

**Daiwa House Logistics Trust posted
DPU of 2.45 cents for 1H FY2024**

- ***DHLT added two high quality properties to its growing portfolio, including one in Vietnam, its first property outside of Japan***
- ***Underlying performance of portfolio remained stable as net property income in JPY terms for 1H FY2024 improved by 2.8% y-o-y***

SINGAPORE, 12 August 2024 – Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust (the “**Manager**” and Daiwa House Logistics Trust, “**DHLT**” or the “**REIT**”), has today announced the financial results for the first half ended 30 June 2024 (“**1H FY2024**”).

During 1H FY2024, DHLT completed the acquisition of DPL Ibaraki Yuki in Japan on 15 March 2024 and subsequently completed the acquisition of D Project Tan Duc 2 in Vietnam on 5 July 2024. Both properties were built only in 2023 and were fully occupied as at 30 June 2024. DPL Ibaraki Yuki is a freehold logistics property that is well located in Greater Tokyo, while D Project Tan Duc 2 is a cold storage facility that is strategically located between Ho Chi Minh City and the Mekong Delta region. D Project Tan Duc 2 is also the DHLT’s first property outside Japan as the REIT diversified into a new growing market.

Operations remained stable in 1H FY2024, maintaining a high level of portfolio occupancy of 96.6%, with weighted average lease expiry (“**WALE**”) of 6.3 years as at 30 June 2024. Of the leases that expired during 1H FY2024, two spaces were vacated while the rest were renewed. A tenant has been secured for one of the vacant spaces and the lease commenced in August 2024. In addition, the lease of D Project Kuki, a built-to-suit property, was renewed for a further 10 years. In August 2024, the Manager also managed to negotiate for a higher rent for a built-to-suit property, with contractual

annual rent escalation over next 5 years. The rent for the renewed and new leases ranged from unchanged rent to uplift of 18%¹, with a weighted average of approximately 6%.

Summary of Financial Results

	Period from 1 January to 30 June		
	1H FY2023 (unaudited)	1H FY2024 (unaudited)	Variance (%)
Gross Revenue (S\$ '000)	30,900	27,581	(10.7)
Net Property Income (S\$ '000)	23,132	21,233	(8.2)
Distributable Income (S\$ '000)	18,130	17,104	(5.7)
Distribution per Unit (cents)	2.61	2.45	(6.1)

The underlying performance of the portfolio remained stable, as net property income (“NPI”) in JPY terms grew by 2.8% y-o-y. This was mainly due to the contribution from DPL Ibaraki Yuki which was acquired on 15 March 2024. However, due to weaker JPY against SGD, distributable income was lower by 5.7% y-o-y, resulting in DPU of 2.45 cents for 1H FY2024.

Capital Management

As at 30 June 2024, the aggregate leverage was 36.8%. In relation to the acquisition of D Project Tan Duc 2, DHLT obtained its first unsecured term loan facility for JPY3.03 billion. Assuming the acquisition of D Project Tan Duc 2 was completed on 30 June 2024 and the related borrowings were drawn on the same date, the aggregate leverage would be 38.7%, remaining at a healthy level. As at 30 June 2024, 100% of DHLT’s borrowings are on fixed-rate basis.

Outlook

While new supply in the Japan logistics sector is expected to remain at high level,

¹ Based on the monthly rent for new or renewed leases compared against the preceding lease for the same space.

demand for logistics facilities is expected to remain healthy, supported by factors such as (i) growth in Japan e-commerce and third-party logistics (3PL) markets (ii) modern logistics facilities remained limited (iii) reshoring of manufacturing facilities, and (iv) restrictions on truck drivers' overtime which may drive demand for transition locations. Based on a survey conducted in March 2024 on approximately 200 logistics operators and consignor firms, 51% of respondents planned to expand floor area while 35% intended to expand number of sites². As of March 2022, proportion of modern logistics facilities was relatively low at 16% of the total stock of logistics space while 54% were built more than 30 years ago³.

Demand for logistics facilities in Vietnam is expected to be driven by factors such as (i) growth of e-commerce, and (ii) growing middle class. While e-commerce has recorded strong growth in recent years, it accounted for only 8.5% of total retail sales of consumer goods and services, and with more than 70 million internet users in the country, there is potential for further growth⁴. Vietnam's economy grew by approximately 5% in 2023 and is forecasted to be one of the fastest growing economies in Asia over the next 2 years⁵. Demand for cold storage facilities are also expected to grow as demand for fresh products increases, which resulted in increasing number of supermarkets, driving Vietnam's cold chain market⁶.

Mr Jun Yamamura, Chief Executive Officer of the Manager, said, "We are pleased to complete the first acquisition outside of Japan and look forward to the contribution of both DPL Ibaraki Yuki and D Project Tan Duc 2 in years to come. In relation to the acquisition of D Project Tan Duc 2, DHLT obtained its first unsecured facility and this is a strong testament to the track record of DHLT's portfolio since listing as well as its credit standing.

² Source: Japan - 2024 Logistics Occupier Survey (CBRE, June 2024).

³ Source: Capturing the Logistics Opportunity in Japan, Australia and South Korea (CBRE, May 2024).

⁴ Source: The Development of e-Commerce in Vietnam (Savills, March 2024).

⁵ Source: World Economic Outlook (International Monetary Fund, April 2024).

⁶ Source: Cold Storage Warehouse For Lease In Vietnam - The Rising Demand in 2024 (Savills, April 2024).

While a weaker JPY has affected DHLT's results in 1H FY2024, operations have remained steady. Proactive asset management approach with good market knowledge has also allowed us to achieve strong rental growth for one of the vacated spaces, and we will continue to seek opportunities to improve the earnings of the properties. Most of the tenants for the leases expiring in 2H FY2024 have indicated intention to renew, and we expect some of these renewals to achieve modest rent uplift.”

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About Daiwa House Logistics Trust (www.daiwahouse-logisticstrust.com)

Daiwa House Logistics Trust (“**DHLT**”) is a Singapore real estate investment trust (“**REIT**”) established with the investment strategy of principally investing in a portfolio of income-producing logistics and industrial real estate assets located across Asia. Its portfolio currently comprises 18 high-quality logistics properties across Japan with an aggregate net lettable area of approximately 476,614 sqm.

DHLT is managed by Daiwa House Asset Management Asia Pte. Ltd., a wholly-owned subsidiary of its Sponsor, Daiwa House Industry Co., Ltd.

About the Sponsor, Daiwa House Industry Co., Ltd. (www.daiwahouse.co.jp)

Daiwa House Industry Co., Ltd. (“**Daiwa House Industry**”) is one of the largest construction and real estate development companies in Japan. It is listed on the Tokyo Stock Exchange (“**TSE**”) with a market capitalisation of JPY2,688.2 billion (S\$22.7 billion) as of 28 June 2024.

Founded in 1955, Daiwa House Industry has an extensive track record in real estate development. In addition to its primary operations in Japan, the Sponsor has presence in other markets including ASEAN, East Asia, the United States of America, Europe, and Australia. Daiwa House Industry has vast and deep experience in logistics asset development and is one of the largest logistics real estate developers in Japan by both number of properties and gross floor area.

Daiwa House Industry has extensive knowledge in both asset and fund management and is currently managing real estate funds which include TSE-listed Daiwa House REIT Investment Corporation, two unlisted REITs as well as multiple private funds.

IMPORTANT NOTICE

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.