



**Daiwa House**  
Logistics Trust

# **Daiwa House Logistics Trust**

---

Business Updates for the third quarter ended  
30 September 2023 (“**3Q FY2023**”)

3 November 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.

Any discrepancies in the figures included in this announcement between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this announcement may not be an arithmetic aggregation of the figures that precede them.

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.

# Financials

Net Property Income  
for 9M FY2023<sup>(1)</sup>

**JPY 3.5** BILLION  
+3.9% y-o-y<sup>(2)</sup>

Distributable Income  
for 9M FY2023<sup>(1)</sup>

**S\$ 27.0** MILLION  
+2.2% y-o-y<sup>(2)</sup>

Aggregate Leverage<sup>(3)</sup>

**36.2%**

Interest Coverage<sup>(1)</sup>

**11.8** TIMES

Proportion of Loan in Fixed Rate<sup>(3)</sup>

**100.0%**

# Operations

Portfolio Occupancy<sup>(3)</sup>

**100.0%**

Weighted Average Lease  
Expiry by GRI<sup>(3,4)</sup>

**6.3** YEARS

# Key Highlights

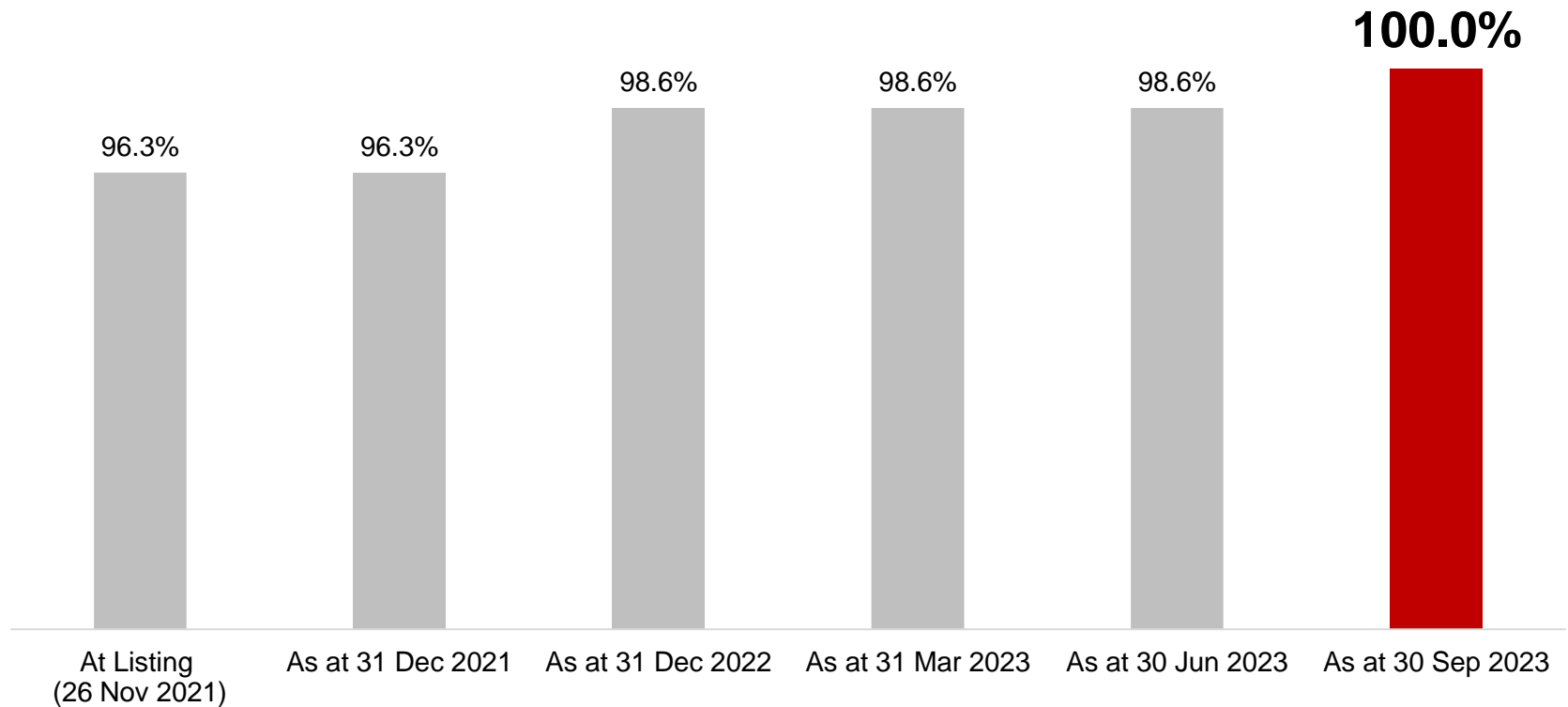
3Q FY2023 / 9M FY2023

- (1) In respect of nine-month period ended 30 September 2023 ("9M FY2023").
- (2) Compared against the corresponding nine-month period in FY2022, i.e. 1 January 2022 to 30 September 2022.
- (3) Information as at 30 September 2023.
- (4) Gross rental income ("GRI") based on monthly rent as at September 2023.



# Operational Performance

## Portfolio Occupancy Rate



- Steady improvement since listing in November 2021, with portfolio achieving 100% occupancy rate in July 2023

Leases  
renewed in  
FY2023

- 2 leases renewed so far in 2023 (in March 2023 and October 2023) at existing monthly rent
- Total of approx. 49,000 sqm or 11% of total net lettable area “**NLA**”) renewed so far in 2023
- 100% lease renewal rate since listing in November 2021

Remaining  
leases  
expiring in  
FY2023

- 2 leases expiring in December 2023, approx. 13,800 sqm in aggregate or 3% of total NLA
- The tenants intend to renew the respective lease with negotiations on terms in progress

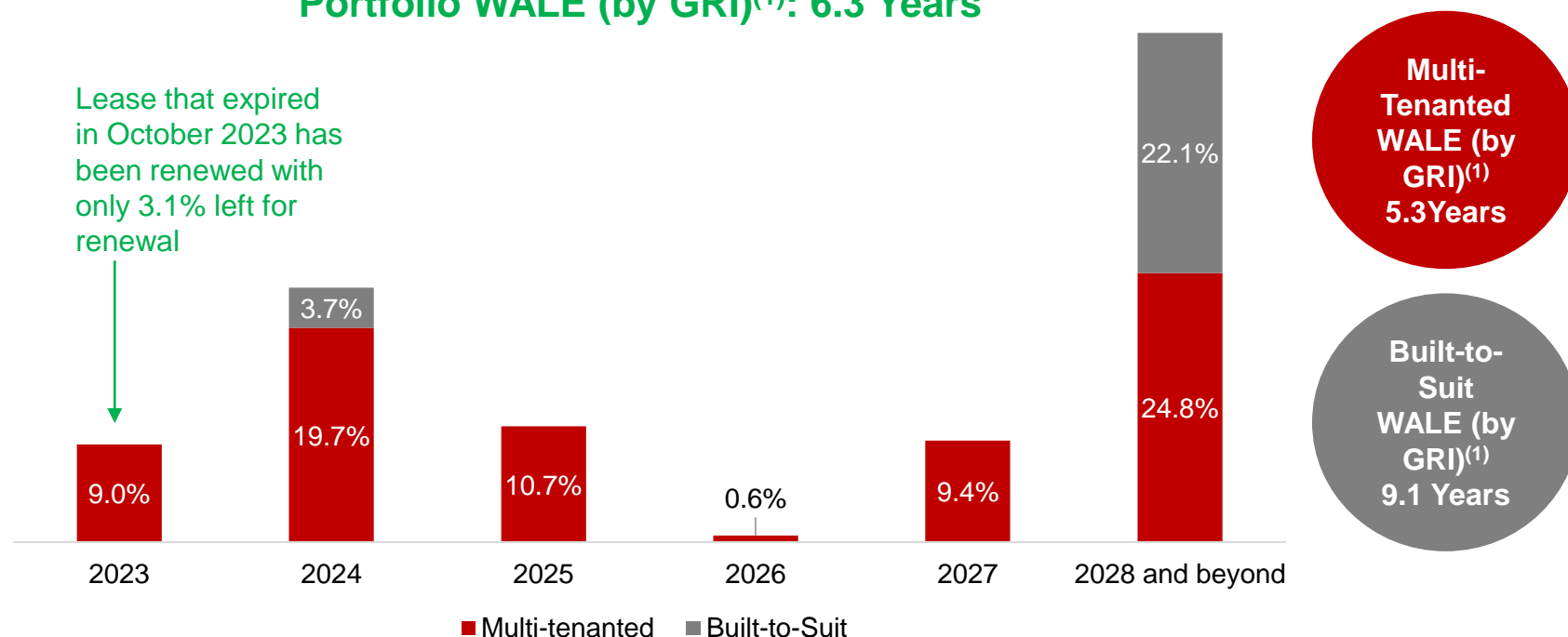
BTS lease  
expiring in  
2024

- Lease for built-to-suit (“**BTS**”) property, D Project Kuki S to expire in July 2024
- Negotiation progressing well with expected installation of LED lightings in the property as part of sustainability efforts

- 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
- Tenant survey for 2023 has also commenced as we seek to strengthen ties with tenants

## Portfolio Lease Expiry by Gross Rental Income<sup>(1)</sup> as at 30 September 2023

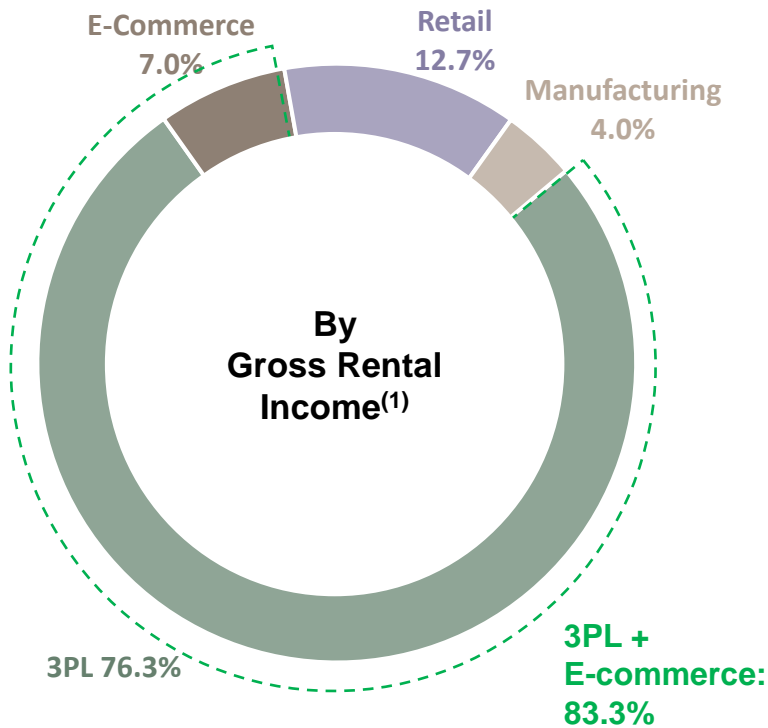
**Portfolio WALE (by GRI)<sup>(1)</sup>: 6.3 Years**



- Well staggered lease expiry helps mitigate renewal risk in any single year
- Long WALE provides income stability to DHLT

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

## Breakdown by Tenant Trade Sector



## Top 10 Tenants<sup>(2)</sup>

	Tenant	Sector	% of NPI <sup>(2)</sup>
1	Mitsubishi Shokuhin	3PL	18.9
2	Nippon Express	3PL	8.3
3	Suntory Logistics	3PL	7.8
4	Nitori	Retail	5.5
5	Tenant A <sup>(3)</sup>	3PL	4.4
6	Create SD	3PL	4.3
7	Tenant B <sup>(3)</sup>	3PL	4.0
8	K.R.S Corporation	3PL	4.0
9	Tokyo Logistics Factory	3PL	4.0
10	CB Group Management	3PL	3.9
			65.1

- Tenants are high quality names which are leading Japanese and global blue-chip companies
- Tenant base remained stable with 76.3% of the tenants (by GRI<sup>(2)</sup>) involved in 3PL which have diversified client base across sectors such as F&B, grocery supplies, medical goods and chemical products

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

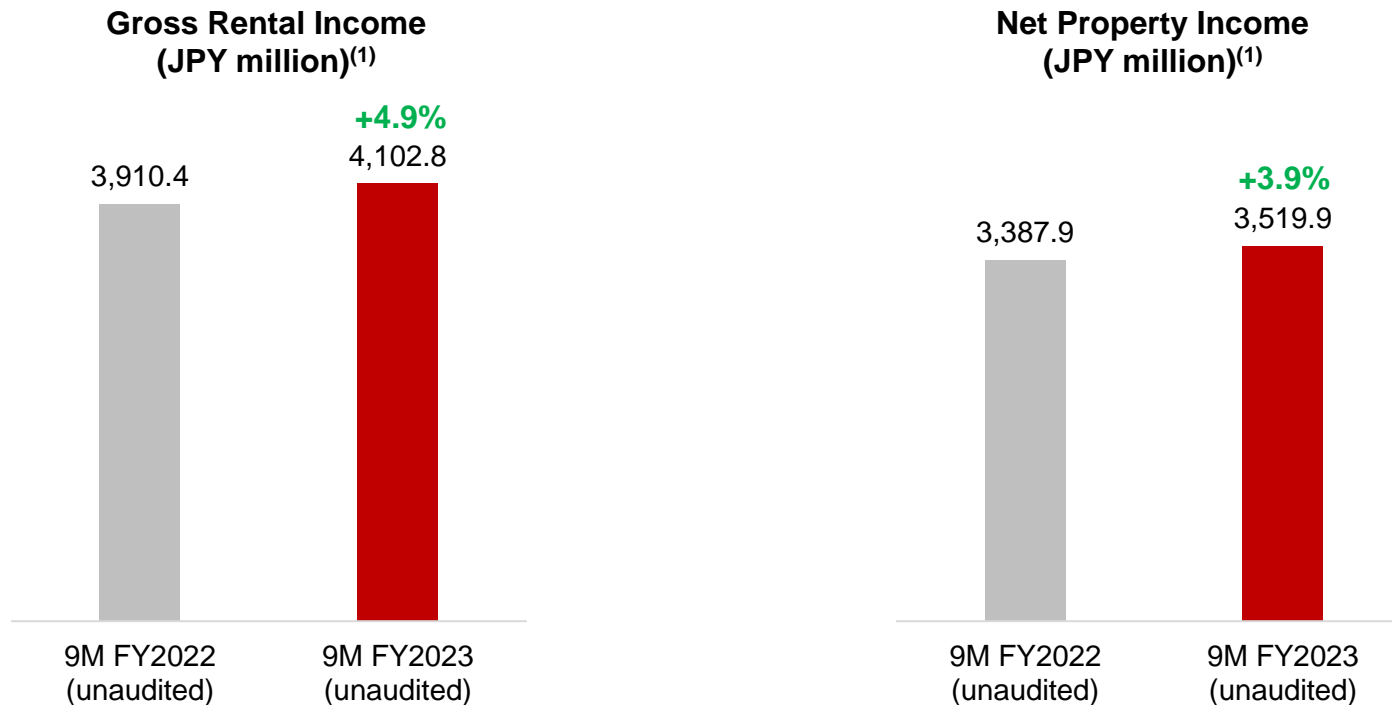
(2) Based on NPI for 9M FY2023 and % of NPI was calculated and adjusted based on the NPI of each property and allocated to the respective tenants by the proportion of NLA the tenants occupy in the property.

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



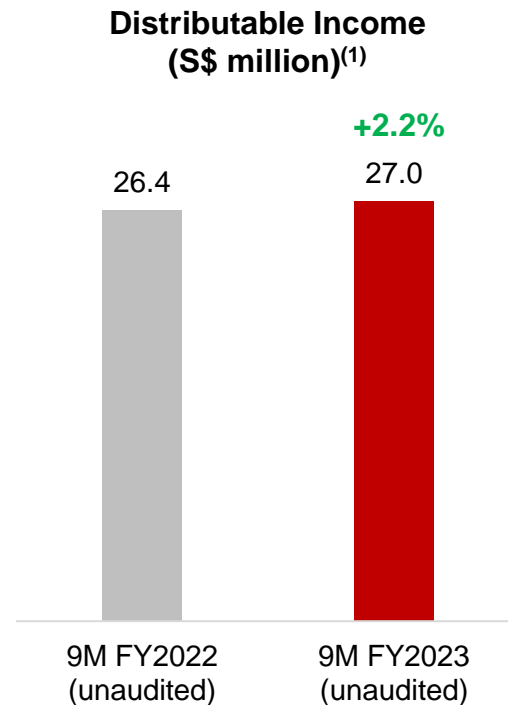


# Financial Performance



- GRI and net property income (“NPI”) in JPY term for 9M FY2023 were higher y-o-y<sup>(1)</sup> mainly due to contribution from properties that were acquired in December 2022
- NPI in SGD terms was lower by 6.4% mainly due to weaker JPY against SGD

(1) In respect of 9M FY2023 compared against the corresponding nine-month period in FY2022, i.e. 1 January 2022 to 30 September 2022.



- Distributable income improved by 2.2% y-o-y mainly due to:
  - contribution from the properties acquired in December 2022; and
  - realised foreign exchange gain in relation to the hedges put in place
- Distributions will be made on a semi-annual basis, with the next distribution in respect of the period 1 July 2023 to 31 December 2023

(1) In respect of 9M FY2023 compared against the corresponding nine-month period in FY2022, i.e. 1 January 2022 to 30 September 2022.

	As at 30 Jun 2023 (unaudited)	As at 30 Sep 2023 (unaudited)
<b>Total Assets (S\$ million)</b>	1,094.5	<b>1,057.9</b>
<b>Total Liabilities (S\$ million)</b>	548.8	<b>536.3</b>
<b>Net Assets Attributable to Unitholders (S\$ million)<sup>(1)</sup></b>	509.9	<b>486.1</b>
<b>NAV per Unit attributable to Unitholders (S\$)<sup>(1)</sup></b>	0.73	<b>0.70</b>
<b>Aggregate Leverage<sup>(2)</sup></b>	35.7%	<b>36.2%</b>

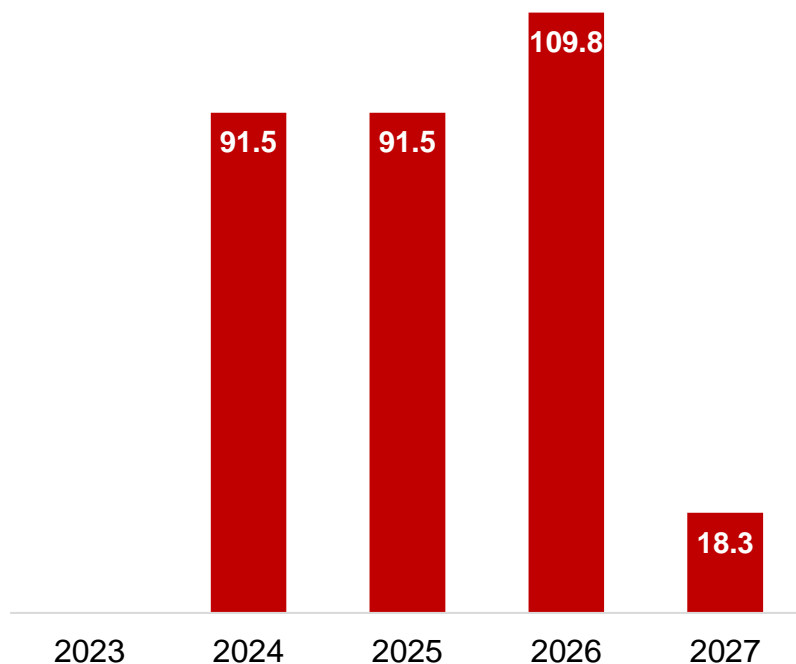
- The decline in net asset value (“NAV”) and NAV per Unit was mainly due to weaker JPY against SGD<sup>(3)</sup> and payment of cash distribution in September 2023
- Healthy leverage level provides debt headroom of approximately S\$55 million to aggregate leverage of 40%

(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 30 June 2023 and 30 September 2023 were 106.74 and 109.32, respectively.

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



As at  
30 September 2023

Total borrowings	<ul style="list-style-type: none"> <li>JPY34.0 billion (S\$311.0 million)</li> </ul>
Weighted average debt tenure	<ul style="list-style-type: none"> <li>2.3 years</li> </ul>
Weighted average borrowing cost	<ul style="list-style-type: none"> <li>0.99% (all-in rates and includes upfront fees)</li> </ul>
Proportion of debt with fixed cost	<ul style="list-style-type: none"> <li>100.0%</li> </ul>
Interest coverage ratio <sup>(1)</sup>	<ul style="list-style-type: none"> <li>11.8 times</li> </ul>

- Borrowings are 100% denominated in JPY to provide natural hedge
- Maintained high level of interest coverage ratio

(1) Based on 9M FY2023.

# Outlook

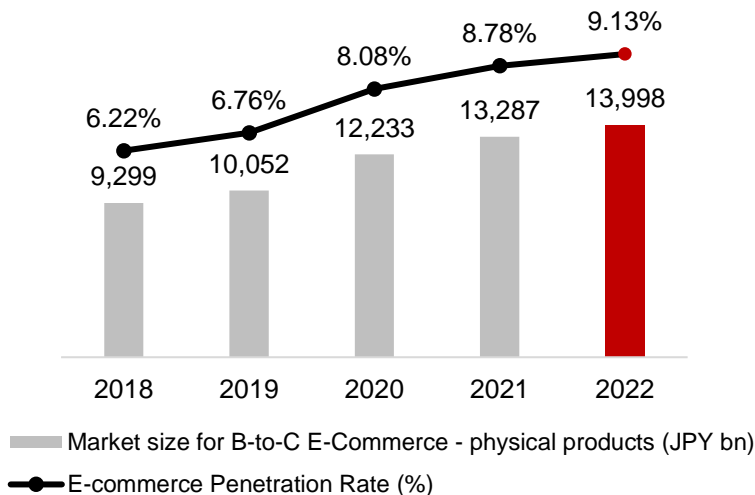


## Near term challenges due to supply

- Record level of new supply expected in Japan logistics market in 2023 of more than 7.0 million sqm of gross floor area, with 4.4 million sqm in Greater Tokyo<sup>(1)</sup>
- Overall rent growth expected to be dampened in near term, with older and less accessible facilities more likely to struggle
- Going forward, future developments may slow down due to elevated construction costs and higher land prices

DHLT portfolio comprises facilities that meet modern requirements with an average portfolio age of only around 6 years<sup>(3)</sup>

## Japan B-to-C E-Commerce Market<sup>(2)</sup>



## Demand expected to remain healthy

- E-commerce (“EC”) is a key driver for demand of logistics space in Japan
- The sector has recorded strong growth over the past years to almost JPY14 trillion in 2022<sup>(2)</sup>
- EC penetration rate has also improved steadily, but is relatively low compared to more mature markets
- The Manager believes there is potential for further growth for EC market in Japan, which continue to drive demand for logistics facilities

(1) Source: Savills Research – Japan Logistics (September 2023)

(2) Source: Report by the Ministry of Economy, Trade and Industry on 2022 E-Commerce Market Survey (August 2023).

(3) As at 30 September 2023 and based on weighted average by NLA.



# Appendix



**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**

**16**  
Modern  
Logistics Assets

**100.0%**  
Portfolio  
Occupancy Rate<sup>(1)</sup>

**JPY87,531 mil**  
Portfolio  
Valuation<sup>(2)</sup>

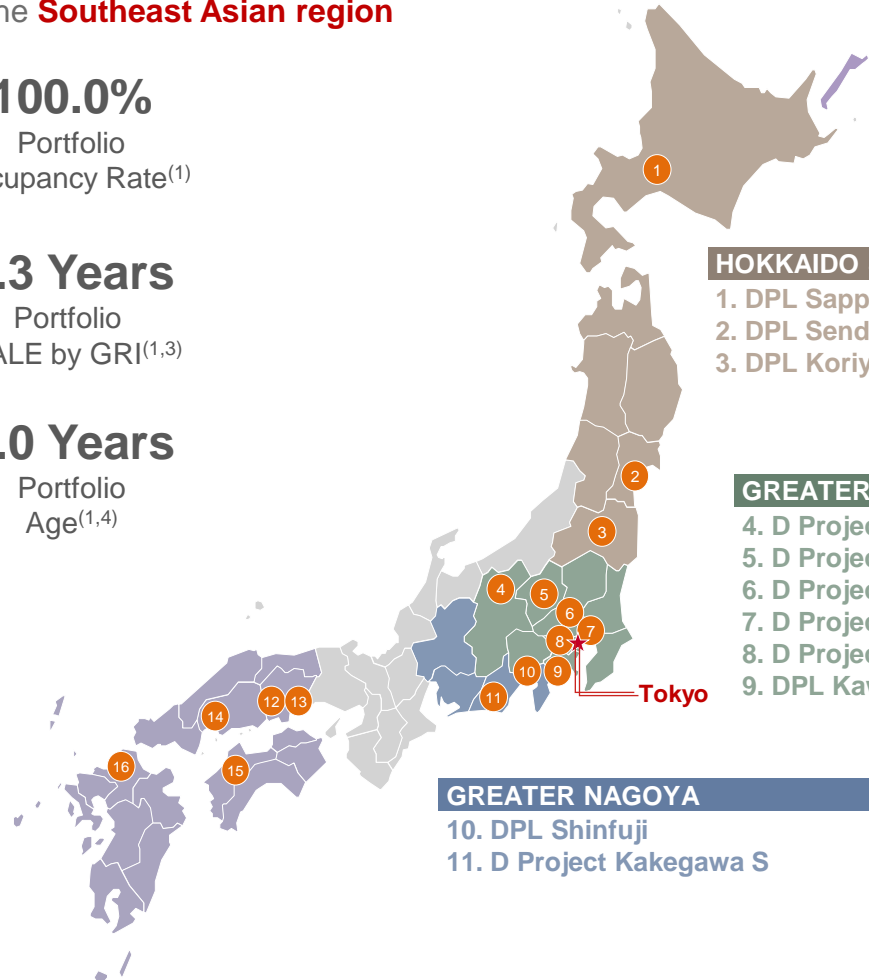
**6.3 Years**  
Portfolio  
WALE by GRI<sup>(1,3)</sup>

**444,728 sqm**  
Total  
NLA<sup>(1)</sup>

**6.0 Years**  
Portfolio  
Age<sup>(1,4)</sup>

**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 30 September 2023. (2) Based on the independent valuation of the properties as at 31 December 2022. (3) Based on the monthly rent as at September 2023. (4) Based on weighted average by NLA.

# Summary of Portfolio

	Completion Year	NLA (sq m)	Land Tenure	Tenancy Type	WALE (By GRI) <sup>(1)</sup>	Occupancy <sup>(2)</sup>	Valuation (JPY million) <sup>(3)</sup>
<b>Hokkaido / Tohoku</b>							
DPL Sapporo Higashi Kariki	2018	60,347	Freehold	Multi-tenanted	2.5	100.0%	12,800
DPL Sendai Port	2017	63,119	Freehold	Multi-tenanted	1.0	100.0%	13,200
DPL Koriyama	2019	34,174	Freehold	Multi-tenanted	0.7	100.0%	6,870
<b>Greater Tokyo</b>							
D Project Maebashi S	2018	14,736	Freehold	Single-tenanted	10.1	100.0%	3,520
D Project Kuki S	2014	18,257	Expiring 2034	Single-tenanted	0.8	100.0%	1,250
D Project Misato S	2015	14,877	Expiring 2045	Single-tenanted	11.4	100.0%	2,300
D Project Iruma S	2017	14,582	Freehold <sup>(4)</sup>	Single-tenanted	14.3	100.0%	4,580
DPL Kawasaki Yako	2017	93,159	Expiring 2067	Multi-tenanted	10.5	100.0%	21,000
D Project Nagano Suzaka S	2018	9,810	Freehold	Single-tenanted	5.1	100.0%	2,690
<b>Greater Nagoya</b>							
DPL Shinfuji	2017	27,537	Expiring 2065	Multi-tenanted	7.3	100.0%	3,790
D Project Kakegawa S	2019	22,523	Freehold	Single-tenanted	10.6	100.0%	4,290
<b>Chugoku / Shikoku / Kyushu</b>							
DPL Okayama Hayashima	2017 / 2018	23,541	Expiring 2067	Multi-tenanted	3.7	100.0%	4,520
DPL Okayama Hayashima 2	2017	16,750	Expiring 2051	Multi-tenanted	1.3	100.0%	2,210
DPL Iwakuni 1 & 2	2016 / 2020	15,461	Freehold	Multi-tenanted	1.7	100.0%	2,240
D Project Matsuyama S	1994 / 2017	5,347	Freehold	Single-tenanted	5.9	100.0%	921
D Project Fukuoka Tobarā S	2019	10,508	Expiring 2068	Single-tenanted	10.8	100.0%	1,350
<b>Total / Average / Weighted Average</b>	-	<b>444,728</b>	-	-	<b>6.3</b>	<b>100.0%</b>	<b>87,531</b>

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

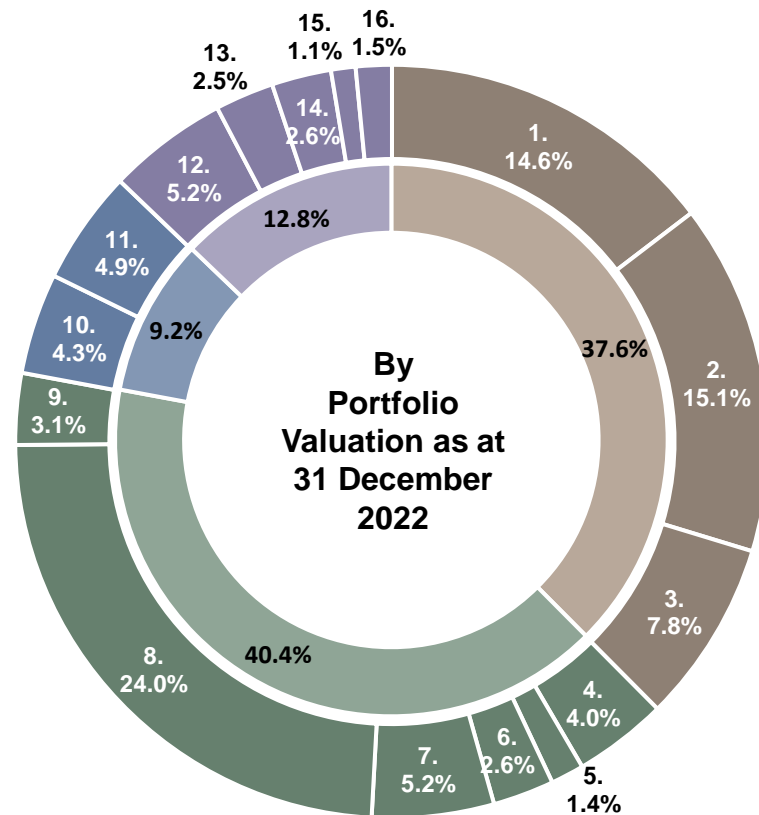
(2) Based on NLA as at 30 September 2023.

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

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

# Well diversified portfolio across regions in Japan

	Valuation (JPY million) <sup>(1)</sup>
<b>Hokkaido &amp; Tohoku</b>	<b>32,870.0</b>
1. DPL Sapporo Higashi Kariki	12,800.0
2. DPL Sendai Port	13,200.0
3. DPL Koriyama	6,870.0
<b>Greater Tokyo</b>	<b>35,340.0</b>
4. D Project Maebashi S	3,520.0
5. D Project Kuki S	1,250.0
6. D Project Misato S	2,300.0
7. D Project Iruma S	4,580.0
8. DPL Kawasaki Yako	21,000.0
9. D Project Nagano Suzaka S	2,690.0
<b>Greater Nagoya</b>	<b>8,080.0</b>
10. DPL Shinfuji	3,790.0
11. D Project Kakegawa S	4,290.0
<b>Chugoku / Shikoku / Kyushu</b>	<b>11,241.0</b>
12. DPL Okayama Hayashima	4,520.0
13. DPL Okayama Hayashima 2	2,210.0
14. DPL Iwakuni 1 & 2	2,240.0
15. D Project Matsuyama S	921.0
16. D Project Fukuoka Tobarā S	1,380.0
<b>Total</b>	<b>87,531.0</b>

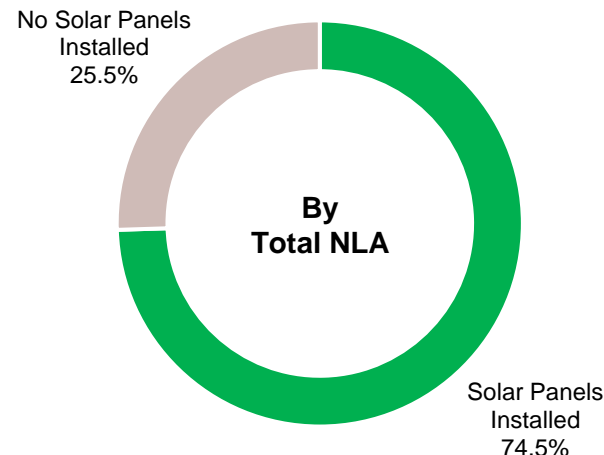
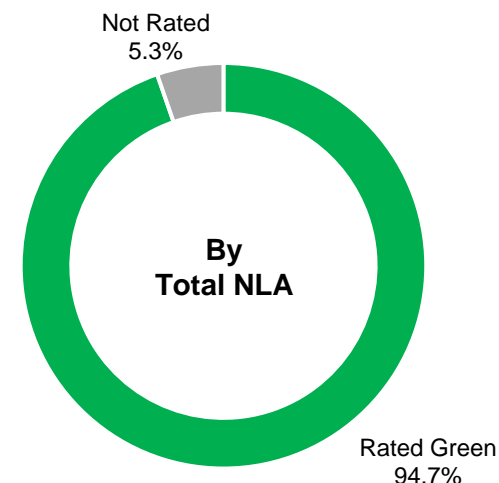


(1) Based on the independent valuation of the properties as at 31 December 2022.

# High proportion of “green” buildings

As at 30 September 2023

	Rated Green	Rating Standard <sup>(1)</sup>	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
<b>Total</b>	-		<b>15.4</b>



(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.

- DHLT has been granted a right of first refusal (“**ROFR**”) by the Daiwa House Industry Co., Ltd (“**Sponsor**”) over income-producing logistics and industrial real estate assets located in Asia held by the Sponsor or its subsidiaries, on the terms of the ROFR agreement
- The following 2 slides sets out examples of some logistics properties that are potential pipeline properties for DHLT in Japan and outside of Japan, respectively
- 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
- While there is no certainty DHLT will acquire all the properties listed in the following 2 slides, DHLT is also not restricted to acquire only the properties that are listed
- The properties listed in the following 2 slides 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 – Japan

#	Name	Region	Type	Land Type	GFA / NLA (sq m)	Completion Year
1	<b>DPL Hiroshima Itsukaichi Port</b>	Chugoku	Multi-tenanted	Freehold	49,911	2017
2	<b>D Project Kadoma 2</b>	Greater Osaka	Single-tenanted	Leasehold	24,386	2020
3	<b>DPL Gunma Fujioka</b>	Greater Tokyo	Multi-tenanted	Freehold	23,755	2021
4	<b>DPL Iwate Kitakami 3</b>	Tohoku	Multi-tenanted	Freehold	10,803	2021
5	<b>D Project Sapporo Minami 2</b>	Tohoku	Single-tenanted	Freehold	20,864	2021
6	<b>DPL Fukuoka Hisayama</b>	Kyusyu	Multi-tenanted	Freehold	21,929	2022
7	<b>DPL Tomigusuku 2</b>	Okinawa	Multi-tenanted	Leasehold	79,916	2022
8	<b>DPL Toyama Takaoka</b>	Greater Nagoya	Multi-tenanted	Freehold	16,765	2023
9	<b>DPL Kakegawa</b>	Greater Nagoya	Multi-tenanted	Freehold	58,192	2023
10	<b>DPL Nagano Chikuma</b>	Greater Tokyo	Multi-tenanted	Freehold	42,780	2023
11	<b>DPL Okayama Airport South</b>	Chugoku	Multi-tenanted	Freehold	33,301	2023
12	<b>DPL Koriyama 2</b>	Tohoku	Multi-tenanted	Freehold	19,693	2023
13	<b>DPL Ibaraki Yuki</b>	Greater Tokyo	Multi-tenanted	Freehold	11,519	2023
14	<b>DPL Tsukuba Ami 3</b>	Greater Tokyo	Multi-tenanted	Freehold	76,750	2023
15	<b>DPL Higashi Osaka</b>	Greater Osaka	Multi-tenanted	Leasehold	23,636	2023 <sup>(1)</sup>
16	<b>DPL Sendai Rifu 2</b>	Tohoku	Multi-tenanted	Freehold	15,851	2024 <sup>(1)</sup>
<b>Total</b>					<b>530,051</b>	



DPL Hiroshima Itsukaichi Port



DPL Tomigusuku 2

- Please note that the above list is non-exhaustive and may change from time to time

Note: Information as at 30 September 2023. (1) Estimated year of completion.

# Examples of pipeline assets – Southeast Asia

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



DPL Loc An-Binh Son 1



DHML2

- Please note that the above list is non-exhaustive and may change from time to time



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

Logistics Facilities  
Developed / Under Development<sup>(1)</sup>

**Daiwa House**  
Daiwa House Group

**365** FACILITIES | **12.8** FLOOR AREA  
MILLION SQM

Global Presence

**26** COUNTRIES

Market Capitalisation<sup>(2)</sup>

**S\$24.2** BILLION

Listed on Tokyo Stock Exchange

Credit Rating<sup>(3)</sup>

**AA**

Forbes The Global 2000 Ranking (2023)

**460**<sup>TH</sup>

One of the highest amongst Japan real estate developers

Fortune Global 500 Ranking (2023)

**418**<sup>TH</sup>

14 Consecutive Years Ranked

(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) As at 30 September 2023.

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





**Daiwa House**  
Logistics Trust

Thank you.

[www.daiwahouse-logisticstrust.com](http://www.daiwahouse-logisticstrust.com)