

**Daiwa House Logistics Trust posted
stable distributable income for 1Q FY2024**

- *Underlying performance of portfolio remained healthy as net property income in JPY terms improved by 4.6% y-o-y*
- *Steady operational performance and realised gain from hedges resulted in stable distributable income*
- *Aggregate leverage crept up with additional borrowings for acquisition, remaining healthy at 37.3%*

SINGAPORE, 8 MAY 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 business update for the first quarter ended 31 March 2024 (“**1Q FY2024**”).

As at 31 March 2024, weighted average lease expiry (“**WALE**”) of the portfolio remained relatively long at 5.9 years, by gross rental income (“**GRI**”) ¹. In April 2024, the lease of D Project Kuki, a built-to-suit property, was renewed for a further 10 years from August 2024, which further extended the portfolio WALE. As at 31 March 2024, portfolio occupancy rate remained at 100%. Subsequent to that, certain space were vacated following the expiry of the leases, resulting in portfolio occupancy rate of 96.6%. Notwithstanding, the portfolio continue to maintain a high occupancy rate since listing.

During the quarter, DHLT completed the acquisition of DPL Ibaraki Yuki, adding another high-quality property to its growing portfolio. Underlying portfolio performance continued to be healthy as net property income (“**NPI**”) for 1Q FY2024 in JPY terms grew by 4.6% year-on-year (“**y-o-y**”), mainly due to higher portfolio occupancy during

¹ GRI based on monthly rent as at 31 March 2024.

1Q FY2024 compared to the corresponding quarter last year, contribution from DPL Ibaraki Yuki, as well as the absence of repair expenses relating to damage caused by an earthquake that was incurred in 1Q FY2023. While NPI in SGD terms were negated by weaker JPY against SGD, distributable income posted modest growth of 0.6% y-o-y mainly due to realised gains from hedges.

Prudent Capital Management

Aggregate leverage was higher at 37.3% due to an additional 5-year loan drawn for the acquisition of DPL Ibaraki Yuki, remaining at a healthy level. DHLT also continued to maintain a relatively high interest coverage ratio, at 12.0 times². The additional loan is at a fixed interest rate, and accordingly, the proportion of fixed rate borrowings remained at 100% as at 31 March 2024.

Outlook³

While there has been substantial supply of new logistics facilities in recent years, the proportion of modern logistics facilities in Japan remained relatively modest at approximately 15% as of 4Q2023. Such modern logistics facilities offer higher operational efficiency and all the multi-tenanted properties in the DHLT portfolio were built with modern specifications.

Demand for logistics facilities will continue to be supported by the growth of e-commerce sector in Japan. Despite posting strong growth over the past few years, e-commerce penetration rate remained relatively low at 9.1% in 2022 compared to that of other countries such as the United States, United Kingdom and China, which ranged from 15% to 30%, hence indicating further growth potential for this sector. The third-party logistics (“**3PL**”) sector, another supporting pillar for demand, is also expected to continue its growth as companies look to outsource logistical operations.

Mr Jun Yamamura, Chief Executive Officer of the Manager, said, “We are pleased to add DPL Ibaraki Yuki to DHLT’s portfolio, and we are confident that it will contribute

² Based on last 12 months up to 31 March 2024.

³ Source: Independent market research by JLL Morii Valuation & Advisory K.K. included in the Market Overview section of the FY2023 Annual Report.

positively to the portfolio. Despite the continual weakening of JPY, steady portfolio performance and hedges that were executed resulted in a stable distributable income for 1Q FY2024.

We are proud to continue delivering stable results to unitholders and will continue to exercise prudence in management of capital while driving the performance of the portfolio. We also look forward to the completion of the acquisition of D Project Tan Duc 2, expected in 2Q FY2024.”

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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 17 high-quality logistics properties across Japan with an aggregate net lettable area of approximately 458,149 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 JPY2,985.5 billion (S\$26.6 billion) as of 31 March 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.