio Of Office And Retail Assets In Greater Tokyo, Japan

17 February 2017

# Disclaimer

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This presentation may contain forward-looking statements that involve risks and uncertainties. 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 companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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- Transaction Overview
- Transaction Rationale



# Overview of the Acquisition

Yokohama Blue Avenue,  
Japan



# Portfolio: Overview

	Yokohama Blue Avenue	Sun Hamada	Kokugikan Front	Seiyu & Sundrug
				
Asset Type	Office	Office	Office	Supermarket+ Drug Store
Lease	Multi-Tenanted	Multi-Tenanted	Multi-Tenanted	Master Leased
Location	Greater Tokyo	Greater Tokyo	Tokyo	Greater Tokyo
Completion	Nov 2009	Feb 1993	Jun 2004	Dec 1997
Gross Floor Area (sq ft)	~555,000	~132,000	~85,000	~393,000
Net Lettable Area (sq ft)	~373,000	~90,000	~65,000	~393,000





# Acquisition Costs And Proposed Funding Plan

- Acquisition Costs

	JPY billion	SGD <sup>1</sup> million
Purchase consideration	49.7	620.1
Transaction costs <sup>2</sup>	1.3	16.2
<b>Total</b>	<b>51.0</b>	<b>636.3</b>

- Acquisition to be financed by a combination of internal funds and borrowings

Notes:

(1) Based on exchange rate SGD1: JPY80.064

(2) Transaction costs mainly comprise of property related taxes which the Vendors have pre-paid in relation to the properties



# Yokohama Blue Avenue



## Property Overview

Address	4-4-2 Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa
Land Tenure	Freehold
GFA	~555,000 sq ft
NLA	~373,000 sq ft
Occupancy	78% ( as at 31 January 2017)
Key Tenants	Mitsubishi Heavy Industries, Ericsson Japan, Fuji Xerox, EMG Marketing

## Location

- Three-minute walk from Shin-Takashima Station, close to Yokohama Station, which serves as an interchange for six lines, including the Japan Railway Tokaido Main Line that provides direct linkage to Tokyo via a 25-minute train ride
- 25-minute car ride from Tokyo's Central Business District



# Sun Hamada Building



## Property Overview

Address	1-19-20 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa
Land Tenure	Freehold
GFA	~132,000 sq ft
NLA	~90,000 sq ft
Occupancy	100% ( as at 31 January 2017)
Key Tenants	Allied Telesis, Lands <sup>i</sup> End Japan, Unipres Corporation

- Nine-minute walk from Shin-Yokohama Station which provides a direct linkage to Tokyo via an 18-minute train ride
- 33-minute car ride from Tokyo's Central Business District





# Kokugikan Front Building



## Location

- Three-minute walk from the Japan Railway Ryogoku Station and the Toei Subway Ryogoku Station
- Seven-minute train ride on the Japan Railway Sobu Line via Yamanote Line from Tokyo Station

## Property Overview

Address	1-10-5 Yokoami, Sumida-ku, Tokyo
Land Tenure	Freehold
GFA	~ 85,000 sq ft
NLA	~65,000 sq ft
Occupancy	100% ( as at 31 January 2017)
Key Tenants	Shindo Corporation, Onkyo Corporation

## Property Overview

Address	11-2 Komatsubara-cho, Higashi-Matsuyama-shi, Saitama
Land Tenure	Freehold
GFA	~ 393,000 sq ft
NLA	~ 393,000 sq ft
Occupancy	100% ( as at 31 January 2017)
Key Tenants	Seiyu and Sundrug

## Location

- Located in Higashi-Matsuyama, Saitama Prefecture. With a population of close to 7.3 million, Saitama Prefecture is part of the Greater Tokyo region, where many residents commute to Tokyo for work/school
- Easily accessible by car via a convenient network of key highways and roads in the vicinity



# Rationale for Proposed Acquisition

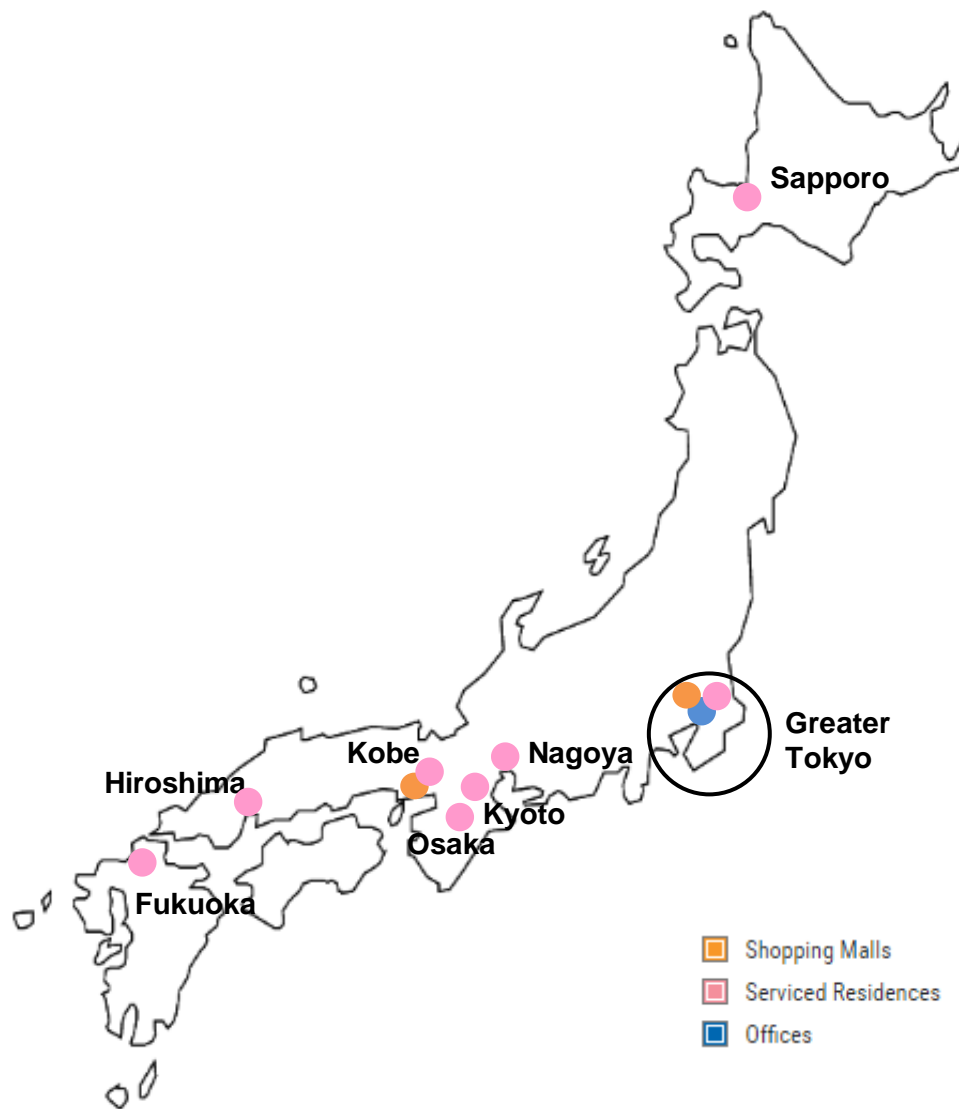




- ✓ **Deepen Presence In A Developed Market, Particularly In A Robust Region**
- ✓ **Advance A Long-term Business Strategy For Japan Operations**
- ✓ **Accretive And Income Producing Acquisition**



# Deepen Presence In A Developed Market, Particularly In A Robust Region



- Tap into Tokyo which is a key global city and one of Asia Pacific's top real estate development and investment market



# Advance A Long-term Business Strategy For Japan Operations

- Enlarge CapitaLand Group's total portfolio<sup>1</sup> in Japan to S\$2.5 billion from approximately S\$1.8 billion<sup>2</sup>
- Well-diversified presence across asset classes such as shopping malls, offices and serviced residences
- Most assets are concentrated in the Greater Tokyo region which is the world's most populous metropolis<sup>3</sup>

#### Notes

(1) Based on total asset size

(2) As of 31 December 2016

(3) Source: Demographia World Urban Areas, April 2016, <http://www.demographia.com/db-worldua.pdf>.





# Accretive And Income Producing Acquisition

- Estimated entry property yield of 4.1% and recurring net operating income of approximately S\$25.0 million per annum
- Potentially achieving an upside yield of 4.5% to 4.8% in the next two to three years
- Accretive return on equity of more than 10%<sup>1</sup>

Note  
(1) At the property level



# Thank You

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