

ESR and M&G team up to own US\$870 million Tokyo state-of-the-art warehouse through long-term core investment joint venture



TOKYO/SINGAPORE/HONG KONG, 4 May 2021 – ESR Cayman Limited (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, announced today the acquisition of a significant stake in the Singapore-domiciled joint venture (the “JV”) owning ESR Ichikawa Distribution Centre (“ESR Ichikawa DC”) by M&G Real Estate Asia (“M&G”) on behalf of M&G Asia Property Fund (MAP), its core Asia property strategy.

ESR Ichikawa DC, which was completed in 2019, is currently ESR’s largest building under operation in Tokyo at 201,100 sqm of net rentable area. It is a state-of-the-art four-storey, double-ramped facility demised in eight independent floorplates of 25,000 sqm.

The facility is located in Ichikawa City, Chiba Prefecture within the Tokyo Bay Area, a prime distribution submarket of Tokyo favoured by leading e-commerce companies and 3PLs for its optimal supply routes to central Tokyo, approximately 20km to the west. With solar energy production maximised at 4.5MW and energy efficient equipment, the building attained a CASBEE A rating and was further awarded the Chairman’s Award by the Organisation for Landscape and Urban Green Infrastructure for its green technology. ESR Ichikawa DC also pioneered ancillary services to workers and the community which have now become common-place across other ESR flagship projects in Japan. These currently include a child day care centre (BARNKLÜBB) and a staff lounge (KLÜBB Lounge).

The partial sale by ESR-managed Redwood Japan Logistics Fund II (“RJLF II”) values ESR Ichikawa DC at just over US\$870 million, making it one of the most valuable single logistics assets in Japan. ESR, M&G and the two continuing JV investors see ESR Ichikawa DC as ideally positioned to deliver long-term

investment value against the backdrop of secular growth in Japan logistics real estate investment and occupier markets.

Stuart Gibson, Co-founder and Co-CEO of ESR, celebrated the expanding relationship with M&G and remarked, “This transaction is doubly significant as an endorsement of ESR’s proprietary product by one of Asia’s most discerning direct investors as well as a testament to the Group’s continued ability to recycle development projects into long-term open-ended ownership mandates, and to maintain continuity with our invaluable tenant relationships.”

“The strong fundamentals of the Japanese market offer compelling opportunities for investors. At ESR, we will continue to leverage our best-in-class asset portfolio and integrated fund management platform for capital recycling using different strategies in order to further grow our footprint in Japan,” added Pierre-Alexandre Humblot, ESR Managing Director, Fund Management & Capital.

About ESR

ESR is the largest APAC focused logistics real estate platform by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages. ESR and the funds and investment vehicles it manages are backed by some of the world’s preeminent investors including APG, CPP Investments, JD.com, Oxford Properties, PGGM and SK Holdings. The ESR platform spans major economies across the APAC region, including the People’s Republic of China, Japan, South Korea, Singapore, Australia, and India. As of 31 December 2020, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR recorded approximately US\$30 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 20 million sqm in total. Listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2019, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

For more information on ESR, please visit www.esr.com.

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