

## ESR Starts Development on Largest Logistics Park in Japan

*The 750,000 sqm ESR Kawanishi Distribution and Techno Park is poised to be the largest distribution hub in Japan*

*The Park will alleviate the undersupply of large, modern, and environmentally- and worker-friendly logistics facilities, further strengthening Japan's hub in the global supply chain*



*The two facilities shown here are for phase 1 of Japan's largest distribution hub which was recently rezoned by ESR's urban planning team. Rezoning for phase 2 is underway to allow for additional space of c. 500,000 sqm.*



*Celebrating the start of construction with a 'imi-suki' traditional groundbreaking ceremony whereby ESR Group Co-founder & Co-CEO Stuart Gibson made the first cut of the ground.*

**TOKYO/HONG KONG, 18 August 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 begun the construction of ESR Kawanishi Distribution and Techno Park, which will be the largest distribution hub development in Japan spanning a prime land area of 505,281 sqm (152,848 tsubo) and a combined gross floor area (GFA) of circa 750,000 sqm. It will cater to a diverse mix of tenants across various industries, including logistics, e-commerce, transport, and retail, as well as an increase in manufacturing activities spurred by reshoring from Asia back to Japan<sup>1</sup>.

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<sup>1</sup> Cabinet Office’s annual survey for fiscal 2022

Sited in one of the most important distribution regions in Greater Osaka, ESR Kawanishi Distribution and Techno Park will function well as a logistics hub for Western Japan. Being just 30 minutes from Osaka and an hour from Kobe and Kyoto, the distribution centre will also support last-mile deliveries from Osaka Central Business District to the northern part of Osaka and the Hanshin area. By road, it is four kilometres from Kawanishi IC of the Shin-Meishin Expressway. For tenants and employees, it is a convenient two-minute walk from Ichinotorii Station on the Nose Dentetsu Myoken Line.

The logistics park comprises four facilities. In phase 1, the first pair of six-storey seismic-isolated facilities with a combined gross floor area (GFA) of close to 250,000 sqm (75,625 tsubo), which was recently rezoned by the ESR urban planning team, is scheduled to be completed in 1H2025. A similar rezoning process is underway for phase 2, which will commence in 2025, and will allow for an additional circa 500,000 sqm of distribution space, making ESR Kawanishi Distribution and Techno Park the largest distribution hub in Japan.

Offering flexibility in space usage, ESR Kawanishi Distribution and Techno Park is designed to serve the growing demand for multi-tenant space in both wide-area logistics and last-mile deliveries. Each floor can be subdivided into three sections, with a minimum GFA of 3,300 sqm (1,000 tsubo). In addition, the logistics park will be able to accommodate all kinds of cargo, from machinery to food products, to meet the varied needs across general transportation, cross-docking, automated warehousing, storage, third-party logistics (3PL), mail order fulfilment and manufacturing.

Stuart Gibson, ESR Group Co-founder and Co-CEO, said, “Making best use of our experience and expertise, we have started construction on the largest and most significant rezoning projects in Japan, strategically repurposing a prime site for logistics use in close cooperation with the local government. We are delighted to invest in and drive Japan’s hub status in global e-commerce and supply chain flows amid an undersupply of modern large-scale logistics facilities. As part of ESR’s continued expansion of institution-grade New Economy real estate, our ambition is to develop best-in-class developments like the ESR Kawanishi Distribution and Techno Park project to bring long-term benefits to the community and residents.”

Exemplifying ESR’s human-centric philosophy, ESR Kawanishi Distribution and Techno Park will offer barrier-free access, sufficient tenant parking spaces for trucks, cars and bicycles, 24-hour shops and rest lounges, and a children’s day care centre which is free-of-charge for tenants. Guided by the Group’s recently enhanced ESG 2030 Roadmap, ESR meticulously reduces environmental impact across its business and operations. ESR Kawanishi Distribution and Techno Park has a CASBEE A rating, and it will feature sustainability and energy-saving elements, including offering self-generated solar energy for tenants.

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](http://www.esr.com)

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