

Press release

AXA IM Alts extends global hospitality footprint with acquisition of prime Kyoto hotel for ¥6.8 billion (€43 million)

AXA IM Alts, a global leader in alternative investments with c. €183 billion of assets under management^[1], announces that it has acquired, on behalf of clients, a prime hotel in Kyoto, Japan, for ¥6.8 billion (€43 million) of total project cost. AXA IM Alts intends to leverage its asset management expertise to undertake a value-enhancing repositioning of the asset to further enhance its specifications, amenities and sustainability credentials, alongside rebranding it as a well-known international brand.

The hotel, targeted to complete in early 2025 as Holiday Inn Gojo under management by IHG Hotels & Resorts, will be refurbished, comprising 183 guest rooms across 13 floors, and feature dining and leisure amenities including a café bar, high end restaurant, state-of-the-art gym, traditional Japanese bathhouse and conference facilities. In line with AXA IM Alts' focus on responsible investment, the renovation works will prioritise improving the energy efficiency of the building, including through the installation of energy saving showers, guestroom management systems and new hotel equipment and amenities. AXA IM Alts will target the inclusion of a green lease clause in its property management contract and a BELS certification based on an assessment of the building's energy conservation.

Strategically located close to Kyoto's main station, the hotel is ideally positioned to benefit from tourists arriving via the Shinkansen bullet train and is situated close to a number of cultural heritage sites, viewpoints and traditional restaurants. Kyoto's tourism market has displayed a robust recovery following Japan's reopening of its borders post pandemic, with visitor numbers now surpassing 2019 levels.

This acquisition aligns with AXA IM Alts objective to continue to scale its portfolio in Japan, a key regional market for 2024, having completed several real estate equity transactions in 2023. These included the acquisition of a 33-asset multifamily portfolio located across Tokyo, Greater Osaka and Nagoya and investments into the assisted living and senior housing sector, alongside the strategic disposal of Nakano Central Park East, a c. 40,000 sqm office tower, following the completion of AXA IM Alts' business plan for the asset.

Laurent Jacquemin, Head of Asia-Pacific at AXA IM Alts, commented: "The fallout from the COVID-19 pandemic provided a compelling entry point for new acquisitions in certain pockets of the hospitality sector. The sector's favorable structural drivers, including an increase in domestic and international tourism, underpin this highly attractive investment. We have long track record of successfully executing value-add projects as we look to reposition this sizeable, well-located hotel in a market characterized by a scarcity of foreign-brand hotels.

"Japan is a key global market for AXA IM Alts, and one where we will look to pursue our deployment in 2024, targeting those sectors benefitting from supportive technological, urbanisation and demographic trends."

– ENDS –

1 Source: AXA IM Alts unaudited data, as of 31 December 2023

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About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with €183 billion of assets under management^[1] comprising c.€84 billion of primarily private real estate, €88 billion of private debt and alternative credit, as well as c.€11 billion in Infrastructure and private equity. We take a 360° approach to real estate & infrastructure investing with over €129 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 840+ people located in 15 offices around the world and serves the needs of more than 600 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) as of 31 December 2023.

2 Highest-ranked European Real Estate Manager in IPE's Global Top 150 Real Estate Investment Managers, based on total value of real estate assets under management, November/December 2023.

About AXA Investment Managers

AXA Investment Managers (AXA IM) is a leading global asset manager offering a diverse range of global investment opportunities in both alternative and traditional asset classes. Through our products we aim to diversify and grow portfolios, while delivering long-term investment performance and value for clients.

AXA IM manages approximately €844 billion in assets, of which €480 billion are categorised ESG-integrated, sustainable or impact as at the end of December 2023. We are committed to reaching net zero greenhouse gas emissions by 2050 across all eligible assets, and to integrating ESG principles across our business, from stock selection to our corporate actions and culture.

Part of the AXA Group, a worldwide leader in insurance and asset management, AXA IM employed over 2,800 employees and operates from 23 offices in 18 countries globally at end of December 2023.

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