

March 28, 2022

Sojitz Corporation

Sojitz, To Establish New Joint Venture In Rental Residential Value Add Business  
With Goldman Sachs  
- Launching A New Residential Investment Platform -

Sojitz Corporation (hereinafter "Sojitz") and Goldman Sachs (which refers to The Goldman Sachs Group, including Goldman Sachs Co., Ltd.) have entered into agreement on March 23, 2022 to jointly establish a new company for the purpose of investment in residential properties in Japan (total capital \$15 million (Sojitz 25% - GS 75%)).

Sojitz aims to contribute to the revitalization of Japan's residential rental market by forming a strong partnership with Goldman Sachs. The partnership will leverage both Sojitz New Urban Development's (hereinafter "SNUD", a wholly owned subsidiary of Sojitz) extensive industry networks, deep insight in residential market, expertise in improving asset value via renovation for aged properties, and Goldman Sachs' capability to bring in necessary capital. Through the partnership, Sojitz and Goldman Sachs target to acquire \$300 million of assets in FY2022, and then \$400-500 million annually thereafter.

Despite the Covid-19 pandemic, Japanese residential sector showed strong resilience with occupancy remained stable and rents growth continued. With Japan's financing costs remain extremely low compared to other countries, the market continues to present very attractive investment opportunities for international investors. In addition, SNUD's strategy to improve tenant demand by renovating aged properties places less burden on the environment compared to reconstruction, and aligns with investors' interest in SDGs. The new company is scheduled to commence operations in the summer of 2022, subject to the completion of necessary regulatory approvals.

Sojitz and Goldman Sachs aim to become key players in Japan's residential sector, and targets to provide consumers with premium living spaces and investors with a

wide range of investment opportunities.

(Reference)

Goldman Sachs Asset Management is the division within Goldman Sachs that is involved in this transaction. Goldman Sachs Asset Management, with more than \$400 billion of assets under management, invests in the full spectrum of alternative asset classes including private equity, growth equity, private credit, real estate and infrastructure. Goldman Sachs Asset Management is one of the largest real estate investors in Japan with strong track record across the spectrum of investment strategies from core to opportunistic. More than 25 years of track record in Japan, Goldman Sachs Asset Management has invested \$16 billion in more than 1,800 real estate properties. Goldman Sachs Asset Management is one of the largest international investors in Japan with more than \$5 billion assets under management and more than 50 investing professionals, and continues to actively invest in wide range of assets in Japan.

For further information, please contact:

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