

**Daiwa House Logistics Trust recorded
DPU of 4.79 cents for FY2024**

- ***Underlying performance of the portfolio remained healthy***
- ***Landmark transaction in FY2024 with the acquisition of property in Vietnam, DHLT's first outside of Japan***
- ***All properties unencumbered as borrowings in Japan onshore restructured***

SINGAPORE, 28 FEBRUARY 2025 – 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 financial year ended 31 December 2024 (“**FY2024**”).

Of the leases that expired during FY2024, approximately 90% of the space was renewed or filled¹. For one of the expired leases, the existing tenant was replaced by a new tenant with rent uplift. Including this new lease, the weighted average rent uplift for the leases renewed and the new lease entered into during FY2024 was approximately 5%². As a result of the healthy renewal and leasing activities, portfolio occupancy rate remained high at 97.6%, while weighted average lease expiry (“**WALE**”) of the portfolio³ remained relatively long at 6.6 years, as at 31 December 2024.

During FY2024, DHLT leveraged on the pipeline of properties of its Sponsor, Daiwa House Industry Co., Ltd., and continued its steady growth with the addition of two properties. DPL Ibaraki Yuki (acquired in March 2024) is a freehold logistics property located in Greater Tokyo, while D Project Tan Duc 2 (acquired in July 2024) is a cold

¹ Based on net lettable area (“**NLA**”) of leases that expired in 2024 and included a space which was vacated and subsequently filled.

² Based on the monthly rent for renewed or new leases compared against the preceding lease for the same space.

³ By gross rental income (“**GRI**”), which was based on the monthly rent as at December 2024.

storage facility that is located in Long An Province, Vietnam, which is near Ho Chi Minh City. Both properties were built in 2023 and anchored by high quality tenants. The acquisition of D Project Tan Duc 2 was a milestone for DHLT as it was its first property acquired outside of Japan. With these acquisitions, DHLT's portfolio grew to 18 properties as at 31 December 2024.

Portfolio valuation was relatively stable at S\$835.9 million as at 31 December 2024, an increase of 0.5% year-on-year (“**y-o-y**”). The increase in portfolio size, through the acquisition of two properties, was largely offset by weaker JPY against SGD. DHLT's Japan portfolio of 17 properties (“**Japan Portfolio**”) grew by 4.5% y-o-y in JPY terms, mainly due to the addition of DPL Ibaraki Yuki. On a same-store basis, excluding DPL Ibaraki Yuki, the aggregate valuation of the 16 properties in Japan recorded a y-o-y increase of 0.7%, demonstrating the quality of the portfolio.

Summary of Financial Results

	1 July to 31 December (2H)			1 January to 31 December		
	2H FY2023	2H FY2024	Variance	FY2023	FY2024	Variance
Gross Revenue (S\$ '000)	28,951	29,519	+ 2.0%	59,852	57,100	- 4.6%
Net Property Income (S\$ '000)	22,192	22,657	+ 2.1%	45,324	43,890	- 3.2%
Distributable Income (S\$ '000)	18,244	16,412	- 10.0%	36,373	33,518	- 7.8%
Distribution per unit (cents)	2.61	2.34	- 10.3%	5.22	4.79	- 8.2%

Due mainly to the contribution of DPL Ibaraki Yuki, which was partially offset by lower portfolio occupancy in FY2024, the net property income (“**NPI**”) of the Japan Portfolio for FY2024 grew by 2.1% y-o-y in JPY terms. However, the improvement in performance of the Japan Portfolio and the contribution from D Project Tan Duc 2 were negated by weaker JPY against SGD, which resulted in a lower NPI in SGD terms for FY2024. Due mainly to the lower NPI, lower realised foreign exchange gain as well as higher financial expenses from the additional loans drawn for the acquisitions, the distributable income for FY2024 declined y-o-y. As a result, DHLT recorded distribution per unit (“**DPU**”) of 4.79 cents for FY2024.

Prudent Capital Management

Aggregate leverage was 38.5% as at 31 December 2024. In November 2024, the matured 3-year loan was refinanced with a 5-year fixed rate loan, and as a result, the weighted average debt tenure was extended to 2.7 years as at 31 December 2024. Borrowings in Japan onshore were also restructured for the release of security and as such, none of DHLT's properties were encumbered as at 31 December 2024. The Manager believes that the release of security will provide DHLT with higher financing flexibility. As at 31 December 2024, a high proportion of borrowings of 99.2% remained on fixed-rate basis, while 100% of loan were denominated in JPY, providing a natural hedge against DHLT's properties of which more than 96% were denominated in JPY⁴.

Outlook

The logistics sector in Japan continued to face near-term challenges from increase in supply, in general. However, the fundamentals are expected to remain strong from a longer-term perspective, with demand supported by the growing e-commerce sector and the expected moderation of new supply over the coming years⁵. The e-commerce sector in Japan continued to grow, increasing by 4.8% in 2023 to a market size of JPY14.7 trillion⁶. However, the e-commerce penetration rate in Japan remained relatively low at 9.38% compared to other matured e-commerce markets such as China, United States and the United Kingdom⁶, which may indicate potential for further growth. The logistic sector in Vietnam is expected to be supported by factors such as growing foreign investments, improving infrastructure as well as growth of the e-commerce market.

In January 2025, the Bank of Japan raised interest rate, following the last hike in July 2024, and it indicated that it would continue to raise interest rates if its economic and price forecasts are realised⁷.

⁴ Based on the independent valuation of the properties as at 31 December 2024.

⁵ Source: Savills Research – Japan: 2024 Review and 2025 Prospects (December 2024).

⁶ Source: Report by the Ministry of Economy, Trade and Industry on 2023 E-Commerce Market Survey (September 2024).

⁷ Source: Business Times article “Bank of Japan raises interest rates to highest in 17 years, yen jumps” (24 January 2025).

Mr Jun Yamamura, Chief Executive Officer of the Manager, said, “Despite some market challenges, we are pleased that the operations of the portfolio had remained healthy in FY2024. DHLT was able to maintain a high occupancy rate of 97.6% as at 31 December 2024 with a WALE of 6.6 years supported by a high-quality tenant base. 2024 also marked an important milestone for DHLT with the acquisition of D Project Tan Duc 2 in Vietnam, its first property outside of Japan. Together with the acquisition of DPL Ibaraki Yuki during the year, DHLT has continued to grow steadily since its listing in 2021. The quality of the acquired properties was reflected in their latest valuations, which were higher by approximately 27% for DPL Ibaraki Yuki and 6% for D Project Tan Duc 2, compared to their respective acquisition prices, in local currency terms.

On capital management, the security related to the borrowings in Japan onshore was released and as a result, no properties are currently encumbered. We believe that this will provide DHLT with more financing options, improving its financial flexibility. Moving ahead, we believe that the quality of the portfolio will stand us in good stead over the longer term as we navigate near-term market challenges.”

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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 (17 in Japan and one in Vietnam) with an aggregate net lettable area in excess of 476,000 sq m.

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 JPY3,203.7 billion (S\$27.8 billion) as of 30 December 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.