

June 17, 2024

Sale of Hotel Castle Inn Group by NSSK

Nippon Sangyo Suishin Kiko (“NSSK”, <https://nssk-japan.com/en/>) is pleased to announce that investment partnerships managed or provided with services by NSSK affiliates have completed the transfer of all shares in Castle Inn Hotel & Resort Ltd. ((Headquarters: Ise City, Mie Prefecture, <https://www.castleinn.co.jp/>) “Castle Inn Group”).

Castle Inn Group owns and operates six business and resort hotels (totaling 826 guest rooms) under the “Hotel Castle Inn” brand in Yokkaichi, Suzuka, Tsu, and Ise in Mie Prefecture, where there is strong demand from both tourists and business travelers. Castle Inn Group differentiates itself in the market by offering affordable pricing and attractive amenities, such as large public baths (including open-air and private baths), large parking lot, and fully-equipped facilities for long-term and group guests. These features have enabled Castle Inn Group to maintain a stable and loyal customer base, resulting in steady revenues and strong profit margins.

Since its investment in Castle Inn Group in August 2018, NSSK has been actively utilizing its management support package, the NSSK Value-Up Program (NVP), and the expertise its members have accumulated in the hotel business to achieve a wide range of improvements. These improvements include implementing management methods, enforcing compliance and governance systems, advancing ESG initiatives, facilitating digital transformation (DX), and the formulation and execution of growth strategies. Specific initiatives undertaken include strengthening of management control system, introducing lodging management systems and revenue management methods, refining financial management through budget control and accelerated monthly closings, strengthening OTA (Online Travel Agent) measures and web marketing, enhancing group sales, improving operational efficiency, strengthening cleaning operations, implementing various facility investments to enhance product appeal, and reinforcing human resource recruitment, which has expanded Castle Inn Group’s presence in Mie Prefecture.

NSSK believes that Castle Inn Group will continue to achieve further growth and increased corporate value.

NSSK's mission is to build a leading alternative asset investment business in Japan by investing in attractive Japanese companies in partnership with management and contributing to the Environment, Society and Governance of Japan and beyond. NSSK's investment strategy is to seek to generate superior outcomes by applying global investment discipline, operating expertise and human capital to Japanese companies originating from our proprietary and differentiated sourcing network.

For more information, please contact:

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<Appendix>

Investor Name:	Nippon Sangyo Suishin Kiko (https://nsskjapan.com/en/)
Founded:	December 2014
Headquarters:	Atago Green Hills MORI Tower 17F 2-5-1, Atago, Minato-ku, Tokyo, Japan
Representative:	Jun Tsusaka
Overview:	NSSK is an independent Japanese alternative investment management company with a focus on Japan. NSSK pursues superior outcomes by applying global investment discipline, operating expertise, and human capital to attractive Japanese companies and contribute to the Environment, Society, and Governance of Japan and beyond.

Company Name:	Castle Inn Hotel & Resort Ltd. (https://www.castleinn.co.jp/)
Hotel Name and Opening Year:	Hotel Castle Inn Yokkaichi (1986) Hotel Castle Inn Suzuka (1993) Hotel Castle Inn Ise (1998) Hotel Castle Inn Ise Meotoiwa (2001) Hotel Castle Inn Suzuka Chuo (2003) Hotel Castle Inn Tsu (2005)
Location:	537-20 Chaya, Futami-cho, Ise City, Mie Prefecture

Overview:	Castle Inn Hotel & Resort Ltd. owns and operates six business and resort hotels (totaling 826 guest rooms) under the “Hotel Castle Inn” brand in Yokkaichi, Suzuka, Tsu, and Ise in Mie Prefecture, where there is strong demand from both tourists and business travelers.
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