

Press release

Construction begins on AXA IM Alts' ¥27 billion (€220 million) Japanese multi-storey logistics facility

- Development of the four-storey facility is due to complete in 2022 -

AXA IM Alts, a global leader in alternative investments with c. €153 billion of assets under management¹, announces that construction has begun on a 79,095 sqm site in Kisosaki, near Nagoya, Japan, to develop an institutional grade, multi-let logistics facility. The development site was acquired in March 2020, on behalf of clients and through AXA IM Alts' market leading Real Assets platform, which is the leading² real estate portfolio and asset manager in Europe, alongside ESR, a leading Asia-Pacific logistics real estate platform. The site was purchased from the Mie Prefectural Government and represents a total investment size of ¥27 billion (€220 million).

The development will be spread over four storeys and is targeting practical completion by the end of April 2022. With flexible unit sizes ranging from c.5,000 sqm, the c.155,000 sqm building will be suitable for a diverse range of occupiers, who will also benefit from a range of best-in-class amenities. Sustainability has been a key consideration, and the asset is being designed to utilise solar power as well as to meet CASBEE A classification standards. ESR will be responsible for the development phase and support on the leasing programme and management of the completed asset, with marketing for the leasing of the asset currently underway.

Nagoya is the capital of the Aichi Prefecture and is one of the country's major ports and fourth most populous city, with over two million inhabitants. The site's suitability as a distribution hub is enhanced by its strategic location just a half hour's drive from the Nagoya CBD, as well as significant the infrastructure investment planned for the area, including an extension of the Isewangan Expressway.

This transaction expands AXA IM Alts' c. €2.9 billion global logistics portfolio³ and confirms the ambitions of its Real Assets platform in the logistics sector in Japan, whilst further cementing its relationship with ESR. It follows the announcement in 2019 that AXA IM Alts had formed a long term Japanese core logistics joint venture with ESR, alongside a leading sovereign wealth fund, through the acquisition of a portfolio of six modern logistics assets for over ¥100 billion (c. €807 million), as well as the acquisition of a Prime A logistics asset in the Greater Tokyo area (Kuki) in August 2020.

Laurent Jacquemin, Head of Asia Pacific at AXA IM Alts, commented: "This is a rare opportunity to acquire a well located site suitable for the development of a Grade-A logistics facility, an asset class that has proved resilient against the backdrop of the global pandemic, in a region where investment activity is set to benefit from supportive market fundamentals. It is yet another example of our ability to leverage the relationships we have forged with local partners across the region to successfully originate opportunities on behalf of our clients that offer both asset class diversification and which support a range of investment strategies. At the same time, being able to leverage our development expertise to take on this project in what is a maturing e-commerce market allows us an opportunity to capture outsized returns, whilst also demonstrating our conviction call that the underlying structural shifts impacting the Japanese logistics sector are likely to support further yield compression."

- ENDS -

1 Source: AXA IM Alts unaudited data, as of September 2020
2 Source: INREV/ANREV Fund Manager Survey – June 2020 – in terms of assets under management
3 Source: AXA IM Alts unaudited data, as of September 2020

Press Contacts

AXA IM Alts

Jocelyne Tamssom, Head of Communications

Tel: +33 1 44 45 97 95

PressOfficeAXAIMRealAssets@axa-im.com

FTI Consulting Inc.

Richard Sunderland, Richard Gotla, Methuselah Tanyanyiwa, Talia Jessener

Tel: +44 20 3727 1000

AXAIMAltsRA@fticonsulting.com

About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with c. €153 billion of assets under management as at 30 September 2020¹, across real assets (real estate & infrastructure), private debt & alternative credit and private equity & hedge funds. AXA IM Alts employs over 700 people located in 16 offices around the world and serve the needs of more than 350 clients from Europe, North America, Asia Pacific and Middle East. We are a global leader in real assets investment with c. €102 billion of assets under management, the number one property portfolio and asset manager in Europe², and one of the largest worldwide.

1 Source: AXA IM data (unaudited). All figures as at 30 September 2020.

2 Source: INREV Fund Manager Survey, June 2020. #1 Real estate manager headquartered in Europe based on total assets under management.

About AXA Investment Managers

AXA Investment Managers (AXA IM) is an active, long-term, global, multi-asset investor. We work with clients today to provide the solutions they need to help build a better tomorrow for their investments, while creating a positive change for the world in which we all live. With approximately €830 billion in assets under management as at end of September 2020¹, AXA IM invests through two distinct business units AXA IM Core and AXA IM Alts and employs over 2,360 employees around the world who operate out of 28 offices across 20 countries. AXA IM is part of the AXA Group, a world leader in financial protection and wealth management.

1 Source: AXA IM's unaudited data. All figures as at 30 September 2020.

Visit our websites <https://realassets.axa-im.com> and www.axa-im.com

Follow us on Twitter @AXAIMRealAssets and @AXAIM

This document is aimed solely at the media and is for information purposes only. The opinions expressed here are the views of the author and do not constitute investment advice. This is not a recommendation to purchase, sell or subscribe to financial instruments, an offer to sell investment funds or an offer of financial services. This press release is as dated. They do not necessarily represent the views of any company within the AXA Investment Managers Group and may be subject to change without notice. This does not constitute a Financial Promotion as defined by the Financial Conduct Authority. This is for information purposes only. No financial decisions should be made on the basis of the information provided. Past performance is not necessarily representative of future results: performance is not constant over time and the value of investments may fall as well as rise.