

ESR Japan Income Fund completes first acquisition in Nagoya for JPY 16.4 billion

- *ESR Japan Income Fund has acquired the ESR Aisai Distribution Centre from an ESR-managed development fund*
- *This acquisition is the Fund's first Nagoya property and represents a 9.8% increase in the gross asset value of its portfolio*



ESR Aisai Distribution Centre is located in the metropolitan Nagoya area, providing tenants with the utmost convenience in transportation and connectivity

TOKYO/HONG KONG, 20 December 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, today announced that its ESR Japan Income Fund (“JIF”) has completed the acquisition of 100% of the trust beneficiary interest in ESR Aisai Distribution Centre (“ESR Aisai DC”), a four-storey single ramped facility located in Nagoya from ESR Japan Logistics Fund III (“RJLF 3”) for JPY 16.4 billion on 8 December 2023.

Set up in 2021, JIF is ESR’s flagship Japan logistics fund which focusses on investing in stabilised state-of-the-art core logistics assets in the greater urban areas of Tokyo, Osaka, Nagoya and Fukuoka. Established in 2019, RJLF 3 is a development joint venture that focuses on the development of premium large-scale logistics facilities in the major metropolitan areas of Japan.

ESR Aisai DC has a net rentable area of approximately 58,000 sqm and is strategically positioned with convenient access to key arterial expressways. It is also fully occupied by a diverse mix of well-known third-party logistics (“3PL”) firms.

This transaction marks JIF's first acquisition in Nagoya and demonstrates its commitment to grow its real estate portfolio in Japan. The acquisition brings JIF's real estate portfolio to approximately 676,000 square metres of net lettable area and is in line with its strategy to invest in a diverse portfolio of assets in the key logistics markets of Japan.

Stuart Gibson, ESR Group Co-Founder and Co-CEO, said: "This transaction is a strong testament to ESR's integrated platform that provides real estate development products and real asset investment solutions for investors. It also demonstrates JIF's exacting governance mechanisms which has made possible a win-win transaction between the involved parties. With JIF purchasing ESR Aisai DC, the seller, RJLF 3 (an ESR-managed vehicle), will have a very certain exit timing and no execution risk, while the buyer, JIF, can have preferred access to over US\$5 billion of state-of-the-art assets. This helps JIF to fulfill its original promise to provide institutional investors with a most flexible allocation tool of investing in core Japan logistics properties with a focus on income performance."

Aileen Teo, Senior Fund Manager of JIF, added: "We are pleased to have JIF make its first investment in Nagoya with a state-of-the-art asset located in Aisai city. The Nagoya market is of paramount importance for JIF as it provides portfolio and tenant diversification, with a greater percentage of occupiers being involved in supply-side logistics linked to Nagoya's thriving automotive industry. JIF will look at adding further assets in Greater Nagoya such as in the northern and southern submarkets. This will allow ESR's in-house leasing team to leverage its prized 3PL relationships to cover all their distribution routes."

In Japan, ESR has a total AUM of US\$29.9 billion and GFA of 4.7 million sqm as of 30 June 2023.

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 approximately 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. For more information on ESR, please visit www.esr.com

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