

SC Capital Partners, ADIA and Goldman Sachs Asset Management acquire 27-hotel portfolio in Japan

SINGAPORE / TOKYO, 19 July 2023 – Singapore-headquartered private equity real estate firm SC Capital Partners Pte Ltd (SCCP) has formed a consortium with a wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA) and Goldman Sachs Asset Management, which has acquired a portfolio of 27 resort hotels in Japan from Daiwa House Industry, a Japan-based home construction and real estate development company.

The hotels are located in major tourist destinations across Japan, capturing both domestic and inbound demand. The investment strategy will focus on increasing top-line revenue, rebranding initiatives, improving distribution channels, and refurbishment works.

The portfolio was acquired for approximately US\$900 million and includes a total of 7,124 rooms. Japan Hotel REIT Advisors Co., Ltd. (JHRA), a company that is majority-owned by the SCCP Group and a specialist in local hotel asset management and operations in Japan, will play an integral role in capturing the recovery and maximizing the further growth of the portfolio.

Suchad Chiaranussati, Chairman and Founder of SC Capital Partners Group commented, “This is a rare opportunity to acquire one of the largest and most prominent hotel portfolios in Japan. The extensive platform and network we have built in Japan over the last 13 years, particularly in the hospitality space, puts us in a unique position to capitalise on the long-term relative value of this highly sought after sector.

We are also delighted to expand and deepen our relationship with ADIA, following the launch of a data centre investment programme last year, and commence on a promising venture with Goldman Sachs, one of the leading financial institutions globally.”

Mohamed Al Qubaisi, Executive Director of the Real Estate Department at the Abu Dhabi Investment Authority, said: “Japan’s real estate sector

continues to deliver superior returns, and the country's hotel market is well positioned for growth from the rebound of travel. This acquisition presented a unique opportunity to access a large, leisure-oriented hotel portfolio alongside SC Capital, a pan-Asia partner across multiple real estate asset classes, and Goldman Sachs Asset Management. The portfolio will benefit from increased domestic and international tourism, as well as JHRA's strong asset management capabilities."

Takashi Murata, Global Co-Head of Goldman Sachs Asset Management Real Estate commented, "Having invested in Japan since 1998, we are excited to partner with SC Capital Partners and ADIA to invest in one of the largest hotel platforms in Japan. As we continue to see strong recovery in the Japanese hospitality sector, we are confident these high-quality assets located in top tourist destinations throughout Japan are well-situated to benefit from the rebound. Additionally, by implementing our strategy, we believe the platform will be positioned to attract further demand and generate differentiated returns."

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