

Ascot Corp., an Associate of Ping An Group, has Started a Real Estate Fund Management Business in Japan The Launch of the First Private Fund for Japanese Real Estate

Ascot Corp. (headquartered in Shibuya-ku, Tokyo, Japan; hereinafter "Ascot") has formed the first private fund (hereinafter "the Fund") through a joint venture with global institutional investors to invest in MF residential, senior living facilities, and student housing in the Tokyo metropolitan area.

ASTILE Harajuku



Completed in March 2022

ASTILE Nishi-Shinjuku II



Completed in March 2022

ASTILE Yoyogi-Koen



To be Completed in August 2022

FARE Ebisu



To be Completed in July 2022

1. Main Investment Properties of the Fund

"ASTILE" is MF residential brand winning the Good Design Award twice last year, and "FARE" is the brand winning the Award seven times for the five consecutive years.

*The Good Design Award is the only comprehensive design evaluation and recommendation system in Japan that covers a wide range of fields from industrial products to business models and event activities.

2. Overview of the Fund and Strategy

The investment targets of the Fund are MF residential, senior living facilities, and student housing, and their locations are limited to the Tokyo metropolitan area where are expected to provide stable cash flows with little impact from the Covid-19 pandemic and high liquidity on exit, and consequently stable investment results. Furthermore, the investment risks can be identified within the limited scope and in a quantitative manner due to the predefined properties.

The portfolio of the Fund No. 1 comprises of 9 properties, mainly MF residential developed by Ascot (including ASTILE Harajuku, and ASTILE Nishi-Shinjuku II etc.). In the near future, Ascot plans to expand the scope of its fund in collaboration with global institutional investors by acquiring MF residential, senior living facilities, and student housings from external developers and funds, in addition to properties developed by Ascot. Ascot manages these properties as the asset manager of the Fund.

3. Growth Strategy of Real Estate Fund Business Department

The Real Estate Fund Business Department, established in 2021, is a new business unit of Ascot that leverages the company's design and quality property development capabilities cultivated over the past 20 years since Ascot's founding in 1999, as well as its domestic and international network. As one of the key pillars of our mid-term growth strategy, we aim to further expand our business by forming joint venture funds with domestic and foreign investors and new private funds, as well as by entering the REIT and other businesses.

In addition to MF residential and offices, which are our strengths, we will target a wide range of asset classes, including logistics, hotels, senior housing, data centers, etc. Furthermore, we are considering entering some asset classes from the development stage.

The Fund Business Department will contribute to the growth of the real estate investment market by continuously providing optimal solutions and quality investment opportunities to a wide range of investors while expanding total assets under management.

Executive Officer / Head of Real Estate Fund Business Department

Akira Oishi

Main Career Summary

He joined Ascot in July 2021 as Executive Officer, Head of Real Estate Fund Business Department.

Prior to joining Ascot, he worked at Mitsui Trust & Banking (currently called Sumitomo Mitsui Trust & Banking, (SMTB)) in the Funds and Exchange Department, New York branch, and Asset Finance Department.

After working at SMTB, he joined GE Real Estate (currently called GE Japan) in 2004, where he was the manager of the Business Development Department and was responsible for acquisition, M&A and structured finance.

In 2010, as the Head of Asset Management, he was in charge of the asset management of approximately 600 properties with a total value of approximately 600 billion yen in Asia Pacific and Japan.

In 2016, he joined Savills Japan's Asset Management team, and, as the head of Acquisitions, he was in charge of the acquisitions and acquired properties worth more than 100 billion yen with global institutional investors.

He has over 25 years of extensive real estate investment, real estate finance, and international experience in the real estate investment industry, as well as leadership roles in various areas of the real estate business.

He holds an MBA from Hitotsubashi University Graduate School of International Corporate Strategy (ICS).

4. Background

Under the circumstances of limited investment opportunities under the low interest rate policy and globalization trend of investment, there has been a shift in allocations from traditional assets such as listed stocks and bonds to alternative investments, with real estate investment in particular gaining prominence worldwide over the past few years.

As the global asset allocation strategy, a certain percentage has been shifted to Asia, and, in comparison to other Asian countries, investment in Japanese real estate has been allocated to a significant degree in terms of core investment. The primary factor is that Japan's low interest rate policy has ensured a relatively large yield gap. Secondly, Japan, centered on Tokyo, has a considerable market size which provides high liquidity on exit. In addition, the infrastructure for investment, such as legal, accounting, and taxation is very stable. Therefore, stable returns are expected to be secured. Consequently, the investment needs and flow of funds from global investors, especially institutional investors, to Japanese real estate have continued even with the COVID-19 pandemic, and the recent depreciation of Japanese yen has also attracted investors' attention to Japanese real estate.

The asset classes receiving great attention are logistics and MF residential. Since Ascot has advantage in longstanding residential development business, the first fund focused on residential properties.

5. Comments by Takeshi Nakabayashi, President of Ping An Japan Investment Co, Ltd.

Ascot Corp. is the first real estate company in Japan invested by Ping An Group. We are fascinated by Ascot's excellent development track record backed by its ability to plan and deliver high value-added residential and office properties. We

have high expectations for the growth of Ascot's new global business, including the real estate fund management business just launched, the development of logistics facilities, and integrated services from real estate brokerage to property management for global investors.

6. About Ascot Corp.

Ascot is a global comprehensive real estate service provider targeting Tokyo metropolitan area. The business includes the development of the MF residential and logistics, fund management, real estate brokerage for global investors, and property management leveraged by its design and high-quality property development capabilities as well as its domestic and international network. Its design and development capabilities cultivated over the past 20 years are highly recognized, as the track record of winning the Good Design Award 14 times in total shows. Through Digital Transformation, Ascot aims to provide quality real estate services in line with global standards by enhancing customer contact and creating new revenue models.

Stock Ticker Number: 3264 (Tokyo, JPX Standard)

Address: Daiwa Aoyama Bldg. 5F, 3-1-30 Jingumae, Shibuya-ku, Tokyo, Japan

Establishment: April 1999

Chairman of the Board: Yiwen Luo

Capital: 10,867 million yen

Description of business:

- Real estate development business: rental apartments, condominiums, office buildings, logistics facilities
- Real estate fund business: fund management, asset management
- Real estate solutions business: property value enhancement, real estate consulting, real estate brokerage
- Other businesses

Major shareholders:

- PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD
- SBI Holdings, Inc.

Website: <https://www.ascotcorp.co.jp>

[Contact]

Public Relations & Marketing Department,

Corporate Planning Division, Ascot Corp.

Email: press@ascotcorp.co.jp

*Inquiries will be handled in Japanese and English only.