



**Daiwa House**  
Logistics Trust

**Daiwa House Asset Management Asia Pte.Ltd.**

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Registration No. 202037636H

**DAIWA HOUSE LOGISTICS TRUST RECORDED NAV PER UNIT OF S\$0.92 AS  
AT 31 DECEMBER 2021**

- ***Portfolio was valued at JPY81,070 million (S\$949.7 million<sup>1</sup>) as at 31 December 2021***
- ***Portfolio valuation as at 31 December 2021 represented a premium of 14.1% to purchase consideration of the portfolio***

DBS Bank Ltd. was the Sole Financial Adviser, and DBS Bank Ltd. and Nomura Singapore Limited are the Joint Issue Managers for the initial public offering of Daiwa House Logistics Trust.

**SINGAPORE, 11 FEBRUARY 2022** – Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust (the “**Manager**” and Daiwa House Logistics Trust, “**DHLT**” or the “**REIT**”), has today announced a business update for the period from 26 November 2021 (“**Listing Date**”) to 31 December 2021.

The Manager is pleased to update that the initial portfolio of 14 properties (“**Portfolio**”) were revalued to JPY81,070 million (S\$949.7 million) as at 31 December 2021 and resulted in a net asset value (“**NAV**”) per unit in DHLT (“**Unit**”) of S\$0.92. The Portfolio was acquired for JPY71,068 million (S\$840.5 million) on Listing Date.

Overall Portfolio occupancy remained high at 96.3% and during the period from Listing Date to 31 December 2021, there were no request for any form of rental relief or abatements amidst the COVID-19 situation, demonstrating the resilience of the Portfolio.

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<sup>1</sup> Based on exchange rate of 85.3671.

## Summary of Financial Results

|                                 | Period 26 Nov 21 to 31 Dec 21 |                                   | Variance |
|---------------------------------|-------------------------------|-----------------------------------|----------|
|                                 | Actual (unaudited)            | Pro-rated Forecast <sup>(a)</sup> |          |
| Gross Revenue (S\$ '000)        | 6,599                         | 6,570                             | +0.7%    |
| Net Property Income (S\$ '000)  | 5,261                         | 5,138                             | +2.4%    |
| Distributable Income (S\$ '000) | 3,317                         | 3,303                             | +0.4%    |
| Distribution per Unit (cents)   | 0.49                          | 0.49                              | -        |

a. Pro-rated based on the forecast Consolidated Statements of Comprehensive Income for the period 1 October 2021 to 31 December 2021 as disclosed in the IPO Prospectus dated 19 November 2021.

The financials for the period from Listing Date to 31 December 2021 were in line with the pro-rated financials for the Forecast Period disclosed in the Prospectus.

DHLT's distribution policy is to distribute 100.0% of its annual distributable income for the period from the Listing Date to 31 December 2022. The first distribution, which will be in respect of the period from the Listing Date to 30 June 2022 will be paid on or before 30 September 2022.

**Mr Takeshi Fujita, Chief Executive Officer of the Manager**, said, "As a demonstration of support and commitment from the Sponsor, Daiwa House Industry Co., Ltd., the Portfolio was acquired from the Sponsor at a substantial discount of 11.8% to its aggregate valuation as at 30 June 2021<sup>2</sup> and was initially recorded based on the purchase consideration in the pro forma financials. The Portfolio was subsequently revalued to JPY81,070 million as at 31 December 2021 and we are pleased to update that this resulted in NAV per Unit of S\$0.92. The Portfolio valuation as at 31 December 2021 represented an uplift of 14.1% from the purchase consideration of the Portfolio. The revaluation also resulted in aggregate leverage of 37.7% compared to 43.8% as at 30 June 2021 based on pro forma financials<sup>3</sup>.

While the Portfolio occupancy remained high at 96.3%, the Manager will continue to

<sup>2</sup> Based on the average of the two independent valuations of the Portfolio as at 30 June 2021.

<sup>3</sup> Unaudited Pro Forma Consolidated Financial Information as at 30 June 2021 as disclosed in the IPO Prospectus dated 19 November 2021.

work closely with the property manager to lease out the vacant space and are currently in negotiations with potential tenants.”

### **Capital Management**

Aggregate leverage was 37.7% as at 31 December 2021, following the revaluation of the portfolio. The borrowings are all denominated in JPY, thereby providing a natural hedge as the valuation of Portfolio is denominated in the same currency. The all-in weighted average borrowing cost is 0.91% per annum (including upfront fee). 100% of the borrowings are on fixed rate basis.

The weighted maturity of the borrowings was 3.4 years as at 31 December 2021. The consumption tax that was paid in relation to the acquisition of the Portfolio is expected to be refunded by 30 June 2022, and the refund shall be used to repay the consumption tax loan as soon as practicable thereafter. Excluding the consumption tax loan, there are no refinancing requirements until 2024.

### **Outlook**

Despite the emergence of COVID-19 Omicron variant, Japan upgraded its GDP growth projection for fiscal year 2022 to 3.2%, which if realised, would be the fastest growth since fiscal year 2010<sup>4</sup>.

While supply in logistics space in Japan continued to grow in recent years, supply-demand remained tight resulting in generally low vacancy rate. Looking ahead, large supply of logistics space is expected over the next two years in certain markets, particularly in Greater Tokyo, which may result in increasing vacancy and moderation of rental rates growth in these markets. However, demand is expected to remain robust in general with the continual expansion of Japan’s e-commerce market a major contributing factor.

COVID-19 continues to create uncertainties regarding its impact on the economy and the Manager will continue to monitor the situation.

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<sup>4</sup> Source: Article titled “Japan raises 2022 GDP growth outlook despite omicron risks” that was published on the website of Nikkei Asia dated 23 December 2021.

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**For media and investor queries, please contact:**

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## **About Daiwa House Logistics Trust**

Daiwa House Logistics Trust (“**DHLT**”) is a Singapore real estate investment trust (“**REIT**”) established with the investment strategy of principally investing in a portfolio of income-producing logistics and industrial real estate assets located across Asia.

Its initial portfolio comprises 14 high-quality modern logistics properties across Japan with an appraised value of approximately JPY81,070 million (S\$949.7 million) as at 31 December 2021, and an aggregate net lettable area of approximately 423,920 sq m.

DHLT is managed by Daiwa House Asset Management Asia Pte. Ltd., a wholly-owned subsidiary of its Sponsor, Daiwa House Industry Co., Ltd.

## **About the Sponsor, Daiwa House Industry Co., Ltd.**

Daiwa House Industry Co., Ltd. (“**Daiwa House Industry**”) is one of the largest construction and real estate development companies in Japan. It is listed on the Tokyo Stock Exchange (“**TSE**”) with a market capitalisation of JPY2,203.9 billion (S\$25.8 billion) as of 31 December 2021.

Founded in 1955, Daiwa House Industry has an extensive track record in real estate development. In addition to its primary operations in Japan, the Sponsor has presence in other markets including ASEAN, East Asia, the United States of America, Europe, and Australia. Daiwa House Industry has vast and deep experience in logistics asset development and is one of the largest logistics real estate developers in Japan by both number of properties and gross floor area.

Daiwa House Industry has extensive knowledge in both asset and fund management and is currently managing real estate funds which include TSE-listed Daiwa House REIT Investment Corporation, two unlisted REITs as well as multiple private funds.

## **IMPORTANT NOTICE**

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Daiwa House Logistics Trust (“**DHLT**”, and the units in DHLT, the “**Units**”).

The past performance of DHLT is not necessarily indicative of the future performance of DHLT. The value of the Units and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, Daiwa House Asset Management Asia Pte. Ltd., as manager of DHLT (the “**Manager**”) or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (“**SGX-ST**”). It is intended that unitholders of DHLT may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.