

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

ESR Group Limited (security code: -)

<Assignment>

Bonds: Preliminary AA-

Rationale

ESR Group Limited is a real estate investment group with its main base of activities in Asia. ESR is a comprehensive real estate asset management company that acquires and manages land and buildings, mainly advanced logistics facilities and data centers, manages listed REITs and private funds, and develops real estate. In January 2022, the company acquired Singapore-based real estate asset management company ARA Asset Management Limited and its subsidiary LOGOS under its umbrella, achieving a significant expansion in business scale. The rating reflects the creditworthiness of the group based on the management integration with the subsidiary operating companies. The rating reflects the company's presence in the Asian market, access to influential investors for co-investment and thereby reduced development risk, stable cash flow generation backed by fund management income, and high financial soundness backed by conservative financial discipline.

Atsushi Masuda, Shinji Asano

Rating

Issuer: ESR Group Limited

<Assignment>

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Preliminary Rating
JPY Fixed Rate Notes due 2026	TBD	TBD	TBD	TBD	AA-
JPY Fixed Rate Notes due 2028	TBD	TBD	TBD	TBD	AA-
JPY Fixed Rate Notes due 2030	TBD	TBD	TBD	TBD	AA-
JPY Fixed Rate Notes due 2033	TBD	TBD	TBD	TBD	AA-

<Reference>

Foreign Currency Long-term Issuer Rating: AA- Outlook: Stable

Rating Assignment Date: June 23, 2023

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (November 7, 2014), "Real Estate" (June 1, 2023) and "J-REIT" (July 3, 2017) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

A preliminary rating is a credit rating assigned as a preliminary evaluation while material terms for issue to be rated are not yet finalized. When the issuing terms are finalized, JCR will confirm them and will assign a credit rating anew. The rating level of the final rating may be different from that of the preliminary rating, depending on the final content of the terms, etc.

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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g

Issuer	ESRGroup Limited
Rating Publication Date	June 26 2023

1 The Symbol, Number, or Score in the Rating Scale used to Credit Rating Categories Notches and, the Identity of the Obligor or the Identity and a Description of the S Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g

x Please see the news released on the credit ratings a private rating, please see the report for private rating.

2 The version of the procedure or methodology used to determine the credit rating Paragraph (a)(1)(ii)(B) of Rule 17g

x Please see the news released on the credit rating is a private rating, please see the report for private rating.

3 The Main Assumptions and Principles used in Constructing the Procedures and used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule

x The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a JLYHQ GHEW SD\PHQW LQ OLJKW RI LWV LVVXHU ¶V FRQGLWLR future. There is certain limitation, however, in the time horizon the rating foresees.

x The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional on the XVLQHVV can be maintained/ expanded into the future and thereby secure earnings and in a sustainable way.

B) Financial Grounds and Asset Quality

7KH OLNHOLKRRG RI GHEW SD\PHQW LV KLJKO\ GHSHQGHQW R absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

7KH OLNHOLKRRG RI GHEW SD\PHQW LV KLJKO\ GHSHQGHQW R sources of repayment (liquidity positions).

