

## ESR completes the US\$368 million acquisition of Tokyo logistics facility in joint venture with AXA Investment Managers - Real Assets



**TOKYO/SINGAPORE/HONG KONG, 6 August 2020** – ESR Cayman Limited (“ESR” or the “Group”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, today announced that a Joint Venture between AXA Investment Managers - Real Assets (“AXA IM - Real Assets”), on behalf of clients, and ESR (the “Joint Venture”) has completed the acquisition of ESR Kuki Distribution Centre (“ESR Kuki DC”) from Redwood Japan Logistics Fund II (“RJLF II”) and co-investors for approximately JPY39 billion (equivalent to approximately US\$368 million).

The Joint Venture participated in the acquisition of a core stabilised logistics portfolio in Japan in late 2018. This JPY100+ billion portfolio is comprised of interests in some of ESR’s highest quality assets in Japan, including ESR Fujiidera Distribution Centre in Osaka and ESR Namamugi Distribution Centre in Tokyo, providing long-term, stable returns for investors.

The ESR Kuki DC transaction marks the largest single asset acquisition by the Joint Venture to date. Located in Saitama, Greater Tokyo, ESR Kuki DC is a four-storey, double-ramp building with a GFA of 151,501 sqm (45,829 tsubo). Formerly the campus of the Tokyo University of Science, the site was rezoned by ESR, which in turn donated half of the land and the refurbished lecture theatres to Kuki city for use as a community centre. Completed in September 2018, the CASBEE A certified facility boasts an array of high specification and sustainability features, such as solar panels, a children’s day care centre (BARNKLÜBB), a staff lounge (KLÜBB Lounge) and a staff shop (KLÜBB Shop), as well as a range of amenities for onsite workers. ESR’s innovation and pioneering human-centric approach have gained wide support from customers, as demonstrated by the 72,392 sqm lease with Amazon at ESR Kuki DC announced in January 2020; and along with a mix of other high-quality tenants, including major 3PL companies, the facility is fully leased.

Jeffrey Shen and Stuart Gibson, Co-founders and Co-CEOs of ESR, stated, “ESR Kuki DC is a state-of-the-art development from our successful partnership with RJLF II capital partners and other co-investors. We are delighted that the creativity and success of our in-house development management and leasing teams helped to enable the transaction to exceed our underwritten returns for the development vehicle and its investors, and creates an opportunity of generating long-term, stable income for our Japan core investors going forward. This highly successful transaction demonstrates the attractiveness and resilience of the logistics asset class against the backdrop of a challenging macroeconomic environment, reassuring our strong conviction in the APAC logistics sector.”

Leveraging its proven track record, its network of institutional grade assets and long-standing relationships with capital partners and tenants, ESR has completed a number of capital raising and recycling initiatives this year.

- In China, ESR set up a core joint venture with Manulife last quarter, and completed the acquisition of four properties from a development vehicle between ESR and PGGM. The Group also established a US\$500 million development joint venture with GIC at the beginning of the year.
- In Australia, ESR launched a A\$1 billion core-plus vehicle, ESR Australia Logistics Partnership (EALP) in March, and the A\$1 billion ESR Australia Development Partnership (EADP) with GIC in June.
- In South Korea, ESR partners with APG and CPP Investments to establish a new US\$1 billion development joint venture, ESR-KS II.

Josh Daitch, ESR’s Group Head of Fund Management & Capital, added, “In the wake of the paradigm shift in online shopping and supply chain management accelerated by the Covid-19 pandemic, there is an increasing demand from institutional investors for premium logistics assets in various stages of the property life cycle. ESR will continue to capitalise on our leading development pipeline and deep capital relationships to fuel our platform expansion and support the robust growth of both our tenants and capital partners.”

### **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, CPP Investments, OMERS, PGGM and Ping An. 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).

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