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CapitaLand continues portfolio reconstitution strategy by divesting three retail malls in Japan and an office building in Korea for S\$448.7 million

- ***Forms joint venture with Mitsui & Co. Real Estate Ltd to develop and operate CapitaLand's first logistics asset in Japan***
- ***Exceeds annual capital recycling target of S\$3 billion***

Singapore, 1 December 2020 – CapitaLand has divested three retail malls in Japan and an office building in Korea for a total of S\$448.7 million as part of its ongoing portfolio reconstitution strategy. The buyers are unrelated third parties. The agreed value of the properties was arrived on a willing-buyer and willing-seller basis.

In Japan, CapitaLand has divested La Park Mizue and Vivit Minami-Funabashi in Greater Tokyo, as well as CO-OP Kobe Nishinomiya Higashi in Greater Osaka above valuation for a total of JPY 21.99 billion (S\$283.6 million)¹. In August 2020, CapitaLand also divested ICON Yeoksam in Seoul above valuation for KRW 142.2 billion (S\$165.1 million)². CapitaLand held the office building through a private fund, Ascendas Korea Office Private Real Estate Investment Trust (REIT) 5. CapitaLand remains the asset manager of ICON Yeoksam and will continue to receive fee income.

With these divestments³ in Japan and Korea, the total gross value of the divestments by CapitaLand and its real estate investment trusts (REIT) would be S\$3.02 billion, crossing its annual target of recycling S\$3 billion of capital. As at 30 November 2020, CapitaLand and its REITs have invested more than S\$3.30 billion into new assets.

CapitaLand has also entered into a joint venture with Mitsui & Co. Real Estate Ltd, with CapitaLand as the majority partner, to develop and operate a logistics project in Greater Tokyo. This marks CapitaLand's first foray into Japan's logistics sector. The development is close to Central Tokyo and easily accessible via the strategic Route 16 national highway. When completed in 4Q 2022, the four-storey modern logistics facility will have a gross floor area of about 24,000 square metres.

Mr Jason Leow, President, Singapore & International, CapitaLand Group, said: "The divestment of these mature malls and office asset is part of CapitaLand's capital recycling strategy to unlock value by reinvesting the capital into new growth opportunities such as the logistics sector in Japan. By paring down our exposure in Japan's retail sector and

¹ Based on the exchange rate of JPY 1 to S\$0.0129.

² Based on the exchange rate of KRW 1 to S\$0.001161.

³ For more information on the properties divested, please see Annex.

leveraging our logistics experience in markets such as Singapore, Australia and the United Kingdom to expand into the new economy sector in Japan, we are responding swiftly to shifting market trends and consumer behaviours, positioning CapitaLand for future growth. Despite COVID-19, we have crossed our capital recycling target of S\$3 billion and remain focused on divesting non-core assets opportunistically. CapitaLand will continue to actively reconstitute and optimise our portfolio to deliver long-term value for our stakeholders.”

Mr Gerald Yong, Chief Executive Officer, CapitaLand International, said: “The logistics sector in Japan presents significant opportunities for CapitaLand. The global pandemic has accelerated the growth of e-commerce and the logistics sector has been a prime beneficiary of this trend. Vacancy rates of the logistics sector in Greater Tokyo have reached a historical low of 0.4%.⁴ The logistics sector is set to continue its growth momentum as more customers transact online. We aim to achieve meaningful scale over time by leveraging Mitsui & Co. Real Estate Ltd’s local knowledge and access to business opportunities to grow our logistics portfolio in Japan.”

Mr Yoshiyasu Furukawa, President and CEO of Mitsui & Co. Real Estate Ltd, said: “We are pleased to partner with CapitaLand on their first logistics project in Japan. The combination of Mitsui & Co. Real Estate Ltd’s extensive experience in Japan’s logistics sector and CapitaLand’s position as one of Asia’s largest diversified real estate groups is a winning partnership. We aim to deliver a modern and quality logistics development in 4Q 2022 and deepen our collaboration in the future.”

CapitaLand’s Presence in Japan and Korea

CapitaLand has been operating in Japan and Korea for close to 20 years. Post divestment, CapitaLand will retain S\$3.8 billion of assets under management (AUM) in Japan and S\$2.0 billion of AUM in Korea.

In Japan, CapitaLand has two malls in Greater Tokyo - Olinas Mall and Seiyu & Sundrug Higashimatsuyama. CapitaLand also has four office assets in Tokyo and Yokohama. Through CapitaLand’s wholly owned lodging business unit, The Ascott Limited (Ascott) and its hospitality trust, Ascott Residence Trust (ART), the Group has a strong portfolio of over 5,600 units across more than 30 serviced residences, hotels and rental housing properties in nine cities, including gateway cities such as Tokyo, Osaka and Kyoto.

In Korea, besides being the asset manager for ICON Yeoksam, CapitaLand owns three other office buildings in Seoul through its private funds. The office buildings are Citibank Centre and Jongro Place which are operational as well as ICON Cheonggye which is under development. Through Ascott and ART, the Group has five serviced residences and hotels with more than 1,400 units in Jeju, Seongnam and Seoul.

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia’s largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth about S\$133.3 billion as at 30 September 2020. CapitaLand’s portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics;

⁴ September 2020 – Savills Research Spotlight – Japan Logistics.

integrated development, urban development; as well as lodging and residential. With a presence across more than 220 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages six listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. CapitaLand launched Singapore's first REIT in 2002 and today, its stable of REITs and business trusts comprises CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

CapitaLand places sustainability at the core of what it does. As a responsible real estate company, CapitaLand contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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Annex – Information on La Park Mizue, Vivit Minami-Funabashi, and CO-OP Kobe Nishinomiya Higashi in Japan and ICON Yeoksam in Korea

Japan

La Park Mizue

La Park Mizue, a five-storey retail building with two basement floors, is located in Mizue area of Tokyo's Edogawa Ward. It is easily accessible via the Mizue Station which is along the Shinjuku-Toei subway line. The Ekimae Bus Station and station taxi rank are also situated in front of the store. As the largest mall in the Mizue suburb, La Park Mizue caters to the daily shopping needs of the residents in the area. Don Quijote, a chain store that operates at over 290 locations in Japan, is La Park Mizue's primary tenant. Other retail offerings include the popular Summit supermarket chain, specialty retailers and restaurants.

Vivit Minami-Funabashi

Located at Funabashi City, Chiba Prefecture, Vivit Minami-Funabashi is a five-minute walk from Funabashi Keibajo Station, 10-minute walk from Minami-Funabashi Station, and 30-minute drive from Central Tokyo. Vivit Minami-Funabashi has a tenant mix which targets both out-of-town shoppers and the local residents. The mall offers a range of lifestyle, dining and retail options, such as Super Value, Nitori, Book Off Super Bazaar, Nojima, Sakazen, IDC Otsuka Kagu, and Jyunkudo. Vivit Minami-Funabashi underwent asset enhancement from April to October 2016.

CO-OP Kobe Nishinomiya Higashi

CO-OP Kobe Nishinomiya Higashi is located in Nishinomiya City, in the southeast of Hyōgo Prefecture in Greater Osaka. CO-OP Kobe Nishinomiya Higashi lies to the east of the city centre and is situated within a commercial and residential area amongst low rise multifamily buildings and family homes. Focused on selling necessities, groceries and other essential goods, CO-OP Kobe Nishinomiya Higashi serves the tenants in the commercial properties and families from residential districts nearby.

Korea

ICON Yeoksam

ICON Yeoksam is located in Gangnam Business District (GBD), a core business district in Seoul preferred by IT companies, financial institutions and headquarters of multinational companies. The property provides convenient accessibility as it is a three-minute walk from subway line 2. Located on Teheran-ro, a major boulevard in GBD, ICON Yeoksam is adjacent to main shopping districts, City Airport Terminal, and other major urban facilities.