

## **JAPAN LAND STRENGTHENS CORE REAL ESTATE BUSINESSES WITH LATEST INVESTMENT**

**Singapore** – SGX Mainboard-listed Japan Land Limited (“Japan Land” or “the Group”) has unveiled plans to participate in a property development project in Japan. This development is expected to significantly strengthen the Group’s presence in Japan’s real estate and related services sector.

Japan Land announced yesterday that it has invested in special purpose company Fuchu Assets Tokutei Mokuteki Kaisha (“TMK”). Through its wholly owned subsidiary Japan Asia Land Limited (“JALL”), the Group has subscribed to 14,000 preference shares in TMK representing 17.5% of the preference share capital for a total sum of JPY700.0 million (S\$8.9m). The other investor in TMK is associated to a company that ranks amongst the top 100 companies of the Forbes Global 2000<sup>1</sup>.

Incorporated in August 2006, TMK was established to develop an internet data centre (“IDC”) in Tokyo, Japan. Expected to cost TMK approximately JPY17.0 billion (S\$215.0 million), the IDC is intended to be a commercial property specially built to hold servers, information technology and other related equipment for entities thereby providing them with access to their intranet and internet. The IDC will be built to withstand environmental threats such as fires, earthquakes and power outages.

With a total land area and built in area of approximately 6,354 and 19,000 square metres respectively, the proposed IDC is expected to be one of the largest internet data centres in Japan. Construction is expected to commence in mid-2007 with the centre anticipated to be fully operational by the second half of 2008.

### **Financial Impact on Japan Land**

Through its investment in TMK, Japan Land will participate in the development of the IDC. JALL and Lux Partners Co., Ltd (an associated company of the Group) (“LPC”) will provide project arrangement and project management services during the development and construction of the IDC facility. These include project planning, marketing studies, the review of the development concept, preparation of business plans and assistance with obtaining the relevant governmental approvals.

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<sup>1</sup> The Forbes Global 2000 is a comprehensive list of the world’s biggest and most powerful companies as measured by a composite of sales, profits, assets and market value.

JALL is expected to receive total fees of JPY900.0 million for the provision of project arrangement and project management services over an estimated 18 month period, of which JPY270.0 million is expected to be received in the current financial year ending 31 March 2007 (FY2007).

LPC is expected to receive total fees of JPY310.0 million for the provision of project management services over an estimated period of 18 months, of which JPY62.0 million is expected to be received in FY2007.

### **Strengthening of Core Businesses with IDC Investment**

Japan Land's intention to invest in the construction, project management, operation and project management of this IDC was first announced in an SGX announcement related to a renounceable rights issue on 25 January 2007.

The group however had been on the lookout for viable opportunities to strengthen its businesses in property development and project management over the past year, having established itself firmly in Japan's customised housing market through subsidiary KHC Limited (formerly known as Katsumi Housing Corporation). It is the Group's goal to become a leading player in Japan's real estate sector, offering a comprehensive range of real estate and related solutions and services across the value chain, from capital funding, plot acquisition, development conceptualisation, project management and supervision, to property management.

Commented Managing Director of Japan Land, Mitsutoshi Ono, "Through our investment in TMK, Japan Land's presence in the real estate sector in Japan would be significantly enhanced. The involvement in one of the largest internet data centres in Japan and partnership with LLC would help reinforce the Group's goal to become a leading real estate player in specialised sectors, as well as shareholders' confidence in our ability to continue growing our businesses going forward."

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### **About Japan Land (Company Registration No. 199707417K)**

Japan Land is an investment holding company based in Singapore. It is the only SGX-listed company with a focus on the real-estate sector in Japan.

Through its subsidiaries and associated companies, Japan Land is engaged in the business of customised housing, property development and facilities and asset management in Japan. The Group's vision is to become a leading real estate player and provider of real estate-related services in Japan.