

## **ESR adds new modern logistics facility to Greater Tokyo portfolio**

*Expanding ESR's market leading development pipeline in Japan*



**TOKYO/HONG KONG, 31 March 2020** – ESR Cayman Limited (“ESR” or the “Company”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, today announced its plan to develop another modern logistics facility, ESR Ukishima Distribution Centre (“ESR Ukishima DC”), on a 32,227 sqm (9,749 tsubo) logistics development site the Company acquired in the Greater Tokyo Bay Area. The total expected investment is estimated to be JPY24 billion (equivalent to approximately US\$215 million).

ESR Ukishima DC will be one of the prime assets held by ESR Japan Logistics Fund III (RJLF3), which is a development fund ESR set up with APG and an Asia-based sovereign wealth fund in 2019 with an initial investment capacity of JPY200 billion (equivalent to approximately US\$1.8 billion) focusing on the development and investment of modern, institutional-grade facilities in the largest metropolitan areas of Japan.

With this new development, ESR continues to expand its network in Japan and across APAC given the strong secular trends and growth in both logistics and e-commerce, taking into account the new dynamics of Covid-19. Recent events have not only accelerated online consumption and structural change in buying habits, but are also changing the “just-in-time” inventory model for many retailers who are now looking to modernise and improve their logistics facilities and capabilities in response to supply chain challenges arising from surging orders.

“Logistics real estate remains a highly resilient sector despite the recent headwinds facing many asset classes,” said Stuart Gibson, co-founder and co-CEO of ESR. “ESR Ukishima DC, with its strategic location and high specifications, is well positioned to capitalise on the robust distribution needs within the Greater Tokyo Area, which has witnessed extremely low vacancy rates and strong potential for rental growth. The new development presents an excellent opportunity for ESR and our capital partners to

participate in an infill Tokyo project that will represent one of the highest institutional quality warehouses in Japan and a great anchor of the RJLF3 portfolio.”

ESR Ukishima DC is designed to be a four-storey logistics facility with a GFA of 66,930 sqm (20,246 tsubo). With close proximity to Haneda International Airport and Tokyo Station, the site is strategically located in Kawasaki, one of the best sub-markets for accessing Tokyo and Yokohama CBDs as well as the surrounding residential districts. It will commence construction in March 2021 with completion expected in August 2022.

“RJLF3 was established on the back of the strong investor appetite we see in the Japanese market, driven by a severe shortage of new supply and increased selectivity of institutional investors. We will continue to identify attractive development opportunities for RJLF3 to deliver strong returns for our capital partners,” added Gibson.

In line with the Company’s commitment to developing best-in-class facilities with state-of-the-art architecture and sustainability elements, ESR Ukishima DC will be built to advanced, modern specifications, including seismic base isolation, which tenants increasingly perceive as a key factor of differentiation amongst prospective buildings.

ESR delivered stellar growth across markets in 2019. Japan registered strong revenue of US\$82.2 million, up 27.8% from last year. As of 31 December 2019, the total AUM of ESR’s Japan portfolio grew by 47.7% to over US\$7.7 billion, and the GFA increased by 33.7% to 3 million sqm.

With continued, strong momentum into 2020, ESR announced in February the development of ESR Yatomi Kisosaki Distribution Centre, which is set to be the largest modern logistics facility in Greater Nagoya. In January, the Company announced a new lease agreement for 72,392 sqm with Amazon at its human-centric project in Kuki City, Saitama (Tokyo Metropolitan area), Japan.

### **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. 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, PGGM, 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 31 December 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\$22.1 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 17.2 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](http://www.esr.com).

### **Investor Relations**

Chang Rui Hua  
Managing Director  
Group Capital Markets and Investor Relations  
+852 2376 9623 / +852 5506 7719  
[rh.chang@esr.com](mailto:rh.chang@esr.com)

### **Media**

Antonia Au  
Executive Director  
Group Corporate Communications  
+852 2376 9617  
[antonia.au@esr.com](mailto:antonia.au@esr.com)