

Start of hotel development business in New Zealand —Business and Portfolio Expansion to Oceania—

Toda Corporation (Headquarters: Chuo-ku, Tokyo; President: Otani Seisuke) is pleased to announce the acquisition of a majority stake in Coherent Hotel Ltd. (hereinafter “Coherent”), a subsidiary of the Colwall Group which operates hotel businesses in New Zealand. The acquisition was successfully completed by way of third-party allotment of capital via our Singapore-owned subsidiary, Toda Asia Pacific Pte. Ltd.

With this acquisition, we will participate in a hotel development project that will not only meets the needs of the country, where demand is expected to increase as tourism demand recovers, but also expands the group’s business portfolio to Oceania

1. Reasons for new business development in New Zealand

As one of the priority management businesses, the Group has been developing our overseas business with a particular focus on Asia, a region which is experiencing strong economic growth. Till now we have mainly focused on developing countries such as Thailand, Vietnam, and Indonesia, and building a more stable portfolio balance remains an ongoing issue when expanding our overseas business. Therefore, to optimize our business portfolio and secure stable revenue base, we have decided to take part in a hotel development project in New Zealand, a developed country that is expected to continue to grow economically and has an internationally transparent business environment.

The tourism industry is an important industrial sector that accounts for approximately 10% of New Zealand's total GDP, and this project will help resolve the policy issue of dealing with the future shortage of hotel rooms as the country continues to recover inbound tourism after the coronavirus pandemic. This new business development in New Zealand will strengthen the relationship between the two countries and deepen business collaboration, aiming to realize a free and open Indo-Pacific.

2. Overview of the company

Coherent operates the highly acclaimed hotel Kamana Lakehouse and restaurant Nest Kitchen & Bar in Queenstown, one of the New Zealand’s premier resort destinations.

The hotel is in a prime location overlooking Lake Wakatipu, nicknamed "Jade Lake" due to its clear, beautiful water surface, and has additional facilities such as a restaurant, spa, and function room that can accommodate weddings. All these facilities offer spectacular views of the remarkable mountain range and Lake Wakatipu. In May 2021, a ceremony to declare the resumption of free travel between New Zealand and Australia in anticipation of the post-coronavirus was held at the hotel with the Prime Ministers of both countries in attendance, and the hotel has become known as one of Queenstown's leading hotels.

<Overview of Kamana Lakehouse>

Address : 139 Fernhill Road 9300 Queenstown New Zealand

Number of rooms : 73 rooms

Facilities : Restaurant, Bar, Spa, Conference room, Car park

Access : 20 minutes’ drive from Queenstown Airport



Kamana Lakehouse and Site for new building



Guest room



Restaurant



Spa



Terrace

The number of foreign tourists to the country is expected to reach 5.5 million people by 2027, an increase of 30% from 2019. We are planning to construct 11 new residence-type hotels. In the new hotel building, each standard type has an area of more than 300 square meters, and can be divided according to the needs of the guests. All rooms have views of Lake Wakatipu, and each guest room is equipped with a kitchen, living room, terrace, spa, etc. Scheduled to open in 2027, the new hotel building will present travellers a whole new experience that meet the needs of a luxurious stay with an emphasize on quality and privacy.

< Overview of New building (plan) >

Open : 2027

Site area: 9,886sqm

Total floor area: 11,912sqm

Facilities : Private Dining, Bar, Spa, Infinity pool, Function room, Car park



Reception



Infinity pool



Residence



Residence

We will strive to optimize our business portfolio by promoting strategic investments in priority management businesses and intangible assets that will drive future growth and to achieve our mid-to long-term goal of 8% ROE, as well as to further enhance corporate value.