

ESR raises additional 3rd-party equity for last phase of 650,000 sqm multi-billion logistics landmark development in Greater Tokyo

- *Sale of remaining undeveloped land to ESR-managed development joint-venture RJLF3 signals final stage in the wider development of Higsahi Ogishima scheme which was previously acquired by ESR and ESR-managed capital in 2016*
- *Previously raised 3rd party capital was invested in first phase of the Higashi Ogishima development which was completed in March 2023*
- *Early investor RJLF2 fund completes divestment while ESR has materially reduced its balance sheet stake*
- *Multi-tenanted scheme features the highest design standards and will be amongst the largest ever developed in Japan with an expected completion value in excess of USD 2.5 billion*

TOKYO/HONG KONG, 23 October 2023 – ESR Group Limited (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, will develop ESR Higashi Ogishima Distribution Centre (Phase 2) in a prime land located in Greater Tokyo metropolitan area.

The premium location of the land parcel, with an area of circa 6 hectares, sits in the Tokyo metropolitan area, 10 km to Haneda Airport, and is close to the port and central Tokyo, as well as the centres of Yokohama and Kawasaki city. Its proximity and easy access to Bayshore Route makes it a convenient location for delivery routes across the urban areas stretching from Tokyo to greater Yokohama and inland Kanagawa areas. This provides E-commerce, 3PL, cold storage and other leading businesses with the utmost convenience in transportation and connectivity. The planned development known as Higashi Ogishima Distribution Centre 2 (“HO DC 2”) should commence works in 2025 and will be only marginally smaller than the inaugural HO DC 1, boasting a total of circa 306,000 sqm of GFA spread across 8 storeys.

Higashi Ogishima DC 2 will be broadly similar to its predecessor, featuring seismic-base isolation as well as the ‘Human Centric’ design that characterises all ESR large multi-tenanted projects with a daycare centre (BARNKLÜBB) and recreational areas aimed at enhancing the well-being of the tenants’ employees. It is expected that Higashi Ogishima Distribution Centre 2 will see incremental design changes in connection with ESR’s sustainability agenda of maximising onsite energy production and fostering accelerated adoption of electrical mobility.

Capital for the partial sell-down of the land and related development funding obligations is being provided under the ESR Japan Logistics Fund III (“RJLF 3”), a joint venture that ESR established in 2019. RJLF 3 focusses on the development of premium large-scale logistics facilities in the major metropolitan areas of Japan. Its initial capital commitment of JPY75 billion (US\$675 million) was upsized to JPY150 billion (US\$1.35 billion) in 2021.

Stuart Gibson, ESR Group Co-founder and Co-CEO, said: “ESR is proud of this initiative which reflects the deep relationship and excellent track record we have established with our investors. We thank our capital partner for their continuous support and confidence in our expertise in developing high-quality logistics assets with strong long-term income potential.

We are delighted to be part of this commitment to 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 to bring long term benefits to the community and the residents.

We look forward to developing ESR Higashi Ogishima Distribution Centre 2, which will be a landmark project with an appealing architectural design as well as comprehensive amenities and space solutions for tenants.”

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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