



Daiwa House
Logistics Trust

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Acquisition of DPL Ibaraki Yuki in Japan
- Maintaining Growth Momentum

31 January 2024

Daiwa House

This Presentation is for information purposes only and does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any Units in Singapore or any other jurisdiction, nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

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The past performance of DHLT is not necessarily indicative of the future performance of DHLT.

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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 31 January 2024 on the acquisition of DPL Ibaraki Yuki (the "**Announcement**"), as well as the announcement dated 29 December 2023 on the acquisition of D Project Tan Duc 2 in Long An, Vietnam ("**Vietnam Property**" and the acquisition of the Vietnam Property by DHLT, "**Vietnam Acquisition**"). 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 JPY amounts have been translated into Singapore dollars based on the exchange rate of S\$1.00 = JPY109.63. Such translations should not be construed as representations that the JPY 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



- DHLT entered into a conditional agreement with the Sponsor, Daiwa House Industry Co., Ltd., to acquire DPL Ibaraki Yuki (“**Property**”), a freehold logistics property located in Greater Tokyo, Japan (“**Acquisition**”)
- The purchase consideration for the Property is JPY2,640.0 million (S\$24.1 million) (“**Purchase Consideration**”), a discount of 18.1% to the average independent valuation of JPY3,225.0 million (S\$29.4 million)¹ (“**Average Independent Valuation**”)
- The Acquisition is expected to be funded by borrowings, and is expected to be completed in the first quarter of 2024

The Acquisition would improve DPU for FP2022² by 1.2%, on pro forma basis³



*DPL Ibaraki Yuki
Greater Tokyo, Japan*



- (1) Based on average of the two independent valuations conducted by JLL Morii Valuation & Advisory K.K. and Savills Japan Valuation G.K. which valued the Property at JPY3,320.0 million (approximately S\$30.3 million) and JPY3,130.0 million (approximately S\$28.6 million), respectively as at 31 August 2023.
- (2) The financial period from 26 November 2021 (being the date of listing of DHLT) to 31 December 2022.
- (3) Please refer to paragraph 4 of the Announcement for the pro forma financial effects of the Acquisition for FP2022.

Year of Completion

January 2023

Land Area

11,942SQM

Occupancy

100.0%

As at 17 January 2024

Land Tenure

Freehold

Net Lettable Area

13,421SQM

Lease Term¹

4.0YEARS

From 1 February 2023



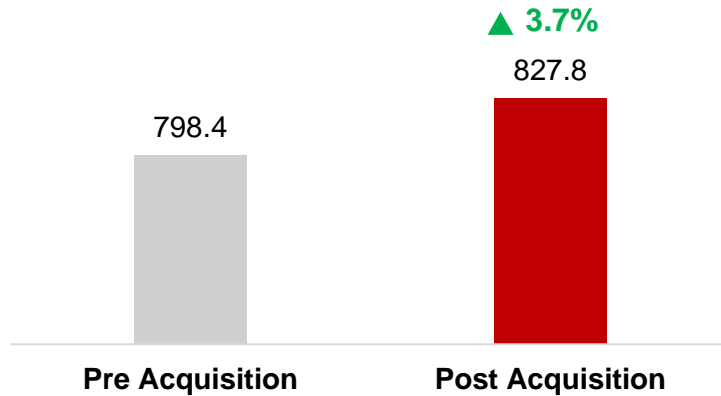
Greater Tokyo, Japan

DPL Ibaraki Yuki

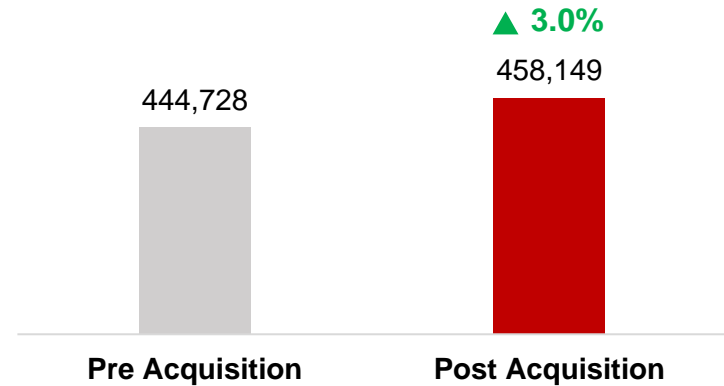
MULTI-TENANTED
FREEHOLD
PROPERTY¹

(1) Entire property leased to one tenant.

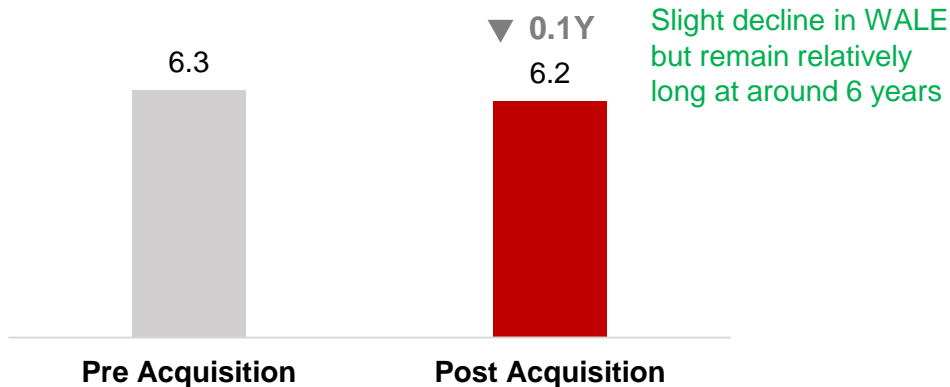
Portfolio Valuation² (S\$ million)



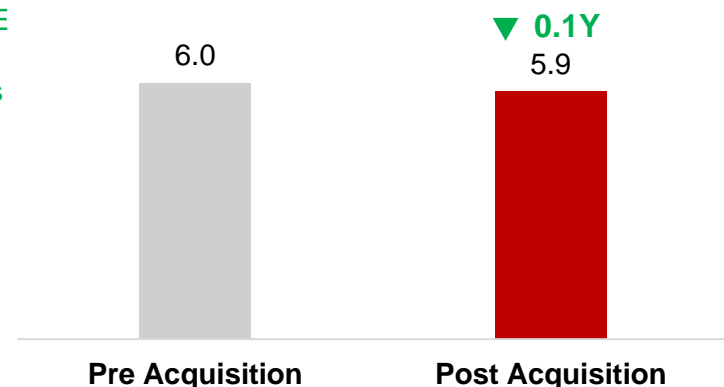
Net Lettable Area³ (sqm)



WALE by GRI^{3,4} (Years)



Portfolio Age^{3,5} (Years)



- (1) Please refer to paragraph 4 of the Announcement for further details on the pro forma financial effects of the Acquisition, including the relevant assumptions.
- (2) Based on the valuation of the existing portfolio as at 31 December 2022 converted to S\$ based on S\$1.00 : JPY 109.63, for Post Acquisition, including the valuation of the Property based on the Average Independent Valuation.
- (3) Based on information relating to the existing properties as at 30 September 2023.
- (4) Based on the monthly rent as at September 2023.
- (5) Weighted by net lettable area ("NLA").

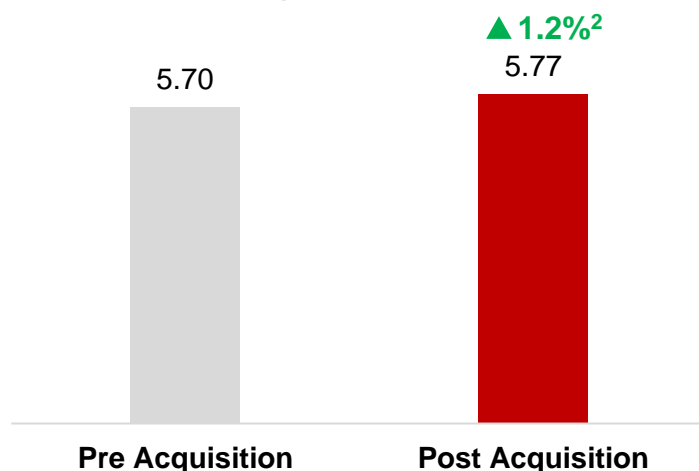


Rationale of Acquisition

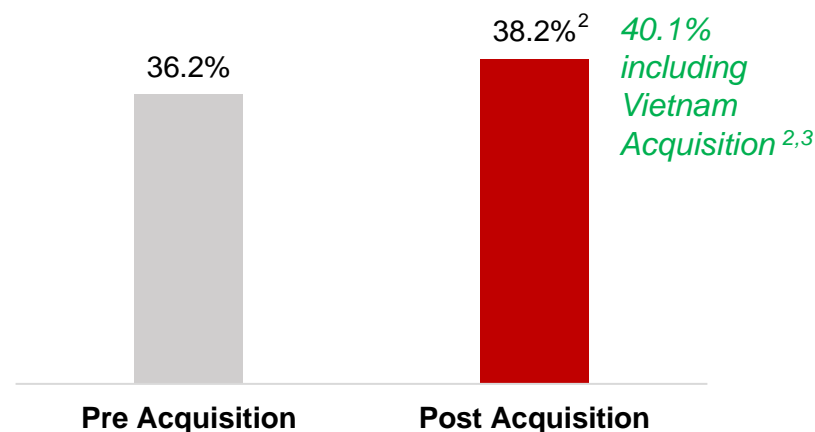
Acquisition expected to be DPU-accretive^{1,2}

- ✓ On a pro forma basis, the Acquisition is **expected to be DPU-accretive** by 1.2% for FP2022
- ✓ Aggregate leverage would increase from 36.2% as at 30 September 2023 to 38.2% (or 40.1%, including the Vietnam Acquisition³), on a pro forma basis but **remains at a healthy level**

**DPU for FP2022
(Singapore cents)**



**Aggregate Leverage as at
30 Sep 2023**



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

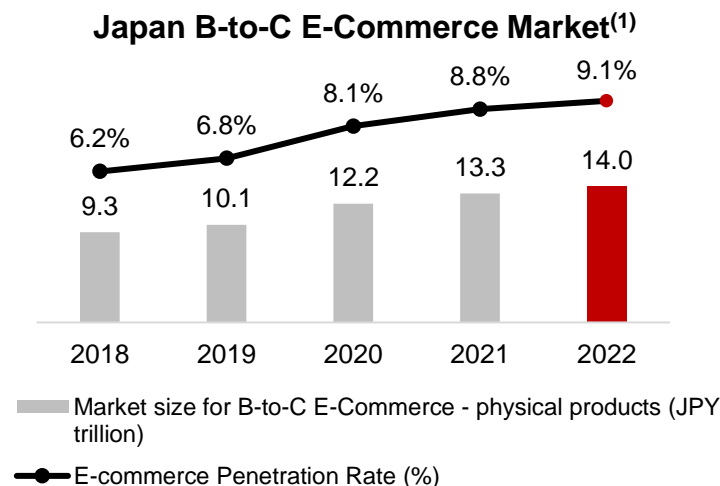
(2) On a pro forma basis.

(3) Assuming the Vietnam Acquisition completes simultaneously with the Acquisition on 30 September 2023.

- ✓ The fundamentals of the Japan logistics sector are **expected to remain sound in the long term**, with demand for logistics properties supported by e-commerce and third-party logistics (“3PL”) sectors.

E-commerce

- ✓ The e-commerce sector in Japan has recorded strong growth over the recent years
- ✓ However, business-to-consumers (“**B-to-C**”) e-commerce penetration rate in Japan is still relatively low at 9.1%¹ compared to more mature markets, indicating **growth potential for this sector**

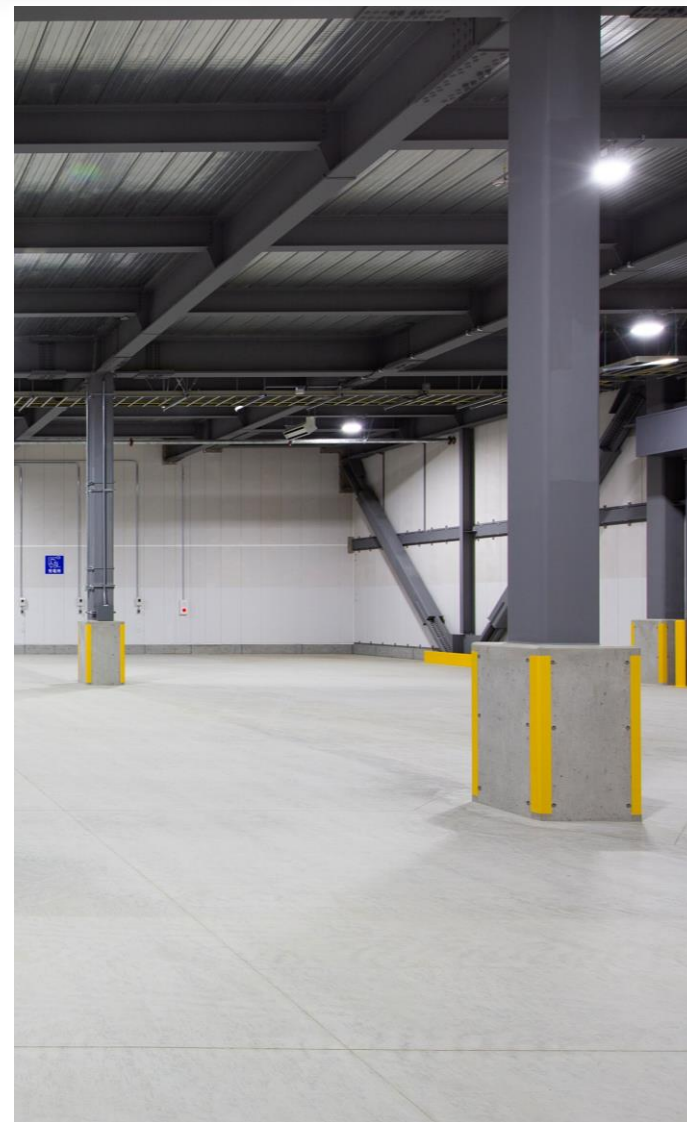
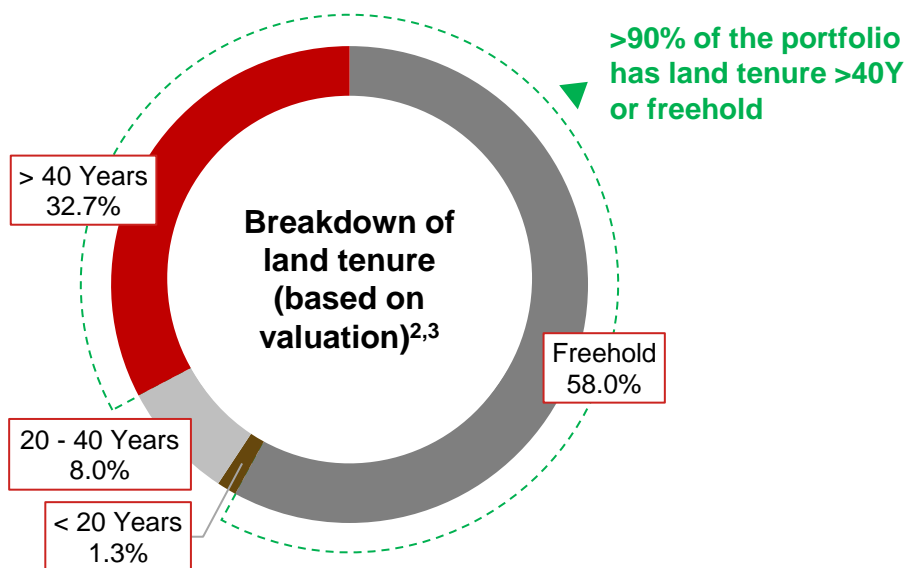


3PL

- ✓ The 3PL sector is also **expected to maintain its growth**, given the continued trend of consignor firms outsourcing their logistics functions
- ✓ Additionally, the restrictions on truck driver overtime in Japan to be limited to 960 hours per annum starting from April 2024 may also **potentially drive demand** for logistics space

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

- ✓ DPL Ibaraki Yuki is a freehold developed property that is **built to modern specifications** with a PML of only 2.6%¹
- ✓ On a pro forma basis and including the Vietnam Acquisition, the proportion of properties in DHLT's portfolio with freehold land tenure (by valuation)^{2,3} will be 58.0% as at 30 September 2023



- ✓ As it is recently completed, the capital expenditure for the maintenance of the Property in the near term will **likely be minimal**

(1) PML refers to maximum probable loss in relation to a major earthquake and no earthquake insurance is acquired for the Property as the Manager will generally consider obtaining earthquake insurance for properties that covers the portion of the PML exceeding 15.0%

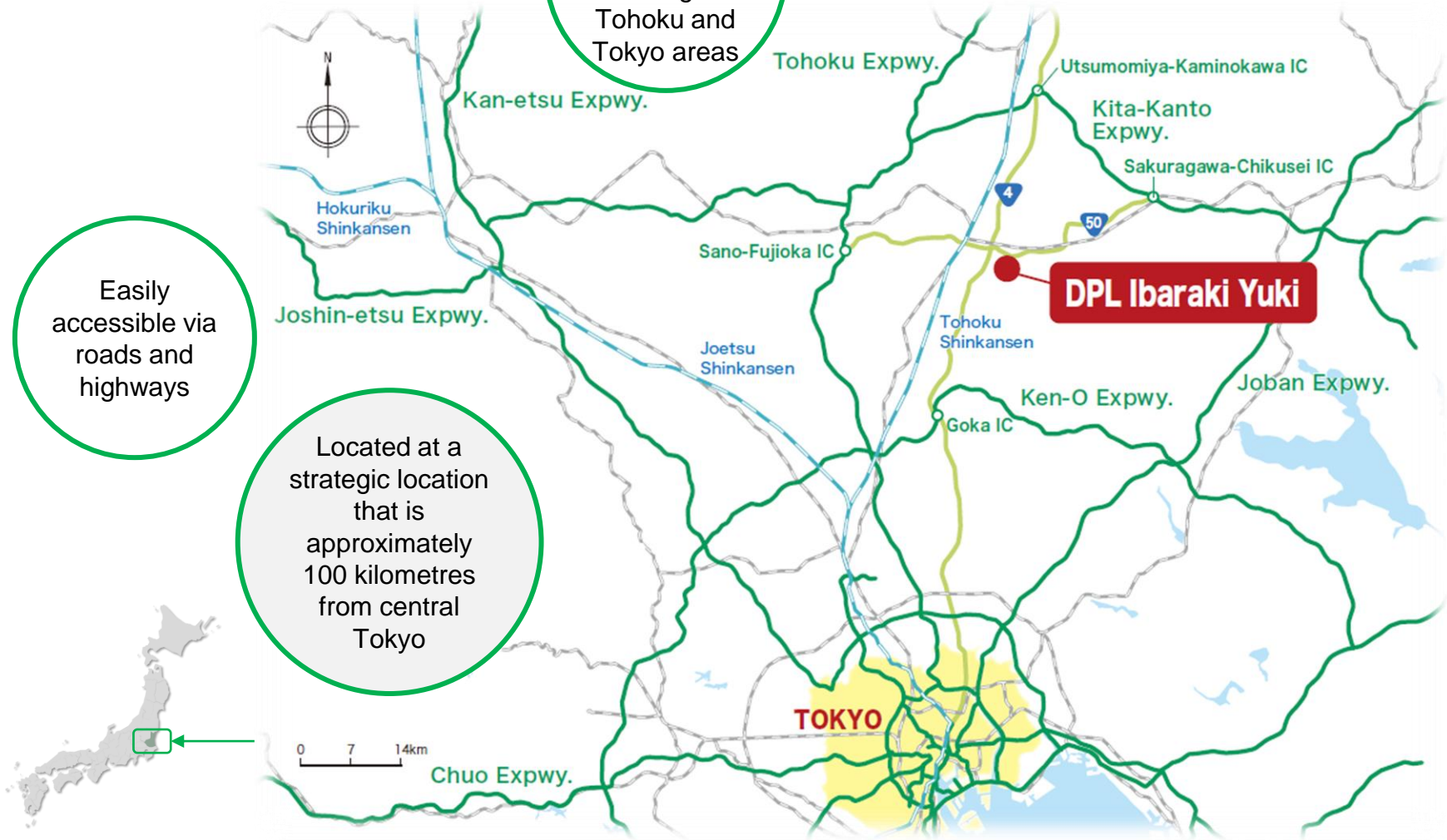
(2) Based on the valuation of DHLT's existing portfolio as at 31 December 2022, and the Average Independent Valuation for the Property, and the average valuation of VND498.0 billion converted to S\$ based on S\$1.00 = VND18,261.50 for the Vietnam Property.

(3) Assuming the Vietnam Acquisition completes simultaneously on 30 September 2023.

Location connected a wide region covering the Tohoku and Tokyo areas

Easily accessible via roads and highways

Located at a strategic location that is approximately 100 kilometres from central Tokyo



Blue-chip Tenant

- ✓ The entire property is leased to Mitsubishi Shokuhin Co., Ltd. (“**Mitsubishi Shokuhin**” or “**Tenant**”), an existing tenant in DHLT’s portfolio
- ✓ On a pro forma basis and including the Vietnam Acquisition¹, the contribution from Mitsubishi Shokuhin to DHLT (by NPI)² would increase from 18.9% to 20.3%
 - Tenant is listed on the Tokyo Stock Exchange
 - Tenant is one of the largest food distributors in Japan
 - The properties in DHLT’s portfolio rented by the Tenant are utilised to serve a diversified range of customers in the food and beverages, grocery supplies, medical goods and chemical products sectors

Mitigates
concentration
risk



Green Building

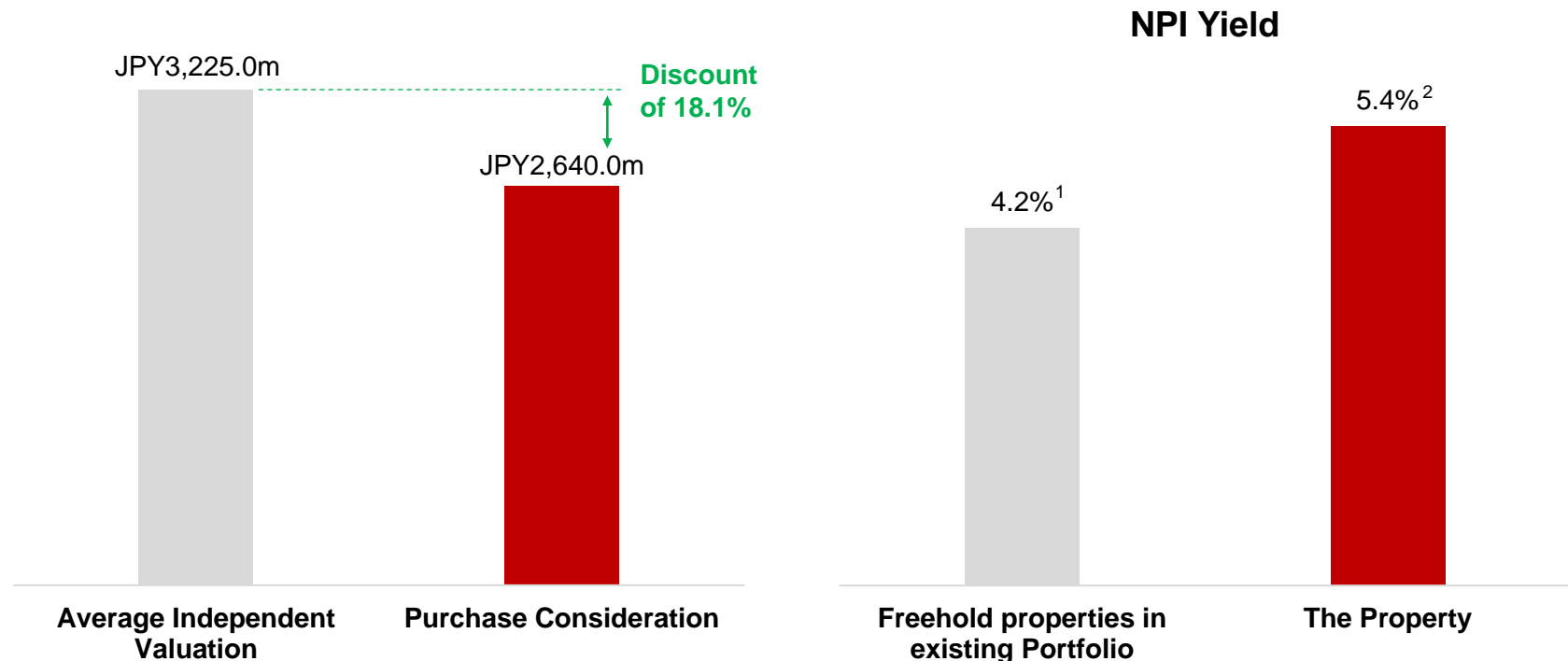
- ✓ Property is green rated by the Building Energy-efficiency Labelling System with the highest rating of 5 stars
- ✓ Solar panels with a capacity of 0.8 MWp installed on the rooftop, bringing the total solar energy capacity of the DHLT’s portfolio to 16.1 MWp, upon completion of the Acquisition

(1) Assuming the Vietnam Acquisition completes simultaneously on 1 January 2023 and that the lease agreement with the tenant of the Vietnam Property was in place from 1 January 2023.

(2) Based on NPI for the nine-month period ended 30 September 2023 (“9M2023”) and the percentage of NPI was calculated and adjusted based on the NPI of each property in DHLT’s portfolio and allocated to the respective tenants by the proportion of NLA the tenants occupy in the property.

The Sponsor reinforces its support to grow DHLT

- ✓ The Sponsor continues to show commitments to support DHLT's growth
 - ✓ *Providing a high-quality property to enhance portfolio quality*
 - ✓ *Offering the Property at an attractive discount to valuation*



(1) Based on the annualised NPI for 9M2023 and the valuation of the freehold properties in the existing portfolio as at 31 December 2022.

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



Summary

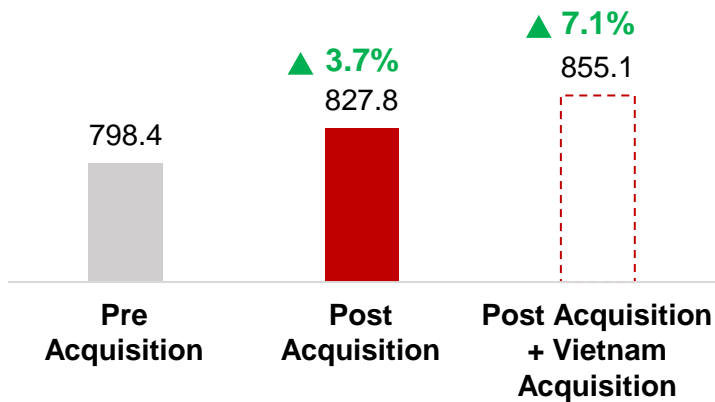


(1) On a pro forma basis

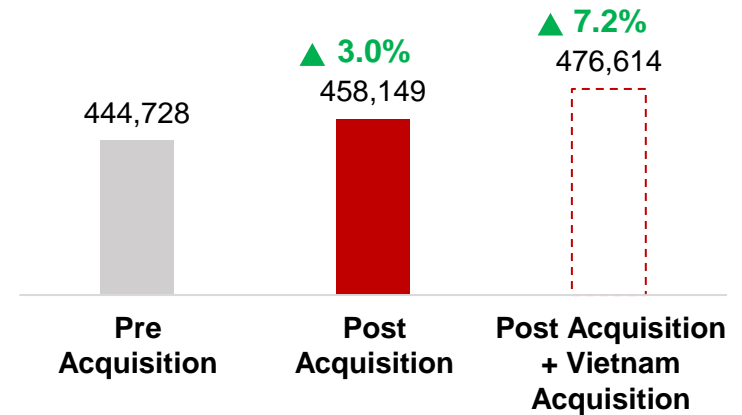


Appendix

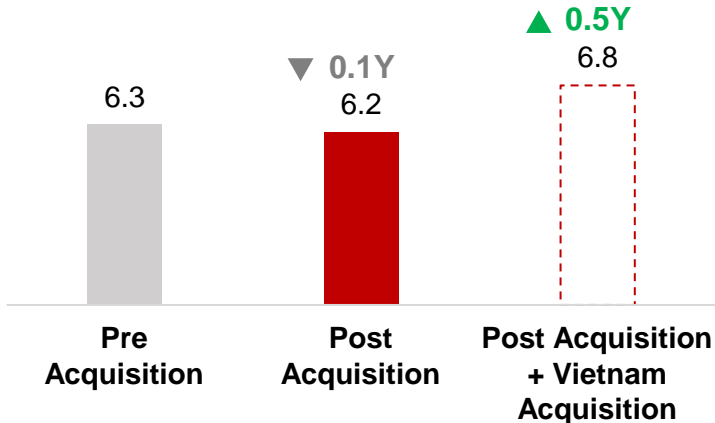
Portfolio Valuation² (S\$ million)



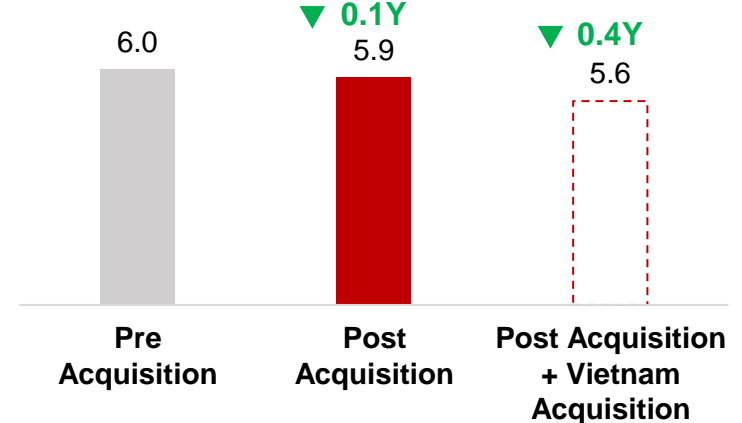
Net Lettable Area³ (sqm)



WALE by GRI^{3,4} (Years)



Portfolio Age^{3,5} (Years)



- (1) Please refer to paragraphs 3 and 4 of the Announcement for further details on the pro forma financial effects of the Acquisition, including the relevant assumptions
- (2) Based on the valuation of the existing portfolio as at 31 December 2022 converted to S\$ based on S\$1.00 : JPY 109.63, for Post Acquisition, including the valuation of the Property based on the Average Independent Valuation, and for Vietnam Acquisition, based on the average valuation of VND498.0 billion converted to S\$ based on S\$1.00 = VND18,261.50.
- (3) Based on information relating to the existing properties as at 30 September 2023.
- (4) Based on the monthly rent as at September 2023.
- (5) Weighted by NLA.



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⁾

JPY **2,806.7** BILLION
(S\$26.1 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 29 December 2023.

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



Daiwa House
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Thank you.

www.daiwahouse-logisticstrust.com