



Daiwa House
Logistics Trust

Daiwa House Logistics Trust

2nd Annual General Meeting

23 April 2024

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.

Key Highlights of FY2023

PORTFOLIO⁽¹⁾

PORTFOLIO VALUATION⁽²⁾

JPY **89,108** MILLION

higher by 1.8% y-o-y⁽³⁾



Weighted Average Lease Expiry⁽⁴⁾

6.2 YEARS

Higher by 1.8% y-o-y



OCCUPANCY RATE

100.0%



GREEN-RATED PROPERTIES⁽⁵⁾

94.7%



FINANCIALS

DISTRIBUTION PER UNIT

5.22 CENTS

higher by 0.2% y-o-y⁽⁶⁾



AGGREGATE LEVERAGE⁽¹⁾

35.2%



BORROWINGS ON FIXED RATE⁽¹⁾

100.0%



INTEREST COVERAGE

11.9 TIMES



(1) Information as at 31 December 2023.

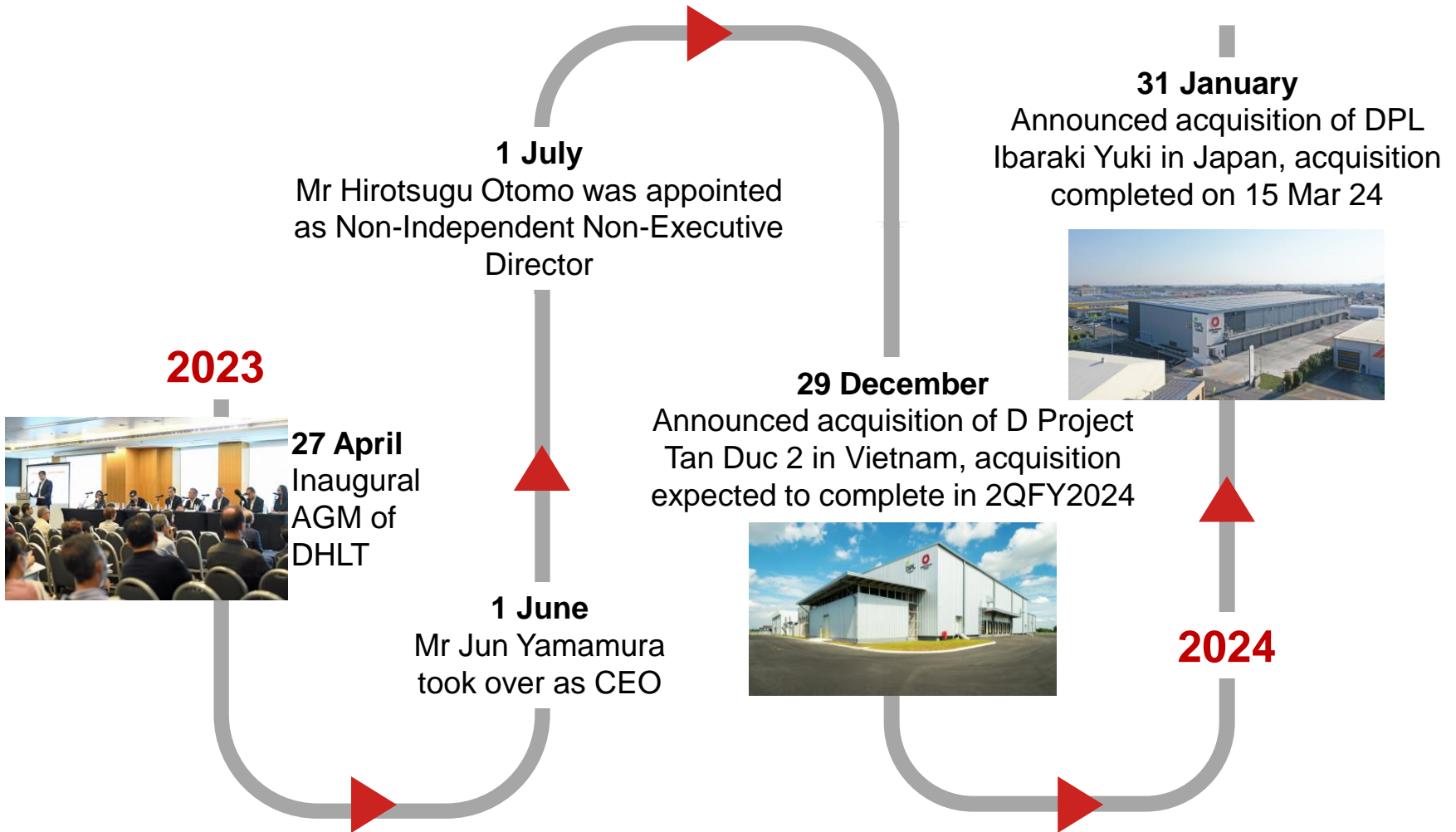
(2) Based on 16 properties as at 31 December 2023.

(3) In JPY terms.

(4) By Gross Rental Income (“GRI”), which is based on the monthly rent as at 31 December 2023.

(5) By Net Lettable Area (“NLA”).

(6) The corresponding period for the DPU reported in FP2022 was for the period from the date of listing of DHLT (26 November 2021) to 31 December 2022. However, DPU for FY2023 were compared against the DPU for the corresponding 12-month period in FP2022 (1 January 2022 to 31 December 2022) for a more meaningful comparison. The DPU reported for FP2022 was 5.70 cents.





Daiwa House

Daiwa House Group

- Daiwa House Industry Co., Ltd. (“**Sponsor**”), was founded in 1955 and is one of the largest construction and real estate development companies in Japan
- It has strong track record in development of logistics facilities and offers comprehensive logistics solutions

- *Global Presence in 26 countries*
- *Listed on Tokyo Stock Exchange*
- *Market capitalisation of JPY2,985.6 b⁽¹⁾ (S\$ 26.6 b)*
- *Credit Rating of “AA”⁽²⁾*
- *Consistently ranked on Forbes The Global 2000 and Fortune Global 500*

Strong support to the development of DHLT and remains committed to DHLT’s future growth

- ✓ **Provided high quality properties** for DHLT’s acquisition, at attractive discounts to valuation for the Japan properties acquired by DHLT
- ✓ **Funding support** through subscription of units at premium to market price
- ✓ **Provides asset management and property management services** to DHLT, leveraging on the Sponsor’s years of experience and deep knowledge of the market
- ✓ Injected 62.0 million units (approx. 8.9% of the total outstanding units) to the Manager in March 2024 to **reinforce its commitment** to the Singapore platform⁽³⁾, Daiwa House Group remain the single largest unitholder of DHLT with 12.95% interest

(1) As at 29 March 2024.

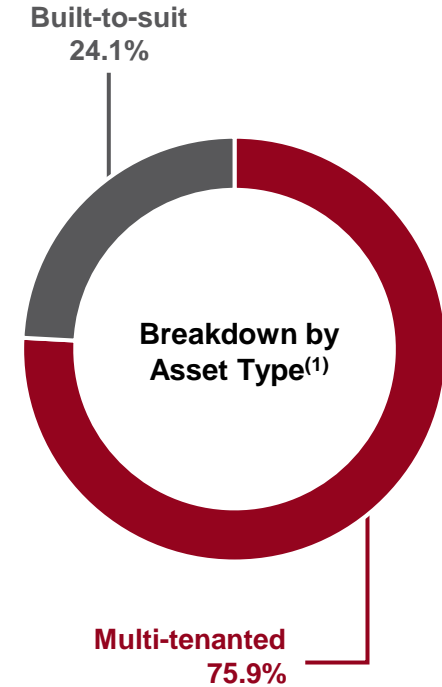
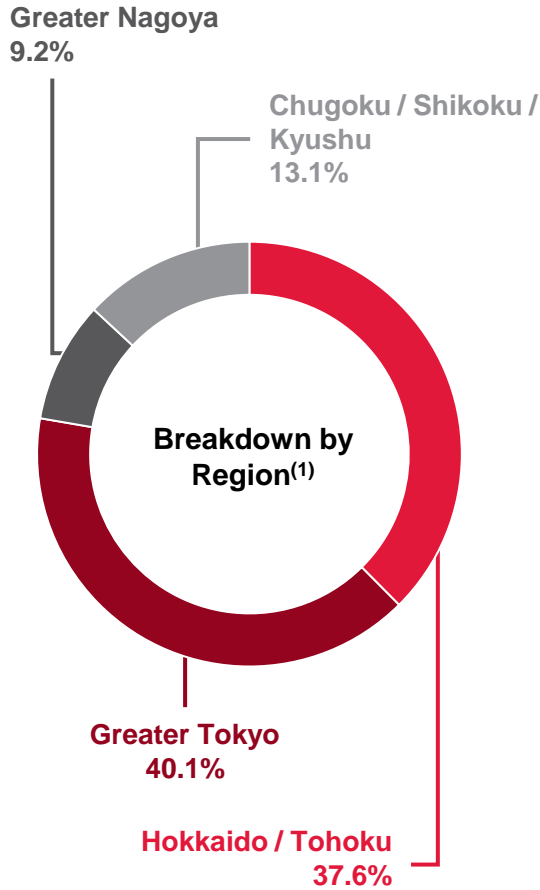
(2) Rated by the Japan Credit Rating Agency Ltd.

(3) As at 27 March 2024, the Sponsor was holding 26.6 million units (3.81%) while the Manager was holding 63.7 million units (9.14%), with an aggregate of 90.2 million units held by the Daiwa House Group (12.95%)



RESILIENCE

The portfolio of Daiwa House Logistics Trust comprises high quality logistics properties, with a long portfolio WALE backed by a strong tenant base



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

- > 90% of the properties (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 2023, excluding DPL Ibaraki Yuki and D Project Tan Duc 2.



PROACTIVE ASSET MANAGEMENT

- 100% lease renewal
- Achieved portfolio occupancy of 100%⁽¹⁾
- Maintain long WALE of 6.2 years⁽¹⁾
- Portfolio valuation grew by 1.8% y-o-y in JPY terms



PRUDENT CAPITAL MANAGEMENT

- Healthy aggregate leverage of 35.2%⁽¹⁾
- 100% of borrowings in JPY and 100% of borrowings in fixed rate
- Systemic hedging to mitigate foreign exchange risk



SUSTAINABILITY

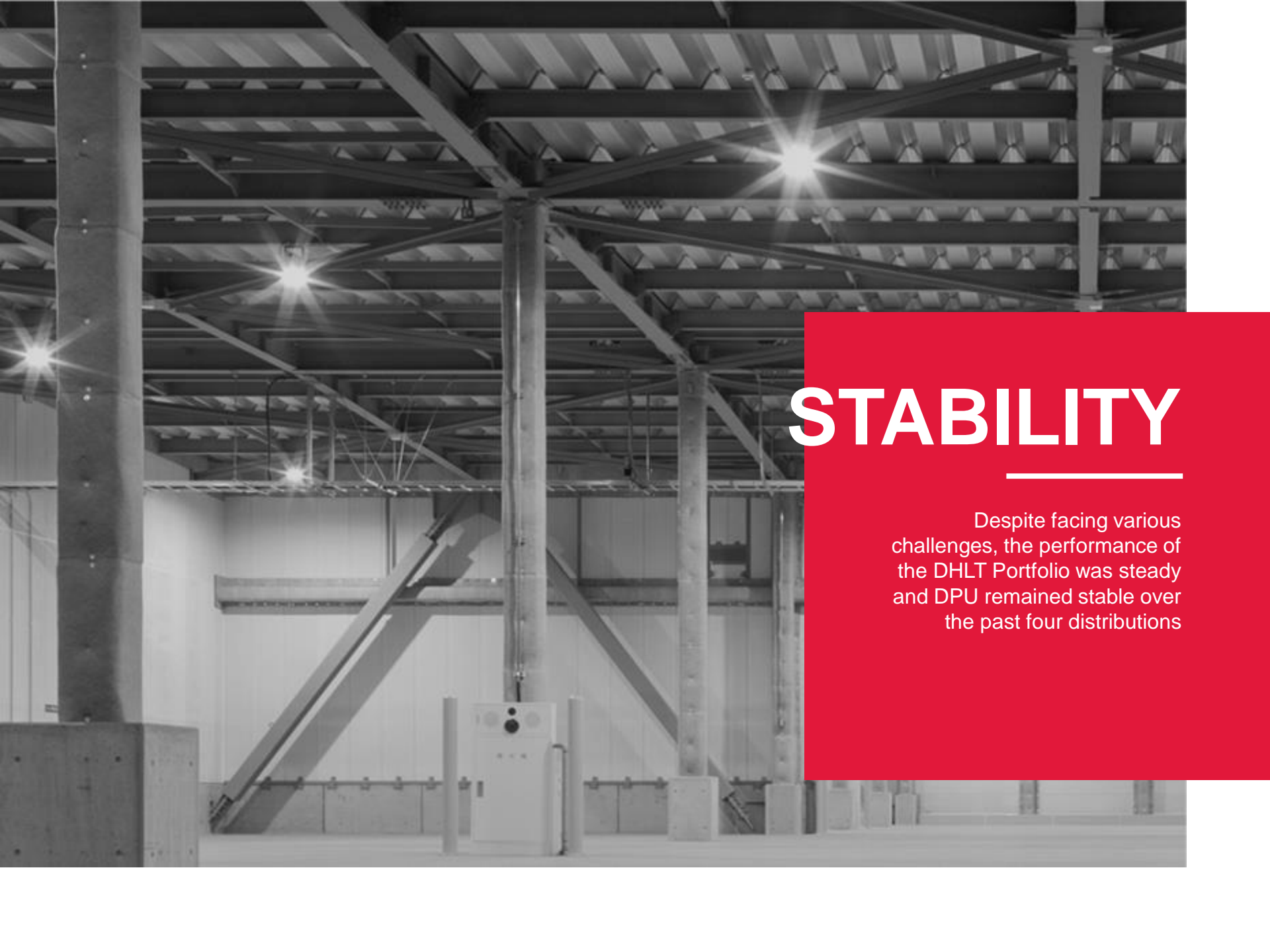
- Increased solar power capacity and proportion of green-rated properties
- Replacing lightings in D Project Matsuyama S with LED lights
- All new / renewed leases contained “green” clause



ACQUISITION GROWTH

- Expanding outside Japan with the pending acquisition of D Project Tan Duc 2, in Vietnam
- Strengthened foothold in Japan through acquisition of DPL Ibaraki Yuki

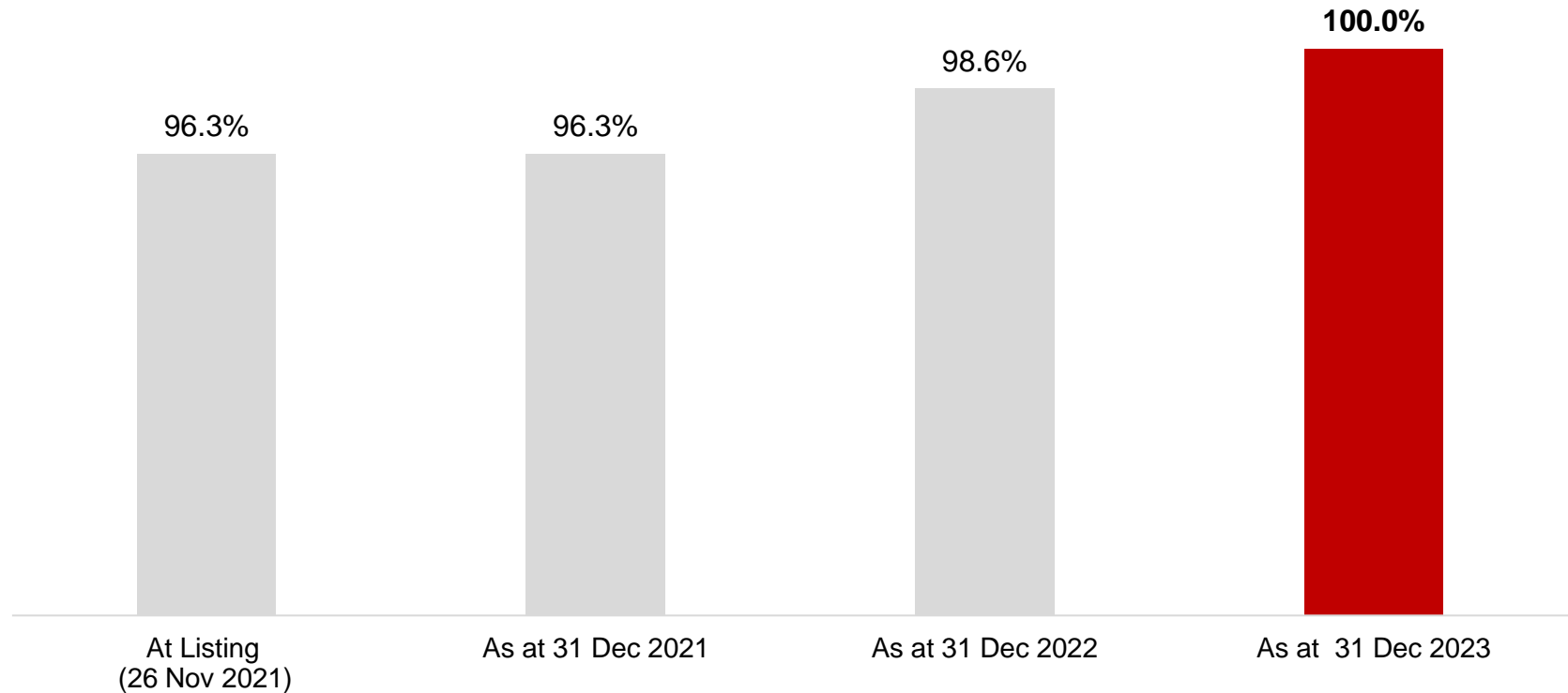
(1) As at 31 December 2023.



STABILITY

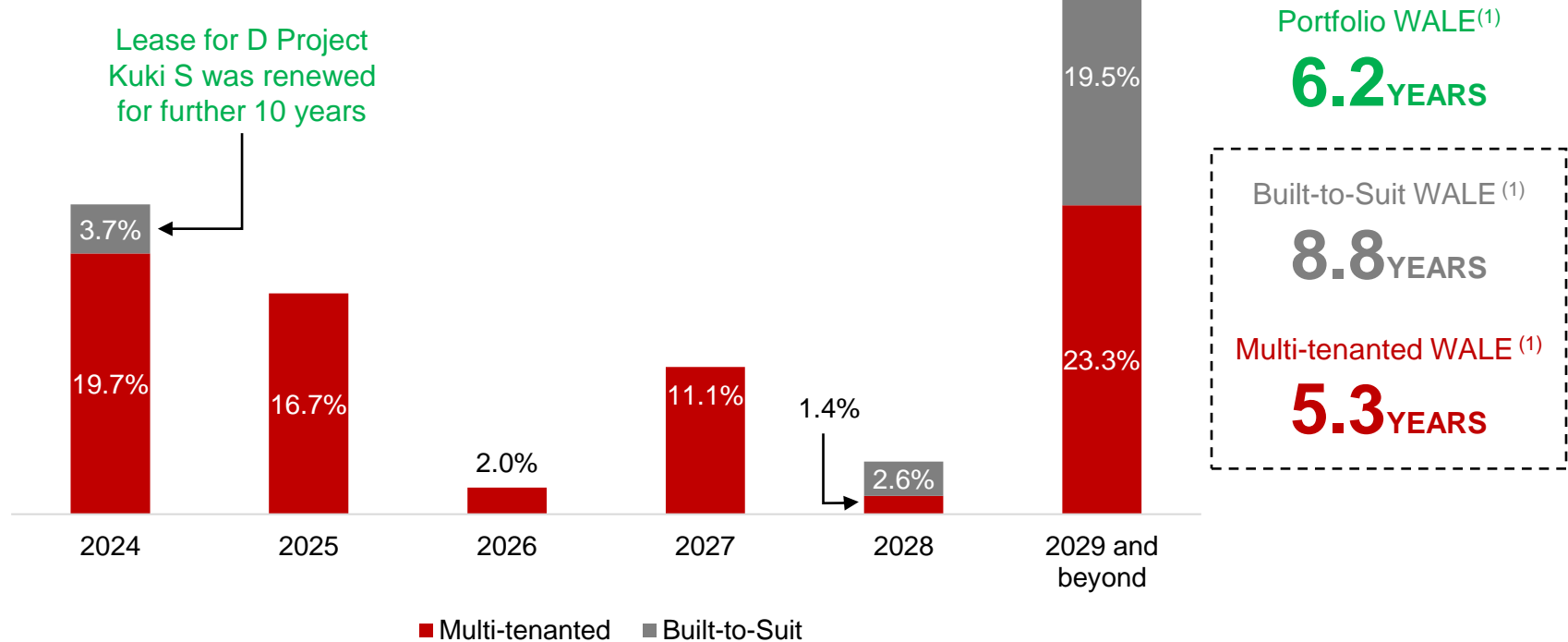
Despite facing various challenges, the performance of the DHLT Portfolio was steady and DPU remained stable over the past four distributions

Portfolio Occupancy Rate



- Consistently high occupancy rate since listing reflect the quality of the portfolio

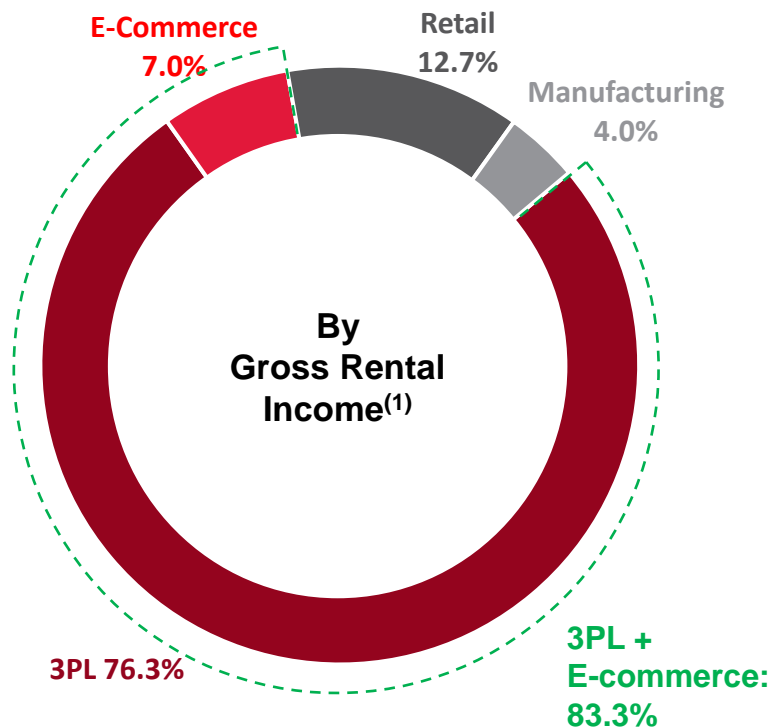
Portfolio Lease Expiry⁽¹⁾ as at 31 December 2023



- Well staggered lease expiry profile
- Long WALE of the portfolio provides income stability to DHLT

(1) By GRI which is based on the monthly rent as at December 2023.

Breakdown by Tenant Trade Sector



Top 10 Tenants

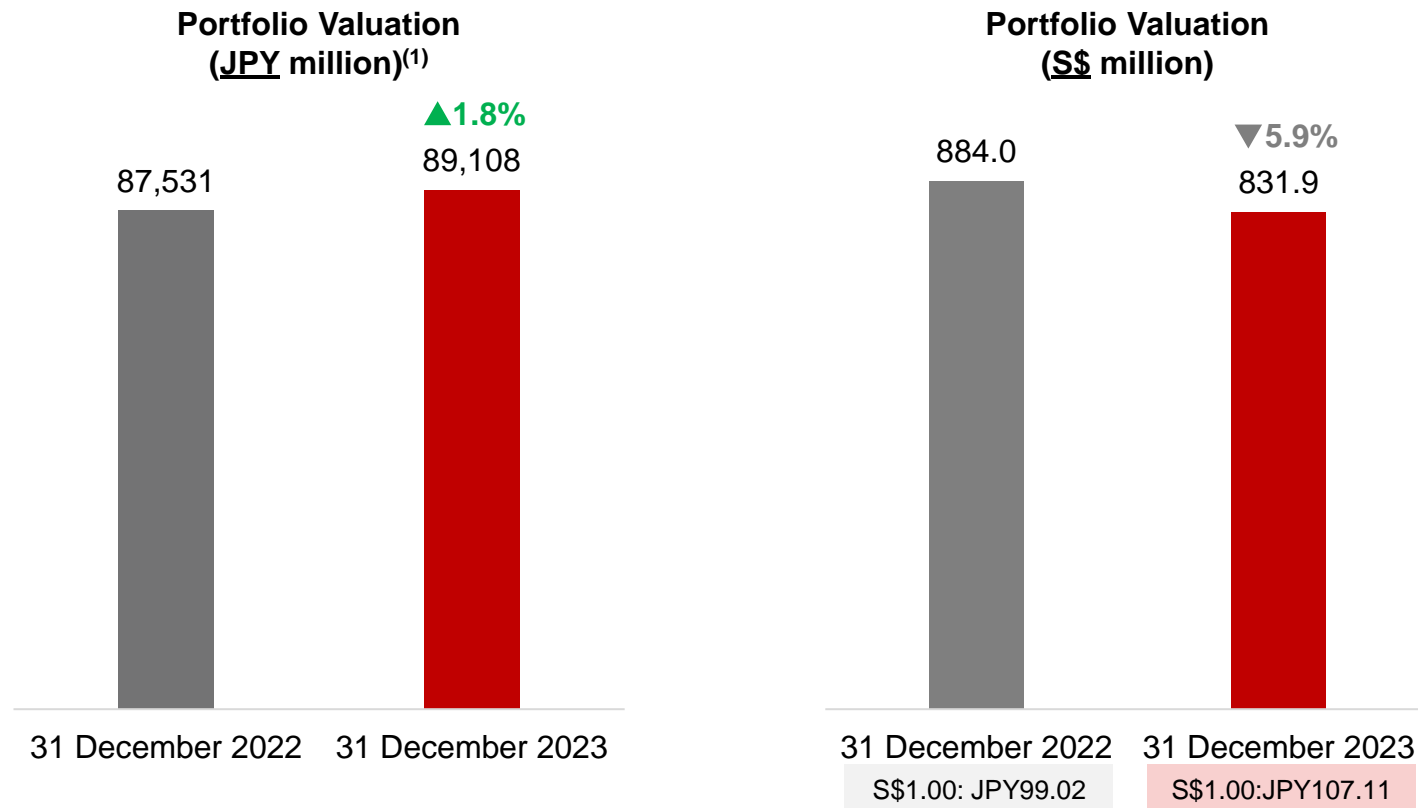
	Tenant	Sector	% of NPI ⁽²⁾
1	Mitsubishi Shokuhin	3PL	18.8
2	Nippon Express	3PL	8.4
3	Suntory Logistics	3PL	7.7
4	Nitori	Retail	5.6
5	Tenant A ⁽³⁾	3PL	4.4
6	Create SD	3PL	4.2
7	Tenant B ⁽³⁾	3PL	4.0
8	K.R.S Corporation	3PL	3.9
9	Tokyo Logistics Factory	3PL	3.9
10	CB Group Management	3PL	3.9
			64.9

- Tenant base remained stable, anchored by high quality names which are leading Japanese and global blue-chip companies, improving the quality of income
- 76.3% of the tenants (by GRI⁽¹⁾) involved in growing 3PL sector which is serving end customers from diverse sectors

(1) Based on the monthly rent as at 31 December 2023.

(2) Based on net property income (“NPI”) for 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 (including their names).



- The aggregate valuation of the 16 properties in the portfolio grew by 1.8% y-o-y in JPY terms
- However, portfolio valuation in S\$ terms was lower as JPY depreciated by approximately 7.6% compared to a year ago

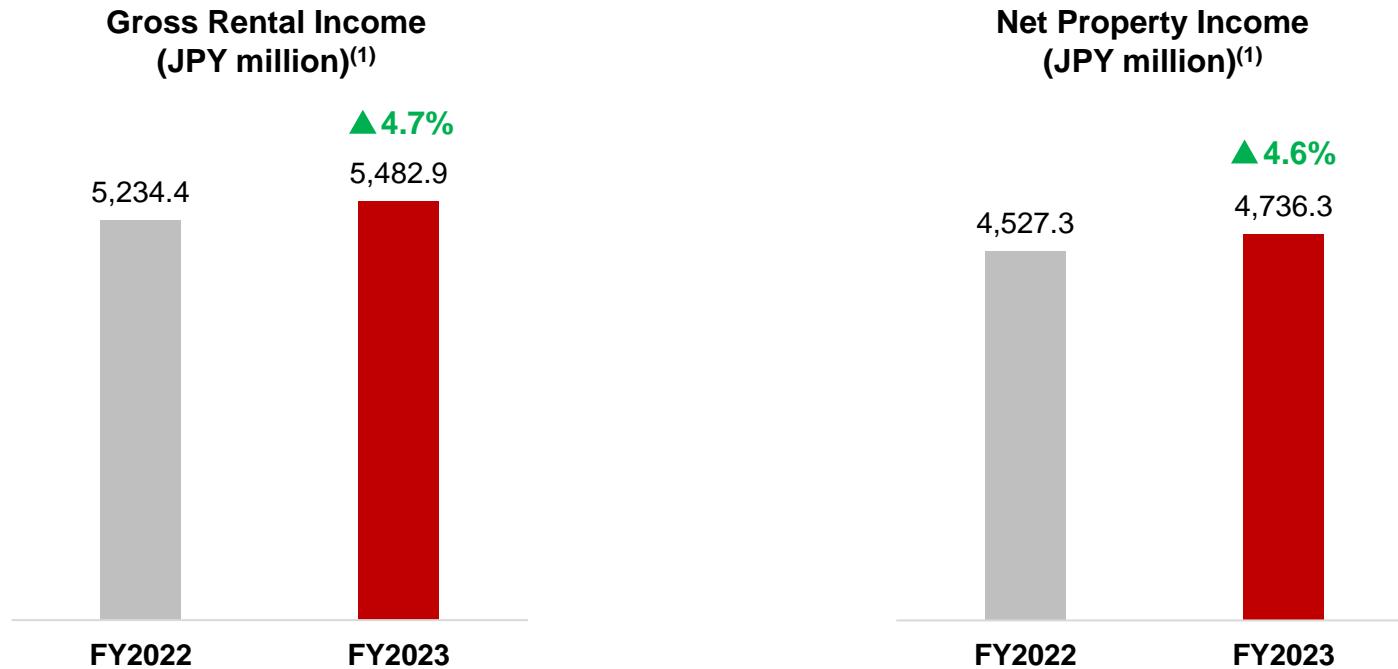
(1) Based on the independent valuation of the properties as at 31 December 2023.

	1 January to 31 December		Variance ⁽¹⁾
	FY2022 ⁽¹⁾	FY2023	
Gross Revenue (S\$ '000)	62,120	59,852	-3.7%
Net Property Income (S\$ '000)	47,724	45,324	-5.0%
Distributable Income to Unitholders (S\$ '000)	35,283	36,373	+3.1%
Distribution per Unit (cents)	5.21	5.22	+0.2%

- Full year contribution from properties acquired in December 2022 was offset by the weaker JPY against S\$⁽²⁾, resulting in lower gross revenue and NPI y-o-y in S\$ terms
- However, distributable income increased by 3.1% y-o-y mainly due to realised gain from hedging, resulting in improvement in DPU to 5.22 cents for FY2023

(1) The corresponding period for the financial results reported for FP2022 was for the period from the listing of DHLT (26 November 2021) to 31 December 2022. However, the financial results for FY2023 were compared against the financial results for the corresponding 12-month period in FP2022 (1 January 2022 to 31 December 2022) for a more meaningful comparison. The gross revenue, net property income, distributable income to Unitholders and DPU reported for FP2022 were S\$68.7 million, S\$53.0 million, S\$38.6 million and 5.70 cents, respectively.

(2) For reference, the average foreign exchange rate was S\$1.00 = JPY104.5 for FY2023, and S\$1.00 = JPY94.8 for the period 1 January 2022 to 31 December 2022.

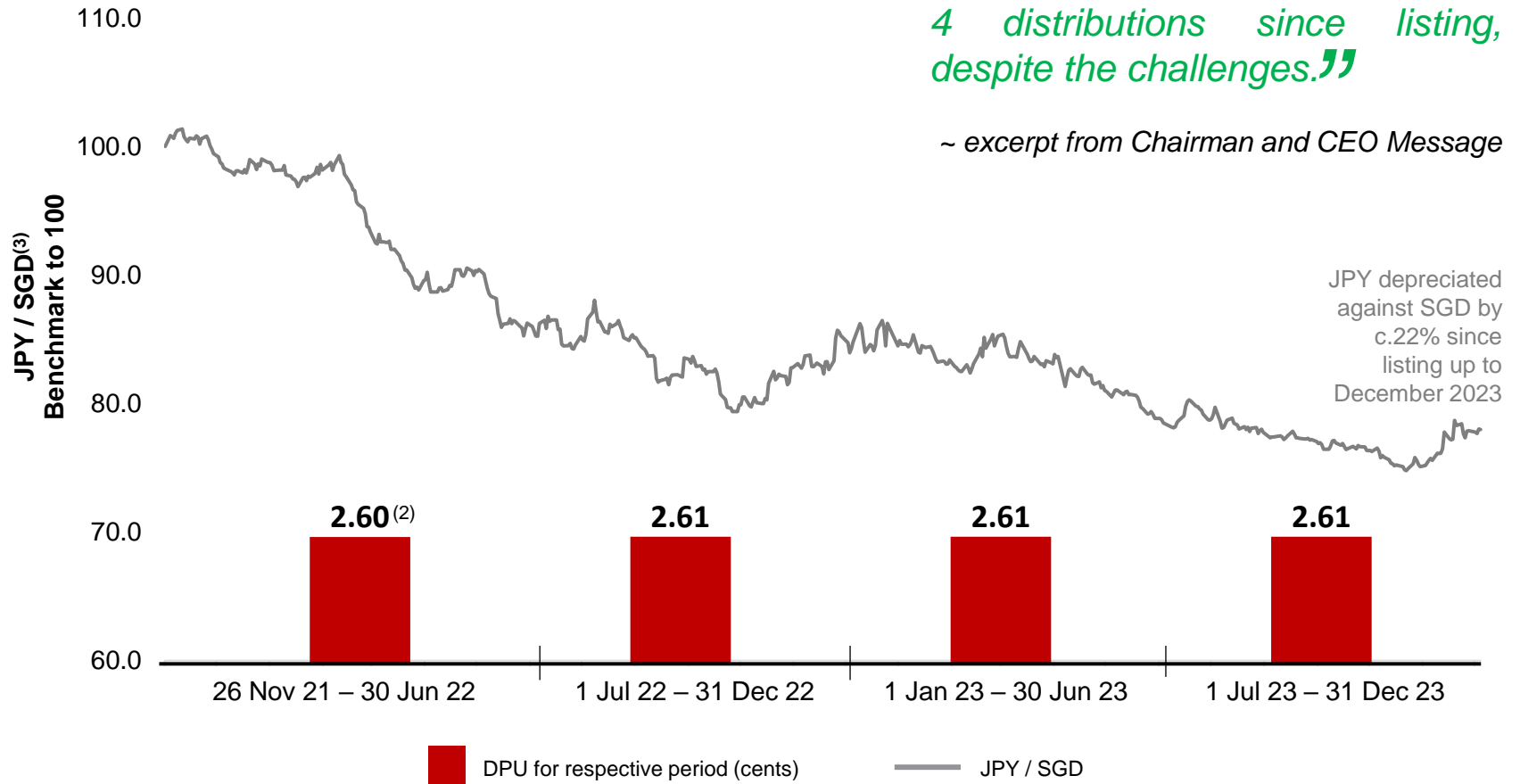


- GRI and NPI in JPY term for FY2023 were higher y-o-y⁽¹⁾ mainly due to the full year contribution from properties that were acquired in December 2022

(1) In respect of FY2023 compared against the corresponding 12-month period in FY2022, i.e. 1 January 2022 to 31 December 2022.

“We are proud to deliver stable DPU to unitholders over the past 4 distributions since listing, despite the challenges.”

~ excerpt from Chairman and CEO Message



(1) Please note that the past performance of DHLT is not necessarily indicative of the future performance of DHLT.

(2) The actual DPU for the period from 26 November 2021 to 30 June 2022 was 3.09 cents, which included DPU of 0.49 cents in relation to the period from 26 November 2021 to 31 December 2021.

(3) Source: Daily exchange rate obtained from the website of the Monetary Authority of Singapore.

	As at 31 Dec 2022	As at 31 Dec 2023
Total Assets (S\$ million)	1,177.0	1,101.7
Total Liabilities (S\$ million)	588.0	548.3
Net Assets Attributable to Unitholders (S\$ million)⁽¹⁾	553.2	517.7
NAV per Unit attributable to Unitholders (S\$)⁽¹⁾	0.80	0.74
Aggregate Leverage⁽²⁾	35.9	35.2⁽³⁾

- JPY depreciated against S\$ by approximately 7.6% compared to a year ago, and the decline in net asset value (“NAV”) was mainly due to weaker JPY against S\$⁽⁴⁾

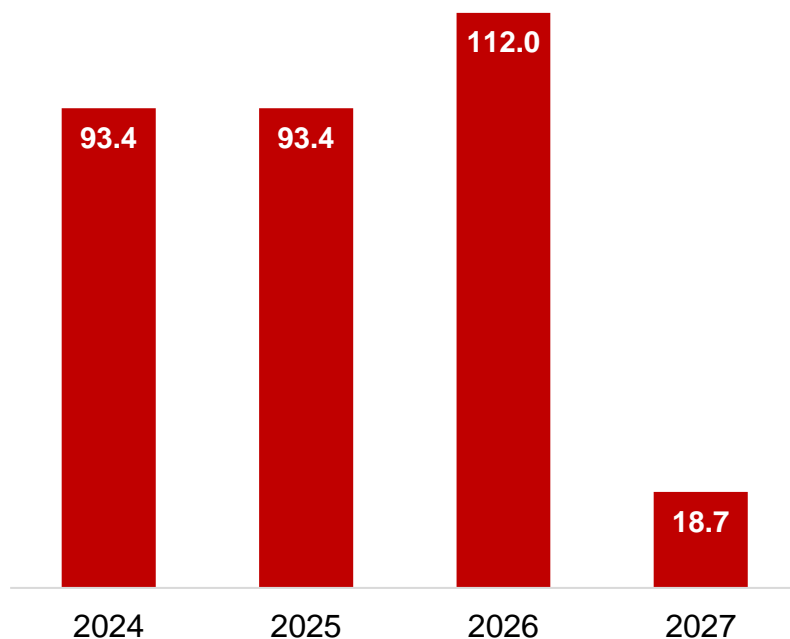
(1) Excluding perpetual securities.

(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) Total debt (including perpetual securities) to net asset value ratio as at 31 December 2023 was 63.8%.

(4) The exchange rates as at 31 December 2022 and 31 December 2023 were S\$1.00 = JPY99.02 and S\$1.00 = JPY107.11, respectively.

Debt Maturity Profile as at 31 December 2023
(S\$ million)



As at
31 December 2023

Total borrowings	<ul style="list-style-type: none"> JPY34.0 billion (S\$317.4 million)
Weighted average debt tenure	<ul style="list-style-type: none"> 2.1 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"> 11.9 times

- Borrowings are 100% denominated in JPY to provide natural hedge
- Loan amounting to JPY 10.0 billion (S\$93.4 million) matures in end November 2024

(1) Based on FY2023.

GROWTH

Keeping up the growth momentum with the addition of DPL Ibaraki Yuki in March 2024, and expected to complete the acquisition of D Project Tan Duc 2 located in Vietnam in 2Q2024



Location: Long An, Vietnam

Year of Built: September 2023

Land Tenure: Expiring Jun 2058

Net Lettable Area: 18.465 sqm

Occupancy⁽²⁾: 100.0%

Lease Term: 20 years from Oct 2023



Diversifying into a growth market



High Quality Property

- Newly built cold storage facility
- Strategically positioned in key gateway location
- Income stability from long lease backed by high quality tenant



Reinforced Sponsor support

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

Ho Chi Minh City

(1) Please refer to the announcement dated 29 December 2023 for further information.

(2) As at 31 December 2023.



Market fundamentals remain sound in Japan



High Quality Property

- Modern, new, and freehold property
- Well-located with easy accessibility
- Full occupancy anchored by blue chip tenant
- Green-rated property



Demonstrated Sponsor commitment

- Acquired at 18.1% discount to average valuation⁽²⁾



*Location: **Greater Tokyo, Japan***

*Year of Built: **January 2023***

*Land Tenure: **Freehold***

*Net Lettable Area: **13,421 sqm***

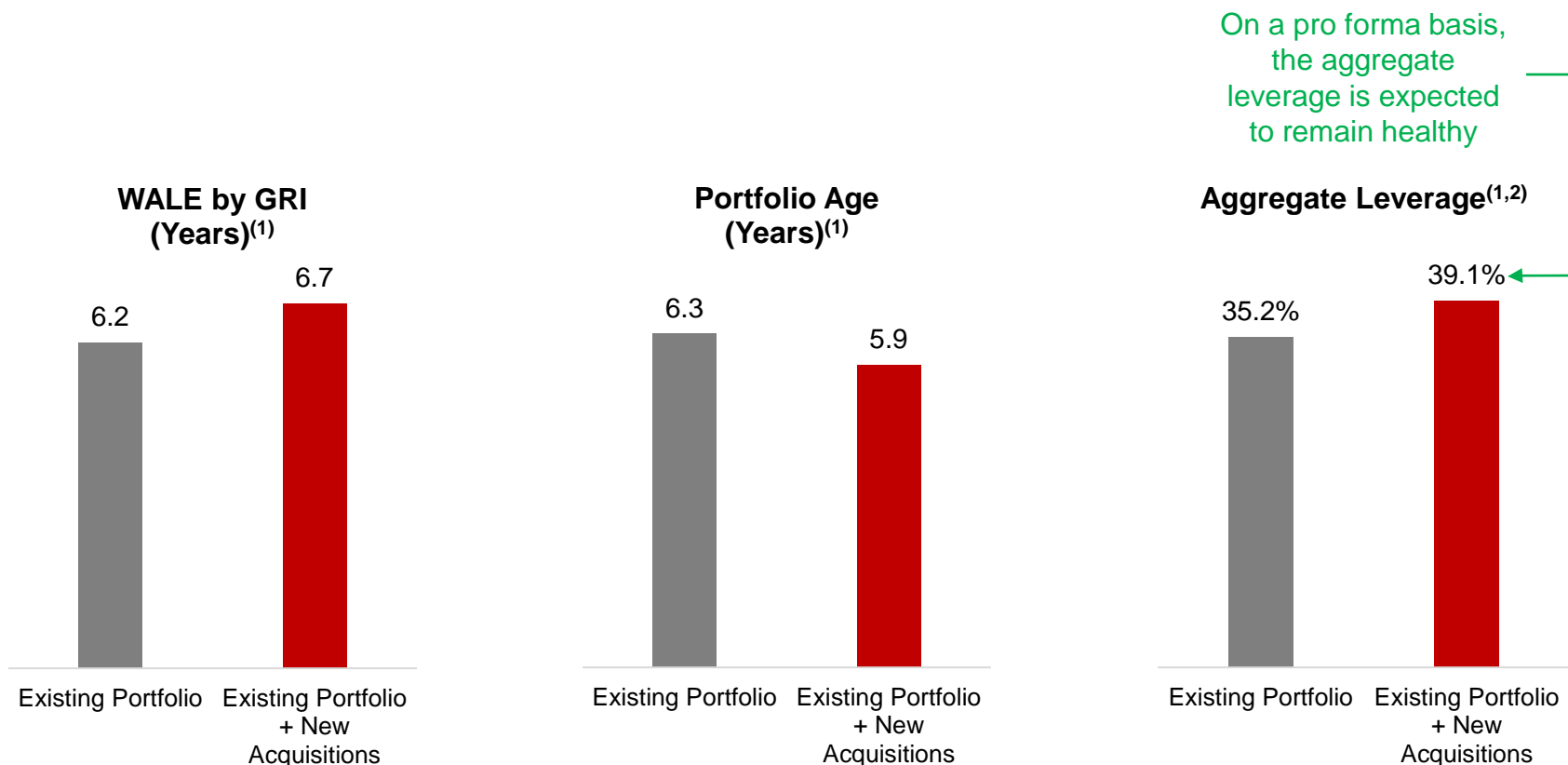
*Occupancy⁽³⁾: **100.0%***

*Lease Term: **4 years from Feb 2023***

(1) Please refer to the announcements dated 31 January 2024 and 15 March 2024 for further information.

(2) Based on the average of the two independent valuations of DPL Ibaraki Yuki conducted by the independent valuers as at 31 August 2023.

(3) As at 31 December 2023.



- The Manager believes that the addition of D Project Tan Duc 2 and DPL Ibaraki Yuki (“**New Acquisitions**”) will enhance the overall quality of the DHLT Portfolio

(1) On pro forma basis as at 31 December 2023, assuming the New Acquisitions were completed on 31 December 2023.
 (2) The pro forma aggregate leverage is based on the assumptions that the transaction costs (save for the acquisition fees) for the New Acquisitions were fully financed by debt financing and converted to S\$ based on the foreign exchange rates of S\$1.00 = VND18,412.82 and S\$1.00 = JPY107.11 for the Vietnam Acquisition and Japan Acquisition, respectively.







SUSTAINABILITY

The Manager strongly believe in conducting the business activities of DHLT on a balanced and sustainable basis, taking into consideration the various aspects of environment, social and governance

	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
17. DPL Ibaraki Yuki	✓	BELS	0.8
Total	-		16.1

Selected Initiatives

-  All new and renewed leases since IPO contained “green” clause in the agreements
-  LED lightings will be installed in D Project Kuki S and thereafter proceed to obtain “green” rating for the property
-  Progressively replacing lightings in D Project Matsuyama with LED lights
-  Acquired green property, DPL Ibaraki Yuki, on 15 March 2024

← Acquisition completed in March 2024

(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.



15 Sep 2023

Tree-planting at Alexandra Canal Linear Park

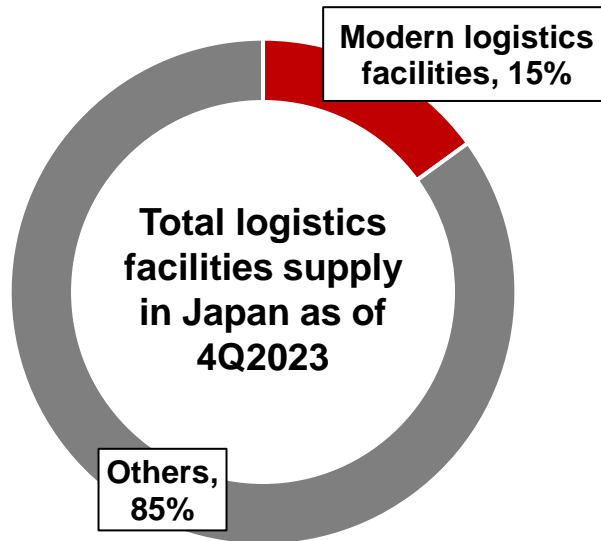
The Manager believes in doing its part in contributing to the communities



10 Nov 2023

Trash picking at East Coast Park

- There has been substantial supply of new logistics facilities in recent years, which has resulted in moderation of rent growth in general
- Notwithstanding, the proportion of modern logistics facilities in Japan remained relatively modest at approximately 15%



- All of the multi-tenanted properties in the DHLT portfolio are built with modern specifications

- Demand for logistics space in Japan expected to be supported:

E-commerce market

E-commerce penetration rate in Japan relatively low at 9.1%, compared to markets such as USA and China

Third-party logistics (3PL)

Companies continue to look to outsource logistics function

Restriction on overtime hours on truck drivers

This may drive demand for logistics facilities in the regional areas

Returning of overseas manufacturing processes

Expected to benefit demand for Japan logistics space in Japan



APPENDIX

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	2.8	100.0%	12,800
DPL Sendai Port	2017	63,119	Freehold	Multi-tenanted	1.4	100.0%	13,400
DPL Koriyama	2019	34,174	Freehold	Multi-tenanted	0.4	100.0%	7,270
Greater Tokyo							
D Project Maebashi S	2018	14,736	Freehold	Single-tenanted	9.8	100.0%	3,690
D Project Kuki S	2014	18,257	Expiring 2034	Single-tenanted	0.6	100.0%	1,200
D Project Misato S	2015	14,877	Expiring 2045	Single-tenanted	11.1	100.0%	2,300
D Project Iruma S	2017	14,582	Freehold ⁽⁴⁾	Single-tenanted	14.0	100.0%	4,870
DPL Kawasaki Yako	2017	93,159	Expiring 2067	Multi-tenanted	10.4	100.0%	21,000
D Project Nagano Suzaka S	2018	9,810	Freehold	Single-tenanted	4.8	100.0%	2,710
Greater Nagoya							
DPL Shinfuji	2017	27,537	Expiring 2065	Multi-tenanted	7.0	100.0%	3,770
D Project Kakegawa S	2019	22,523	Freehold	Single-tenanted	10.3	100.0%	4,440
Chugoku / Shikoku / Kyushu							
DPL Okayama Hayashima	2017 / 2018	23,541	Expiring 2067	Multi-tenanted	3.4	100.0%	4,540
DPL Okayama Hayashima 2	2017	16,750	Expiring 2051	Multi-tenanted	1.0	100.0%	2,530
DPL Iwakuni 1 & 2	2016 / 2020	15,461	Freehold	Multi-tenanted	1.5	100.0%	2,280
D Project Matsuyama S	1994 / 2017	5,347	Freehold	Single-tenanted	5.6	100.0%	948
D Project Fukuoka Tobarā S	2019	10,508	Expiring 2068	Single-tenanted	10.6	100.0%	1,360
Total / Average / Weighted Average	-	444,728	-	-	6.2	100.0%	89,108

(1) Based on the monthly rent as at 31 December 2023.

(2) Based on NLA as at 31 December 2023.

(3) Based on the independent valuation of the properties as at 31 December 2023.

(4) 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.