



Daiwa House
Logistics Trust

Daiwa House Logistics Trust

Results Presentation for the financial period from
26 November 2021 to 30 June 2022 (“**1H FY2022**”)

3 August 2022

Daiwa House

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.

DBS Bank Ltd. was the Sole Financial Adviser, and DBS Bank Ltd. and Nomura Singapore Limited are the Joint Issue Managers for the initial public offering of Daiwa House Logistics Trust.

Key Highlights for the 1H FY2022



DPL Kawasaki Yako



Steady operational performance

- ✓ High occupancy rate of **98.6%**⁽¹⁾
- ✓ **100% lease renewal rate**, all leases that were to expire during 1H FY2022 were renewed
- ✓ Average rent of new / renewed leases increased by **3.1%**⁽²⁾
- ✓ Maintained long weighted average lease expiry (“WALE”) at **6.8 years**⁽³⁾



Stable financial performance and proactive capital management

- ✓ Distribution per unit (“DPU”) of **3.09 cents** in line with forecast⁽⁴⁾
- ✓ Consumption tax refunded in April 2022, aggregate leverage at **34.0%**⁽¹⁾
- ✓ Borrowings are denominated in JPY and **100% on fixed rate**

(1) As at 30 June 2022.

(2) Based on the monthly rent for new or renewed lease compared against the preceding lease for the same space, weighted by NLA.

(3) By occupied NLA as at 30 June 2022.

(4) Pro-rated based on the forecast Consolidated Statements of Comprehensive Income for the period 1 October 2021 to 31 December 2021 as well as the forecast Consolidated Statements of Comprehensive Income for the financial year ended 31 December 2022 (“**Projection Year 2022**”) as disclosed in the IPO Prospectus dated 19 November 2021 (“**IPO Prospectus**”).

Distribution per unit for the period 26 November 2021 to 30 June 2022 **3.09 cents**

Ex-Date **11 August 2022, 9.00 a.m.**

Record Date **12 August 2022, 5.00 p.m.**

Distribution Payment Date **6 September 2022**

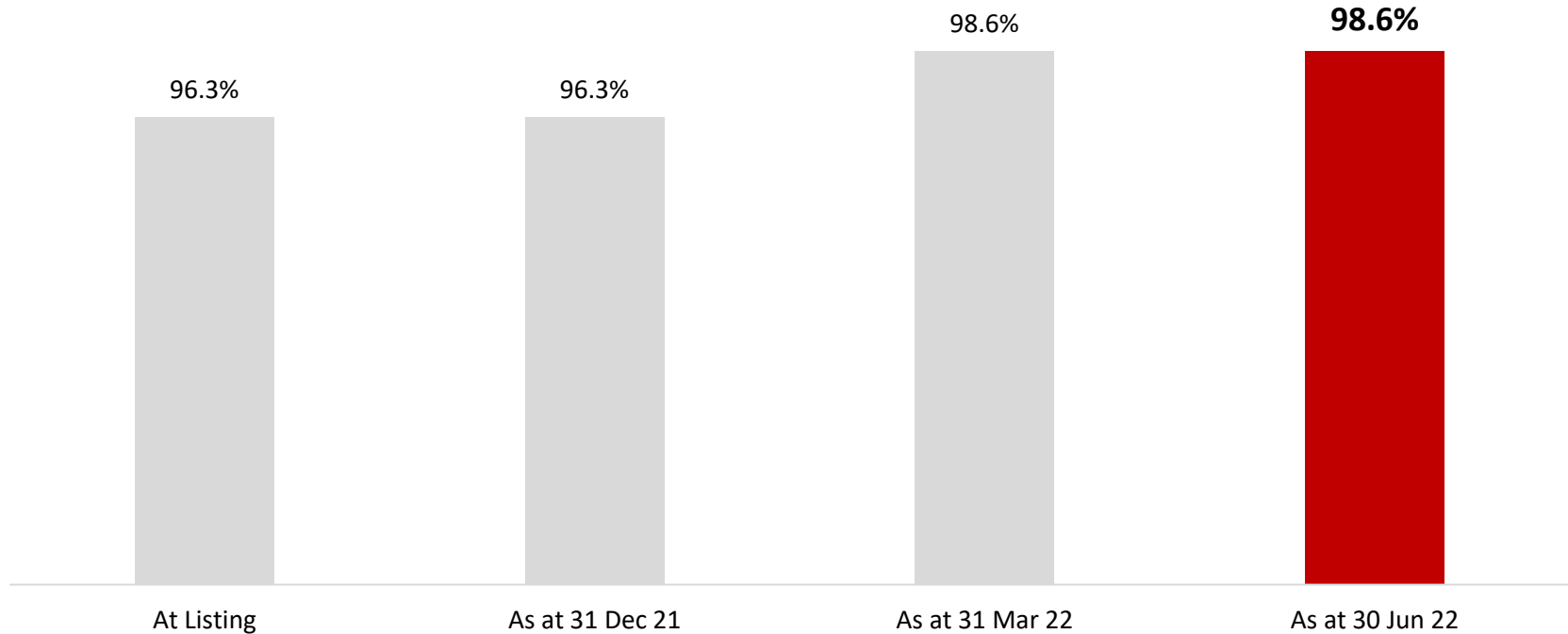
August 2022						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September 2022						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Operations Performance



Overall Portfolio Occupancy Rate



- As at 30 June 2022, all properties are fully occupied except for one
- The Manager will continue to work closely with the property manager to source for tenants for the vacant space

6.8 Years⁽¹⁾

Overall Portfolio Aggregate WALE

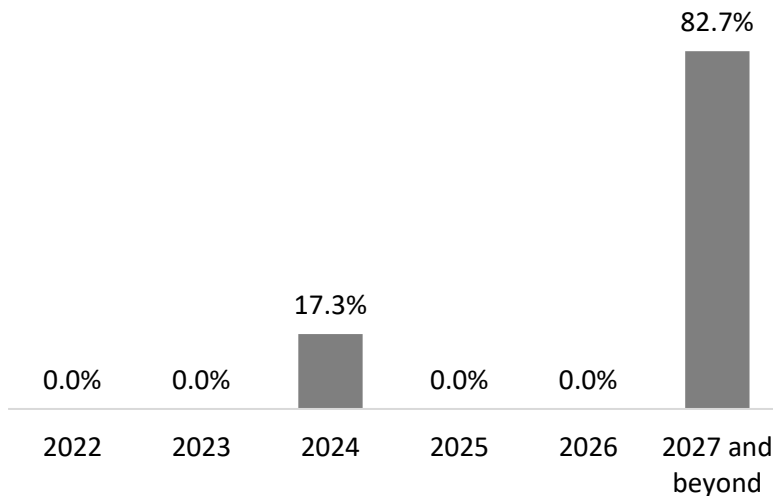
10.2 Years⁽¹⁾

WALE of Single-Tenanted BTS Properties

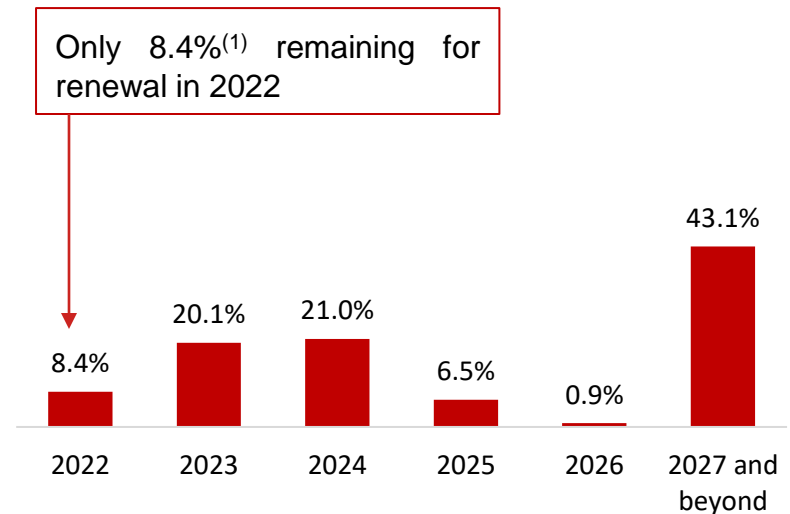
5.7 Years⁽¹⁾

WALE of Multi-Tenanted Properties

Single-Tenanted BTS Assets Lease Expiry⁽¹⁾



Multi-Tenanted Assets Lease Expiry⁽¹⁾

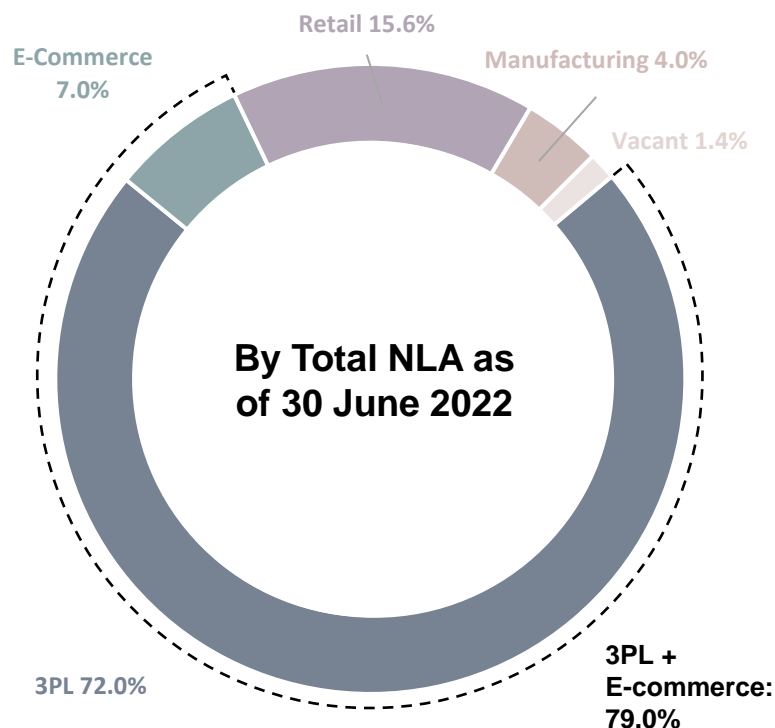


- All leases that were to expire during 1H FY2022 were renewed
- The average rent increase for the leases that were entered / renewed during 1H FY2022 was 3.1%⁽²⁾, and there was no reduction of rent for any of the leases renewed
- The average lease term for the leases entered / renewed during 1H FY2022 was approximately 4 years and portfolio WALE as at 30 June 2022 was 6.8 years⁽¹⁾

(1) By occupied NLA as at 30 June 2022.

(2) Based on the monthly rent for new or renewed lease compared against the preceding lease for the same space, weighted by NLA.

Breakdown by Tenant Trade Sector



Top 10 Tenants⁽¹⁾

	Tenant	Sector	% of NPI ⁽¹⁾
1	Mitsubishi Shokuhin	3PL	19.8
2	Suntory Logistics	3PL	8.0
3	Nippon Express	3PL	8.0
4	Tenant A ⁽²⁾	3PL	7.1
5	Nitori	Retail	5.6
6	Tenant B ⁽²⁾	3PL	4.5
7	Create SD	3PL	4.5
8	Tokyo Logistics Factory	3PL	4.2
9	K.R.S Corporation	3PL	4.1
10	CB Group Management	3PL	4.1
			69.9

- 79.0% of the tenants are involved in growth sectors such as 3PL and e-commerce, and no tenants have requested for any rental relief as of 30 June 2022
- High quality tenant base where majority of tenants (by NLA) are listed on Tokyo Stock Exchange (TSE) or entities related to TSE-listed companies

(1) Based on NPI for 1H FY2022 and % of NPI was calculated and adjusted based on the NPI of each property and allocated to the respective tenants by the proportion of NLA the tenants occupy in the property.

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

Financials Performance



DPL Okayama Hayashima 1

	Period from 26 November 2021 to 30 June 2022		Variance
	Pro-rated Forecast ⁽¹⁾	Actual (unaudited)	
Gross Revenue (S\$ '000)	40,357	38,903	-3.6%
Net Property Income (S\$ '000)	31,461	30,035	-4.5%
Distributable Income to Unitholders (S\$ '000)	20,898	20,901	-
Distribution per Unit⁽²⁾ (cents)	3.09	3.09	-

- Gross revenue was lower than forecast mainly due to weaker JPY against SGD, and as a result, net property income was correspondingly lower
- Distributable income and DPU were in line with forecast as finance expense and trust expenses were lower than forecast, and higher capital return from Japan offsets the impact of weaker JPY against S\$

(1) Pro-rated based on the forecast Consolidated Statements of Comprehensive Income for the period 1 October 2021 to 31 December 2021 as well as Projection Year 2022 as disclosed in the IPO Prospectus.

(2) Distributions will be based on 100% of DHLT's annual Distributable Income for the period from the Listing Date (26 November 2021) to the end of Projection Year 2022.

	As at 30 June 2022 (unaudited)
Total Assets (S\$ million)	1,134.8
Total Liabilities (S\$ million)	564.4
Net Assets Attributable to Unitholders (S\$ million)⁽¹⁾	539.8
NAV per Unit attributable to Unitholders (S\$)⁽¹⁾	0.80
Adjusted NAV per Unit attributable to Unitholders (S\$)⁽²⁾	0.77
Aggregate Leverage⁽³⁾	34.0%

- During the period, the consumption tax was refunded and accordingly the consumption tax loan was repaid⁽⁴⁾, and aggregate leverage as at 30 June 2022 was 34.0%⁽⁵⁾

(1) Excluding perpetual securities of S\$30.6 million.

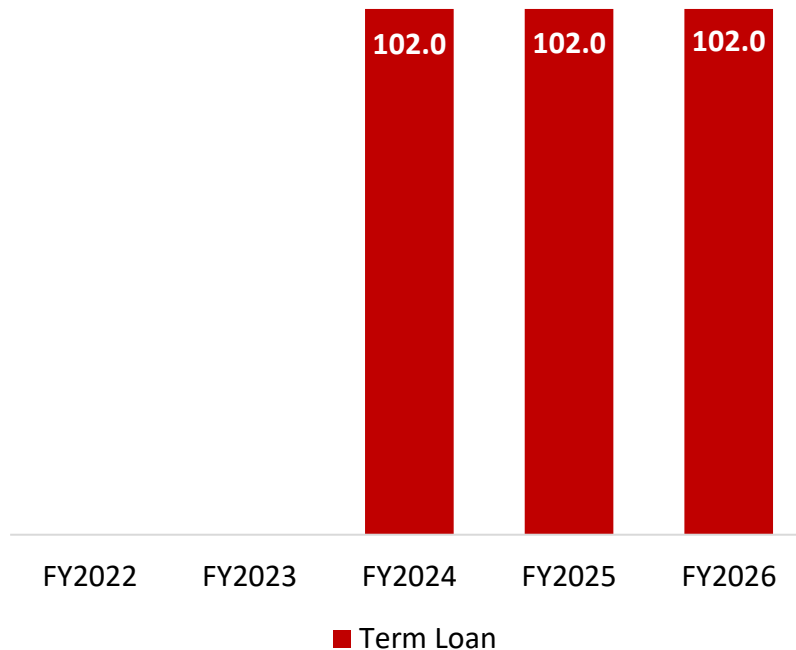
(2) Based on NAV per Unit less DPU of 3.09 cents.

(3) 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).

(4) A consumption tax loan (“**Consumption Tax Loan**”) was taken at listing to pay the consumption tax in relation to the acquisition of the portfolio.

(5) Total debt (including perpetual securities) to net asset value ratio as at 30 June 2022 was 59.0%.

Debt Maturity Profile as at 30 June 2022
(S\$ million)



As at 30 June 2022

Total borrowings	JPY30,000 million (S\$306 million)
Weighted average debt tenure	3.4 years
Weighted average borrowing cost	0.9% (all-in rates and includes upfront fees)
Debt with fixed cost	100.0%

- There are no refinancing requirements until FY2024
- Debt headroom assuming aggregate leverage of 40% and 50%⁽¹⁾ are approximately S\$289 million and S\$90 million, respectively

(1) The regulatory aggregate leverage is 50.0% if DHLT has a minimum Interest Coverage Ratio of 2.5x, failing which, it may borrow up to 45.0% of the Deposited Property.

Outlook



Japan logistics market

- While large supply of logistics space is expected in 2022 and 2023, the Manager believed that the demand is expected to remain buoyant
- Based on a recent survey⁽¹⁾ conducted on companies in Japan that use logistics facilities, 56% of the respondents indicated that they plan to open new facilities or to expand locations and floor area as their focus over the next 3 years
- Some of the key reasons for the increase in requirements included (i) business expansion; (ii) relocation for more efficient network; (iii) obsolescence of current existing facilities; and (iv) increased in volume of storage goods
- Majority of the respondents indicated that they would look to lease space in existing or new multi-tenanted facilities
- There were also indications that some of the respondents intends to increase use of 3PL over the next 3 years, which suggest that the 3PL sector may continue to expand

Repair expenses for damages caused by earthquake

- Further to the announcement made on 17 March 2022 in relation to an earthquake that occurred in northeast Japan, the Manager has commenced repair works on DPL Sendai Port and DPL Koriyama, and further repair expenses of up to JPY65 million (S\$0.7 million) are expected to be incurred over the course of the next 3 quarters

1. Source: Japan 2022 Logistics Occupier Survey (CBRE, published June 2022).

- Ongoing pandemic, economic uncertainties, interest rate movements and geopolitical situation have brought about volatility in the financial markets and uncertainty in business environment
- The Manager believes that prudent capital management and DHLT's resilient portfolio can help to mitigate the impact from such challenges



Foreign currency movement

- ✓ Natural hedge with 100% of the borrowings in JPY to match against currency of assets
- ✓ Hedging policy to systematically hedge distributable income on one-year rolling basis, where appropriate, to smoothen out volatility
- ✓ Estimated distributable income for FY2022 has been hedged



Business environment

- ✓ Strong tenant profile with long WALE of 6.8 years⁽¹⁾
- ✓ c. 80% of tenants (by NLA) in growing e-commerce and 3PL sectors
- ✓ No tenants have requested for any rental relief from listing up to 30 June 2022
- ✓ Mainly BTS properties in Greater Tokyo where large supply is expected



Interest rate increase

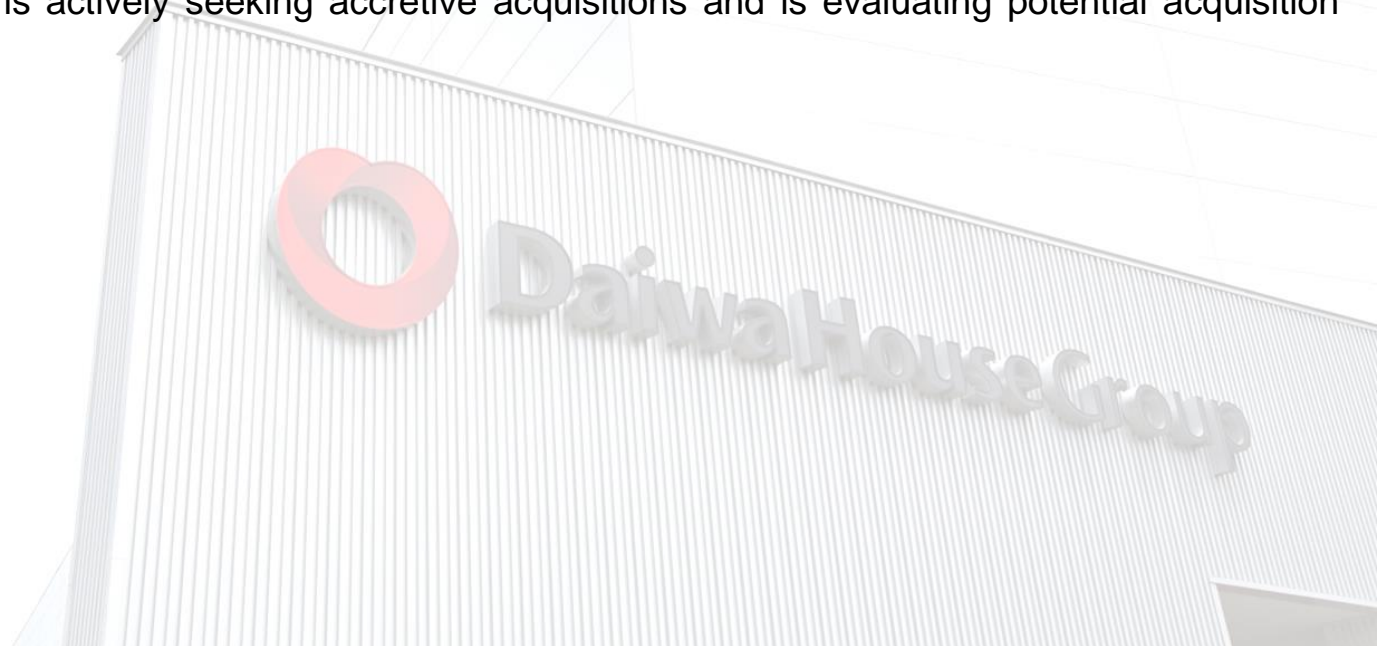
- ✓ Japan is currently maintaining a low interest rate environment
- ✓ 100% of the borrowings are on fixed rate
- ✓ DHLT can leverage on Sponsor's strong relationship with banks for competitive rates



Inflation

- ✓ Electricity expenses are substantially borne by tenants
- ✓ Land rent payable for leasehold properties are fixed for the tenor of the lease

- As part of its strategies, the Manager will pursue opportunities to undertake acquisitions of quality income-producing logistics and industrial assets that it believes will be accretive to DHLT's portfolio and able to improve returns to Unitholders
- DHLT has been granted a right of first refusal (“**ROFR**”) by the Daiwa House Industry Co., Ltd. (“**Sponsor**”) over income-producing logistics and industrial real estate assets located in Asia held by the Sponsor or its subsidiaries, on the terms of the ROFR agreement
- Following the refund of Consumption Tax Loan, the aggregate leverage was 34.0% as at 30 June 2022, providing DHLT with funding flexibility in pursuing acquisition
- The Manager is actively seeking accretive acquisitions and is evaluating potential acquisition targets



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**

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Modern Logistics Assets⁽¹⁾

98.6%

Portfolio Occupancy Rate⁽¹⁾

JPY81,070 mil

Portfolio Valuation⁽²⁾

6.8 Years

Portfolio WALE⁽³⁾

423,920 sqm

Total NLA⁽¹⁾

4.7 Years

Portfolio Age⁽⁴⁾

CHUGOKU & KYUSHU

- 12. DPL Okayama Hayashima
- 13. DPL Okayama Hayashima,2
- 14. D Project Fukuoka Tobarā S

HOKKAIDO & TOHOKU

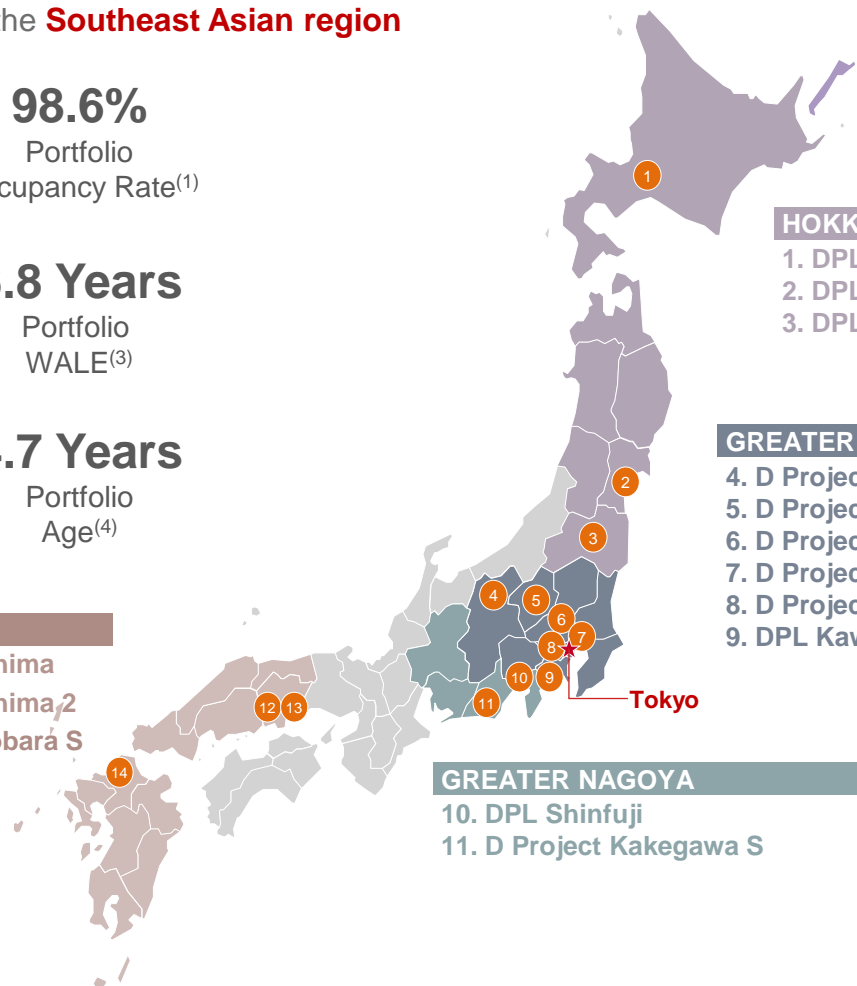
- 1. DPL Sapporo Higashi Kariki
- 2. DPL Sendai Port
- 3. DPL Koriyama

GREATER TOKYO

- 4. D Project Nagano Suzaka S
- 5. D Project Maebashi S
- 6. D Project Kuki S
- 7. D Project Misato S
- 8. D Project Iruma S
- 9. DPL Kawasaki Yako

GREATER NAGOYA

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



(1) As at 30 June 2022. (2) Based on the independent valuation of the properties as at 31 December 2021 (3) By occupied NLA as at 30 June 2022. (4) Portfolio age as at 30 June 2022 based on weighted average by NLA.

Portfolio Summary

	Completion Year	NLA (sq m)	Land Tenure	Tenancy Type	WALE (By NLA) ⁽¹⁾	Occupancy ⁽²⁾	Valuation (JPY million) ⁽³⁾
Hokkaido & Tohoku							
DPL Sapporo Higashi Kariki	2018	60,347	Freehold	Multi-tenanted	3.8	100.0%	12,400
DPL Sendai Port	2017	63,119	Freehold	Multi-tenanted	1.5	100.0%	12,900
DPL Koriyama	2019	34,174	Freehold	Multi-tenanted	1.3	82.3%	6,730
Greater Tokyo							
D Project Maebashi S	2018	14,736	Freehold	Single-tenanted	11.3	100.0%	3,430
D Project Kuki S	2014	18,257	Expiring 2034	Single-tenanted	2.1	100.0%	1,330
D Project Misato S	2015	14,877	Expiring 2045	Single-tenanted	12.6	100.0%	2,320
D Project Iruma S	2017	14,582	Expiring 2048	Single-tenanted	15.5	100.0%	2,340
DPL Kawasaki Yako	2017	93,159	Expiring 2067	Multi-tenanted	11.3	100.0%	21,000
D Project Nagano Suzaka S	2018	9,810	Freehold	Single-tenanted	6.3	100.0%	2,630
Greater Nagoya							
DPL Shinfuji	2017	27,537	Expiring 2065	Multi-tenanted	8.7	100.0%	3,790
D Project Kakegawa S	2019	22,523	Freehold	Single-tenanted	11.8	100.0%	4,190
Chugoku & Kyushu							
DPL Okayama Hayashima	2017	23,541	Expiring 2067	Multi-tenanted	4.9	100.0%	4,520
DPL Okayama Hayashima 2	2017	16,750	Expiring 2051	Multi-tenanted	2.5	100.0%	2,160
D Project Fukuoka Tobarā S	2019	10,508	Expiring 2068	Single-tenanted	12.1	100.0%	1,330
Total / Average / Weighted Average		423,920			6.8	98.6%	81,070

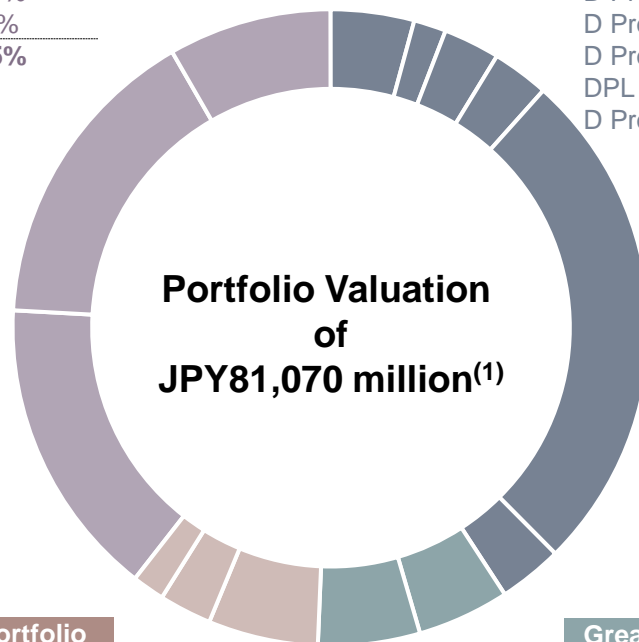
(1) Based on occupied NLA as at 30 June 2022.

(2) Based on NLA as at 30 June 2022.

(3) Based on the independent valuation of the properties as at 31 December 2021.

Hokkaido & Tohoku	% of portfolio
DPL Sapporo Higashi Kariki	15.3%
DPL Sendai Port	15.9%
DPL Koriyama	8.3%
	39.5%

Greater Tokyo	% of portfolio
D Project Maebashi S	4.2%
D Project Kuki S	1.6%
D Project Misato S	2.9%
D Project Iruma S	2.9%
DPL Kawasaki Yako	25.9%
D Project Nagano Suzaka S	3.2%
	40.8%

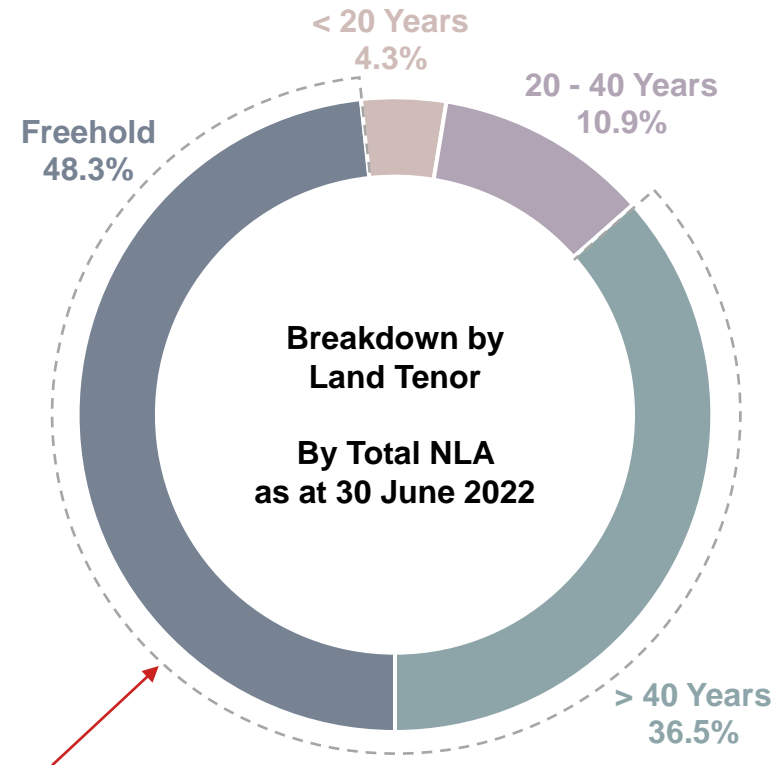
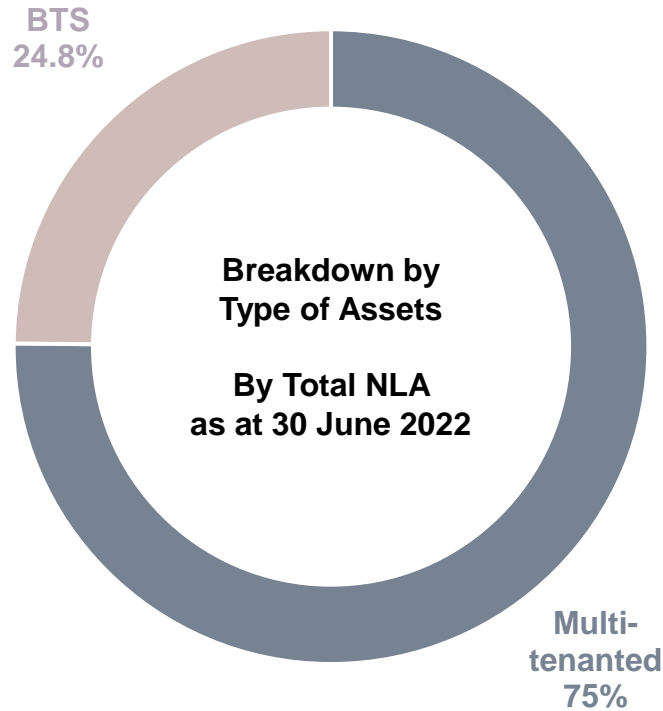


Chugoku & Kyushu	% of portfolio
DPL Okayama Hayashima	5.6%
DPL Okayama Hayashima 2	2.7%
D Project Fukuoka Tobaru S	1.6%
	9.9%

Greater Nagoya	% of portfolio
DPL Shinfuji	4.7%
D Project Kakegawa S	5.2%
	9.8%

- The properties within the portfolio are well spread across Japan, located in both Greater Tokyo as well as core regional areas, mitigating concentration risk

(1) Based on the independent valuation of the properties as at 31 December 2021.



c. 85% are freehold or >40 years

- BTS provide stable income while multi-tenanted assets offers potential for positive rent reversion upon lease expiry.
- Good mix of freehold and leasehold assets to optimise returns profile.

Overview of select pipeline assets – Japan

#	Name	Type	Land Type	GFA (sq m)	Completion Year
1	D Project Matsuyama S	Single-tenanted	Freehold	5,346	2017
2	DPL Iwakuni 1 and 2	Multi-tenanted	Freehold	15,425	2020
3	DPL Toyama Imizu	Multi-tenanted	Freehold	22,889	2021
4	DPL Iwate Hanamaki	Multi-tenanted	Freehold	13,666	2021
5	DPL Tosu	Multi-tenanted	Leasehold	50,807	2021
6	DPL Gunma Fujioka	Multi-tenanted	Freehold	23,755	2021
7	DPL Iwate Kitakami 3	Multi-tenanted	Freehold	10,803	2021
8	DPL Kakegawa	Multi-tenanted	Freehold	58,192	2023 ⁽¹⁾
9	DPL Sendai Rifu 1	Multi-tenanted	Freehold	48,860	2022 ⁽¹⁾
10	DPL Nagano Chikuma	Multi-tenanted	Freehold	42,780	2023 ⁽¹⁾
11	DPL Okayama Airport South	Multi-tenanted	Freehold	33,301	2023 ⁽¹⁾
12	DPL Iwate Kanegasaki	Multi-tenanted	Freehold	20,286	2022 ⁽¹⁾
13	DPL Koriyama 2	Multi-tenanted	Freehold	19,693	2023 ⁽¹⁾
14	DPL Ibaraki Yuki	Multi-tenanted	Freehold	11,519	2023 ⁽¹⁾
15	DPL Tomigusuku 2	Multi-tenanted	Leasehold	79,916	2022 ⁽¹⁾
16	DPL Tsukuba Ami 3	Multi-tenanted	Freehold	76,750	2023 ⁽¹⁾
17	DPL Sendai Rifu 2	Multi-tenanted	Freehold	15,851	2023 ⁽¹⁾
Total				549,839	



DPL Tosu



DPL Tomigusuku 2

- Please note that the above list is non-exhaustive and may change from time to time
- As part of its business, the Sponsor may divest certain properties that are listed and also develop new properties

Note: Information as at 30 June 2022. (1) Estimated year of completion.

Overview of select pipeline assets – Southeast Asia

#	Project	Country	Type	Land Type	GFA (sq m)	Completion Year
1	Long Duc Rental Factory	Vietnam	Rental Factory	Leasehold	27,253	2017
2	DPL Loc An - Binh Son 1	Vietnam	Multi-tenanted	Leasehold	36,860	2019
3	DPL Loc An - Binh Son 2	Vietnam	Multi-tenanted	Leasehold	31,891	2021
4	DPL Long Duc	Vietnam	Multi-tenanted	Leasehold	24,345	2022
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	2023 ⁽¹⁾
11	DMLP 4	Indonesia	Multi-tenanted	Leasehold	97,977	N.A.
Total					523,863	



Long Duc Rental Factory



DHML2

- Please note that the above list is non-exhaustive and may change from time to time
- As part of its business, the Sponsor may divest certain properties that are listed and also develop new properties

Note: Information as at 30 June 2022. (1) Estimated year of completion.



Daiwa House

Daiwa House Group

Listed on Tokyo Stock Exchange with a market capitalisation of JPY 2,106.6 billion (S\$21.5 billion) as of 30 June 2022

AA Credit Rating⁽¹⁾

- The Sponsor, Daiwa House Industry Co., Ltd., was founded in 1955 and is one of the largest construction and real estate development companies in Japan
 - The Sponsor has an extensive track record of asset development across a variety of real estate subsectors, having developed around 1.9 million residential units and completed around 56,400 commercial facility projects as at 31 March 2022
 - The Sponsor is also one of the largest logistics real estate developers in Japan. As of 31 March 2022, the Sponsor has completed, or is currently developing, more than 330 logistics properties located in Japan with a total GFA of close 12 million sq m
- In addition to its primary operations in Japan, the Sponsor is also actively involved in other markets including ASEAN, East Asia, the US, Europe and Australia
 - The Sponsor is also highly experienced in real estate fund management and currently manages TSE-listed Daiwa House REIT as well as multiple unlisted REITs and private funds

(1) Rated by the Japan Credit Rating Agency, Ltd.



Daiwa House
Logistics Trust

Thank you.

www.daiwahouse-logisticstrust.com