

Press release

AXA IM Alts makes first investment in Japanese care home market with €160 million portfolio acquisition

- Furthers exposure to highly defensive residential sector in high conviction APAC region -

AXA IM Alts, a global leader in alternative investments with over €184 billion of assets under management^[1], announces that it has acquired a portfolio of 15 nursing homes, located across Tokyo, Osaka and Aichi in Japan, for €156 million (¥21.9 billion), including acquisition costs. The transaction is AXA IM Alts first in the sector in Japan, and has been made on behalf of AXA IM Alts clients, the leading real estate asset manager in Europe^[2].

The portfolio totals over 800 beds across 15 assets, 14 of which have been constructed after 2013. It is let to five established operators, with a weighted unexpired average lease term of 19.0 years. Osaka, Aichi and Tokyo are three of Japan's four largest cities, with significant aging and affluent populations, with the portfolio benefitting from its proximity to local infrastructure and the respective CBDs.

The Japanese care home sector is characterised by a shortage of good quality stock, with the demand supply imbalance expected to widen as Japan's elderly population increases; the number of over 65s is forecast to grow by 20% over the next 20 years^[3]. The sector also enjoys strong support from the government, which has committed to increase elderly resident capacity from 2.5% to 4% by 2030^[4].

This transaction marks AXA IM Alts' fourth acquisition in Japan this year, taking the business' assets under management in the country to c.¥511 billion (c. €3.5 billion)^[5], and forms part of AXA IM Alts' wider long-term strategy to invest into residential asset classes, supported by strong demographic drivers.

Laurent Jacquemin, Head of Asia-Pacific, Real Assets at AXA IM Alts, commented: "This is a rare opportunity to acquire a modern and diversified portfolio of care home assets with an attractive trading history, in a fast growing but still highly fragmented use class. Establishing long-term relationships with leading operators will allow us to quickly scale our platform, in a sector we view as highly defensive and benefitting from the tailwinds of compelling long-term demand supply dynamics."

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1 Source: AXA IM Alts unaudited data, as of 30 June 2022

2 Source: IPE Top 150 Real Estate Investment Managers, November/December 2021. #1 real estate investment manager in Europe based on total European real estate assets under management.

3 Source: Cabinet Office "White Paper on Aging Society"

4 Source: MLIT "White Paper on Housing Life Basic Plan"

5 Source: AXA IM Alts unaudited data, as of 18 November 2022

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About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with c. €184 billion of assets under management^[1] comprising c. €88 billion of primarily private real estate, over €85 billion of private debt and alternative credit, as well as over €11 billion in Infrastructure, private equity and hedge funds. We take a 360° degree approach to real estate & infrastructure investing with over €131 billion of assets under management in direct opportunities, held indirectly through debt and listed equities and via long term private equity investments into operating platforms. ESG is fully integrated into our investment decision-making processes with our responsible investment approach anchored by the three key pillars of decarbonisation, resilience and building tomorrow. AXA IM Alts employs over 800 people located in 17 offices around the world and serves the needs of more than 500 clients from Europe, North America, Asia-Pacific and Middle East. We are the number one property portfolio and asset manager in Europe^[2], and one of the largest worldwide.¹ Source: AXA IM Alts data (unaudited). All figures as of 30 June 2022.

² Source: IPE Top 150 Real Estate Investment Managers, November/December 2021. #1 real estate investment manager in Europe based on total European real estate assets under management.

About AXA Investment Managers

AXA Investment Managers (AXA IM) is a responsible asset manager, actively investing for the long-term to help its clients, its people and the world to prosper. Our high conviction approach enables us to uncover what we believe to be the best global investment opportunities across alternative and traditional asset classes, managing approximately €823 billion in assets as at the end of June 2022.

AXA IM is a leading investor in green, social and sustainable markets, managing €563 billion of ESG-integrated, sustainable and impact assets as at the end of December 2021. We are committed to reaching net zero greenhouse gas emissions by 2050 across all our assets, and integrating ESG principles into our business, from stock selection to our corporate actions and culture. Our goal is to provide clients with a true value responsible investment solution, while driving meaningful change for society and the environment.

At end of December 2021, AXA IM employs over 2,460 employees around the world, operates out of 23 offices across 18 countries and is part of the AXA Group, a worldwide leader in insurance and asset management.

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