



Daiwa House
Logistics Trust

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Acquisition of D Project Tan Duc 2 in Vietnam

- Daiwa House Logistics Trust's first foray outside Japan

29 December 2023

Daiwa House

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This Presentation is qualified in its entirety by, and should be read in conjunction with, the full text of DHLT's announcement dated 29 December 2023 on the acquisition of D Project Tan Duc 2 (the "**Announcement**"). In the event of any inconsistency or conflict between, on the one hand, the Announcement and the information contained in this Presentation, the Announcement shall prevail.

All capitalised terms not defined in this Presentation shall have the meaning ascribed to them in the Announcement.

For illustrative purposes, unless otherwise indicated, in this Presentation, certain VND amounts have been translated into Singapore dollars based on the exchange rate of S\$1.00 = VND 18,197.15. Such translations should not be construed as representations that the VND amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all and vice versa.

Transaction Overview



Accretive acquisition to improve returns

- DHLT intends to acquire (“**Acquisition**”) D Project Tan Duc 2 (“**Property**”) via the acquisition of 100% of the capital in DH Logistics Management Vietnam Co., Ltd (“**Target Company**”) and the taking over of the existing Shareholder Loans of the Target Company (“**Transaction**”)
- The vendor is DH Asia Investment Peony Pte. Ltd. (“**Vendor**”), a wholly-owned subsidiary of the Sponsor, Daiwa House Industry Co., Ltd.
- The Transaction is expected to be funded mainly by borrowings, and is expected to be completed in the second quarter of 2024

The Acquisition is expected to improve DPU for FP2022 by 1.9% on pro forma basis²

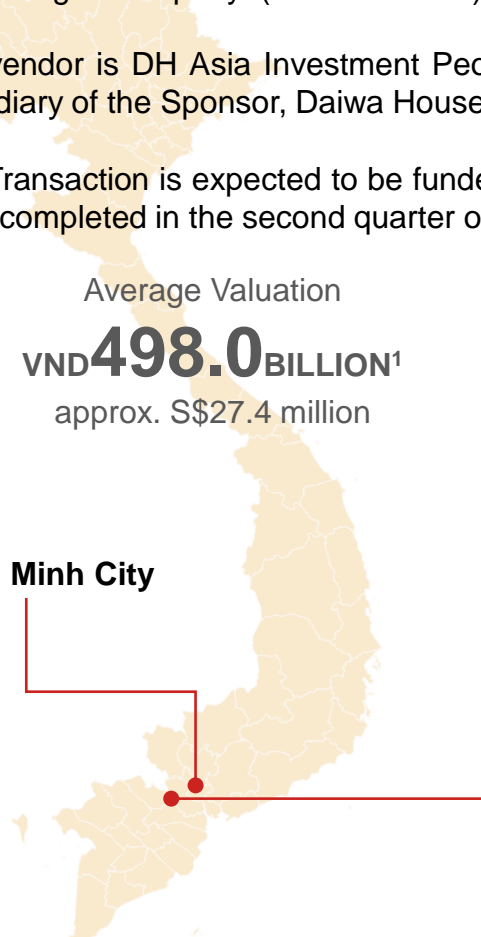
Average Valuation

VND**498.0**BILLION¹
approx. S\$27.4 million

Agreed Property Value

VND**483.0**BILLION
approx. S\$26.5 million

Ho Chi Minh City



(1) Based on average of the two valuations conducted by Jones Lang LaSalle Vietnam Company Limited and VAS Valuation Co., Ltd. in association with CBRE Vietnam) which valued the Property at VND506.0 billion (approximately S\$27.8 million) and VND490.0 billion (approximately S\$26.9 million), as at 30 September 2023 and 30 November 2023, respectively.

(2) Please refer to paragraph 4 of the Announcement for the pro forma financial effects of the Transaction for the financial period from 26 November 2021 (being the date of listing of DHLT) to 31 December 2022 (“**FP2022**”).

D Project Tan Duc 2

Tan Duc Industrial Park, Long An Province, Vietnam

BUILT-TO-SUIT
COLD STORAGE
FACILITY

Year of Completion

September 2023

Land Area

41,318 SQM

Net Lettable Area

18,465 SQM

Land Sublease Term

APPROX. 34.5 YEARS

Up to June 2058

Occupancy

100.0%

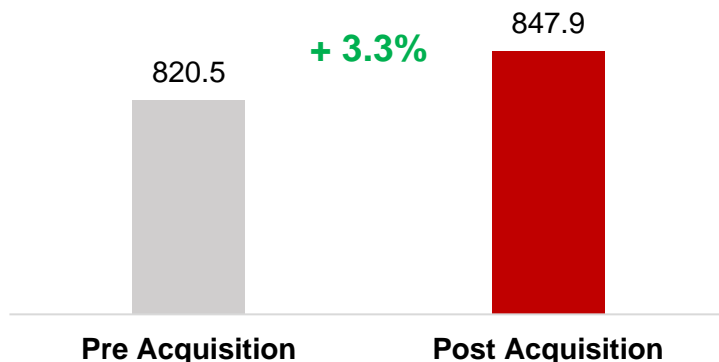
Built-to-suit Property

Tenancy Lease Term

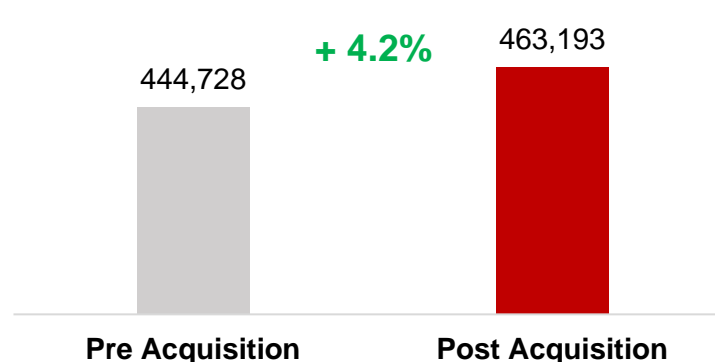
20 YEARS

From October 2023

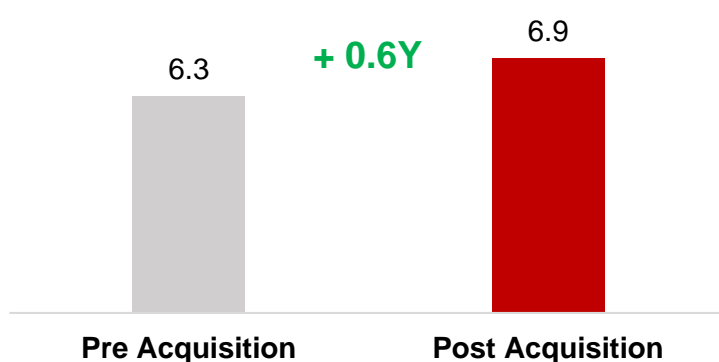
Portfolio Valuation¹ (S\$ million)



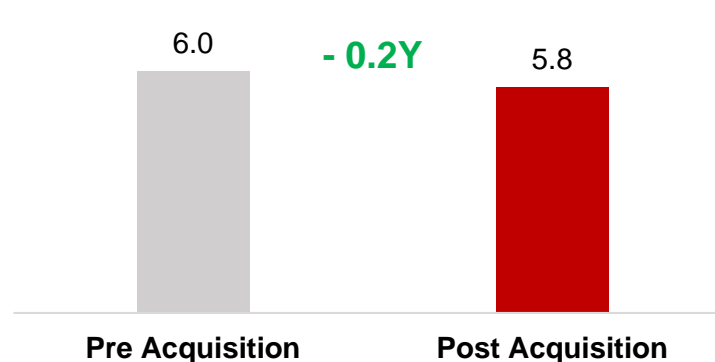
Net Lettable Area² (sqm)



WALE by GRI^{2,3} (Years)



Portfolio Age^{2,4} (Years)



(1) Based on the valuation of the existing portfolio as at 31 December 2022 and for Post Acquisition, including the valuation of the Property based on the average of the two independent valuations, converted to S\$ based on S\$1.00 = JPY106.68 and S\$1.00 = VND 18,197.15.
 (2) Based on information relating to the existing properties as at 30 September 2023.
 (3) Based on the monthly rent as at September 2023 and assuming that the lease agreement with the Tenant was in place from 1 January 2023.
 (4) Weighted by NLA

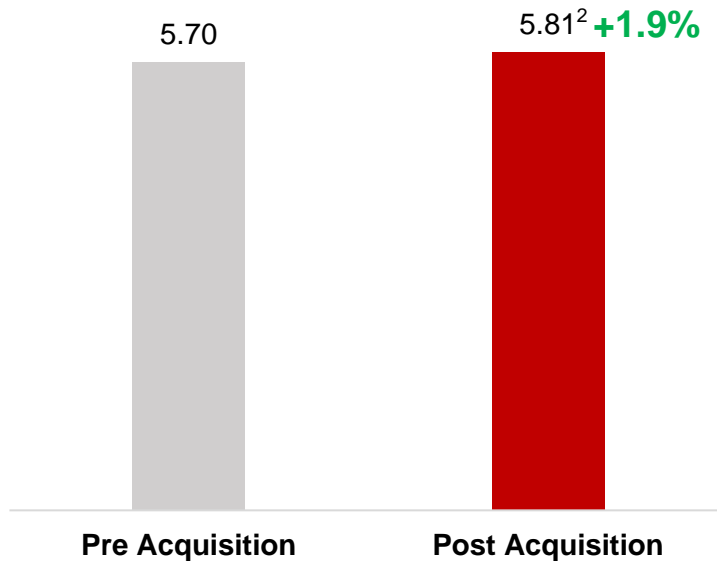


Rationale of Acquisition

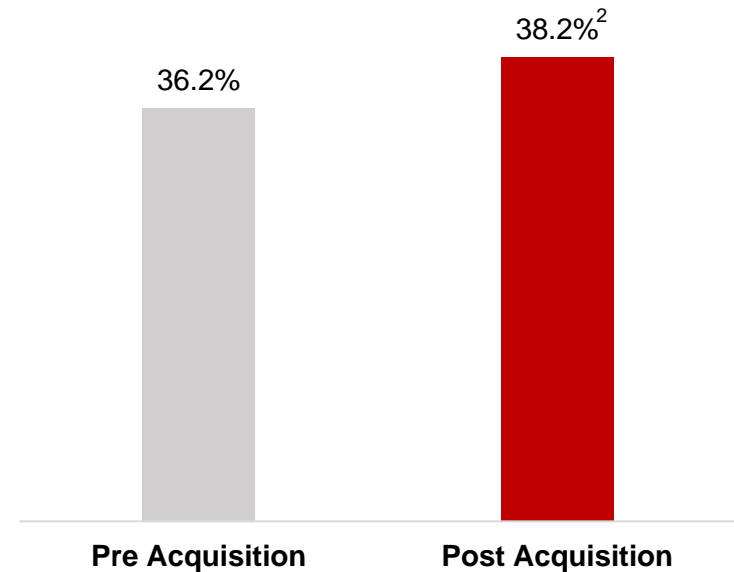
Delivering a DPU-accretive acquisition²

- ✓ The Acquisition is **expected to be DPU-accretive** by 1.9% for FP2022, on a pro forma basis
- ✓ Aggregate leverage is expected to increase from 36.2% as at 30 September 2023 but **remain at a healthy level of 38.2%**, on a pro forma basis

**DPU for FP2022
(Singapore cents)¹**



**Aggregate Leverage as at
30 Sep 2023**

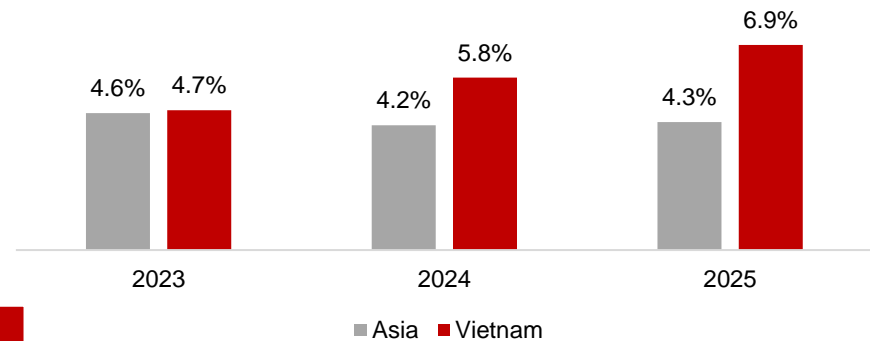


(1) Please refer to paragraph 4 of the Announcement for the pro forma financial effects of the Transaction.

(2) On a pro forma basis.

- ✓ The Acquisition is the first acquisition by DHLT outside Japan and will help to **diversify the portfolio** in terms of geography
- ✓ Vietnam is **one of the fastest growing economies** in Southeast Asia, **with a growing middle class**

Projected GDP Growth by IMF¹



Breakdown by Country (based on valuation)³

Japan, 96.8%

Vietnam, 3.2%

- ✓ The Property is located in Long An province which is near Ho Chi Minh City, **a key economic centre in Vietnam**, which has²:
 - ✓ the largest population in Vietnam
 - ✓ the largest labour force in the country
 - ✓ one of the highest GDP per capita in the country

(1) Source: International Monetary Fund Regional Economic Outlook - Asia and Pacific (October 2023).

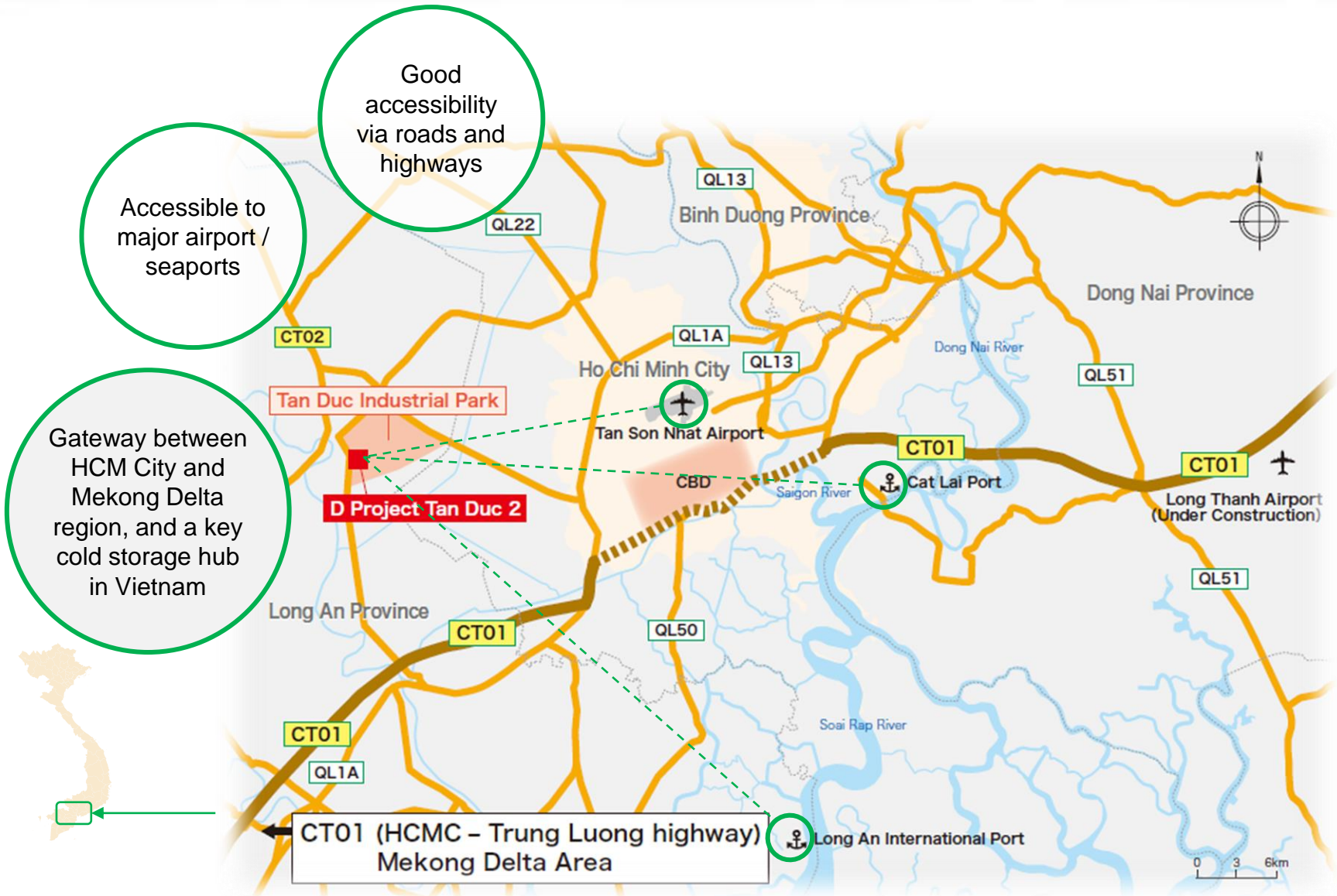
(2) Source: General Statistics Office of Vietnam – Statistical Year Book of Vietnam 2022.

(3) Based on valuation of existing portfolio as at 31 December 2022, converted to S\$ based on JPY106.68 : S\$1.00, and the Average Valuation of the Property converted to S\$.

- ✓ D Project Tan Duc 2 is a built-to-suit property developed as a cold storage facility for storage of frozen and chilled food
- ✓ Such cold storage facilities are currently experiencing a shortage in Vietnam, where demand is bolstered by:
 - ✓ Demand for high-quality food products driven by Vietnam's growing middle class and improving economy
 - ✓ Strong domestic demand for such food products coupled with a growing e-commerce sector are some of the key drivers for the development of the cold storage sector in Vietnam



Well positioned in key gateway location



- ✓ The Property is occupied by a Japanese third-party logistics (“3PL”) company (“**Tenant**”) which specializes in frozen and chilled food transportation services, and is a group company of a Tokyo Stock Exchange-listed entity
- ✓ The Property is leased on a 20-year lease term that commenced in October 2023
- ✓ This will provide DHLT with a stable income with majority of the operating expenses, including utility expenses, borne by the Tenant
- ✓ The Acquisition also further diversifies the tenant base of DHLT’s portfolio

Top 10 Tenants (Pre Acquisition)⁽¹⁾

	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 ⁽²⁾	3PL	4.5
6	Create SD	3PL	4.2
7	K.R.S Corporation	3PL	4.0
8	Tenant B ⁽²⁾	3PL	4.0
9	Tokyo Logistics Factory	3PL	4.0
10	CB Group Management	3PL	3.9
			65.4

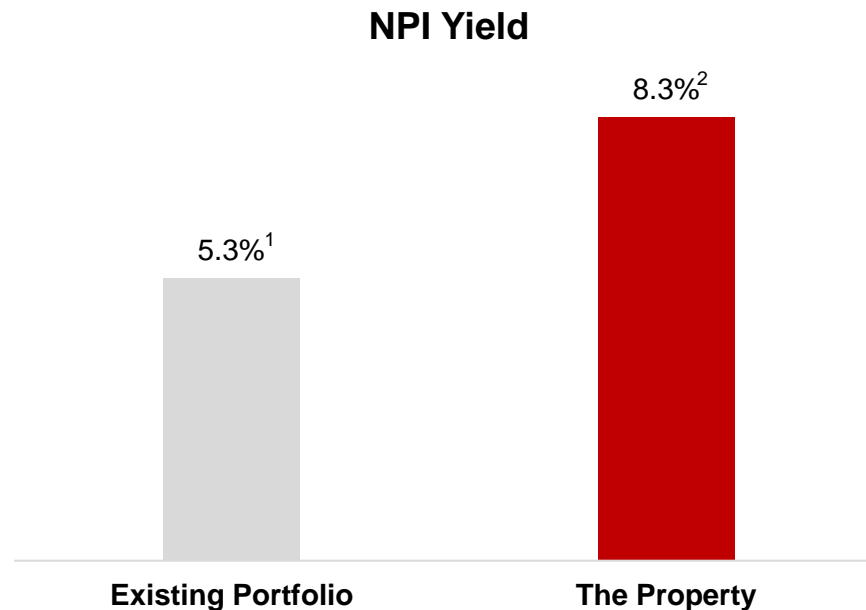


Top 10 Tenants (Post Acquisition)⁽¹⁾

	Tenant	Sector	% of NPI ⁽²⁾
1	Mitsubishi Shokuhin	3PL	18.0
2	Nippon Express	3PL	8.3
3	Suntory Logistics	3PL	7.4
4	Nitori	Retail	5.2
5	The Tenant⁽²⁾	3PL	4.6
6	Tenant A ⁽²⁾	3PL	4.3
7	Create SD	3PL	4.0
8	K.R.S Corporation	3PL	3.8
9	Tenant B ⁽²⁾	3PL	3.8
10	Tokyo Logistics Factory	3PL	3.8
			63.3

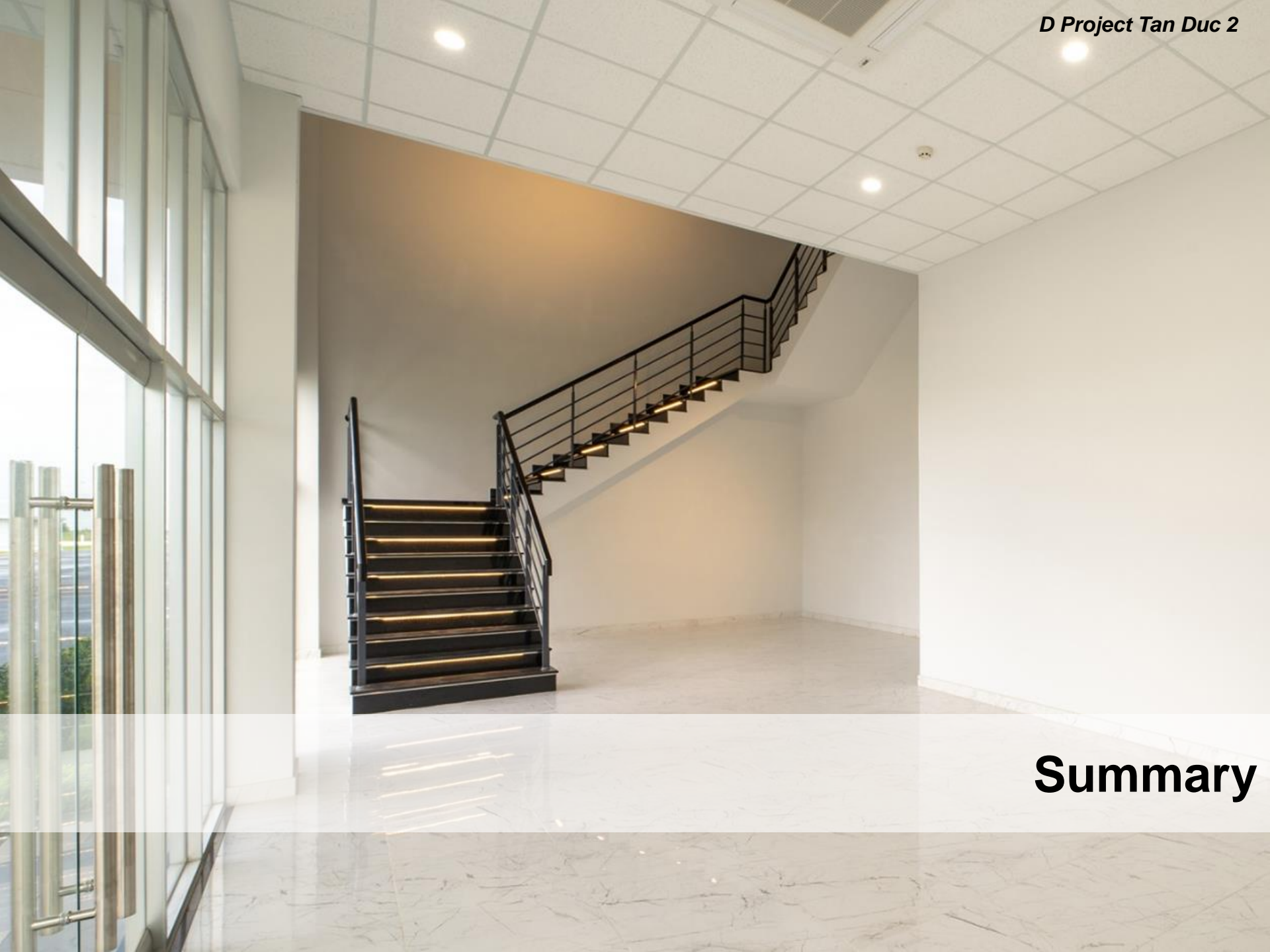
1. Based on NPI for 1HFY2023 and % of NPI was calculated and adjusted based on the NPI of each property and allocated to the respective tenants by the proportion of NLA the tenants occupy in the property, and assuming that the lease agreement with the Tenant was in place on 1 January 2023.
2. These tenants have not given consent to the disclosure of the terms of the tenancy agreement (including their names).

- ✓ The Acquisition reinforces the strong support from the Sponsor by *providing high quality property to drive DHLT's growth*
- ✓ The implied NPI yield of the Property is approximately 8.3%¹, *higher than the overall NPI yield of the existing properties in DHLT's portfolio*
- ✓ DHLT will continue to leverage on *pipeline targets from its prolific developer Sponsor to drive its growth trajectory in the long-term*



(1) Based on the annualised NPI for 1H FY2023 and valuation of the existing portfolio as at 31 December 2022.

(2) Based on the Agreed Property Value and annualised NPI of the Property assuming that the lease agreement was in place from 1 January 2023.



Summary

Key takeaways

DPU-accretive acquisition¹

DPU accretion of 1.9%, while post-acquisition gearing remains healthy at 38.2%¹

Entry into a growth market

Geography diversification into Vietnam, one of the fastest growing economies in Southeast Asia

Acquisition of a high-quality property

Newly built cold storage facility that is strategically located

Strengthen income stability backed by a quality tenant

Reinforces Sponsor support

Ability to tap on Sponsor's pipeline for high quality property in new market

(1) On a pro forma basis.

Appendix





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\$24.2 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 (2023)

418TH

14 Consecutive Years Ranked

(1) As at 31 March 2023.

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

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



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Thank you.

www.daiwahouse-logisticstrust.com