



**Daiwa House**  
Logistics Trust

(a real estate investment trust constituted on 2 November 2021  
under the laws of the Republic of Singapore)  
managed by  
Daiwa House Asset Management Asia Pte. Ltd.

**ANNUAL GENERAL MEETING TO BE HELD ON 24 APRIL 2025  
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

Daiwa House Asset Management Asia Pte. Ltd., the manager of Daiwa House Logistics Trust (“**DHLT**”, and the Manager of DHLT, the “**Manager**”) would like to thank unitholders of DHLT (“**Unitholders**”) for submitting questions in advance of our Annual General Meeting (“**AGM**”) to be convened and held in a wholly physical format at Meeting Room 334 – 336 (Level 3), Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Singapore 039593 on Thursday, 24 April 2025 at 3.00 p.m. (Singapore time). Please refer to the attached Appendix A for the Manager’s responses to the substantial and relevant questions in relation to the questions from Unitholders.

Unless otherwise defined herein, all capitalised terms have the meanings ascribed to them in the Annual Report in relation to financial year ended 31 December 2024 announced on 2 April 2025 (the “**Annual Report**”).

For and on behalf of the Board

**Daiwa House Asset Management Asia Pte. Ltd.**  
(Company Registration No. 202037636H)  
(as Manager of Daiwa House Logistics Trust)

Jun Yamamura  
Director and Chief Executive Officer  
17 April 2025

## **Important Notice**

This announcement is for information purposes only and does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any units in DHLT (“Units”) in Singapore or any other jurisdiction, nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates.

An investment in 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 their Units while the Units are listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

The past performance of DHLT is not necessarily indicative of the future performance of DHLT.

This announcement may contain forward-looking statements that involve risks and uncertainties. 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of DHLT. The forecast financial performance of DHLT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

## APPENDIX

### Responses to Substantial and Relevant Questions

1.	<p><b>(i) How likely are landowners to insist on reinstatement of buildings at the end of the lease term, or is this subject to negotiation?</b></p> <p><b>(ii) Is this a common practice in the Japanese market?</b></p>
	<p><b>Response:</b></p> <p>(i) At the end of the leasehold period, the building is to be demolished, and the land is returned to the landowner in a vacant state (“<b>Reinstatement Costs</b>”). However, in practice, this often involves negotiations with the landowner where extension of lease or purchase of land may be possible options.</p> <p>(ii) It depends on factors such as type of assets, the purpose the land is designated for, and also subject to negotiations between the parties. For certain DHLT’s properties, the leasehold terms were extended prior to IPO before their expiries. In end 2022, DHLT also acquired the freehold title of the land for D Project Iruma S, which DHLT acquired as a leasehold property at IPO.</p>
2.	<p><b>(i) Regarding the asset retirement obligation, which appears to be grossed up under investment properties and trade and other payables, do valuers consider this cost in their income capitalization/discounted cash flow methods when assessing property valuations?</b></p> <p><b>(ii) Is this obligation specific to leasehold properties?</b></p>
	<p><b>Response:</b></p> <p>(i) Generally, valuation assessed using discounted cash flow method is based on 10-year cash flow. However, for leasehold properties with land tenure of less than 10 years, the estimated Reinstatement Costs are taken into account in assessing the valuation.</p> <p>(ii) Yes.</p>

3.	<p><b>2.95% JPY 3.0 billion of perpetual securities:</b></p> <p>(i) <b>What was the term of issue with regards to the redemption and renewals.</b></p> <p>(ii) <b>Will there be an increase in interest costs if renewed?</b></p> <p>(iii) <b>taking into account the perps issue, the reits borrowings are rather high. Is there any plan to reduce the outstanding perps.</b></p>
	<p><b>Response:</b></p> <p>(i) There is no fixed maturity for the perpetual securities. DHLT has the option (but not the obligation) to redeem the perpetual securities at each reset date (“<b>Reset Date</b>”), apart from redemption for specific reasons. The first Reset Date is 5 years from the date of issuance and the subsequent Reset Dates are every 5 years thereafter.</p> <p>Please refer to page 151 – 155 and page 355 – 370 of the IPO prospectus of DHLT (Link: <a href="#">DHLT Prospectus</a>) for further details of the perpetual securities.</p> <p>(ii) Should DHLT decide not to redeem the perpetual securities, the coupon rate shall be reset at each Reset Date by applying the base rate at the material time plus the initial spread of the perpetual securities.</p> <p>(iii) Apart from redemption for specific reasons, DHLT has the option to redeem the perpetual securities at the Rest Dates. At the material time, the Manager will take into consideration factors such as the level of aggregate leverage, costs of capital of DHLT, prevailing interest rate, when deciding whether or not to redeem the perpetual securities.</p> <p>For avoidance of doubt, the perpetual securities are excluded from the calculation of aggregate leverage.</p>
4.	<p><b>D Project Iruma 5 has a WALE of 13 years and a low rental yield of 3.7%, measured against end 2024 valuation. Is the lease subject to periodic rental review built in?</b></p>
	<p><b>Response:</b></p> <p>D Project Iruma S is a freehold property and based on the publicly available information of nearby logistics properties that are owned by REITs listed in Japan (including latest valuation of such properties), the NPI yield of D Project Iruma S is generally in line.</p> <p>Based on the lease contract of D Project Iruma S, there is a clause to review the rent level every five years, with the adjusted rent, if any, to be mutually agreed.</p>

5.	<b>With JPY interest rate expected to rise, what is the plan going forward on borrowings?</b>
	<p data-bbox="279 383 419 412"><b>Response:</b></p> <p data-bbox="279 456 1407 600">Given that majority of DHLT's are denominated in JPY, DHLT is likely to maintain high proportion of borrowings in JPY for natural hedge. While JPY interest rate has increased, it is relatively lower compared to other currencies. The Manager will also continue to maintain a high proportion of borrowings in fixed rate to mitigate interest rate volatility.</p> <p data-bbox="279 645 1407 819">As at 31 December 2024, all of DHLT's properties are unencumbered and this will provide DHLT with more options. The Manager will take a balanced approach considering the rates and tenure of the various options, amongst other factors, when considering financing options such as bank loans, bonds or interest rate swaps, amongst others. The Manager will remain prudent in managing the level of aggregate leverage.</p> <p data-bbox="279 864 1407 931">Concurrently, the Manager will also continue to seek improvement in the performance of DHLT through active asset management and potential acquisitions.</p>