

Hillhouse Announces Tender Offer to Acquire Samty Holdings

October 11, 2024, Tokyo – Hillhouse Investment Management, Ltd., together with Rava Partners (Hillhouse’s dedicated real assets strategy) and other affiliated entities (together “Hillhouse”), today announced they are undertaking a Tender Offer (the “Tender Offer”) through Song Bidco G.K. (the “Offeror”) to acquire the common shares of Samty Holdings Limited (Securities Code 187A, “Samty Holdings”). The Tender Offer purchase period will commence October 15, 2024, and conclude November 26, 2024.

Hillhouse has launched a Tender Offer for 3,300 JPY per share, implying a 100% equity value of Samty Holdings of 169 billion JPY. The Tender Offer represents 14.1% premium over Samty Holdings’ highest-ever publicly traded share price and the implied equity value represents 1.4 times book value. Hillhouse has committed equity capital from internal resources to fully fund the transaction which is not conditional on any debt financing. We believe the Tender Offer provides a very attractive opportunity for Samty Holdings shareholders to capture significant value and monetize in the near-term well above the current share price.

The board of directors of Samty Holdings supports the Tender Offer and recommends that Samty Holdings’ shareholders tender their shares in the Tender Offer by also referring to Special Committee’s opinion. In addition, Samty Holdings’ largest shareholder Daiwa Securities Group Inc. (“Daiwa Securities Group”) and Daiwa PI Partners Co., Ltd., owning 37.18% in total, has entered into a non-tendering cooperation agreement with the Offeror in connection with the Tender Offer. Daiwa Securities Group will continue to be a shareholder and will support growth of Samty Holdings to maximize its corporate value together with Hillhouse.

Samty Holdings, through its subsidiary Samty, has been developing, operating and managing real estate assets throughout Japan as a fast-growing developer since 1982. Aligned with its long-term strategy to capture future growth opportunities and



enhance corporate value, Samty Holdings has selected Hillhouse as its strategic partner given Hillhouse's extensive expertise in long-term asset management, experience in the real estate sector, robust investment track record and commitment to developing high-quality businesses.

Follow the closing, Hillhouse intends to support Samty Holdings by (a) strengthening Samty Holdings' asset management business leveraging Hillhouse's fundraising capabilities and global investor network, (b) improving capital efficiency through establishing a series of development and core funds, (c) implementing measures to optimize corporate value and governance, and (d) introducing strategic investment opportunities in Japan and overseas that will contribute to Samty Holdings' long-term transformation. Some of these initiatives are not without risks and Hillhouse believes the strategy is best executed in a private setting as capital needs and earnings can be volatile.

Michael Yi, Hillhouse's Co-Chief Investment Officer, added: "We are excited about this strategic partnership and believe that our expertise, particularly in building asset management businesses, can help Samty Holdings reach its future goals. We look forward to collaborating with Samty Holdings' exceptional management team to help strengthen their leadership in the Japanese market and drive long-term growth."

Joe Gagnon, Hillhouse Partner and Co-head of Rava Partners, noted, "Samty Holdings boasts a strong portfolio of high-quality multi-family residential and hotel properties along with a proven track record of developing and managing these assets. We are thrilled to support the company's growth, drawing on our experience in transforming developers into asset managers."

Hillhouse Senior Advisor Jiro Seguchi highlighted "I have seen Hillhouse invest into Japan over the last 15 years, beginning with public equity and now, more recently, with private

equity. This important investment underscores their long-term commitment to this market – helping Japanese corporates grow locally and compete globally.”

Yasuhiro Ogawa, CEO of Samty Holdings, expressed enthusiasm about the transaction stating, "In order to further promote future sustainable growth, we intend to make a major shift in our business model. We hope to transition from a capital gains-dependent business model to one focused on sustainable income, utilizing strategic M&A to enhance and streamline Samty Holdings’ operations. As a final goal, the company aims to transform its business model through the process of going private. With the Japanese housing sector booming, the company aims to strengthen its position in this field and expand its fund management business nationwide. In particular, in the field of apartment buildings, we welcome Hillhouse's expertise and financial support to move to the next stage of growth. This change in business model is an important step towards the sustainable growth that we are aiming for. By going private, we seek greater flexibility to establish this new profit model, ultimately enhancing long-term corporate value for our investors."

Akihiko Ogino, President and CEO of Daiwa Securities Group Inc., said, “We are focused on bolstering our real estate asset management business to have more resilient and stable earnings that are less susceptible to external factors. This transaction is a pivotal step for Samty Holdings to shift its profit structure and business model from that of a traditional developer to a recurring model centered on stable income gains. This transformation will enable Samty Holdings to achieve sustainable growth and further accelerate its progress. This deal aligns with Daiwa Securities Group’s medium-term strategic management plans, making this an important deal for us.”

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., is the lead financial advisor for the transaction. Deutsche Bank and JPMorgan Securities Japan Co., Ltd. are the co-financial advisors.

About Hillhouse

Founded nearly two decades ago with initial funding from the Yale University Endowment, Hillhouse Investment Management (“Hillhouse”) is one of the world’s largest global private alternative asset managers. The firm invests on behalf of leading institutional clients worldwide, including university endowments, foundations, and sovereign wealth funds across the Americas, Europe, Asia and the Middle East. Our goal is to establish alignment and build sustainable, forward-thinking companies that create lasting value for all stakeholders. Hillhouse offers a diverse range of investment strategies, including Buyout, Real Assets (Rava Partners), and Private Credit (Elham Credit). Starting from its first office in Singapore, Hillhouse today boasts an international team of over 450 professionals from more than 18 countries, with other offices in New York, London, Mumbai, Hong Kong, Amsterdam, Sydney, Shanghai, and Beijing. The firm has a proven track record of completing sophisticated multi-billion-dollar transactions in more than 30 countries worldwide. For more information, visit www.hillhouseinvestment.com

About Rava Partners

Rava Partners serves as Hillhouse’s dedicated real assets strategy to collaborate with business leaders and invest in real assets to build the physical infrastructure that will support the Asia-Pacific region. The Rava Partners strategy is to execute investments in the growth sectors of Asia's economies: education, logistics and industrials, hospitality, life sciences and healthcare, digital infrastructure, and other assets. Since its launch, Rava Partners has committed more than US\$3.5 billion, on behalf of funds managed by Rava Partners and Hillhouse, in 16 real estate companies across the region. For more information, visit www.ravapartners.com

About Daiwa Securities Group Inc.

The Daiwa Securities Group Inc. is a holding company of Daiwa Securities Group. The Daiwa Securities Group has a strong domestic base with a network of 182 branches (Daiwa Securities) throughout Japan, and a global network centered on offices in 23 countries and regions around the world, with the wealth management, asset management, and GM&IB divisions at its core. Daiwa Securities Group contribute to “maximizing the value of our customers' assets” by providing the best and most appropriate high-quality solutions tailored to our customers' circumstances and the economic environment. For more information, visit <https://www.daiwa-grp.jp/>

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