



Daiwa House
Logistics Trust

Daiwa House Logistics Trust

Investors Presentation

August 2023

Daiwa House

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.

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



Overview of DHLT and Sponsor

ASIA-FOCUSED LOGISTICS REIT WITH HIGH QUALITY MODERN PROPERTIES

STRONG AND COMMITTED DEVELOPER SPONSOR TO SUPPORT FUTURE GROWTH

Daiwa House Logistics Trust (DHLT) is established with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing **logistics and industrial real estate assets** located across Asia, in particular, within **Japan** as well as in the **Southeast Asian region**

Portfolio

16 PROPERTIES

Portfolio Occupancy⁽¹⁾

100.0%

Portfolio Valuation⁽²⁾

JPY 87,531 MIL
(S\$820.0 mil)

Portfolio WALE by GRI^(3,4)

6.6 YEARS

Total Net Lettable Area⁽³⁾

444,728 SQM

Portfolio Age^(3,5)

5.8 YEARS

CHUGOKU / SHIKOKU / KYUSHU

- 12. DPL Okayama Hayashima
- 13. DPL Okayama Hayashima 2
- 14. DPL Iwakuni 1 & 2
- 15. D Project Matsuyama S
- 16. D Project Fukuoka Tobaras

HOKKAIDO & TOHOKU

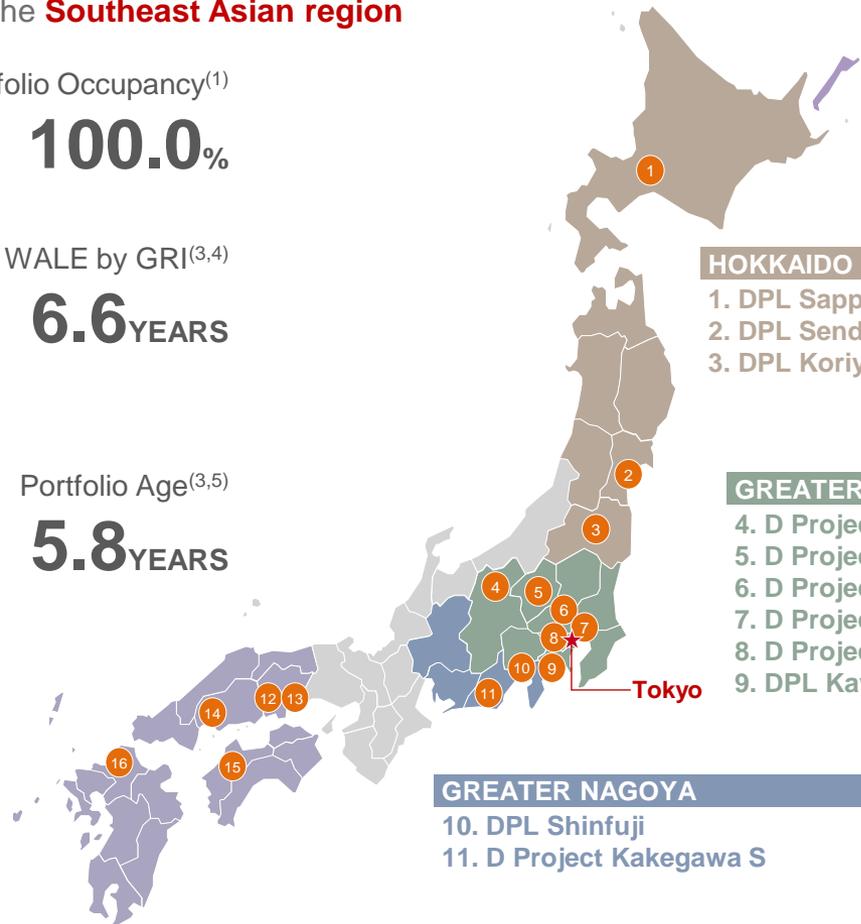
- 1. DPL Sapporo Higashi Kariki
- 2. DPL Sendai Port
- 3. DPL Koriyama

GREATER TOKYO

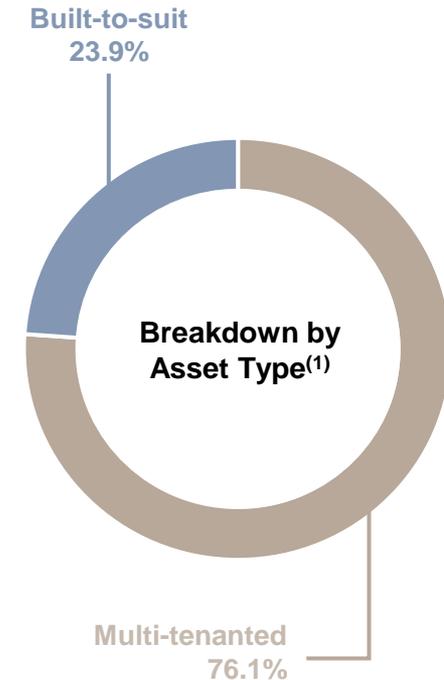
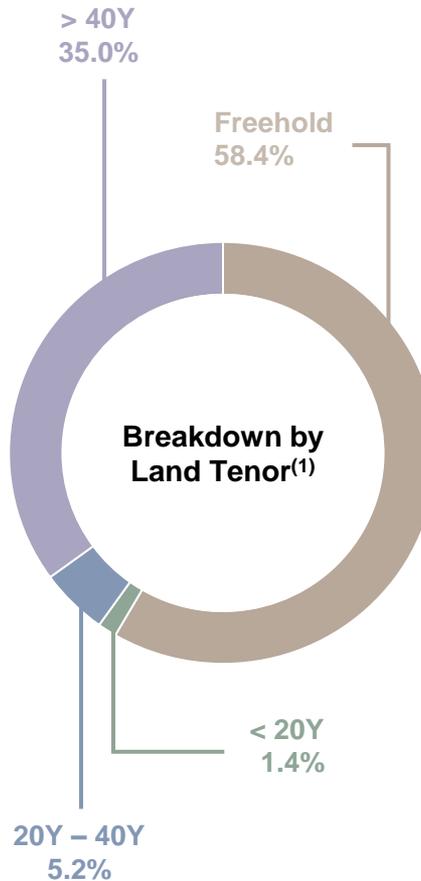
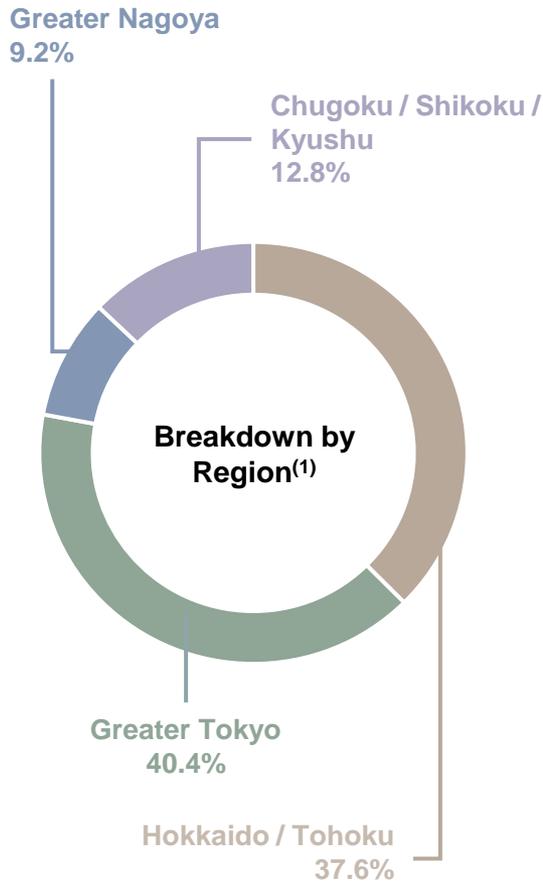
- 4. D Project Nagano Suzaka S
- 5. D Project Maebashi S
- 6. D Project Kuki S
- 7. D Project Misato S
- 8. D Project Iruma S
- 9. DPL Kawasaki Yako

GREATER NAGOYA

- 10. DPL Shinfuji
- 11. D Project Kakegawa S



(1) As at 31 July 2023. (2) Based on the independent valuation of the properties as at 31 December 2022 and converted to S\$ based on exchange rate of 106.74. (3) As at 30 June 2023. (4) Gross rental income (“GRI”) based on the monthly rent as at June 2023. (5) Based on weighted average by net lettable area (“NLA”).



- Properties located in both metropolitan and regional areas and **well diversified across Japan**

- 93.4% of the land (by valuation) are **freehold or have tenor of more than 40 years**

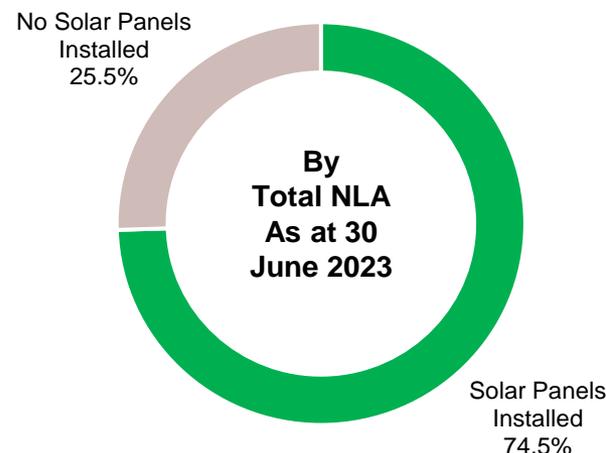
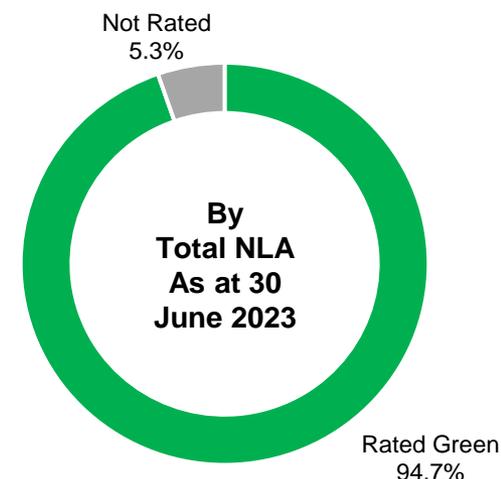
- **Income stability** from built-to-suit properties while multi-tenanted assets provide **opportunities for rent growth**

(1) Breakdown based on independent valuation as at 31 December 2022.

High proportion of “green” buildings

As at 30 June 2023

	Rated Green	Rating Standard ⁽¹⁾	Solar Energy Capacity (MWp)
1. DPL Sapporo Higashi Kariki	✓	DBJ	-
2. DPL Sendai Port	✓	DBJ	2.6
3. DPL Koriyama	✓	DBJ	3.0
4. D Project Maebashi S	✓	DBJ	1.4
5. D Project Kuki S	-	-	-
6. D Project Misato S	✓	DBJ	-
7. D Project Iruma S	✓	DBJ	-
8. DPL Kawasaki Yako	✓	DBJ	1.2
9. D Project Nagano Suzaka S	✓	DBJ	0.9
10. DPL Shinfuji	✓	DBJ	1.2
11. D Project Kakegawa S	✓	DBJ	0.7
12. DPL Okayama Hayashima	✓	DBJ	1.4
13. DPL Okayama Hayashima 2	✓	DBJ	0.7
14. DPL Iwakuni 1 & 2	✓	BELS	1.8
15. D Project Matsuyama S	-	-	-
16. D Project Fukuoka Tobarā S	✓	DBJ	0.5
Total	-		15.4



(1) “**DBJ**” refers to DBJ Green Building Certification Programme, where only top 20% of the assessed investment grade properties in Japan are certified green. “**BELS**” refers to Building Energy-efficiency Labelling System, which is a third-party certification system in Japan that assesses the energy conservation performance of buildings, in line with the guidelines set by the Ministry of Land, Infrastructure, Transport and Tourism of Japan.



Daiwa House

Daiwa House Group

- Daiwa House Industry Co., Ltd., was founded in 1955 and is one of the largest construction and real estate development companies in Japan

Completed Residential Units⁽¹⁾

1,959,000 UNITS

Completed Commercial Facilities⁽¹⁾

57,700 UNITS

Global Presence

26 COUNTRIES

Market Capitalisation⁽²⁾

S\$23.6 BILLION

Listed on Tokyo Stock Exchange

Credit Rating⁽³⁾

AA

Forbes The Global 2000 Ranking (2023)

460TH

One of the highest amongst Japan real estate developers

Fortune Global 500 Ranking (2022)

354TH

13 Consecutive Years Ranked

(1) As at 31 March 2023.

(2) As at 30 June 2023 and converted to SGD.

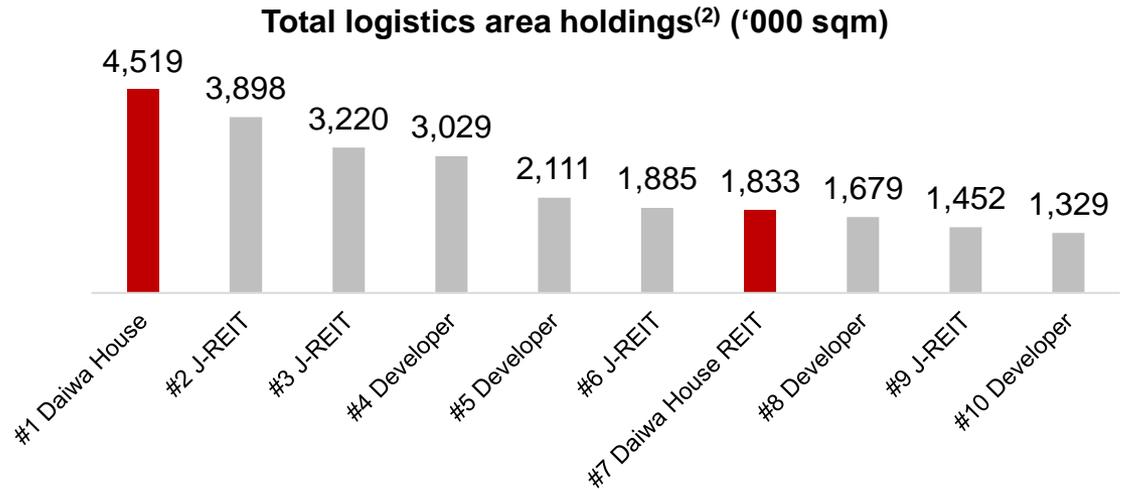
(3) Rated by the Japan Credit Rating Agency Ltd.

- The Sponsor has strong development capability and has one of the largest stockpile of logistics space in Japan

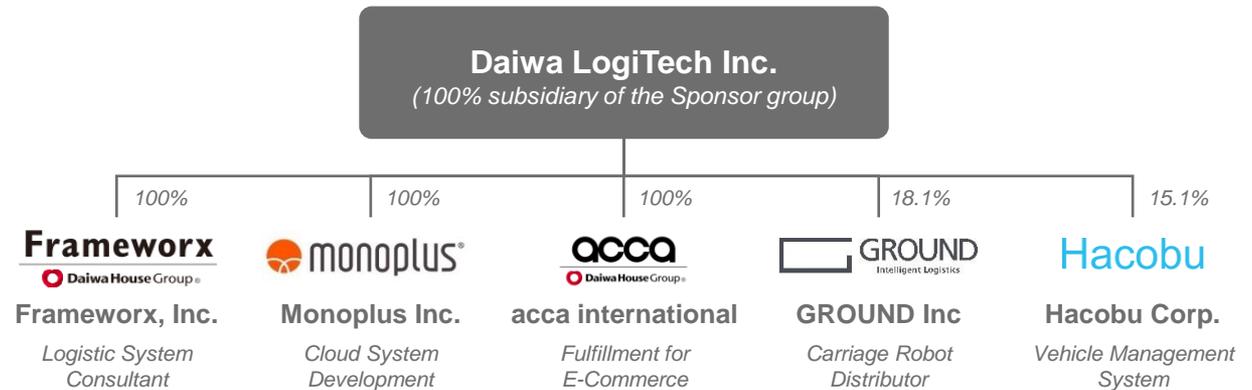
Logistics Facilities Development⁽¹⁾

365 FACILITIES

12.8 FLOOR AREA MILLION SQM



- Established network of subsidiaries offering logistics solutions that address the needs of tenants

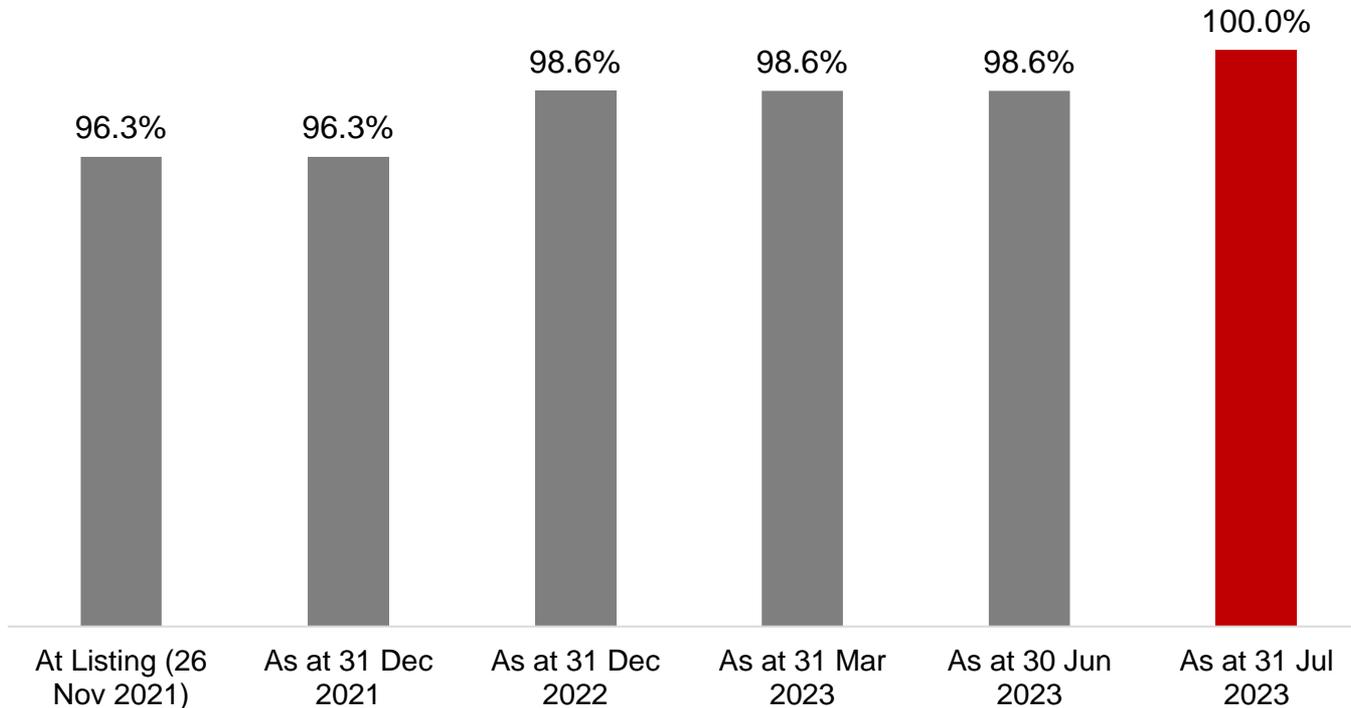


(1) Accumulated as at 31 March 2023. Floor areas have been accumulated since FY2003 for built-to-suit type logistics, and since FY2013 for multi-tenant type logistics. (2) Information as at 1Q2022 Source: Independent Japan Logistics Market Research Report included in the DHLT's Circular dated 16 November 2022.



Operational Performance for 1H FY2023

Portfolio Occupancy Rate

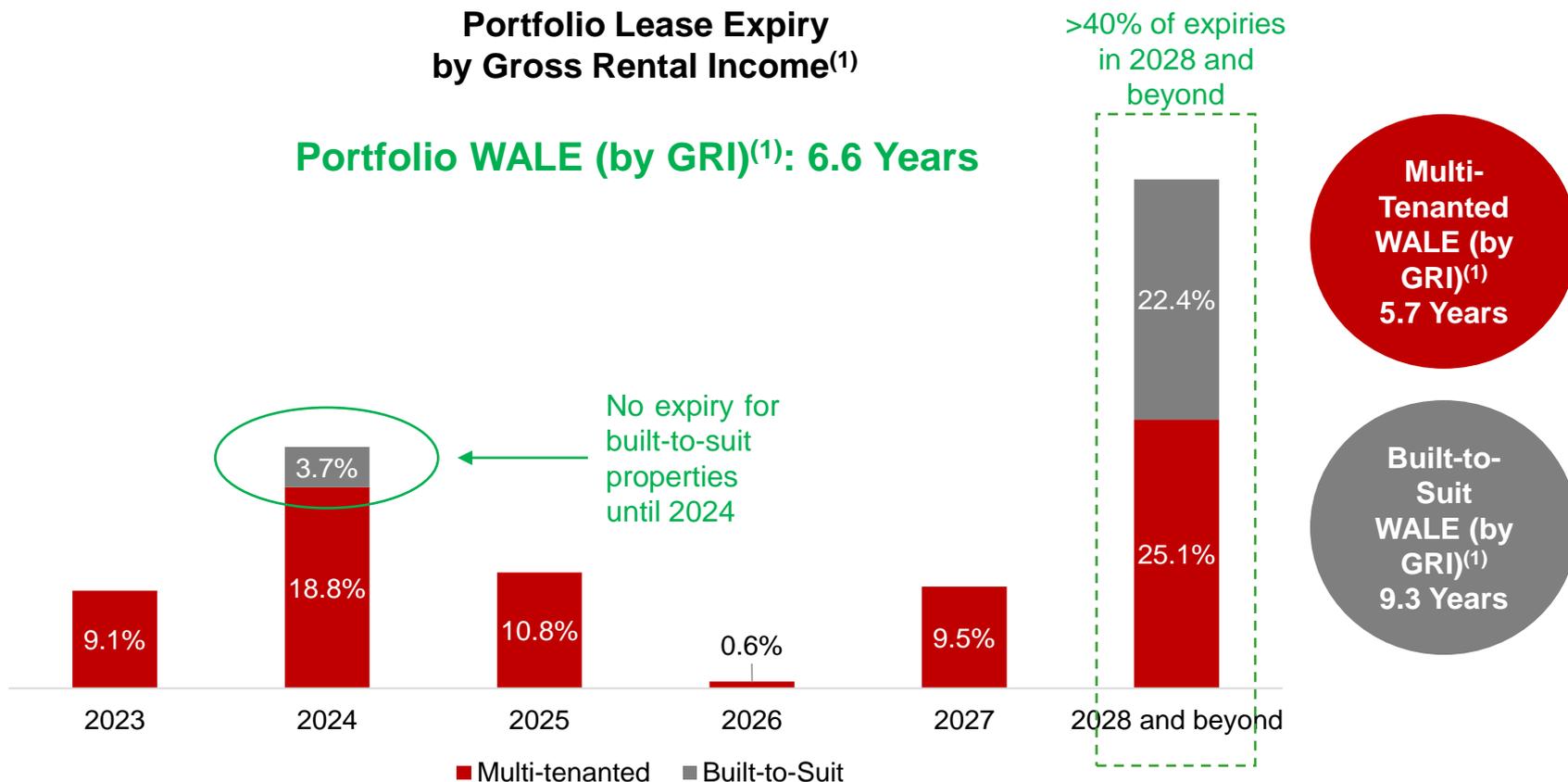


- Secured tenant for remaining vacant space in July 2023
- As at end July 2023, portfolio is **100% occupied**

- As at 30 June 2023, occupancy was 98.6%
- The remaining vacant space in DPL Koriyama was leased in July 2023 to an existing tenant at the property

Portfolio Lease Expiry by Gross Rental Income⁽¹⁾

Portfolio WALE (by GRI)⁽¹⁾: 6.6 Years



- Successfully renewed lease that expired in 1H FY2023, with less than 10% (by GRI) remaining for renewal in 2023
- Remaining leases expiring in 2023 are in 4Q 2023 with ongoing discussions progressing well

(1) Based on the monthly rent as at June 2023.

Leases
renewed in
FY2023

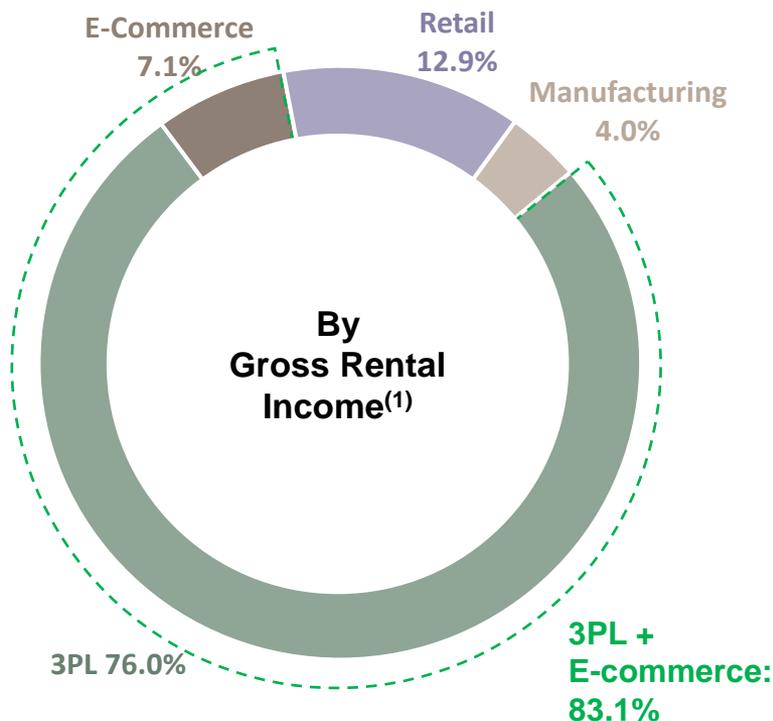
Remaining
leases
expiring in
FY2023

BTS lease
expiring in
2024

- 1 lease renewed in March 2023 at existing monthly rent (approx. 17,500 sqm or 4% of total net lettable area “NLA”)
 - Retention of high-quality tenant, a leading 3PL company in Japan
-
- 3 leases expiring in 4Q FY2023 (approx. 45,000 sqm in aggregate or 10% of total NLA)
 - Each of the tenants has indicated their preliminary intention to renew the respective lease
 - Discussions are progressing well
-
- Lease for built-to-suit (“BTS”) property (D Project Kuki S) to expire in July 2024
 - Discussion for renewal of lease has commenced and in advanced stage of negotiation

- While there is no certainty at this point that all the abovementioned expiring leases will be renewed, management has commenced discussions ahead of time as part of proactive asset management approach

Breakdown by Tenant Trade Sector



Top 10 Tenants⁽²⁾

	Tenant	Sector	% of NPI ⁽²⁾
1	Mitsubishi Shokuhin	3PL	18.9
2	Nippon Express	3PL	8.7
3	Suntory Logistics	3PL	7.7
4	Nitori	Retail	5.4
5	Tenant A ⁽³⁾	3PL	4.5
6	Create SD	3PL	4.2
7	K.R.S Corporation	3PL	4.0
8	Tenant B ⁽³⁾	3PL	4.0
9	Tokyo Logistics Factory	3PL	4.0
10	CB Group Management	3PL	3.9
			65.4

- Healthy lease renewals ensure that tenant base remained stable with 83.1% of the tenants (by GRI⁽¹⁾) involved in growth sectors such as 3PL and e-commerce
- Tenants are high quality names which are leading Japanese and global blue-chip companies

(1) Based on the monthly rent as at June 2023.

(2) Based on NPI for 1H FY2023 and % of NPI was calculated and adjusted based on the NPI of each property and allocated to the respective tenants by the proportion of NLA the tenants occupy in the property.

(3) These tenants have not given consent to the disclosure of any terms of the tenancy agreement at all (including their names).

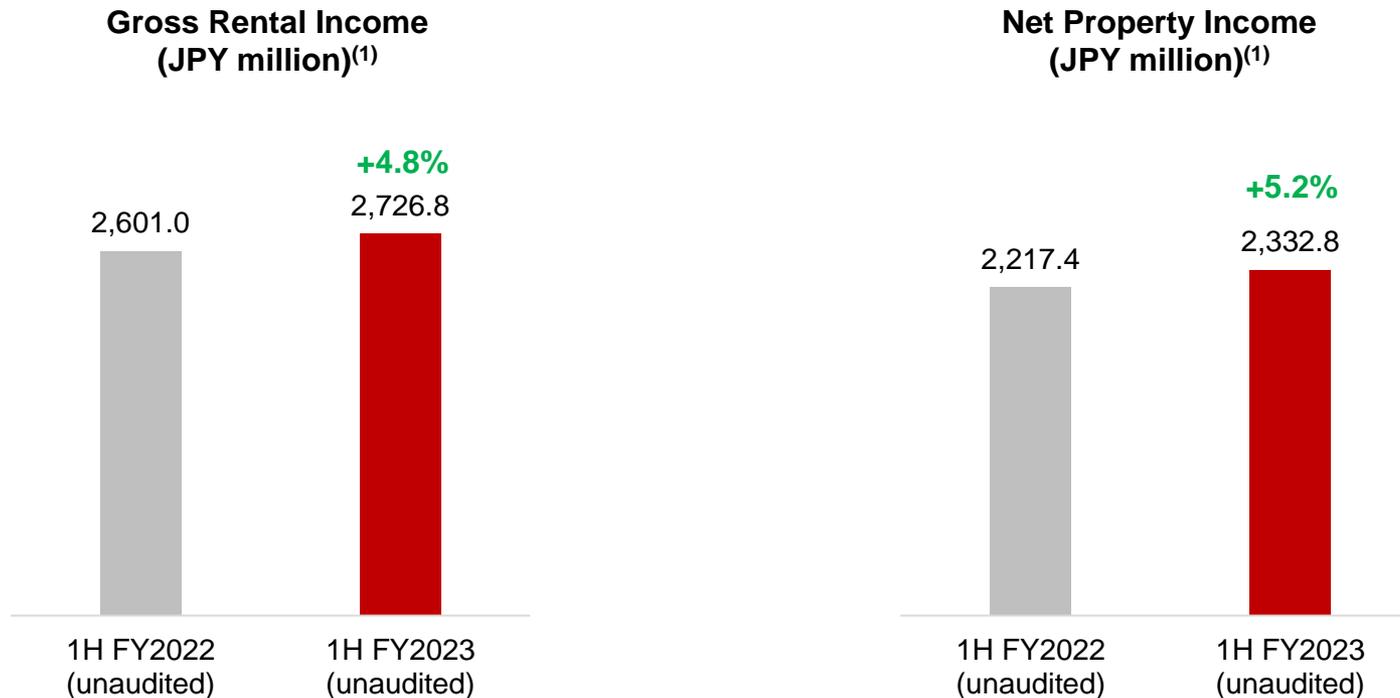


Financial Performance for 1H FY2023

	1 January to 30 June		Variance ⁽¹⁾
	FY2022 ⁽¹⁾ (unaudited)	FY2023 (unaudited)	
Gross Revenue (S\$ '000)	32,303	30,900	-4.3%
Net Property Income (S\$ '000)	24,774	23,132	-6.6%
Distributable Income to Unitholders (S\$ '000)	17,563	18,130	+3.2%
Distribution per Unit (cents)	2.60	2.61	+0.4%

- Healthy portfolio performance negated by weaker JPY which resulted in lower gross revenue and net property income (“NPI”) year-on-year (“y-o-y”)
- Distributable income was higher y-o-y mainly due to:
 - Realised exchange gain
 - Lower finance cost and other JPY-denominated expenses as a result of the weaker JPY

(1) The corresponding period for the financial results reported in FY2022 was for the period from the listing of DHLT (26 November 2021) to 30 June 2023 (“FP2022”). However, the financial results for 1HFY2023 were compared against the financial results for the corresponding six-month period in FY2022 (1 January 2022 to 30 June 2022) for a more meaningful comparison. The gross revenue, net property income, distributable income to Unitholders and DPU reported for FP2022 were S\$38.9 million, S\$30.0 million, S\$20.9 million and 3.09 cents, respectively.



- GRI and NPI in JPY term for 1H FY2023 were higher y-o-y⁽¹⁾ mainly due to:
 - Contribution from properties that were acquired in December 2022
 - Full period contribution from the space in DPL Sapporo Higashi Kariki which was leased in March 2022

(1) Compared against the financials for the corresponding six-month period in FY2022, i.e. 1 January 2022 to 30 June 2022.

	As at 31 December 2022 (audited)	As at 30 June 2023 (unaudited)
Total Assets (S\$ million)	1,177.0	1,094.5
Total Liabilities (S\$ million)	588.0	548.8
Net Assets Attributable to Unitholders (S\$ million)⁽¹⁾	553.2	509.9
NAV per Unit attributable to Unitholders (S\$)⁽¹⁾	0.80	0.73
Aggregate Leverage⁽²⁾	35.9%	35.7%

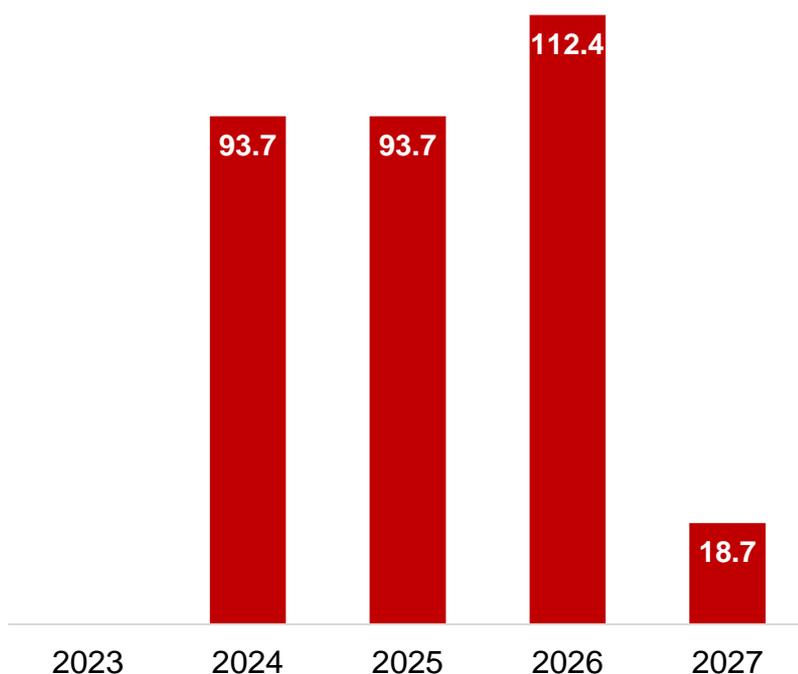
- The decline in net asset value (“NAV”) and NAV per Unit was mainly due to weaker JPY against SGD⁽³⁾

(1) Excluding perpetual securities.

(2) Computed based on total borrowings (excluding lease liabilities arising from land rent) divided by total assets (excluding right of use assets, asset retirement obligation assets and the amount of restricted cash equivalent to security deposits payable by end-tenants).

(3) The exchange rates for SGD : JPY as at 31 December 2022 and 30 June 2023 were 99.02 and 106.74, respectively.

Debt Maturity Profile as at 30 June 2023
(S\$ million)



As at
30 June 2023

Total borrowings	<ul style="list-style-type: none"> JPY34.0 billion (S\$318.5 million)
Weighted average debt tenure	<ul style="list-style-type: none"> 2.6 years
Weighted average borrowing cost	<ul style="list-style-type: none"> 0.99% (all-in rates and includes upfront fees)
Proportion of debt with fixed cost	<ul style="list-style-type: none"> 100.0%
Interest coverage ratio ⁽¹⁾	<ul style="list-style-type: none"> 11.7 times

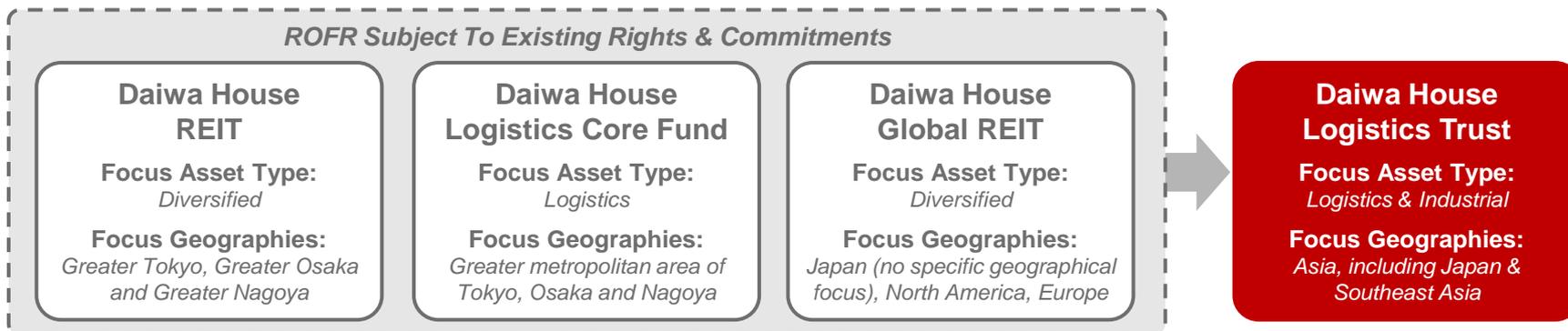
- Borrowings are 100% denominated in JPY to provide natural hedge
- Outstanding borrowings not exposed to risk of rising interest rate as 100% of borrowings are on fixed interest rate
- Debt maturities are staggered to mitigate refinancing risk
- Maintained high level of interest coverage ratio

(1) Based on 1H FY2023.



Driving Growth

- To support DHLT’s growth, DHLT has been granted a right of first refusal (“**ROFR**”) by the Sponsor over income-producing logistics and industrial real estate assets located in Asia held by the Sponsor or its subsidiaries
- The following slide sets out examples of some logistics properties that are potential pipeline properties for DHLT in Japan and outside of Japan
- The list of properties in Japan is based on criteria such as location and land tenure, amongst other factors, while DHLT has been granted an exclusive ROFR over the Sponsor’s pipeline logistics assets across Asia outside Japan



Sponsor’s Accumulated Logistics Facilities Development⁽¹⁾

Built-to-suit

252 FACILITIES **5.4 FLOOR AREA MILLION SQM**

Multi-tenanted

113 FACILITIES **7.4 FLOOR AREA MILLION SQM**

Development capabilities of the Sponsor has **historically exceeded absorption capacity** of the existing Sponsor real estate funds

(1) Accumulated as at 31 March 2023. Floor areas have been accumulated since FY2003 for built-to-suit type logistics, and since FY2013 for multi-tenant type logistics.

Examples of pipeline assets in Japan

#	Name	Region	Land ⁽²⁾	Floor Area (sqm)	Completion Year
1	DPL Hiroshima Itsukaichi Port	Chugoku	FH	49,911	2017
2	D Project Kadoma 2	Greater Osaka	LH	24,386	2020
3	DPL Toyama Imizu	Greater Nagoya	FH	22,889	2021
4	DPL Iwate Hanamaki	Tohoku	FH	13,666	2021
5	DPL Gunma Fujioka	Greater Tokyo	FH	23,755	2021
6	DPL Iwate Kitakami 3	Tohoku	FH	10,803	2021
7	D Project Sapporo Minami 2	Tohoku	FH	20,864	2021
8	DPL Fukuoka Hisayama	Kyusyu	FH	21,929	2022
9	DPL Tomigusuku 2	Okinawa	LH	79,916	2022
10	DPL Kakegawa	Greater Nagoya	FH	58,192	2023
11	DPL Nagano Chikuma	Greater Tokyo	FH	42,780	2023
12	DPL Okayama Airport South	Chugoku	FH	33,301	2023
13	DPL Koriyama 2	Tohoku	FH	19,693	2023
14	DPL Ibaraki Yuki	Greater Tokyo	FH	11,519	2023
15	DPL Tsukuba Ami 3	Greater Tokyo	FH	76,750	2023 ⁽¹⁾
16	DPL Sendai Rifu 2	Tohoku	FH	15,851	2024
Total				526,205	



DPL Hiroshima Itsukaichi Port

- While there is no certainty DHLT will acquire all the properties listed, DHLT is also not restricted to acquire only the properties that are listed
- The properties listed are non-exhaustive and the lists may change from time to time as the Sponsor may divest certain properties as part of its business, and also continue to develop new properties

Examples of pipeline assets in Southeast Asia

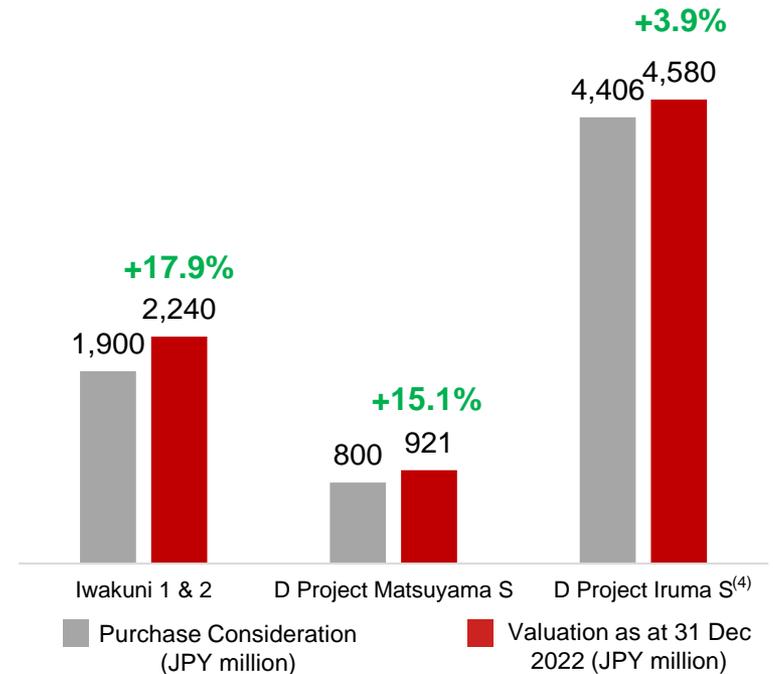
#	Name	Country	Land ⁽²⁾	Floor Area (sq m)	Completion Year
1	DPL Loc An - Binh Son 1	Vietnam	LH	36,860	2019
2	DPL Loc An - Binh Son 2	Vietnam	LH	31,891	2021
3	DPL Long Duc	Vietnam	LH	24,345	2022
4	D Project Tan Duc A	Vietnam	LH	40,452	2023 ⁽¹⁾
5	D Project Tan Duc B	Vietnam	LH	18,465	2023 ⁽¹⁾
6	DHML 1	Malaysia	LH	16,500	2020
7	DHML 2	Malaysia	LH	20,000	2021
8	DHML 3	Malaysia	FH	75,411	2025 ⁽¹⁾
9	DMLP 1	Indonesia	LH	59,040	2018
10	DMLP 2	Indonesia	LH	46,493	2020
11	DMLP 3	Indonesia	LH	102,907	2025 ⁽¹⁾
12	DMLP 4	Indonesia	LH	97,977	N.A.
Total				570,341	



DHML2

- The maiden acquisition by DHLT was completed on 8 December 2022⁽¹⁾
- DPL Iwakuni 1 & 2, D Project Matsuyama S and underlying freehold land of D Project Iruma S were acquired from the Sponsor for JPY4,676.0 million (S\$46.3 million)⁽²⁾, 11.8% below the aggregate value
- Acquisition partially funded by proceeds (JPY1,250 million (S\$12.4 million)⁽²⁾) from new Units subscribed by the Sponsor at S\$0.77 per Unit, representing a premium of 21.2% over the 10-Day VWAP⁽³⁾

Value creation through valuation uplift from purchase consideration



- (1) Please refer to the circular dated 16 November 2022 and the announcements issued on 21 September 2022 and 8 December 2022 for more details on the acquisition.
- (2) Based on exchange rate of S\$1.00 = JPY 101.01 as at 7 December 2022.
- (3) 10-Day VWAP refers to the volume-weighted average price per Unit on the SGX-ST for a period of 10 market days prior and up to (and including) the market day immediately preceding the date of issuance of the new Units.
- (4) The purchase consideration for D Project Iruma S is based on the aggregate of the purchase consideration of (i) D Project Iruma S as a leasehold property acquired at IPO and (ii) the underlying freehold land acquired in December 2022, and the valuation was based on D Project Iruma S as a freehold property as at 31 December 2022.



Outlook

- In March 2023, CBRE conducted a survey on more than 200 logistics operators and consignor firms in Japan regarding their appetite for expansion of logistics network
- Some of the findings of the survey, set out in a report published in June 2023, indicated that demand for modern logistics facilities is expected to remain strong

57%

of respondents indicated expanding their warehouse floor area over the next 3 years

- Business expansion as the top reason for the increase in floor space requirement
- Only 2% indicated plans for reductions

42%

of consigner firms indicated use of 3PL operators likely to increase over the next 3 years

- 3PL sector in Japan may continue to grow as outsourcing trend continues
- Only 4% indicated such outsourcing to decrease

36%

of logistics operators indicated additional transit locations to address “2024 Problem”

- “**2024 Problem**” - Truck driver overtime in Japan to be restricted to 960 hours per annum from April 2024
- Potentially drive demand for logistics space in regional cities

Proactive Asset Management

Objective for FY2023



Continue to build ties with tenants and target 100% lease renewal rate

Status

- *Successfully renewed the lease that expired in 1Q2023*
- *Remaining leases expiring in 4Q2023*
- *Addressing some of the feedback arising from tenants' survey*



Target to achieve 100% portfolio occupancy rate

- **ACHIEVED** *with the leasing of the remaining vacant space in July 2023*



Seek opportunity to enhance overall sustainability

- *Progressively replacing lightings with LED lights in a property*
- *Ongoing discussion with tenant for installation of LED lights in another property*
- *Renewed / new leases contained "green" clause*

Driving growth

Objective for FY2023



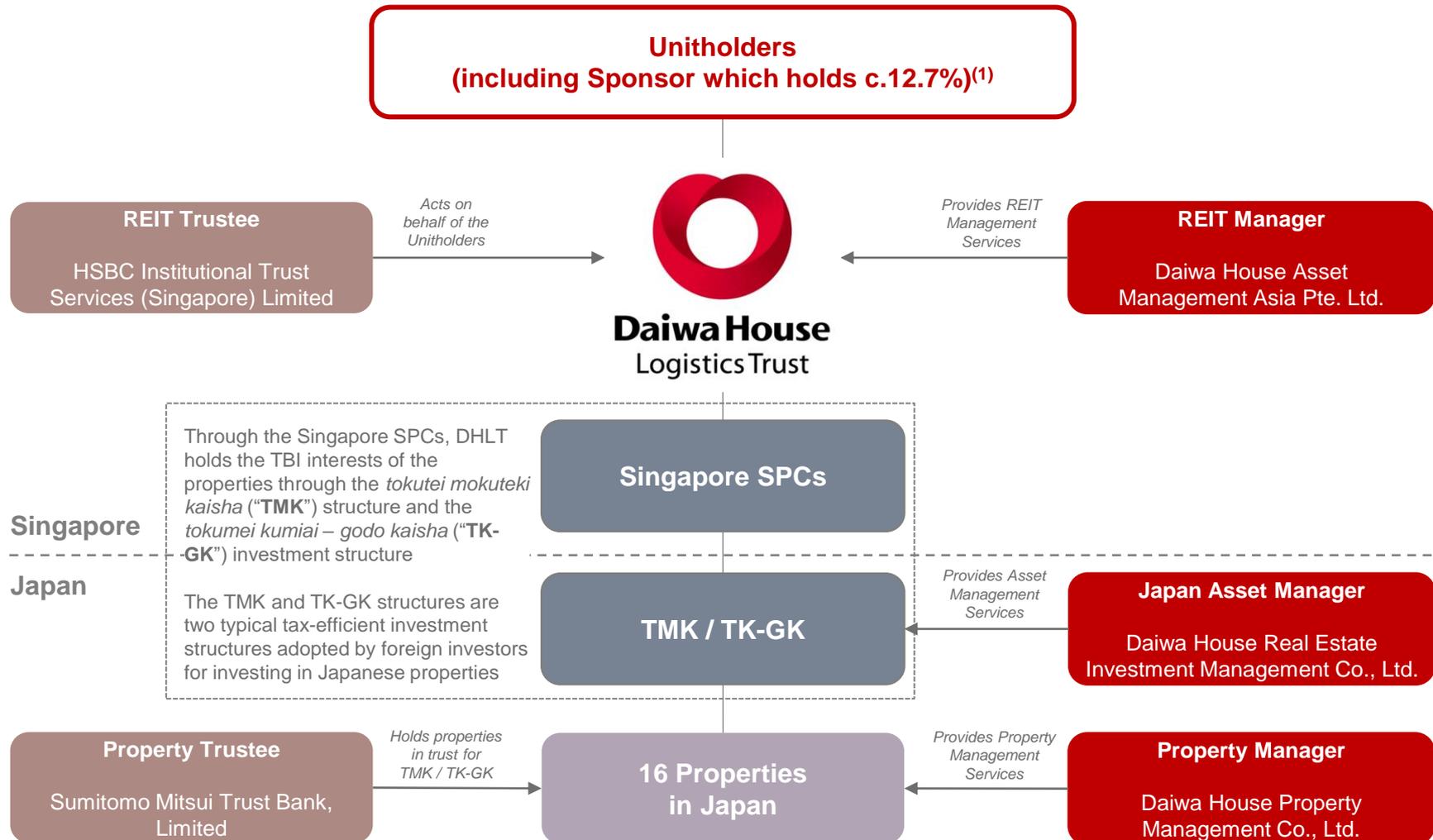
Continue to focus on key market Japan and to diversify outside of Japan where opportunities arise

Status

- *The Manager has been actively evaluating potential acquisition targets*



Appendix



(1) As at 29 May 2023, including Units held by the Manager.

<p>REIT Manager Fee</p>	<ul style="list-style-type: none"> ▪ Base Fee: 10.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of DHLT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee but after accounting for the fees payable to the Japan Asset Manager) ▪ Performance Fee: 25.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year and the fees payable to the Japan Asset Manager) multiplied by the weighted average number of Units in issue for such financial year ▪ Acquisition Fee: 1.0% of the purchase consideration of the property (or such lower percentage as may be determined by the Manager in its absolute discretion) ▪ Divestment Fee: 0.5% of the sale price of any real estate sold or divested (or such lower percentage as may be determined by the Manager in its absolute discretion) 	<p>Distribution-based Management Fees</p>
<p>Fees Payable To Japan Asset Manager</p>	<ul style="list-style-type: none"> ▪ Acquisition Fee: 0.3% of the purchase consideration of properties to be acquired ▪ Divestment Fee: 0.3% of the purchase consideration of the properties to be disposed of ▪ Asset Management Fees: Total of up to 0.15% per annum of the purchase price of the TBI ▪ The Manager's fees shall be reduced by the amount of fees payable to the Japan Asset Manager such that there will be no double-counting of the fees paid to the Manager and the Japan Asset Manager 	<p>No double counting of fees</p>

Summary of Portfolio

	Completion Year	NLA (sq m)	Land Tenure	Tenancy Type	WALE (By GRI) ⁽¹⁾	Occupancy ⁽²⁾	Valuation (JPY million) ⁽³⁾
Hokkaido / Tohoku							
DPL Sapporo Higashi Kariki	2018	60,347	Freehold	Multi-tenanted	2.7	100.0%	12,800
DPL Sendai Port	2017	63,119	Freehold	Multi-tenanted	1.3	100.0%	13,200
DPL Koriyama	2019	34,174	Freehold	Multi-tenanted	1.0	82.3% ⁽⁴⁾	6,870
Greater Tokyo							
D Project Maebashi S	2018	14,736	Freehold	Single-tenanted	10.3	100.0%	3,520
D Project Kuki S	2014	18,257	Expiring 2034	Single-tenanted	1.1	100.0%	1,250
D Project Misato S	2015	14,877	Expiring 2045	Single-tenanted	11.6	100.0%	2,300
D Project Iruma S	2017	14,582	Freehold ⁽⁵⁾	Single-tenanted	14.5	100.0%	4,580
DPL Kawasaki Yako	2017	93,159	Expiring 2067	Multi-tenanted	10.8	100.0%	21,000
D Project Nagano Suzaka S	2018	9,810	Freehold	Single-tenanted	5.3	100.0%	2,690
Greater Nagoya							
DPL Shinfuji	2017	27,537	Expiring 2065	Multi-tenanted	7.5	100.0%	3,790
D Project Kakegawa S	2019	22,523	Freehold	Single-tenanted	10.8	100.0%	4,290
Chugoku / Shikoku / Kyushu							
DPL Okayama Hayashima	2017 / 2018	23,541	Expiring 2067	Multi-tenanted	3.9	100.0%	4,520
DPL Okayama Hayashima 2	2017	16,750	Expiring 2051	Multi-tenanted	1.5	100.0%	2,210
DPL Iwakuni 1 & 2	2016 / 2020	15,461	Freehold	Multi-tenanted	2.0	100.0%	2,240
D Project Matsuyama S	1994 / 2017	5,347	Freehold	Single-tenanted	6.1	100.0%	921
D Project Fukuoka Tobarā S	2019	10,508	Expiring 2068	Single-tenanted	11.1	100.0%	1,350
Total / Average / Weighted Average	-	444,728	-	-	6.6	98.6%	87,531

(1) Based on the monthly rent as at June 2023.

(2) Based on NLA as at 30 June 2023.

(3) Based on the independent valuation of the properties as at 31 December 2022.

(4) Occupancy for DPL Koriyama was 100% as at 31 July 2023.

(5) DHLT, in substance, owns the full freehold property of D Project Iruma S after acquiring the underlying freehold land in December 2022.



Daiwa House
Logistics Trust

Thank you.