

ESR announces new lease with Amazon beginning January 2020

Long-term lease brings occupancy rate to 97% at ESR's 151,500-sqm Kuki Distribution Centre in Tokyo



TOKYO/HONG KONG, 8 January 2020 – ESR Cayman Limited (“ESR” or the “Group”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, has signed a lease agreement for 72,392 sqm (equivalent to approximately 21,899 tsubo or 780,000 sqft) with Amazon at its human-centric development project in Kuki City, Saitama (Tokyo Metropolitan area), Japan.

ESR Kuki Distribution Centre (“ESR Kuki DC”) is a 4-storey state-of-the-art logistics facility which commenced operations in September 2018. The facility, designed for the highest standard of environmental performance, incorporates a range of green elements such as roof top solar panels with 2.3 MW of clean energy production capacity. As a result, ESR Kuki DC has been certified as a Class A property by CASBEE (Comprehensive Assessment System for Built Environment Efficiency), the Japan building sustainability rating system similar to the LEED certification.

The site is strategically located within 2.5km of the Kuki Interchange of the Tohoku Expressway and 5.0km from the Shiraoka-Shobu Interchange of the Ken-O Expressway. Formerly a university campus, the site was rezoned by ESR, which in turn donated half of the land and the main university halls to Kuki city for use as a community centre. In addition, the facility offers private lounges (KLÜBB Lounge), and a day-care centre (BARNKLÜBB) where free childcare services are provided.

ESR has long been committed to accelerating its development and consolidating its market leading position in Japan. Over the past three years, the Group has delivered nearly 1 million sqm of development projects in the Greater Tokyo, Osaka and Nagoya markets, representing a nearly four-fold increase in completed GFA, boosting its Japan GFA to 3.1 million sqm. As of 30 June 2019, the total AUM of ESR’s Japan business rose to US\$7.6 billion, jumping by 44% from US\$5.2 billion as of 31 December 2018.

This rate of growth has been supported by an array of new and existing international institutional investors, and augmented by the expansion of key client relationships including some of the largest e-commerce companies in Asia. Chief among these is a long-standing relationship ESR has established with Amazon, with which it has existing leases in Japan and multiple markets across APAC.

Fuelled by the ongoing rise of e-commerce, logistics facilities across all of ESR's markets are considered hot spots. This is particularly true in Japan, which is ranked as the world's 4th largest e-commerce market.

Stuart Gibson, Co-Founder and Co-CEO of ESR, stated, "We are very excited to further expand our partnership with Amazon as it firmly demonstrates the continued demand for ESR's strategically located, state-of-the-art logistics facilities, and the confidence we have earned among major domestic and international clients.

"In recent years, with the transformation of the logistics value chain to support the rapid rise of e-commerce, there is a growing need for highly functional, sophisticated and large-scale distribution facilities in strategic locations such as Greater Tokyo. This has been proven by the high occupancy of all the facilities we have developed in this high demand sub-market over the past five years – all of which were leased in short order after completion. Moreover, the introduction of new services and amenities follows our vision of being a 'customer-first' platform with an unwavering goal of identifying and delivering integrated logistics warehousing solutions in prime locations for our customers."

About ESR

ESR is the largest Asia-Pacific 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. Co-founded by its senior management team and Warburg Pincus, ESR and the funds and investment vehicles it manages are backed by some of the world's preeminent investors including APG, SK Holdings, JD.com, Goldman Sachs, CPPIB, OMERS, Ping An and Allianz Real Estate. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of June 30, 2019, 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\$20.2 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 15.3 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

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

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