

## ESR completes first phase of Japan's largest multi-phase logistics park

- *Setting a new benchmark for modern, resilient and sustainable New Economy real estate*
- *Upon completion of the four-phase logistics park in Greater Tokyo, the asset will represent the highest value logistics park in Japan with an estimated total completed value of US\$2.5 billion*



**TOKYO/HONG KONG, 16 June 2022 – ESR** (“ESR” or the “Company”, together with its subsidiaries the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, has completed the construction of ESR Yokohama Sachiura Distribution Centre 1 (“ESR Yokohama Sachiura DC 1” or “DC 1”) in Greater Tokyo, which forms the first phase of the master-planned ESR Yokohama Sachiura Logistics Park.

ESR Yokohama Sachiura Logistics Park, a multi-phase development that provides approximately 720,000 sqm logistics space over four phases, is set to be the largest logistics park (by value) in Japan and one of the largest ever developed (by value) in APAC upon completion. Its second phase, ESR Yokohama Sachiura Distribution Centre 2, commenced construction in June 2021 and is scheduled for completion in January 2023.

ESR Yokohama Sachiura DC 1, a four-storey, double-ramp distribution centre with a GFA of 195,342 sqm (59,091 tsubo), is primely situated in Yokohama City of the Greater Tokyo Area. Epitomising the highest standard of building specifications as well as human-centric, sustainable design, the facility is built to serve the robust Greater Tokyo market. Tenant demand in the Yokohama market remains strong with DC 1 experiencing strong take up to above 50% in a very short period of time to major international and domestic customers.

Stuart Gibson, Co-founder and Co-CEO of ESR, said: “ESR Yokohama Sachiura Logistics Park represents a milestone project for ESR, which demonstrates our team’s capability, innovation and prowess as APAC’s leading developer and manager. We are proud to create yet another phenomenal, sustainable and future-proof development that sets new standards for New Economy real estate in Japan and the region, not just because of its size and scale, but more importantly, the meaningful economic, environmental and social contributions that are at the core of the project.”

Ken Sakuramoto, Head of Equity Advisory, Capital Markets of JLL, said: “The completion of phase 1 of the ESR Yokohama Sachiura Logistics Park has taken this asset class to the next level in terms of build quality, community space and environmental characteristics. Out of the handful of players operating in this space, ESR has been the stand out player leading the way in innovative design for functionality and architectural aesthetics which is not a description commonly associated with distribution centres. ESR has won several design accolades over recent years for its innovative approach to transforming industrial buildings into highly desirable workplaces and will no doubt be recognised for this latest development which will have wide appeal to its core e-commerce customer base as well as for the 3PL companies which support e-commerce.”

Upholding ESR’s portfolio-wide approach to sustainability, ESR Yokohama Sachiura DC 1 boasts a suite of human-centric features such as KLÜBB Lounge, KLÜBB Skydeck, children’s day-care centre known as “BARNKLÜBB” in addition to retail shops and female-friendly spaces. Not only do these help ESR’s customers to attract and retain the talent they need – particularly working mothers – but also increase the well-being of onsite workers and productivity of their workforce, addressing some of Japan’s most pressing issues, including a shortage of labour, job opportunities for talented mothers and day-care centre space.

Japan has a shortage of private day-care centres for children. Waiting lists are common and costs are high for most families. To promote family-friendly practices, in all ESR Japan distribution centres that exceed 100,000 sqm in GFA, children’s day-care centres “BARNKLÜBB” are developed. A pioneer in identifying and helping to address societal needs and issues, ESR has sought to bring mothers keen to participate in the labour markets back into the workplace, as well as make positive environmental and social contributions, which benefit the local community and economy. Run by licensed child-care providers and offered free of charge, ESR’s BARNKLÜBBs support families in balancing parenting with working outside the home in addition to creating greater inclusiveness, diversity and flexibility.

In line with the world-class architecture and human-centric design that the Group’s best-in-class properties embody, ESR Yokohama Sachiura DC 1 is equipped with a comprehensive array of sustainability features and elements, including a 5MW self-consumed rooftop solar power generation system, bioswale system, environment-friendly lighting and energy-saving features. The facility has been awarded a number of sustainability credentials, including a Class A certification from CASBEE (Comprehensive Assessment System for Built Environment Efficiency), an ABINC (Association for Business Innovation in Harmony and Community) certification, and the highest rating of 5 stars from BELS (Building-Housing Energy-Efficiency Labelling System).

Preservation of community and environmental heritage is an integral part of the development. The Group endeavours to preserve the resources of this site which have over three decades of heritage. At ESR Yokohama Sachiura DC 1&2, the Group brought a 7,000 sqm neglected urban forest back to life to protect the natural habitat for a diverse mix of flora and fauna, while an old gantry crane will be retained as the centrepiece and an architectural icon of the facility and the community. Moreover, playground equipment was installed to further enhance the green and harmonious environment of the forest which will be opened to the local community in the future.

As a responsible corporate citizen, ESR is also committed to supporting the development and well-being of the local communities. In collaboration with the government of Kanagawa Prefecture, ESR has committed seven facilities, including ESR Yokohama Sachiura DC 1&2, to support local disaster response in the case of a natural disaster.

“Responsible stewardship is imperative to protecting and growing the value of our assets. Working closely with our stakeholders, we put a strong focus on the social and environmental aspects as we develop and manage our APAC-wide portfolio. At ESR, we are committed to providing best-in-class New Economy real estate developments and investment solutions that support our customers to achieve efficient and sustainable operations, while making a meaningful contribution and positive impact for the people and communities around us,” added Mr. Gibson.

ESR Yokohama Sachiura Logistics Park is one of the seed assets of the Group’s JPY150 billion ESR Japan Logistics Fund III (“RJLF3”), a development joint venture with Dutch pension fund APG and a global institutional investor to focus on the development of large-scale, state-of-the-art logistics facilities in the major metropolitan areas of Japan. RJLF3 received the highest possible 5 Green Stars rating with a score of 91 points in the 2021 Global Real Estate Sustainability Benchmark (“GRESB”) Assessment, in recognition of its outstanding sustainability performance.

### **About ESR**

ESR is APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140.2 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – *Space and Investment Solutions for a Sustainable Future* – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. More information is available at [www.esr.com](http://www.esr.com).

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