

## ESR and M&G team up again to acquire Nagoya warehouse through long-term core investment JV



**TOKYO/SINGAPORE/HONG KONG, 24 August 2021** – ESR Cayman Limited (“ESR”; SEHK Stock Code: 1821) and M&G Real Estate Asia (“M&G”) announced today the acquisition of a significant stake in the Singapore-domiciled joint venture (the “JV”), which owns ESR Yatomi Distribution Centre (“ESR Yatomi DC”), by M&G on behalf of M&G Asia Property Fund, its APAC core direct real estate fund with US\$5.9 billion as at 30 June 2021 in assets under management.

The partial sale by ESR-managed Redwood Japan Logistics Fund II (“RJLF II”) and Redwood Investor (Kawajima) Ltd values ESR Yatomi DC at well over US\$200 million. ESR, M&G and a continuing JV investor see ESR Yatomi DC as ideally positioned to deliver long-term investment value against the backdrop of secular growth in Japan logistics real estate investment and occupier markets.

ESR Yatomi DC, which was completed in 2018, is a state-of-the-art, multi-let, four-storey sloped facility with a net rentable area of approximately 95,000 sqm. It is located in Yatomi City, Aichi Prefecture, a prime distribution submarket of Nagoya favoured by leading e-commerce companies and 3PLs for its close proximity to major transport systems, including the Nagoya Port. The asset is currently fully leased to six tenants including leading third-party logistics providers.

Committed to developing and operating sustainable buildings, ESR ensures an environmentally friendly approach and human centric concept from design to execution across its portfolio. The CASBEE A rated ESR Yatomi DC is built with solar energy production maximised at 2,300 KW and is fitted with energy efficient equipment. The facility also provides ancillary services to workers, including a child day care centre (BARNKLÜBB) and a staff lounge (KLÜBB Lounge).

Stuart Gibson, Co-founder and Co-CEO of ESR, and Richard van den Berg, M&G Fund Manager, stated: “We are very pleased to be deepening the relationship between ESR and M&G across Asia Pacific. The Yatomi transaction marks the second collaboration this year in the Japanese market, following the recent closing of ESR Ichikawa Distribution Centre in April 2021.”

Mr Gibson observed that the transaction provides a continuing validation of ESR’s model of moving recently completed developments to new vehicles and investment JVs where capital partners and ESR seek long-term value through lease management and other active asset management initiatives. He reflected that the M&G Asia Property Fund’s scale and open-ended nature under the stewardship of highly experienced property professionals make it a partner of choice for legacy single asset JVs.

Richard van den Berg, echoed Mr Gibson’s comment reflecting on the Fund’s early positioning towards Asian logistics as anecdotally exemplified by a recent transaction where a Singapore logistics asset acquired in 2008 was sold to ESR-REIT: “Asian logistics has long been identified as a key investment theme for our Fund and we are looking forward to further JV-type investment opportunities with ESR across the region as we increase logistics exposure to our higher target weighting. We share the same views with ESR on where Asian gateway cities real estate is headed with secular demand for property serving sustainable e-commerce and logistics solutions supporting them.”

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#### **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 with a growing presence in data centres. ESR and the funds and investment vehicles it manages are backed by some of the world’s preeminent investors including APG, CPP Investments, JD.com, Oxford Properties, PGGM and SK Holdings. The ESR platform spans major economies across the APAC region, including China, Japan, South Korea, Singapore, Australia, India, Vietnam and Indonesia. As of 30 June 2021, 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\$36.3 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 22.6 million sqm in total. Listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2019, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

For more information on ESR, please visit [www.esr.com](http://www.esr.com).

#### **About M&G Investments and M&G Real Estate**

M&G Investments is part of M&G Plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc’s UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G Plc listed as an independent company on the London Stock Exchange in October 2019 has £370 billion of assets under management and administration (as at 30 June 2021). M&G Plc has over 5 million customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

M&G's real estate business, with £33.7 billion under management (as at 30 December 2020), is a leading financial solutions provider for global real estate investors, has a sector leading approach to responsible property management and is committed to continuously improving the sustainability performance of its funds.

For further information: <https://global.mandg.com>

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