

ESR Completes Construction of ESR Kazo Distribution Centre 2

Completion of second distribution centre brings total GFA to 140,000 sqm in Kazo City to meet increasing demand for safe, efficient and sustainable logistics facilities



The completed ESR Kazo Distribution Centre 2

TOKYO/HONG KONG, 19 July 2023 – ESR Group Limited (“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 Kazo Distribution Centre 2 (“ESR Kazo DC 2”) which is ESR’s 31st logistics facility in Japan and its sixth in the Saitama Prefecture. ESR Kazo DC 2 was completed on schedule in May 2023, and in June 2023 welcomed the first tenant, which is a leading Japanese logistics firm ranked among the top 10 transportation and logistics companies in Japan.

ESR Kazo DC 2 has a total gross floor area (GFA) of 105,414 sqm (or 31,888 tsubo) across four floors in a maisonette format. The facility is strategically located at Kazo City, Saitama, to serve many manufacturing companies in the area. By road, it is about six kilometres from Kazo IC on the Tohoku Expressway and about 13 kilometres from Kuki Shiraoka JCT on the Ken-O Expressway. Covering the Tokyo metropolitan area and the Tohoku region, ESR Kazo DC 2, alongside the first facility ESR Kazo DC 1, which was completed in January 2017, is one of the most strategically important wide-area distribution bases in Japan.

Built particularly for highly efficient logistics operations, ESR Kazo DC 2 is expected to meet the growing logistical needs of manufacturers who often move shipments in large lots. Column spacing at about 11 metres is optimised for pallet storage, and there are a total of 108 truck docks with dedicated one-way

ramps for smooth flow of traffic. In addition, the facility offers vertical conveyors to transport pallets between the different levels.

Exemplifying ESR's human-centric philosophy, ESR Kazo DC 2 has been designed to provide a safe environment for all workers and tenants in this earthquake-resistant building. Other safety measures available in the facility include facial recognition security systems and an emergency private power generator as a business continuity plan measure in the event of a disaster. The facility has barrier-free access, sufficient tenant parking spaces for cars and bicycles, and rest lounges that are available for tenants as well as drivers.

Guided by the Group's recently enhanced ESG 2030 roadmap, ESR meticulously drives space and investment solutions for a sustainable future. To reduce environmental impact, ESR Kazo DC 2 uses 100% LED lighting, motion-sensor lights for areas with low footfall, energy-efficient heat pumps and water-saving equipment. Plans are underway to install solar panels to offset energy consumption. The facility has been rated CASBEE A and BELS five stars for its excellent environmental performance.

Stuart Gibson, ESR Group Co-founder and Co-CEO, said, "We are delighted to develop yet another phenomenal, sustainable and future-proof distribution centre that sets new standards for New Economy real estate in Japan, as we are seeing increasing demand from tenants for large, modern, and environmentally- and worker-friendly logistics facilities in a market where there is an undersupply. With the new ESR Kazo DC 2, we can help more companies grow their reach and drive greater operational efficiency across the supply chain. In addition, backed by our expertise in development and asset management, we take pride in contributing our support to Kazo City and the people, for instance, through job creation as well as cooperation in disaster and safety management."

ESR also plans to deepen cooperation with Kazo City and support the local community in the event of a disaster, including the use of ESR Kazo City DC 2 as a temporary relief shelter.

As of 31 December 2022, ESR has a development work-in-progress of US\$11.9 billion, the largest development workbook in APAC, providing clear visibility on future fee income. The Group achieved a record US\$6.5 billion of development starts as well as US\$5.5 billion in completions which accelerated in the second half of 2022. In Japan, ESR has a total assets under management (AUM) of US\$35.1 billion and approximately 4.7 million sqm of GFA as of 31 December 2022.

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 approximately US\$150 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\$46 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. For more information on ESR, please visit www.esr.com

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