



Daiwa House
Logistics Trust

Daiwa House Logistics Trust

Business Update for First Quarter Ended 31 March 2023

11 May 2023

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.

Any discrepancies in the figures included in this announcement between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this announcement may not be an arithmetic aggregation of the figures that precede them.

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 First Quarter Ended 31 March 2023



Key highlights for 1Q FY2023



**Distributable
Income y-o-y
growth**

+2.5%



**Portfolio
occupancy⁽¹⁾**

98.6%



**Aggregate
leverage⁽¹⁾**

36.2%



**Weighted
average lease
expiry by GRI
("WALE")^(1,2)**

6.9Y



**Interest
coverage ratio**

11.4x



**Proportion of
loan in fixed
rate⁽¹⁾**

100%



**Daiwa House
Group**

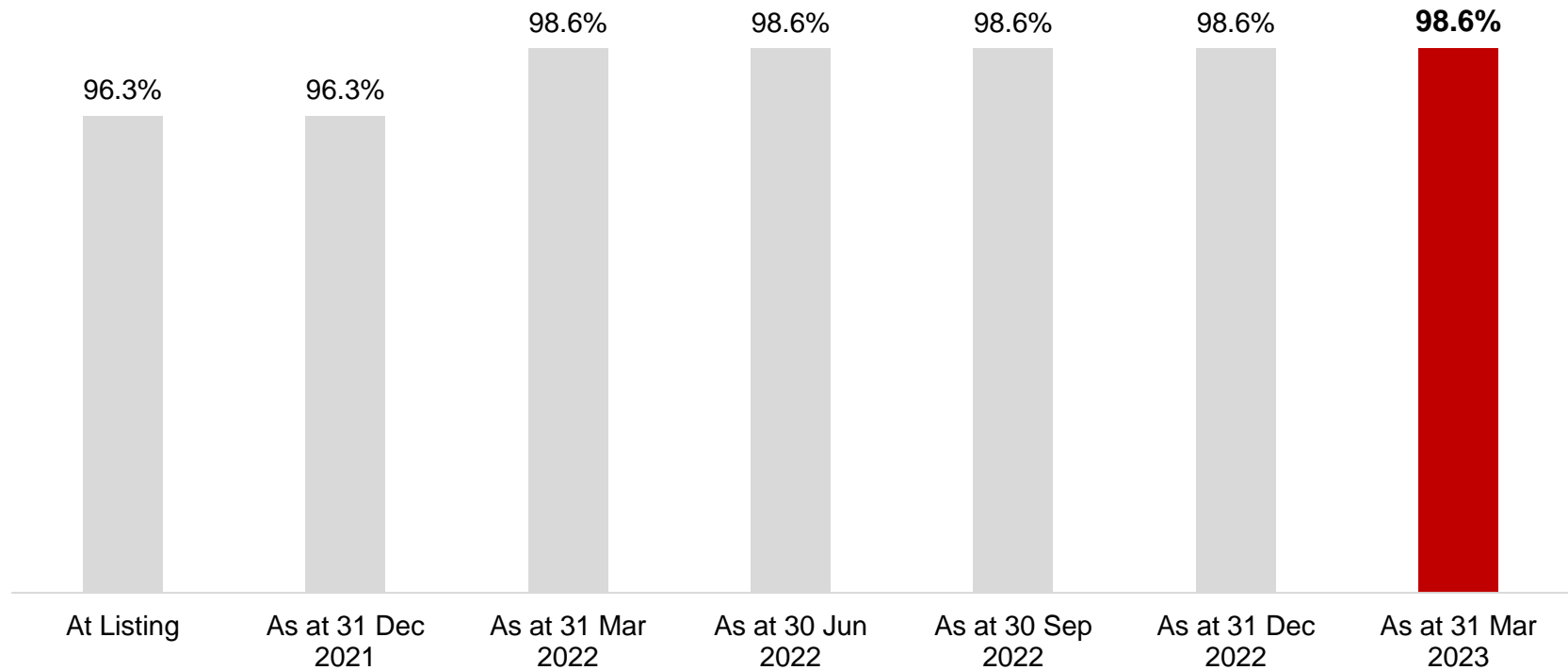
(1) Information as at 31 March 2023

(2) Gross rental income ("GRI") based on monthly rent as at March 2023.

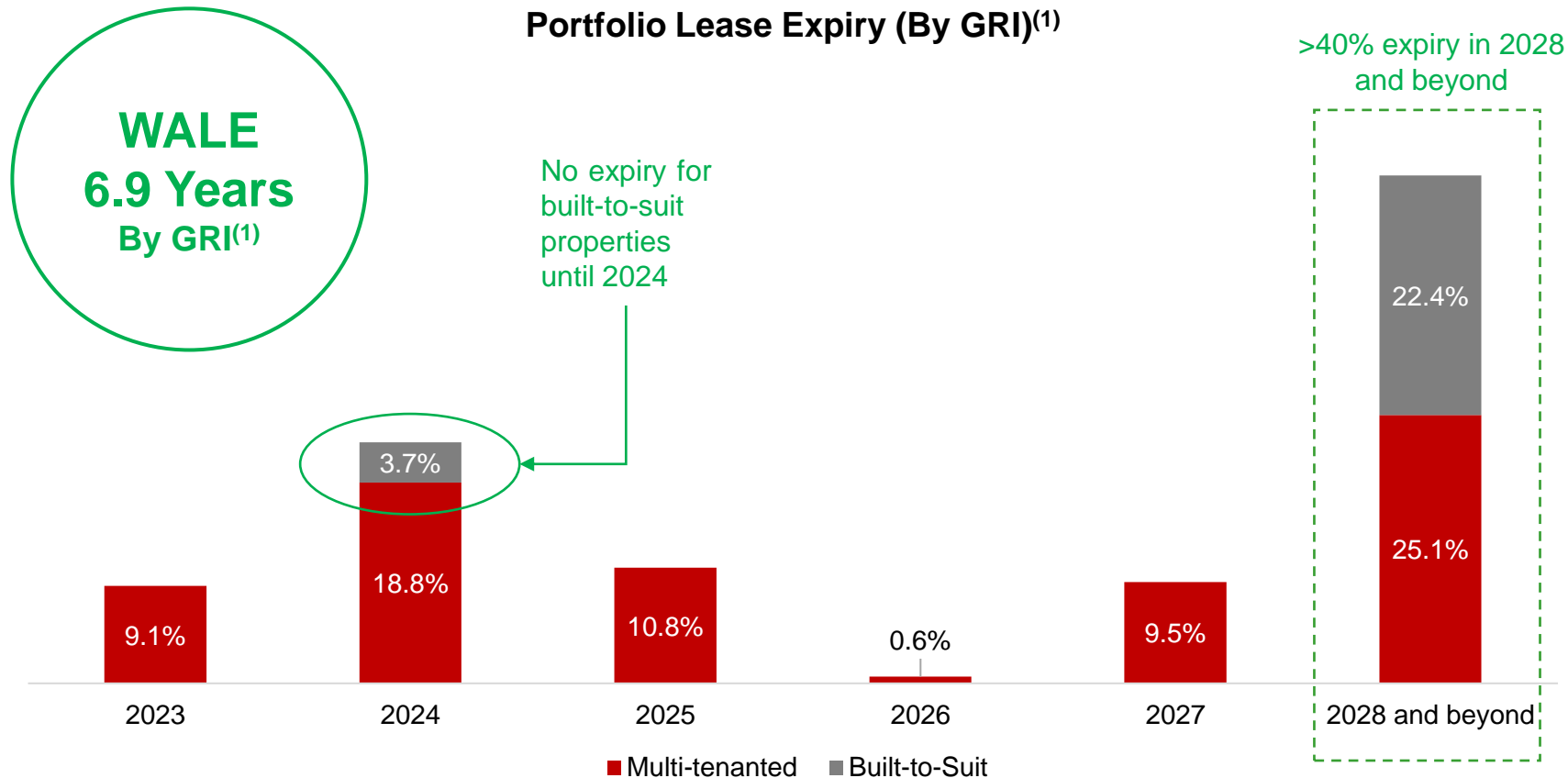
Operations Performance



Portfolio Occupancy Rate



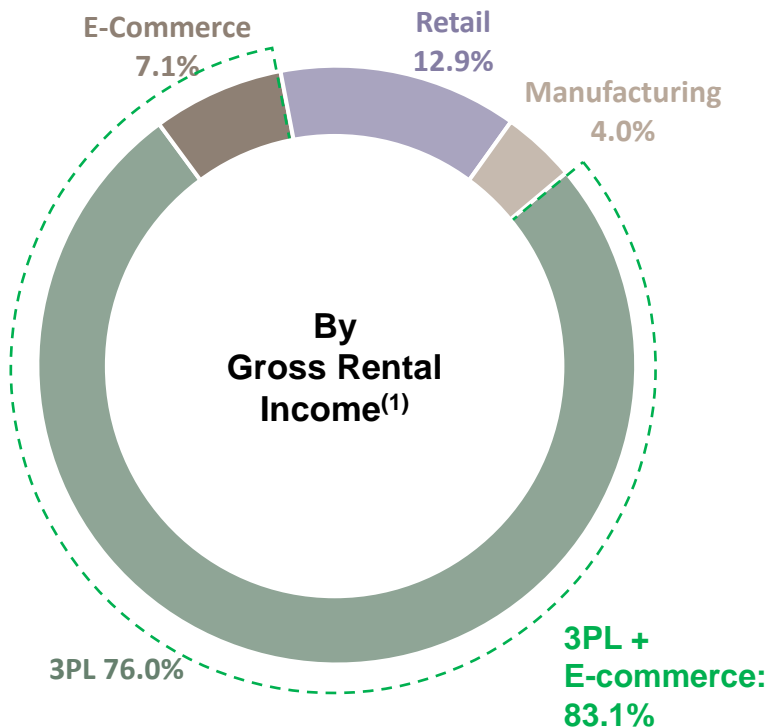
- As at 31 March 2023, occupancy remained high at 98.6%
- Only one property with vacant space



- Successfully renewed lease that expired in 1QFY2023, with less than 10% (by GRI) for renewal in 2023
- Monthly rent for renewed lease remained unchanged

(1) Based on the monthly rent as at March 2023.

Breakdown by Tenant Trade Sector



Top 10 Tenants⁽²⁾

	Tenant	Sector	% of NPI ⁽²⁾
1	Mitsubishi Shokuhin	3PL	19.1
2	Nippon Express	3PL	8.8
3	Suntory Logistics	3PL	7.6
4	Nitori	Retail	4.9
5	Tenant A ⁽³⁾	3PL	4.6
6	Create SD	3PL	4.2
7	K.R.S Corporation	3PL	4.1
8	Tenant B ⁽³⁾	3PL	4.1
9	Tokyo Logistics Factory	3PL	4.0
10	CB Group Management	3PL	4.0
			65.5

- Healthy lease renewals ensure that tenant base remained stable with 83.1% of the tenants (by GRI⁽²⁾) involved in growth sectors such as 3PL and e-commerce
- Customers of 3PL tenants are diversified into various sectors with product types such as F&B, grocery supplies, medical goods and chemical products

(1) Based on the monthly rent as at March 2023.

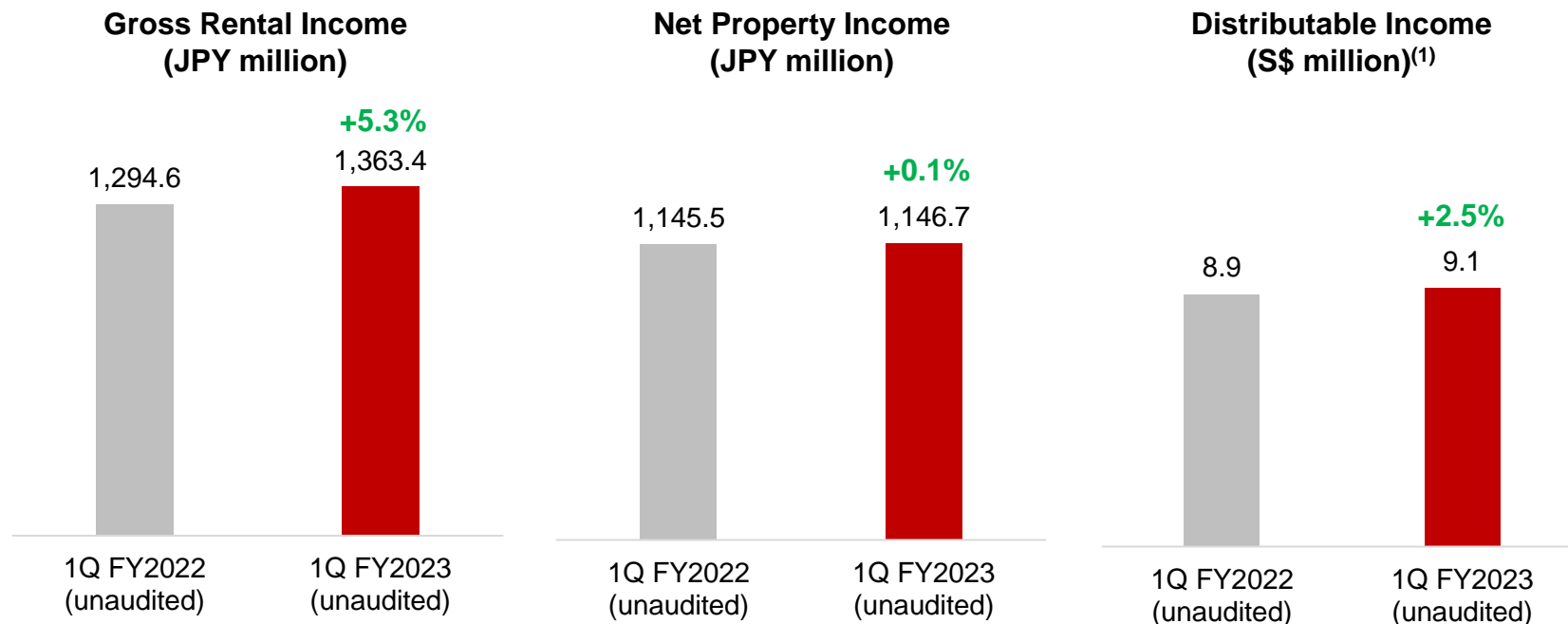
(2) Based on net property income ("NPI") for 1QFY2023 and % of NPI was calculated and adjusted based on the NPI of each property and allocated to the respective tenants by the proportion of net lettable area ("NLA") the tenants occupy in the property.

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

Financials Performance



DPL Kawasaki Yako



- NPI in JPY terms was stable as higher contribution from properties acquired in December 2022 and rent increase from leases renewed in 2022 were largely offset by higher expenses incurred related to the earthquake where repairs were completed in 1QFY2023
- While NPI in S\$ terms were lower y-o-y due to weaker JPY against S\$, the impact to distributable income was mitigated due to the exchange gains on the forwards and lower finance and other trust expenses due to weaker JPY
- Distributable income increased by 2.5% y-o-y

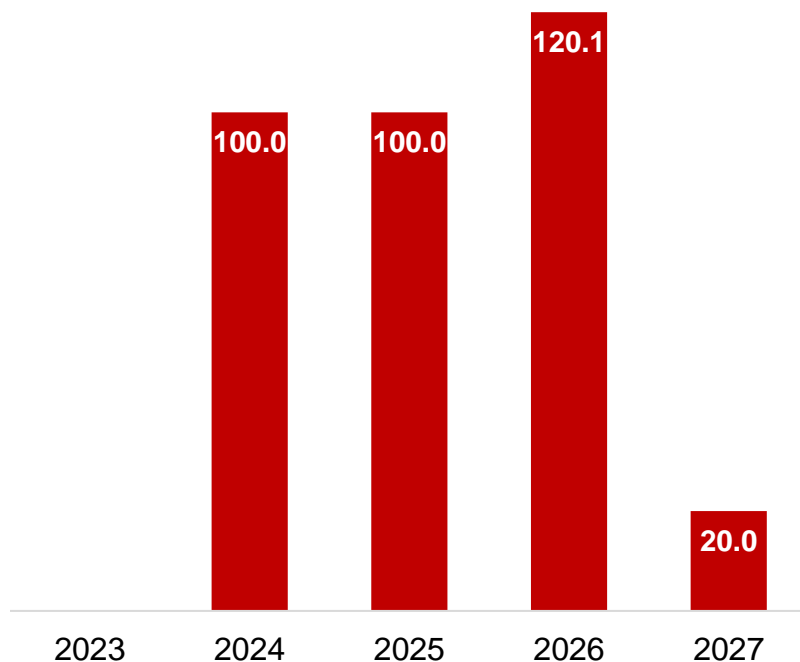
(1) DHLT was listed on 26 November 2021, and the distributable income for the period from listing (26 November 2021) to 31 March 2022 (unaudited) was S\$12.2 million.

	As at 31 December 2022 (audited)	As at 31 March 2023 (unaudited)
Total Assets (S\$ million)	1,177.0	1,156.7
Total Liabilities (S\$ million)	588.0	583.3
Net Assets Attributable to Unitholders (S\$ million)⁽¹⁾	553.2	537.8
NAV per Unit attributable to Unitholders (S\$)⁽¹⁾	0.80	0.77
Aggregate Leverage⁽²⁾	35.9%	36.2%

(1) Excluding perpetual securities.

(2) 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).

Debt Maturity Profile as at 31 March 2023
(S\$ million)



As at
31 March 2023

Total borrowings	<ul style="list-style-type: none"> JPY34.0 billion (S\$340.1 million)
Weighted average debt tenure	<ul style="list-style-type: none"> 2.8 years
Weighted average borrowing cost	<ul style="list-style-type: none"> 0.99% (all-in rates and includes upfront fees)
Proportion of debt with fixed cost	<ul style="list-style-type: none"> 100.0%
Interest coverage ratio ⁽¹⁾	<ul style="list-style-type: none"> 11.4 times

- No refinancing requirements until November 2024
- Borrowings are 100% denominated in JPY to provide natural hedge
- 100% of borrowings as at 31 March 23 are based on fixed interest rate, which are not exposed to risk of rising interest rate

(1) Based on 1QFY2023.

Outlook



G-1

F-3

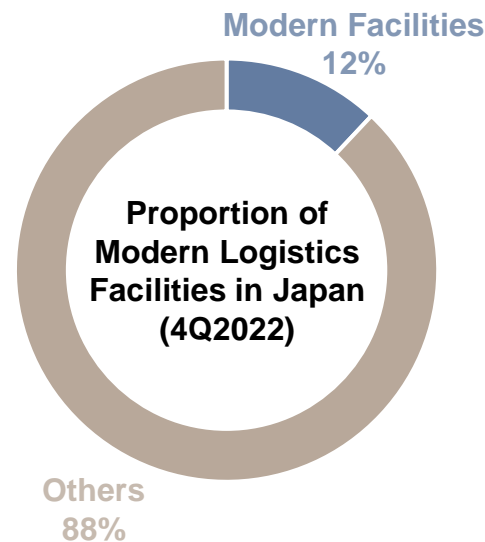
STOP

Supply

- Substantial supply expected in Japan in 2023, majority concentrated in Greater Tokyo

DHLT's portfolio in Greater Tokyo comprises 5 BTS properties and 1 multi-tenanted property, with a blended WALE (by GRI) of approximately 10 years as at 31 March 2023

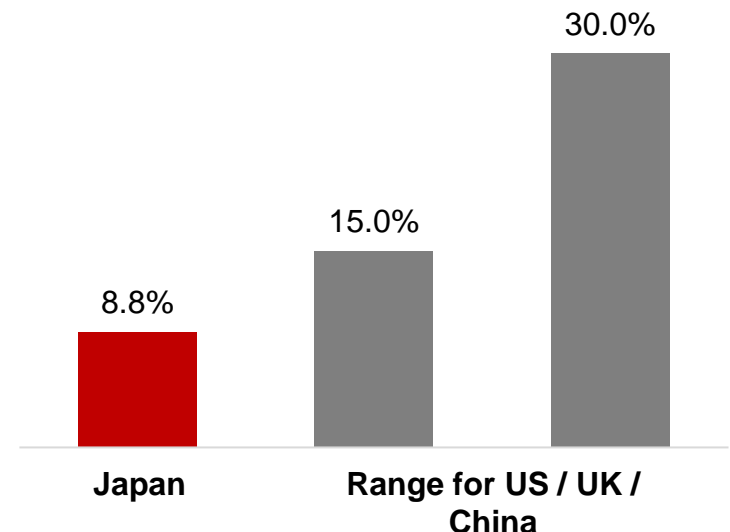
- Proportion of modern logistics facilities remained relatively low
- The modern logistics facilities are mainly located in major urban regions such as Greater Tokyo and Greater Osaka



Demand

- Demand continue to be supported by 3PL and e-commerce sectors
 - ✓ Continued focus to outsource logistics process to 3rd party logistics (3PL) companies
 - ✓ E-commerce penetration rate in Japan is relatively low compared to more matured markets

E-commerce penetration rate (2021)





Proactive asset management

- Continue to build ties with tenants and target 100% lease renewal rate
- Target to achieve 100% portfolio occupancy rate
- Seek opportunity to enhance overall sustainability

Driving growth

- Continue to leverage on the right of first refusal granted by Sponsor for target properties
- Continue to focus on key markets in Japan and to diversify outside of Japan where opportunities arise

The Manager will remain vigilant of challenges in FY2023 as it seeks to further strengthen and grow the portfolio

Appendix




Daiwa House
Group


DPL
札幌東雁来


DPL
札幌東雁来
Daiwa House Group

A	E
B	F
C	G
D	H

DPL Sapporo Higashi Kariki

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

98.6%

Portfolio Occupancy Rate⁽¹⁾

JPY87,531 mil

Portfolio Valuation⁽²⁾

6.9 Years

Portfolio WALE (by GRI)^(1,3)

444,728 sqm

Total NLA⁽¹⁾

5.5 Years

Portfolio Age^(1,4)

CHUGOKU / SHIKOKU / KYUSHU

- 12. DPL Okayama Hayashima
- 13. DPL Okayama Hayashima 2
- 14. DPL Iwakuni 1 & 2
- 15. D Project Matsuyama S
- 16. D Project Fukuoka Tobarā S

HOKKAIDO & TOHOKU

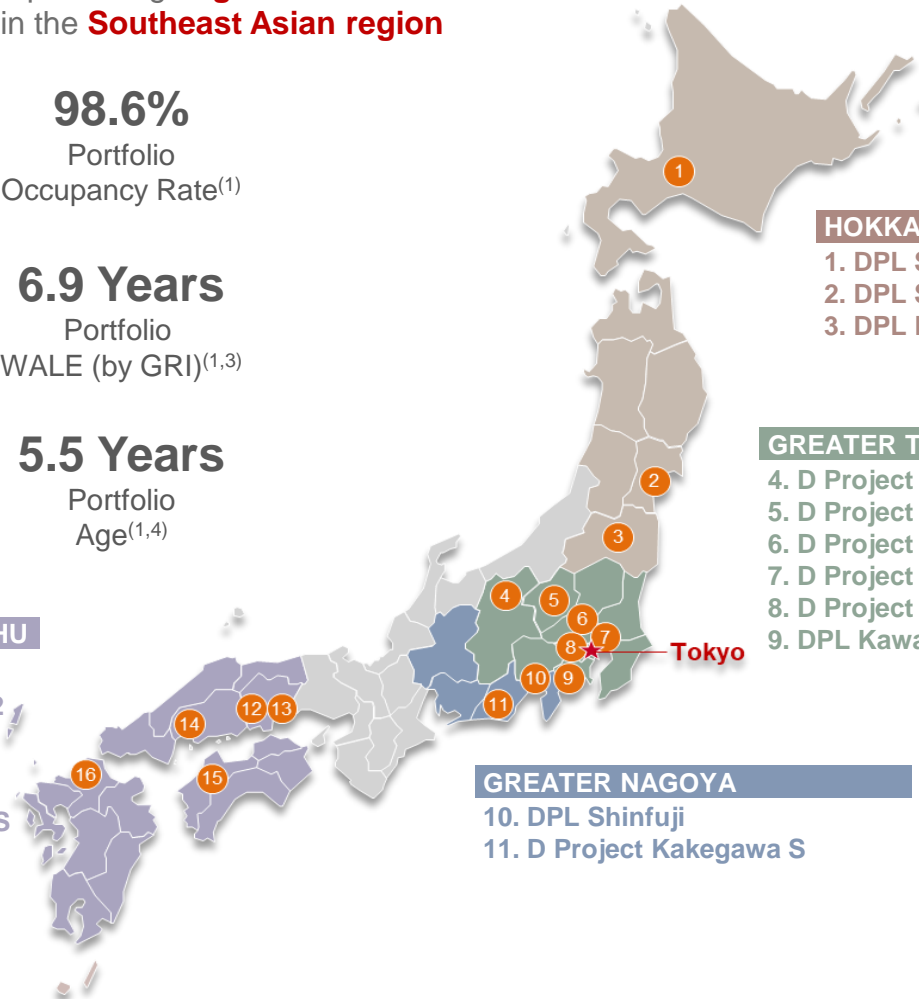
- 1. DPL Sapporo Higashi Kariki
- 2. DPL Sendai Port
- 3. DPL Koriyama

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 31 March 2023. (2) Based on the independent valuation of the properties as at 31 December 2022. (3) Based on the monthly rent as at March 2023. (4) Based on weighted average by NLA.

Portfolio Summary

	Completion Year	NLA (sq m)	Land Tenure	Tenancy Type	WALE (By GRI) ⁽¹⁾	Occupancy ⁽²⁾	Valuation (JPY million) ⁽³⁾
Hokkaido / Tohoku							
DPL Sapporo Higashi Kariki	2018	60,347	Freehold	Multi-tenanted	3.0	100.0%	12,800
DPL Sendai Port	2017	63,119	Freehold	Multi-tenanted	1.5	100.0%	13,200
DPL Koriyama	2019	34,174	Freehold	Multi-tenanted	1.2	82.3%	6,870
Greater Tokyo							
D Project Maebashi S	2018	14,736	Freehold	Single-tenanted	10.6	100.0%	3,520
D Project Kuki S	2014	18,257	Expiring 2034	Single-tenanted	1.3	100.0%	1,250
D Project Misato S	2015	14,877	Expiring 2045	Single-tenanted	11.9	100.0%	2,300
D Project Iruma S	2017	14,582	Freehold ⁽⁴⁾	Single-tenanted	14.8	100.0%	4,580
DPL Kawasaki Yako	2017	93,159	Expiring 2067	Multi-tenanted	11.0	100.0%	21,000
D Project Nagano Suzaka S	2018	9,810	Freehold	Single-tenanted	5.6	100.0%	2,690
Greater Nagoya							
DPL Shinfuji	2017	27,537	Expiring 2065	Multi-tenanted	7.8	100.0%	3,790
D Project Kakegawa S	2019	22,523	Freehold	Single-tenanted	11.1	100.0%	4,290
Chugoku / Shikoku / Kyushu							
DPL Okayama Hayashima	2017 / 2018	23,541	Expiring 2067	Multi-tenanted	4.2	100.0%	4,520
DPL Okayama Hayashima 2	2017	16,750	Expiring 2051	Multi-tenanted	1.8	100.0%	2,210
DPL Iwakuni 1 & 2	2016 / 2020	15,461	Freehold	Multi-tenanted	2.3	100.0%	2,240
D Project Matsuyama S	1994 / 2017	5,347	Freehold	Single-tenanted	6.4	100.0%	921
D Project Fukuoka Tobarā S	2019	10,508	Expiring 2068	Single-tenanted	11.3	100.0%	1,350
Total / Average / Weighted Average	-	444,728	-	-	6.9	98.6%	87,531

(1) Based on the monthly rent as at March 2023.

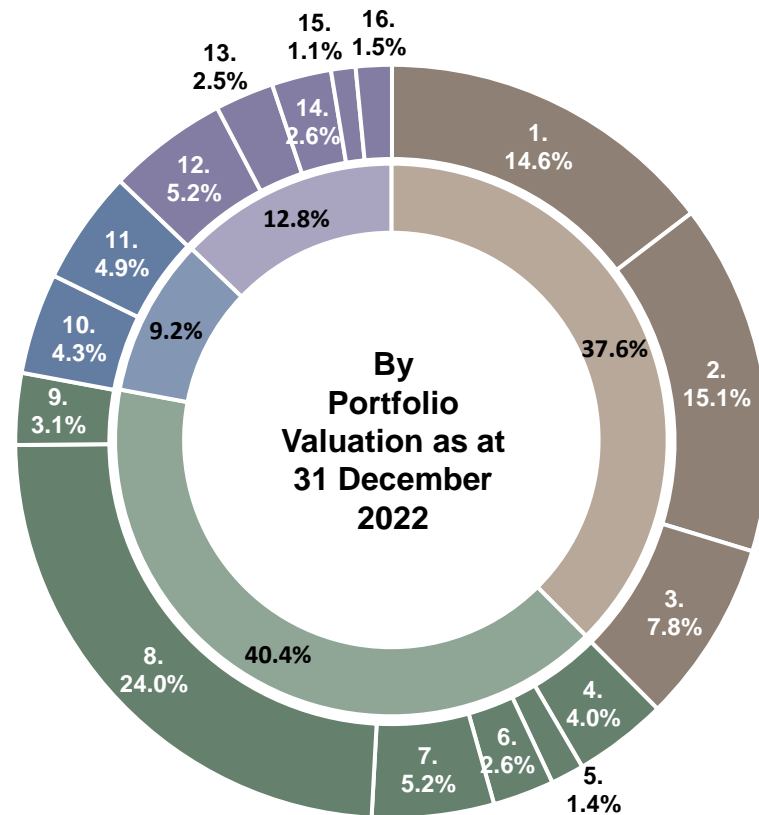
(2) Based on NLA as at 31 March 2023.

(3) Based on the independent valuation of the properties as at 31 December 2022.

(4) DHLT, in substance, owns the full freehold property of D Project Iruma S after acquiring the underlying freehold land.

Well diversified portfolio across regions in Japan

	Valuation (JPY million)
Hokkaido & Tohoku	32,870.0
1. DPL Sapporo Higashi Kariki	12,800.0
2. DPL Sendai Port	13,200.0
3. DPL Koriyama	6,870.0
Greater Tokyo	35,340.0
4. D Project Maebashi S	3,520.0
5. D Project Kuki S	1,250.0
6. D Project Misato S	2,300.0
7. D Project Iruma S	4,580.0
8. DPL Kawasaki Yako	21,000.0
9. D Project Nagano Suzaka S	2,690.0
Greater Nagoya	8,080.0
10. DPL Shinfuji	3,790.0
11. D Project Kakegawa S	4,290.0
Chugoku / Shikoku / Kyushu	11,241.0
12. DPL Okayama Hayashima	4,520.0
13. DPL Okayama Hayashima 2	2,210.0
14. DPL Iwakuni 1 & 2	2,240.0
15. D Project Matsuyama S	921.0
16. D Project Fukuoka Tobarā S	1,350.0
Total	87,531.0



- 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
- The following 2 slides sets out examples of some logistics properties that are potential pipeline properties for DHLT in Japan and outside of Japan, respectively
- The list of properties in Japan is based on criteria such as location and land tenure, amongst other factors, while DHLT has been granted an exclusive ROFR over the Sponsor’s pipeline logistics assets across Asia outside Japan
- While there is no certainty DHLT will acquire all the properties listed in the following 2 slides, DHLT is also not restricted to acquire only the properties that are listed
- The properties listed in the following 2 slides are non-exhaustive and the lists may change from time to time as the Sponsor may divest certain properties as part of its business, and also continue to develop new properties



Examples of pipeline assets – Japan

#	Name	Region	Type	Land Type	GFA / NLA (sq m)	Completion Year
1	DPL Hiroshima Itsukaichi Port	Chugoku	Multi-tenanted	Freehold	49,911	2017
2	D Project Kadoma 2	Greater Osaka	Single-tenanted	Leasehold	24,386	2020
3	DPL Toyama Imizu	Greater Nagoya	Multi-tenanted	Freehold	22,889	2021
4	DPL Iwate Hanamaki	Tohoku	Multi-tenanted	Freehold	13,666	2021
5	DPL Gunma Fujioka	Greater Tokyo	Multi-tenanted	Freehold	23,755	2021
6	DPL Iwate Kitakami 3	Tohoku	Multi-tenanted	Freehold	10,803	2021
7	D Project Sapporo Minami 2	Tohoku	Single-tenanted	Freehold	20,864	2021
8	DPL Fukuoka Hisayama	Kyusyu	Multi-tenanted	Freehold	21,929	2022
9	DPL Iwate Kanegasaki	Tohoku	Multi-tenanted	Freehold	20,286	2022
10	DPL Tomigusuku 2	Okinawa	Multi-tenanted	Leasehold	79,916	2022
11	DPL Kakegawa	Greater Nagoya	Multi-tenanted	Freehold	58,192	202
12	DPL Nagano Chikuma	Greater Tokyo	Multi-tenanted	Freehold	42,780	2023
13	DPL Okayama Airport South	Chugoku	Multi-tenanted	Freehold	33,301	2023
14	DPL Koriyama 2	Tohoku	Multi-tenanted	Freehold	19,693	2023
15	DPL Ibaraki Yuki	Greater Tokyo	Multi-tenanted	Freehold	11,519	2023
16	DPL Tsukuba Ami 3	Greater Tokyo	Multi-tenanted	Freehold	76,750	2023 ⁽¹⁾
17	DPL Sendai Rifu 2	Tohoku	Multi-tenanted	Freehold	15,851	2024
Total					546,491	



DPL Hiroshima Itsukaichi Port



DPL Tomigusuku 2

- Please note that the above list is non-exhaustive and may change from time to time

Examples of pipeline assets – Southeast Asia

#	Project	Country	Type	Land Type	GFA / NLA (sq m)	Completion Year
1	DPL Loc An - Binh Son 1	Vietnam	Multi-tenanted	Leasehold	36,860	2019
2	DPL Loc An - Binh Son 2	Vietnam	Multi-tenanted	Leasehold	31,891	2021
3	DPL Long Duc	Vietnam	Multi-tenanted	Leasehold	24,345	2022
4	D Project Tan Duc A	Vietnam	Single-tenanted	Leasehold	40,452	2023 ⁽¹⁾
5	D Project Tan Duc B	Vietnam	Single-tenanted	Leasehold	18,465	2023 ⁽¹⁾
6	DHML 1	Malaysia	Multi-tenanted	Leasehold	16,500	2020
7	DHML 2	Malaysia	Multi-tenanted	Leasehold	20,000	2021
8	DHML 3	Malaysia	Multi-tenanted	Freehold	75,411	2025 ⁽¹⁾
9	DMLP 1	Indonesia	Multi-tenanted	Leasehold	59,040	2018
10	DMLP 2	Indonesia	Multi-tenanted	Leasehold	46,493	2020
11	DMLP 3	Indonesia	Multi-tenanted	Leasehold	102,907	2025 ⁽¹⁾
12	DMLP 4	Indonesia	Multi-tenanted	Leasehold	97,977	N.A.
Total					570,341	



DPL Loc An-Binh Son 1



DHML2

- Please note that the above list is non-exhaustive and may change from time to time

Note: Information as at 31 March 2023. (1) Estimated year of completion.



Daiwa House

Daiwa House Group

Listed on Tokyo Stock Exchange with a market capitalisation of JPY 2,074.8billion (S\$20.6 billion) as of 31 March 2023

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 30 September 2022, the Sponsor has completed, or is currently developing, 348 logistics properties located in Japan with a total GFA of more than 13 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
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Thank you.

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