

PRESS RELEASE

Mapletree Industrial Trust Marks Entry into Japan with the Acquisition of a Data Centre in Osaka for JPY52 billion

- Strategic diversification into one of the most developed data centre markets in Asia Pacific
- Enlarged presence in the growing data centre sector
- Stable cash flows from long lease to an established data centre operator
- DPU and NAV per Unit accretive

25 May 2023 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce the acquisition of a newly built data centre in Osaka, Japan (the “Property”) through the purchase of the trust beneficial interest at a purchase consideration of JPY52.0 billion (approximately S\$507.9 million¹). Under the conditional trust beneficial interest purchase and share agreement with Suma Tokutei Mokuteki Kaisha, an unrelated third party vendor, MIT will be acquiring an effective interest of 98.47% in the Property (the “Proposed Acquisition”).

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “The Proposed Acquisition offers a strategic opportunity to diversify our data centre presence into Japan, one of the most developed data centre markets in Asia Pacific. It will enlarge our presence in the resilient data centre sector, which continues to offer attractive growth prospects. The addition of a high-quality data centre with its long-term lease to an established data centre operator will provide a stable income stream and strengthen MIT’s tenant base.”

Marks Entry into the Japanese Data Centre Market

With over 3,000 megawatts (“MW”) of total IT load, Japan is the third largest and one of the most developed data centre markets in Asia Pacific. The Japanese data centre market is primarily concentrated in Greater Tokyo and Greater Osaka. Demand for data centre space in Greater Tokyo and Greater Osaka remain strong with take-up rates forecasting to grow at a

¹ Based on an illustrative exchange rate of S\$1.00 to JPY102.38.

compound annual growth rate (“CAGR”) of 13% and 14% from 2023 to 2027E respectively. This is underpinned by existing demand drivers such as cloud computing, online gaming, video streaming and digitalisation. In addition, data centres in Japan are expected to benefit from nascent trends with growth potential such as deployment and adoption of 5G services, Internet of Things, and artificial intelligence. Such secular tailwinds have been amplified in the recent years from behavioural shifts brought about by the COVID-19 pandemic. These will in turn support the growth of the resilient data centre sector².

Enlarges Presence in an Established Data Centre Market

The multi-storey downtown Osaka Property is in close proximity to the prime central business district. The Property is also located close to key network hubs in Osaka, which host multiple internet exchanges as well as offer dense connectivity and low latency to the bulk of internet traffic in Osaka.

The demand for Greater Osaka market is forecasted to grow at a CAGR of 14% from 2023 to 2027E to reach over 400MW of total IT absorption. With the growth of cloud computing, hyperscale cloud service providers will require more distributed capacity to ensure redundancy. In addition, Osaka has experienced keen interest from hyperscale cloud service providers as an alternative hub to Tokyo. These will in turn drive the demand for data centre space in Osaka².

The Proposed Acquisition will diversify MIT’s portfolio geographically. Post-acquisition, Japan will account for about 5.5% of the MIT’s portfolio (by assets under management (“AUM”)), with North America and Singapore representing the remaining 47.6% and 46.9% respectively.

Mr Tham added, “We have reached another milestone in our portfolio rebalancing efforts with this accretive acquisition. We will continue to pursue transactions in dynamic new markets beyond North America and Singapore and explore divestments of non-core assets to further improve portfolio resilience and growth prospects.”

² Source: DC Byte, Japan Data Centre Market Report, 2023.

Upon completion of the Proposed Acquisition, MIT's portfolio will grow from S\$8.8 billion (by AUM) as at 31 March 2023 to S\$9.3 billion³. Data Centres will also increase from 53.7% of MIT's portfolio (by AUM) as at 31 March 2023 to 56.3%. Data Centres in North America, Japan and Singapore will account for 47.6%, 5.5% and 3.2% of the Enlarged Portfolio's AUM.

Enhances Income Stability of the Enlarged Portfolio

The fully-fitted Property is fully leased to an established data centre operator with a weighted average lease to expiry ("WALE") of about 20 years (by gross rental income ("GRI"))⁴. The addition of this Property will strengthen MIT's relationship with an existing data centre tenant. It is leased on a net lease structure with minimal landlord operational obligations. The Property is progressively fitted out over four phases with the first phase completed in November 2022.

With a net lettable area of about 136,900 square feet, the Property has a 70-year land lease commencing from 1 October 2020. Following the completion of the Proposed Acquisition, the weighted average unexpired lease term for underlying leasehold land for MIT's portfolio will increase from 35.3 years as at 31 March 2023 to 35.4 years⁵. MIT's portfolio WALE is also expected to increase from 3.9 years as at 31 March 2023 to 4.5 years⁵.

Funding Structure and Valuation

The Manager intends to finance the total acquisition outlay of approximately JPY51.8 billion (approximately S\$505.9 million) through a combination of debt and proceeds from an equity fund raising. The Proposed Acquisition is expected to be distribution per unit and net asset value per unit accretive to MIT Unitholders.

The purchase consideration for the Property of JPY52.0 billion is in line with the independent valuation of JPY52.0 billion conducted by JLL Morii Valuation & Advisory K.K.. The Proposed Acquisition is expected to complete by the third quarter of 2023.

³ Based on MIT's portfolio as at 31 March 2023 and the Total Acquisition Outlay with MIT's effective interest of 98.47% in the Property.

⁴ As at 30 June 2023.

⁵ Based on MIT's portfolio as at 31 March 2023 and assuming that the Proposed Acquisition is completed on 30 June 2023 with MIT's effective interest of 98.47% in the Property.

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About Mapletree Industrial Trust

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

As at 31 March 2023, MIT’s total assets under management was S\$8.8 billion, which comprised 85 properties in Singapore and 56 properties in North America (including 13 data centres held through the joint venture with Mapletree Investments Pte Ltd). MIT’s property portfolio includes Data Centres, Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

About Mapletree Industrial Trust Management Ltd.

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

About Mapletree Investments Pte Ltd

Headquartered in Singapore, Mapletree Investments Pte Ltd (“MIPL”) is a global real estate development, investment, capital and property management company committed to sustainability. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, MIPL has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

As at 31 March 2022, MIPL owns and manages S\$78.7 billion of office, retail, logistics, industrial, data centre, residential and lodging properties. MIPL currently manages four Singapore-listed REIT and seven private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom and the United States.

MIPL’s assets are located across 13 markets globally, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.