



Daiwa House
Logistics Trust

Daiwa House Logistics Trust

Business Updates for the first quarter ended
31 March 2024 (“**1Q FY2024**”)

8 May 2024

Daiwa House

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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

1Q FY2023



Net Property Income

JPY 1.2 BILLION
+4.6% y-o-y⁽¹⁾



Aggregate Leverage⁽²⁾

37.3%



Distributable Income

S\$ 9.2 MILLION
+0.6% y-o-y



Interest Coverage⁽⁴⁾

12.0 TIMES



Weighted Average Lease Expiry by GRI^(2,3)

5.9 YEARS



Proportion of Loan in Fixed Rate⁽²⁾

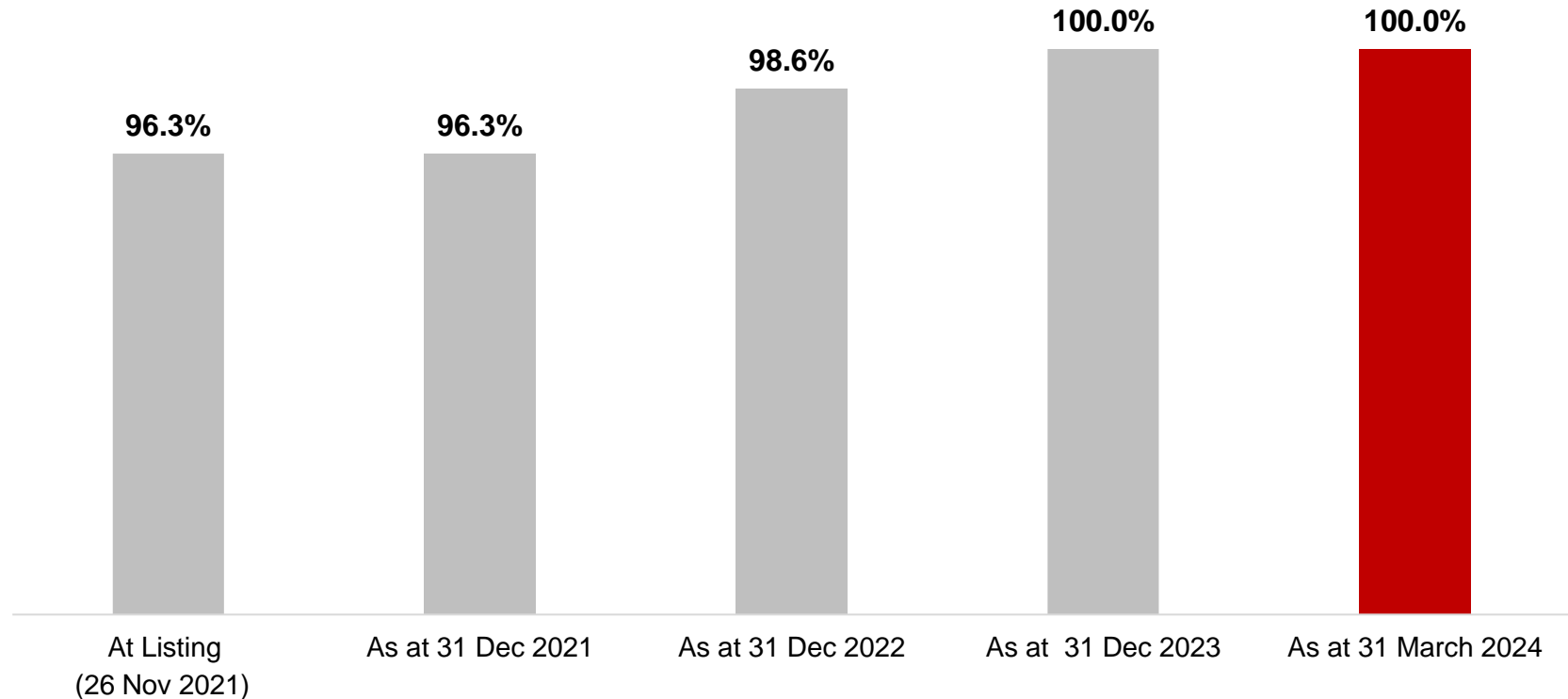
100.0%

- (1) In JPY terms.
- (2) Information as at 31 March 2024.
- (3) Gross rental income (“GRI”) based on monthly rent as at 31 March 2024.
- (4) Based on last 12 months up to 31 March 2024.



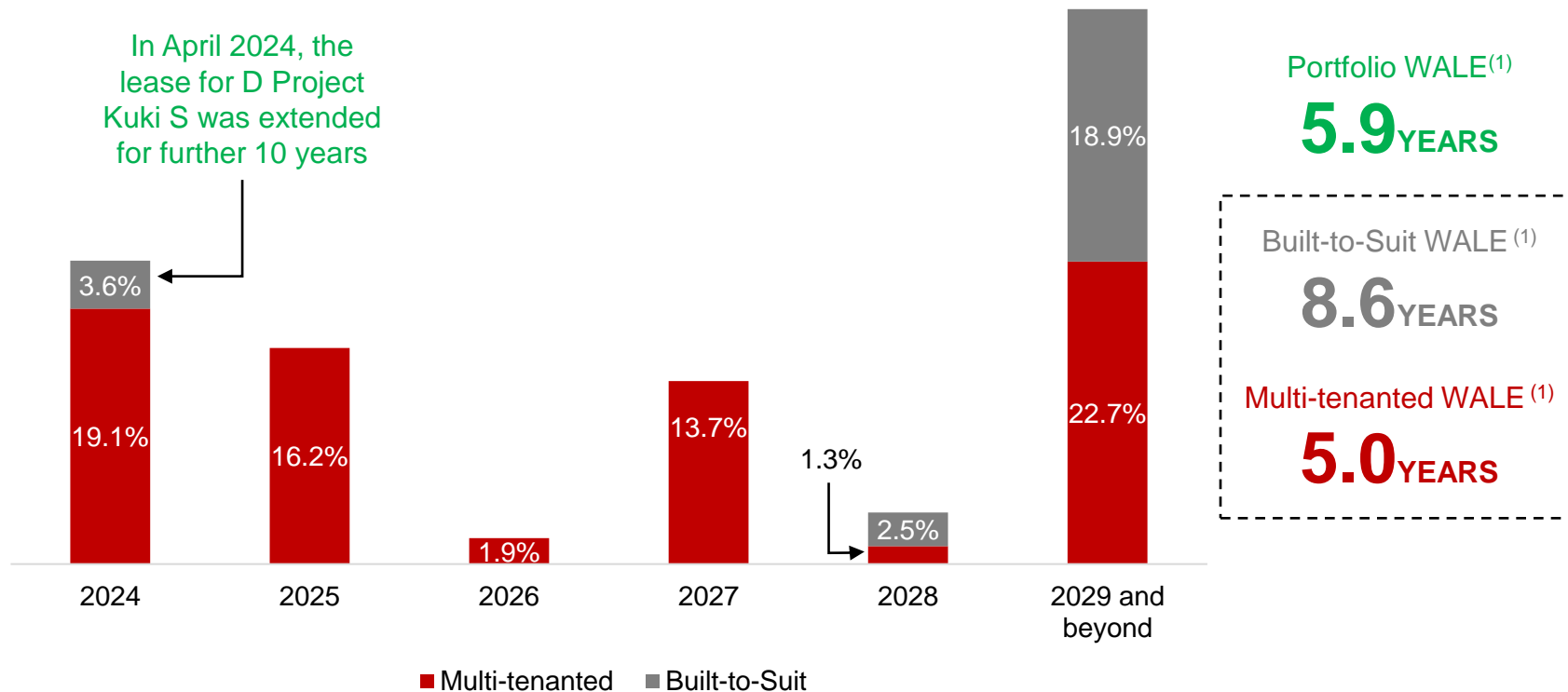
Operational Performance

Portfolio Occupancy Rate



- Two space were vacated following their expiry on 31 March 2024, resulting in portfolio occupancy rate of 96.6%
- Notwithstanding, the portfolio continue to maintain high occupancy rate since listing in November 2021

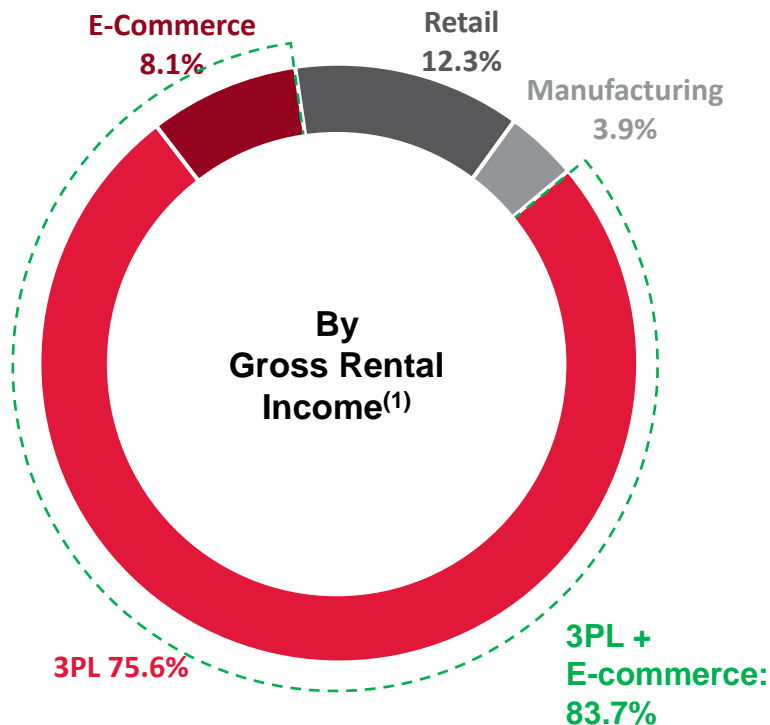
Portfolio Lease Expiry⁽¹⁾ as at 31 March 2024



- Long WALE of the portfolio provides income stability to DHLT
- The Manager is working closely with the Property Manager to lease the vacant space

(1) By GRI which is based on the monthly rent as at 31 March 2024.

Breakdown by Tenant Trade Sector



Top 10 Tenants

	Tenant	Sector	% of NPI ⁽²⁾
1	Mitsubishi Shokuhin	3PL	19.4
2	Nippon Express	3PL	8.5
3	Suntory Logistics	3PL	7.7
4	Nitori	Retail	5.7
5	Tenant A ⁽³⁾	3PL	4.4
6	Create SD	Retail	4.3
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	3.8
			65.7

- Tenant base remained relatively stable with 75.6% of the tenants (by GRI)⁽²⁾ involved in 3PL which in turn have diversified client base, hence mitigating concentration risk

(1) Based on the monthly rent as at 31 March 2024.

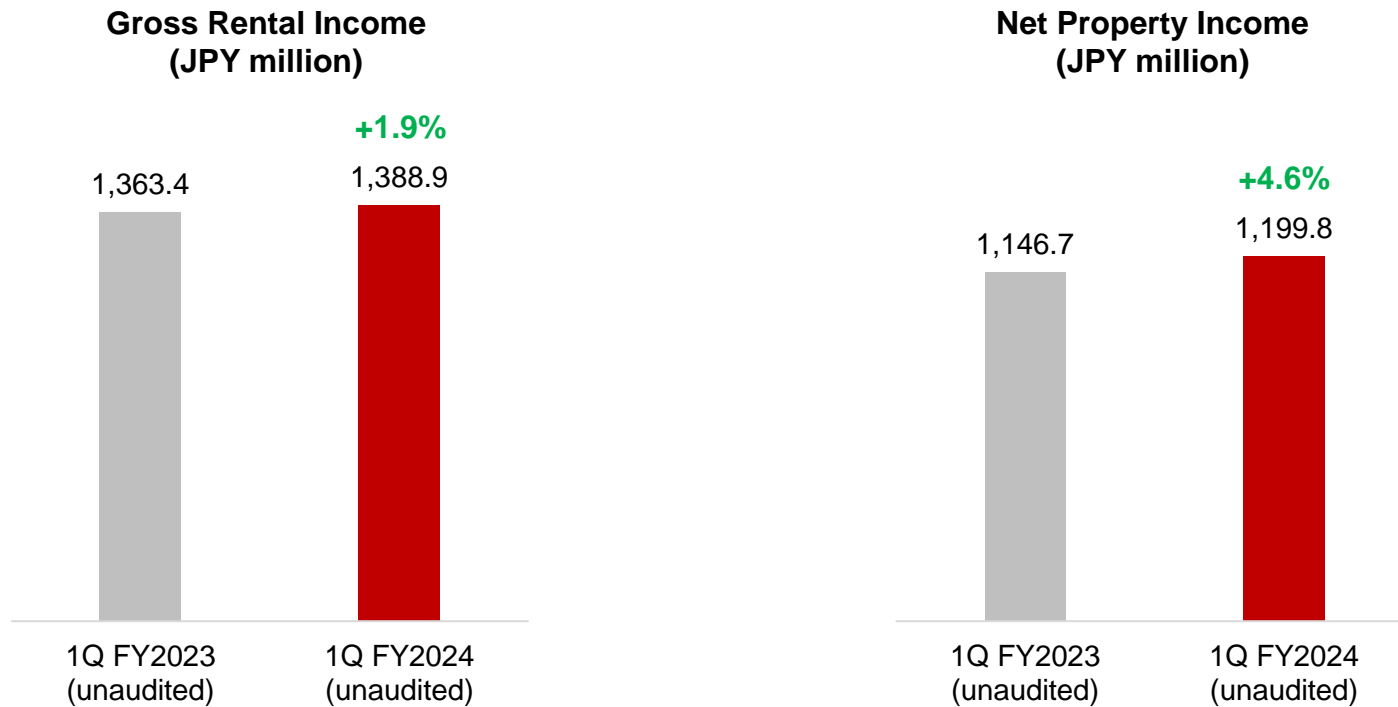
(2) Based on net property income (“NPI”) for 1Q FY2024 and % of NPI was calculated and adjusted based on the NPI of each property and allocated to the respective tenants by the proportion of net lettable area (“NLA”) the tenants occupy in the property.

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

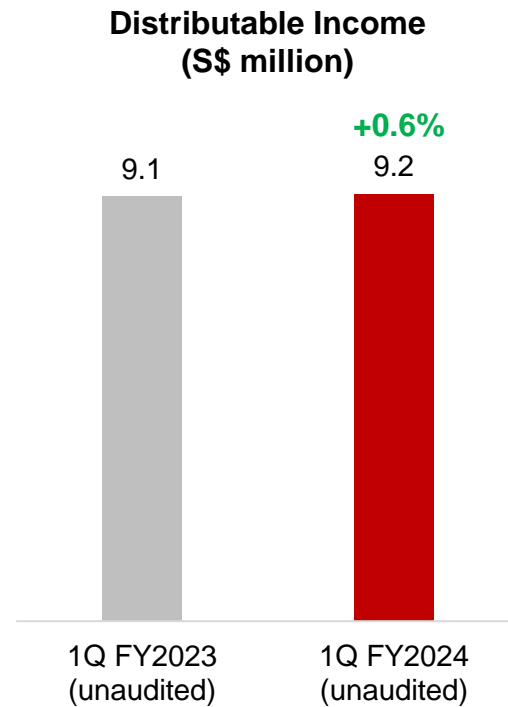
D Project Fukuoka Tobara S

**Financial
Performance**





- GRI and NPI for 1Q FY2024 in JPY terms were higher y-o-y mainly due to higher portfolio occupancy and contribution from DPL Ibaraki Yuki which was acquired in March 2024, as well as absence of repair expenses relating to damage caused by an earthquake which was incurred in 1Q FY2023
- NPI in SGD terms was lower by 6.2% mainly due to weaker JPY against SGD



- Distributable income posted modest improvement of 0.6% y-o-y mainly due to the stable portfolio performance and realised gain from hedging
- Distributions will be made on a semi-annual basis, with the next distribution in respect of the period 1 January 2024 to 30 June 2024

	As at 31 Dec 2023 (audited)	As at 31 Mar 2024 (unaudited)
Total Assets (S\$ million)	1,101.7	1,064.9
Total Liabilities (S\$ million)	548.3	547.6
Net Assets Attributable to Unitholders (S\$ million)⁽¹⁾	517.7	481.7
NAV per Unit attributable to Unitholders (S\$)⁽¹⁾	0.74	0.69
Aggregate Leverage⁽²⁾	35.2%	37.3%

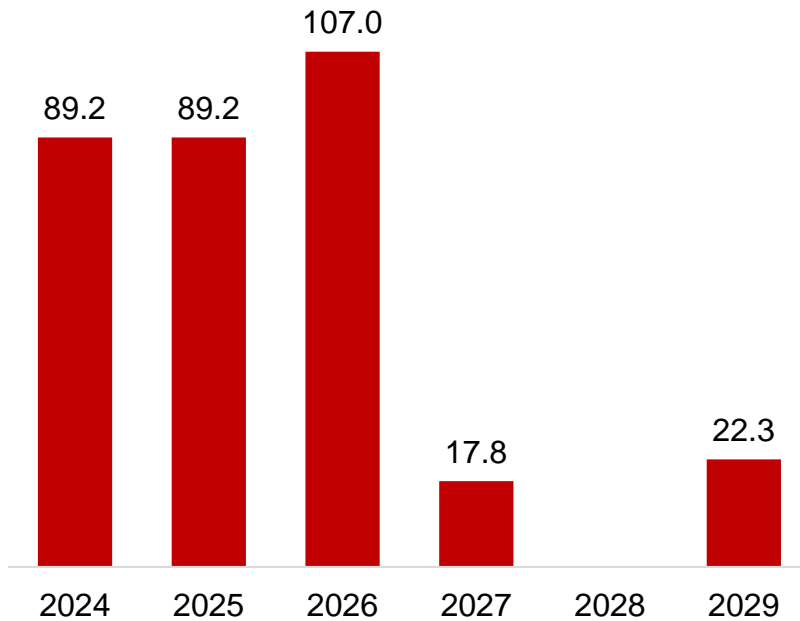
- The decline in net asset value (“NAV”) and NAV per Unit was mainly due to weaker JPY against SGD⁽³⁾ and payment of cash distribution in March 2024
- Aggregate leverage was higher due to additional borrowings for the acquisition of DPL Ibaraki Yuki, remaining at a healthy level

(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 2023 and 31 March 2024 were 107.11 and 112.10, respectively.

Debt Maturity Profile as at 31 March 2024
(S\$ million)



As at
31 March 2024

Total borrowings	<ul style="list-style-type: none"> JPY36.5 billion (S\$325.6 million)
Weighted average debt tenure	<ul style="list-style-type: none"> 2.1 years
Weighted average borrowing cost	<ul style="list-style-type: none"> 1.03% (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"> 12.0 times

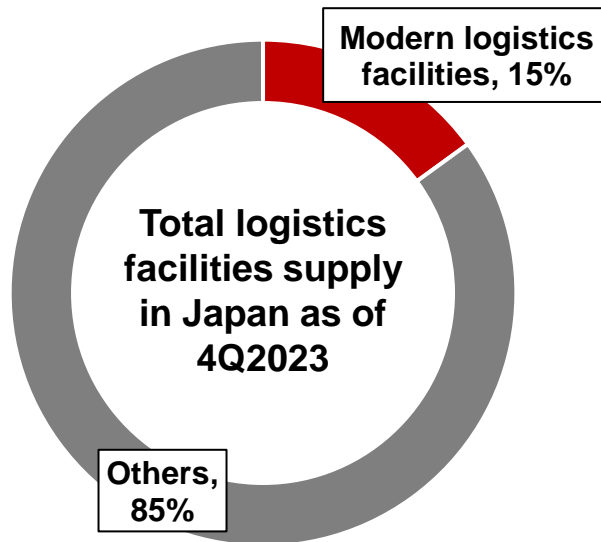
- Borrowings are 100% denominated in JPY to provide natural hedge
- Additional 5-year loan taken for the acquisition of DPL Ibaraki Yuki in March 2024
- Loan amounting to JPY 10.0 billion (S\$89.2 million) matures in end November 2024

(1) Based on last 12 months up to 31 March 2024.



Outlook

- 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

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**

17

High Quality Logistics Assets

100.0%

Portfolio Occupancy Rate⁽¹⁾

JPY92,333 mil

Portfolio Valuation⁽²⁾

5.9 Years

Portfolio WALE by GRI^(1,3)

458,149 sqm

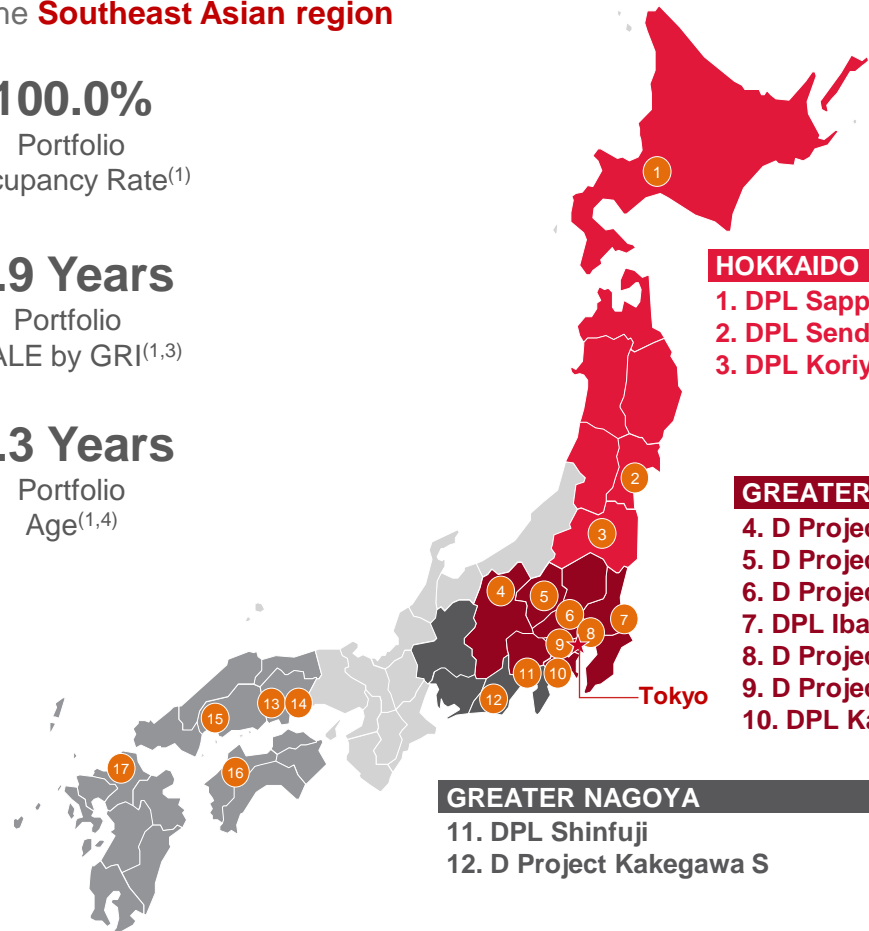
Total NLA⁽¹⁾

6.3 Years

Portfolio Age^(1,4)

CHUGOKU / SHIKOKU / KYUSHU

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



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. DPL Ibaraki Yuki
- 8. D Project Misato S
- 9. D Project Iruma S
- 10. DPL Kawasaki Yako

GREATER NAGOYA

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

(1) As at 31 March 2024. (2) Based on the independent valuation of the properties as at 31 December 2023, save for valuation of DPL Ibaraki Yuki which was based on average valuation as at 31 August 2023. (3) GRI based on the monthly rent as at 31 March 2024. (4) Based on weighted average by NLA.

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	2.5	100.0%	12,800
DPL Sendai Port	2017	63,119	Freehold	Multi-tenanted	1.2	100.0%	13,400
DPL Koriyama	2019	34,174	Freehold	Multi-tenanted	0.2	100.0%	7,270
Greater Tokyo							
D Project Nagano Suzaka S	2018	9,810	Freehold	Single-tenanted	4.6	100.0%	2,710
D Project Maebashi S	2018	14,736	Freehold	Single-tenanted	9.6	100.0%	3,690
D Project Kuki S	2014	18,257	Expiring 2034	Single-tenanted	0.3	100.0%	1,200
DPL Ibaraki Yuki	2023	13,421	Freehold	Multi-tenanted	2.8	100.0%	3,225
D Project Misato S	2015	14,877	Expiring 2045	Single-tenanted	10.9	100.0%	2,300
D Project Iruma S	2017	14,582	Freehold ⁽⁴⁾	Single-tenanted	13.8	100.0%	4,870
DPL Kawasaki Yako	2017	93,159	Expiring 2067	Multi-tenanted	10.1	100.0%	21,000
Greater Nagoya							
DPL Shinfuji	2017	27,537	Expiring 2065	Multi-tenanted	6.8	100.0%	3,770
D Project Kakegawa S	2019	22,523	Freehold	Single-tenanted	10.2	100.0%	4,440
Chugoku / Shikoku / Kyushu							
DPL Okayama Hayashima	2017 / 2018	23,541	Expiring 2067	Multi-tenanted	3.2	100.0%	4,540
DPL Okayama Hayashima 2	2017	16,750	Expiring 2051	Multi-tenanted	0.8	100.0%	2,530
DPL Iwakuni 1 & 2	2016 / 2020	15,461	Freehold	Multi-tenanted	1.2	100.0%	2,280
D Project Matsuyama S	1994 / 2017	5,347	Freehold	Single-tenanted	5.4	100.0%	948
D Project Fukuoka Tobaru S	2019	10,508	Expiring 2068	Single-tenanted	10.3	100.0%	1,360
Total / Average / Weighted Average	-	458,149	-	-	5.9	100.0%	92,333

(1) Based on the monthly rent as at 31 March 2024.

(2) Based on NLA as at 31 March 2024.

(3) Based on the independent valuation of the properties as at 31 December 2023, save for valuation of DPL Ibaraki Yuki which was based on average valuation as at 31 August 2023.

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

Examples of pipeline assets – Japan

#	Name	Region	Type	Land Type	Est. Floor Area (sqm)	Completion Year
1	DPL Hiroshima Itsukaichi Port	Chugoku	Multi-tenanted	Freehold	49,911	2017
2	DPL Gunma Fujioka	Greater Tokyo	Multi-tenanted	Freehold	23,755	2021
3	DPL Iwate Kitakami 3	Tohoku	Multi-tenanted	Freehold	10,803	2021
4	D Project Sapporo Minami 2	Tohoku	Single-tenanted	Freehold	20,864	2021
5	DPL Tomigusuku 2	Okinawa	Multi-tenanted	Leasehold	79,916	2022
6	DPL Toyama Takaoka	Greater Nagoya	Multi-tenanted	Freehold	16,765	2023
7	DPL Kakegawa	Greater Nagoya	Multi-tenanted	Freehold	58,192	2023
8	DPL Nagano Chikuma	Greater Tokyo	Multi-tenanted	Freehold	42,780	2023
9	DPL Okayama Airport South	Chugoku	Multi-tenanted	Freehold	33,301	2023
10	DPL Koriyama 2	Tohoku	Multi-tenanted	Freehold	19,693	2023
11	DPL Tsukuba Ami 3	Greater Tokyo	Multi-tenanted	Freehold	76,750	2023
12	DPL Higashi Osaka	Greater Osaka	Multi-tenanted	Leasehold	23,636	2023
13	DPL Sendai Rifu 2	Tohoku	Multi-tenanted	Freehold	15,851	2024
14	DPL Odawara	Greater Tokyo	Multi-tenanted	Leasehold	26,753	2024 ⁽¹⁾
15	DPL Hiroshima Fukuyama North	Chugoku	Multi-tenanted	Freehold	28,050	2025 ⁽¹⁾
16	DPL Kanegasaki 2	Tohoku	Multi-tenanted	Freehold	46,029	2025 ⁽¹⁾
Total					573,049	



DPL Hiroshima Itsukaichi Port



DPL Tomigusuku 2

- The above sets out examples of potential pipeline properties and there is no certainty DHLT will acquire all the properties listed
- The properties listed in the are non-exhaustive and the list may change from time to time

Note: Information as at 31 March 2024. (1) Estimated year of completion.

Examples of pipeline assets – Southeast Asia

#	Project	Country	Type	Land Type	Est. Floor Area (sqm)	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	D Project Tan Duc A	Vietnam	Single-tenanted	Leasehold	40,452	2023
4	DPL Minh Quang	Vietnam	Multi-Tenanted	Leasehold	42,330	2025 ⁽¹⁾
5	DHML 1	Malaysia	Multi-tenanted	Leasehold	16,500	2020
6	DHML 2	Malaysia	Multi-tenanted	Leasehold	20,000	2021
7	DHML 3	Malaysia	Multi-tenanted	Freehold	75,411	2025 ⁽¹⁾
8	DMLP 1	Indonesia	Multi-tenanted	Leasehold	59,040	2018
9	DMLP 2	Indonesia	Multi-tenanted	Leasehold	46,493	2020
10	DMLP 3	Indonesia	Multi-tenanted	Leasehold	102,907	N.A
11	DMLP 4	Indonesia	Multi-tenanted	Leasehold	97,977	N.A.
Total					569,861	



DPL Loc An-Binh Son 1



DHML2

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Note: Information as at 31 March 2024. (1) Estimated year of completion.



- 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⁽¹⁾

Daiwa House
Daiwa House Group

392 FACILITIES | **13.5** FLOOR AREA
MILLION SQM

Global Presence

26 COUNTRIES

Market Capitalisation⁽²⁾

S\$ **26.6** 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 (2023)

418TH

14 Consecutive Years Ranked

(1) Accumulated as at 31 March 2024. Floor areas have been accumulated since FY2003 for built-to-suit type logistics, and since FY2013 for multi-tenant type logistics.

(2) As at 29 March 2024.

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



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Thank you.

www.daiwahouse-logisticstrust.com