

## ESR Receives Investment Grade ‘AA-’ rating from JCR

**HONG KONG, 3 March 2023** – ESR Group Limited (“ESR” or the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, has received an investment grade first-time ‘AA-’ rating with a stable outlook from the Japan Credit Rating Agency, Ltd (“JCR”).

In their report, JCR highlighted that the rating reflects “the creditworthiness of the Group based on the management integration with the subsidiary operating companies” and “the company’s presence in the Asian market, access to influential investors for co-investment and thereby reduced development risk, stable cash flow generation backed by fund management income, and high financial soundness backed by conservative financial discipline”.

Stuart Gibson and Jeffrey Shen, Co-founders and Co-CEOs of ESR Group stated: “This is a big milestone for ESR as the JCR rating further validates our asset light business model and the strong secular trends that underpin our growth. Our financial discipline which is highlighted by our robust balance sheet and our continuous and active capital recycling are key features of our approach to running a best-in-class fund management business. We expect this investment grade rating to allow us to deepen and diversify our funding channels.”

ESR’s net gearing was 17.9% as of 30 June 2022 and the Group divested over US\$1.4 billion of its balance sheet investments primarily in China to ESR managed funds in 1H 2022, exceeding the Group’s annual capital recycling target<sup>1</sup>. This positions the Group well to continue to invest in attractive New Economy avenues of growth across APAC, including Japan which is a strategic market for ESR. Today, the Group has an extensive AUM of US\$32 billion in Japan and approximately 4.5 million sqm of GFA as of 30 June 2022. Through its subsidiary ARA, ESR holds a 30% stake in Kenedix, Inc., one of Japan’s largest real estate asset management companies which focusses on fund management of real estate investments via private funds, private REITs and public listed retail REITs.

The news release from JCR on the ESR Group is available on this link: [ESR Group Limited | Japan Credit Rating Agency, Ltd. - JCR.](#)

### About ESR

ESR is APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With over US\$140 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and

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<sup>1</sup> 1H 2022: [https://esrassets.s3.ap-southeast-1.amazonaws.com/esr\\_dev/uploads/2022/10/31084841/Press-release\\_ESR-1H2022-results.pdf](https://esrassets.s3.ap-southeast-1.amazonaws.com/esr_dev/uploads/2022/10/31084841/Press-release_ESR-1H2022-results.pdf)

customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. More information is available at [www.esr.com](http://www.esr.com).

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