

## ESR completes closings of US\$1.2 billion of equity for Japan developments

**TOKYO/SHANGHAI/SINGAPORE/HONG KONG, 30 May 2018** – ESR, a leading pan-Asia logistics real estate developer, owner and operator, announced that it has completed the fund raise of its most recent Japan fund with a total tally in excess of its US\$500 million target, which when combined with closed co-investment vehicles totals US\$1.2 billion of equity closings for new Japan developments.

RJLF2 (Redwood Japan Logistics Fund 2) recently conducted its final closing increasing total discretionary fund commitments to US\$575 million after an existing LP - German insurance company Allianz - up-sized its earlier commitment to a total circa US\$185 million. Other RJLF2 investors include a leading Southeast Asian pension fund which made a US\$200 million inaugural fund commitment, State Oil Fund of Azerbaijan (SOFAZ), a fund managed by Aviva Investors, and a German pension fund advised by Mercer, which is already invested with ESR in the predecessor fund RJLF1.

Projects undertaken by RJLF2 have also attracted co-investment capital from a leading US pension fund, a major Asian insurance company, Equity International and long-time partner PGGM. RJLF2 and the related co-investment capital have allowed ESR to capitalize up to US\$3 billion worth of developments of which circa 70% is already committed to nine projects. ESR's current Japan pipeline suggests full commitment will be achieved in 2019.

RJLF2 is an ESR-managed, discretionary vehicle investing in state-of-the-art logistics real estate in Tokyo, Osaka and Nagoya. The fund makes disciplined investments into the development of modern warehouses located in the urban locations most in demand with the expanding set of e-commerce tenants and leading 3rd-party logistics providers (3PLs).

"RJLF2 has provided several key ESR relationship and first-time investors in Japan logistics real estate a vehicle to access rare institutional quality development opportunities. While we expect large club vehicles to remain prevalent in Asia logistics real estate, we are intent where possible on making development opportunities in ESR markets accessible to discretionary capital in a range of investment sizes," commented Pierre-Alexandre Humblot, ESR Head of Private Capital.

Charles de Portes, ESR President, and Stuart Gibson, ESR Co-CEO and head of the Japan operations, added, "The RJLF2 fund closing with its blue-chip roster of equity investors and co-investors, is one of the largest in Japan for the sector to date and a strong validation of the investment strategy. As the fund continues its rapid deployment in progress of RJLF2, we expect the combined ESR portfolio of prime logistics properties stabilized and under development in Japan to grow to over US\$5 billion in value in the next two years. We are confident that the state-of-the-art developments of the fund, incorporating the latest in green technologies and seismic design, will provide our investors with superior long-term returns. These returns are further enhanced by secular occupier demand for large multi-tenanted facilities, the accommodative debt environment specific to Japan and active asset management by ESR's local management team, one of the most experienced in the nation operating on the ground in the sector for over two decades."

**About ESR**

ESR is a leading pure-play pan-Asia logistics real estate developer, owner, and operator focused on the key metropolitan areas most closely tied with consumption and global trade. Co-founded by senior management and Warburg Pincus, ESR is backed by some of the world's preeminent investors including APG, CPPIB, Goldman Sachs, JD.com, PGGM, Ping An and SK Holdings. The ESR platform represents one of the largest in the Asia-Pacific region with assets under management (AUM) of US\$12 billion, and over 10 million sqm of projects owned and under development across China, Japan, Singapore, South Korea and India. The company also runs capital and fund management offices in Hong Kong and Singapore.

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