

ESR, Mitsubishi Fuso and DTFSA announce collaboration to jointly develop environmentally friendly e-mobility solutions to accelerate the electrification of logistics vehicle fleets in Japan

ESR logistics facilities in Japan to provide green energy charging network for eCanter trucks in Japan



eCanter truck charging at ESR Logistics Centre

TOKYO, 29 January 2024 – 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, Mitsubishi Fuso Truck and Bus Corporation (“MFTBC”), and Daimler Truck Financial Services Asia Co., Ltd. (“DTFSA”), have signed a Memorandum of Understanding (“MOU”) to work together to accelerate the electrification of the logistics supply chain in Japan.

The ESR/MFTBC MOU defines five focus areas of collaboration:

1. Development of green charging network for FUSO zero-emission vehicles (“ZEVs”) at ESR’s logistics facilities mainly in the metropolitan area of Japan.
2. Joint consideration of utilisation of ESR’s logistics facilities in Japan to promote implementation of carbon neutral logistics, such as installing infrastructure for ZEVs.
3. Joint development of a strategy and commercial model to supply renewable energy to FUSO’s ZEVs at ESR’s logistics facilities using rooftop and ground-based solar power generation systems to enhance the environmental value of EV truck operation.
4. Consideration of strategies for utilising FUSO’s ZEV batteries or recycled batteries at ESR’s logistics facilities in Japan to contribute to the efficient use of EV battery resources.
5. Aiming to contribute to regional decarbonisation through potential expansion of the above initiatives and knowledge to ESR’s facilities in the Asia-Pacific region.

Stuart Gibson, ESR Group Co-founder and Co-CEO, said: “As part of our focus on creating a low-carbon and climate resilient future, we are delighted to partner MFTBC to jointly develop environmentally

friendly e-mobility solutions to accelerate the electrification of logistics vehicle fleets in Japan. As the transportation industry shifts towards electrification, the need for efficient and reliable charging solutions for trucks at warehouses is paramount. By leveraging our comprehensive warehouse network, ESR is well-positioned to support our customers' shift towards electric vehicles for logistics."

Alexander Loesing, Chief Transformation Officer of MFTBC, commented: "The partnership framework with ESR and DTFSA is a remarkable initiative to support decarbonisation in logistics from both vehicle and facility perspectives. We believe that the installation of rapid chargers at ESR facilities as the first step of the partnership will lead to establishing additional operation models of 'eCenter' regardless of driving ranges and so further expansion of 'eCenter'. We will take a lead to decarbonising logistics by a wide range of activities by the three companies."

Hans-Georg von Gumpenberg, CEO & Representative Director of DTFSA, says, "The collaboration with ESR and MFTBC significantly fortifies our FUSO Green Lease solution, elevating our ecosystem to offer customers a more sustainable alternative in the leasing market. This strategic partnership aligns with our commitment to environmental responsibility and enhances the overall value proposition for our customers."

The first initiatives of the collaboration will be the installation of quick EV chargers for eCenters (MFTBC's light-duty electric trucks) at key ESR's distribution centres located in the Greater Tokyo Bay area from Chiba to Kanagawa Prefectures starting in 2024.

The electricity for truck charging will primarily be generated by solar power generation equipment installed on the rooftop of ESR's distribution centres, realising the sustainable operation models of eCenter that ESR and MFTBC are aiming for. Additionally, the high-quality rest areas at ESR's distribution centres will allow drivers to take their breaks while their vehicles are being charged.

To accelerate positive impact for a sustainable future, ESR unveiled its ESG 2030 Roadmap in May 2023. The foundation of the roadmap is aligned to the Group's three key pillar ESG Framework and strategy: creating a Human Centric environment that is safe, supportive and inclusive for internal and external stakeholders; developing and maintaining a sustainable and efficient Property Portfolio; and delivering outstanding Corporate Performance for sustained and balanced growth with the highest standards of governance. Targets of the 2030 Roadmap include installing 1,000 MW of rooftop solar power capacity, attaining sustainable building certifications and ratings for 50% of the Group's portfolio, and reducing energy consumption intensity in line with the Group's Net Zero Carbon commitment and decarbonisation roadmap. To learn more about the ESG initiatives and targets of ESR, please visit: <https://www.esr.com/environmental-social-governance/>

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.

MFTBC at a Glance

Based in Kawasaki, Japan, Mitsubishi Fuso Truck and Bus Corporation (MFTBC) is one of Asia's leading commercial vehicle manufacturers, with 89.29% of its shares owned by Daimler Truck AG and 10.71% by various Mitsubishi group companies. An icon in the Japanese commercial vehicle industry with a longstanding history of over 90 years with its FUSO brand, MFTBC manufactures a range of commercial vehicles including light, medium, and heavy-duty trucks and buses, and industrial engines for approximately 170 markets worldwide. In 2017, MFTBC introduced the eCanter, the first all-electric light-duty truck in series-production and in 2019, the Super Great – Japan's first heavy-duty truck fitted with Level 2 Automated Driving Support Technology, a benchmark in the Japanese commercial vehicle market. MFTBC operates under the umbrella of Daimler Truck Asia, together with its partner organization Daimler India Commercial Vehicles (DICV) in India. This strategic unit allows the entities to collaborate on areas such as product development, parts sourcing and production to provide the best value to customers.

About the eCanter

The eCanter is the Japanese market's first series-produced, all-electric truck developed by MFTBC as a solution to urban environmental issues such as noise, exhaust gas, and CO2 emissions. As the eCanter is locally emission-free with its electric motor and produces less noise and vibration compared to conventional diesel-powered vehicles, it is particularly suited to inner-city routes as well as operations during late night and early morning hours. After the launch of the first model in 2017, MFTBC released an improved model with enhanced safety equipment in August 2020. Since its launch, the truck has been chosen by customers in Japan, Europe, the United States, Australia, and New Zealand. In March 2023, MFTBC opened orders for the fully remodeled eCanter with a significantly expanded number of variants to cater to diverse business needs. The new model is also scheduled to be rolled out in additional overseas markets.

Daimler Truck Financial Services Asia at a Glance

Daimler Truck Financial Services Asia Co., Ltd. was established in June 2021 and took over the commercial vehicle financing business from Mercedes-Benz Finance Co., Ltd. (MBF) in December of the same year, and provides financing services to customers who introduce FUSO vehicles. MBF had a long relationship with MFTBC as Group company of Daimler AG and supported FUSO customers with specialized financial services since 2005, building a long standing relationship and trust with its customers. With the incorporation of Daimler Truck Financial Services Asia Co., Ltd. in June 2021, dedicated focus on commercial vehicles allowed to provide more innovative financial products and mobility services in line with the era of digitalization and the sustainable development goals. FUSO Green Lease is our newest product addition to provide together with MFTBC and our partners seamless services that meet the emerging needs of our customers with regard to "electrification," the biggest challenge facing the automotive industry.

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