



**Daiwa House**  
Logistics Trust

## **Daiwa House Logistics Trust**

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Acquisition of DPL Gunma Fujioka in Japan  
- Maintaining Steady Growth

24 March 2025

Daiwa House

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This Presentation is qualified in its entirety by, and should be read in conjunction with, the full text of DHLT's announcement on SGXNet dated 24 March 2025 on the acquisition of DPL Gunma Fujioka (the "**Announcement**"). In the event of any inconsistency or conflict between, on the one hand, the Announcement and the information contained in this Presentation, the Announcement shall prevail.

All capitalised terms not defined in this Presentation shall have the meaning ascribed to them in the Announcement.

For illustrative purposes, unless otherwise indicated, in this Presentation, certain JPY amounts and VND amounts have been translated into Singapore dollars based on the exchange rates of S\$1.00 : JPY 115.1627 and S\$1.00 : VND VND18,751.50. Such translations should not be construed as representations that the JPY and VND amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all and vice versa.

This Presentation has not been submitted to the Monetary Authority of Singapore ("**MAS**") for approval and MAS takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Presentation.

# Transaction Overview



- DHLT has acquired DPL Gunma Fujioka (“**Property**”), a freehold logistics property that is located in Greater Tokyo, Japan from an unrelated third party (“**Acquisition**”)
- The purchase consideration for the Property is JPY3,990 million (approximately S\$34.7 million) (“**Purchase Consideration**”), which is at a discount of 23.4% to the independent valuation of JPY5,210 million (approximately S\$45.2 million)<sup>1</sup> (“**Independent Valuation**”)
- The Property was acquired at a Net Property Income (“**NPI**”) yield of 5.8%<sup>2</sup>, higher than the blended NPI yield of DHLT’s existing 17 properties in Japan (“**Japan Portfolio**”) as at 31 December 2024<sup>3</sup>
- The Acquisition was funded by borrowings, as well as internal resources of DHLT

**DPU-  
Accretive  
by 3.3%<sup>4</sup>**



- (1) Based on independent valuation conducted by JLL Morii Valuation & Advisory K.K. on the Property as at 31 January 2025.
- (2) Based on the Purchase Consideration and the pro forma NPI of the Property for FY2024.
- (3) Based on the NPI of the Japan Portfolio for FY2024 (annualised for DPL Ibaraki Yuki which was acquired in March 2024) and the valuation of the Japan Portfolio as at 31 December 2024.
- (4) On a pro forma basis, based on the DPU of DHLT for FY2024. Please refer to paragraph 4 of the Announcement for the pro forma financial effects of the Acquisition, including the relevant assumptions.

# DPL Gunma Fujioka

MULTI-TENANTED  
FREEHOLD  
PROPERTY<sup>1</sup> IN  
GREATER TOKYO

Year Built

**January 2022**

Land Area

**33,782**SQM

Occupancy

**100.0%**

As at 21 March 2025

Land Title

**Freehold**

Net Lettable Area

**22,514**SQM

Lease Term<sup>2</sup>

**6.0**YEARS

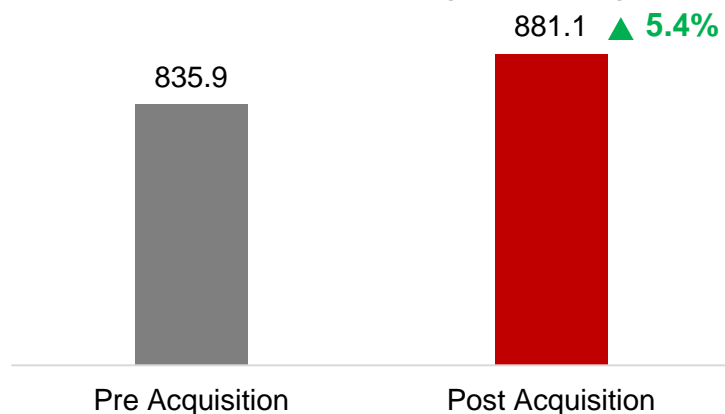
From 1 April 2025



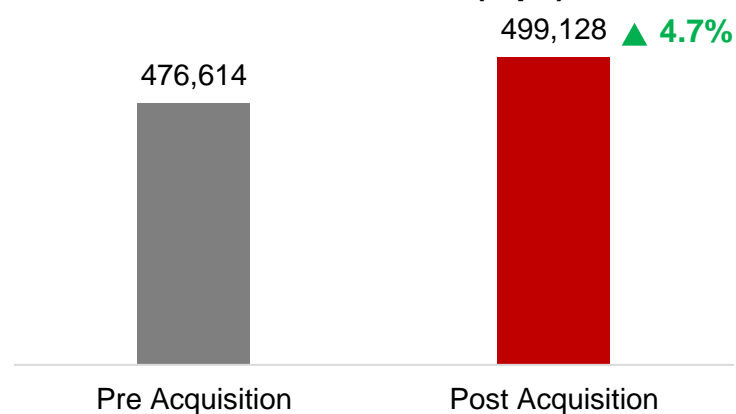
(1) The Property is multi-tenanted although it is currently leased to a single third-party tenant.

(2) The existing lease term expires on 31 March 2025 and the tenant has entered into a new lease agreement with a lease term of another six years commencing from 1 April 2025, assuming the lease is not terminated by the Tenant on 31 March 2028 pursuant to its option to terminate under the new lease agreement.

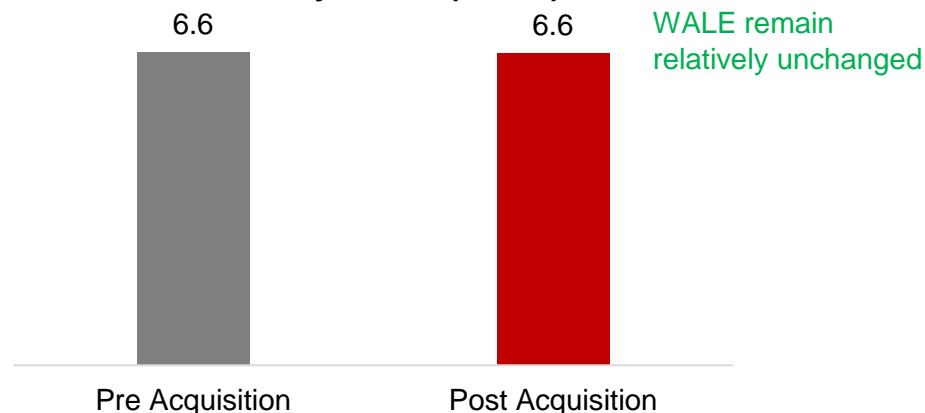
Portfolio Valuation<sup>1</sup> (S\$ million)



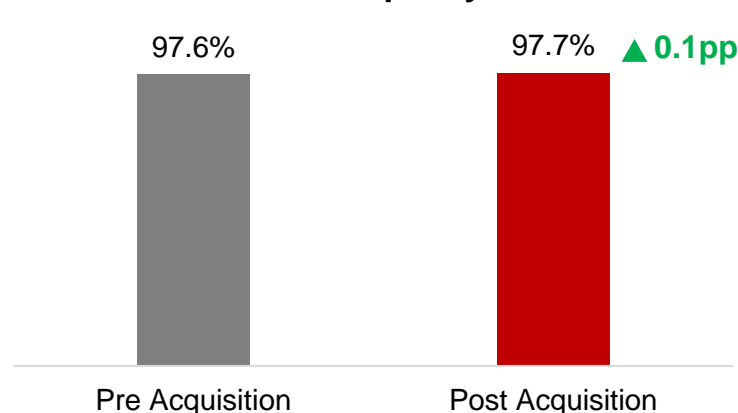
Net Lettable Area (sqm)



WALE by GRI<sup>2,3</sup> (Years)



Portfolio Occupancy Rate<sup>2,4</sup>



(1) Based on the latest valuation of DHLT's portfolio as at 31 December 2024 and the Independent Valuation, each converted from JPY or VND (as the case may be) to S\$.

(2) "WALE" and "GRI" refer to weighted average lease expiry and gross rental income, respectively. On a pro forma basis, assuming the Acquisition was completed on 31 December 2024. Please refer to paragraph 4 of the Announcement for further details on the pro forma financial effects of the Acquisition, including the relevant assumptions.

(3) Weighted by gross rental income which is computed based on the monthly rent of the Property and the other properties in the DHLT Portfolio as at 31 December 2024, and the remaining lease terms in the DHLT Portfolio (including the Property) (the "DHLT Portfolio") as at 31 December 2024.

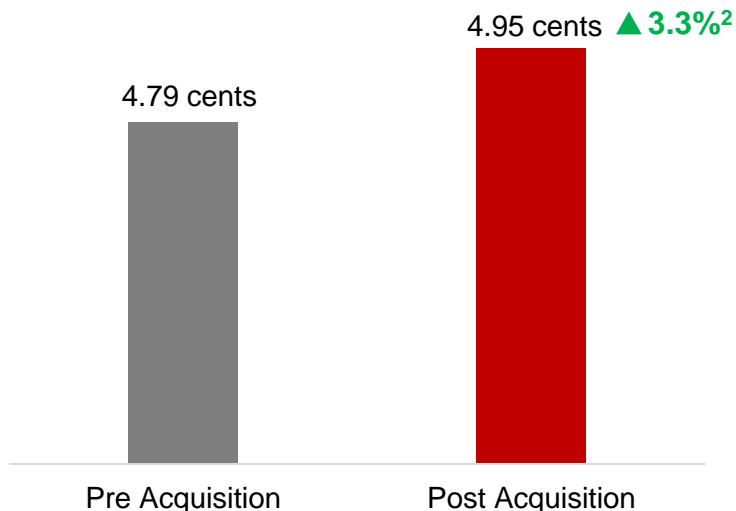
(4) Weighted by net lettable area ("NLA") and on a pro forma basis, assuming the Acquisition was completed on 31 December 2024.

# Rationale of Acquisition

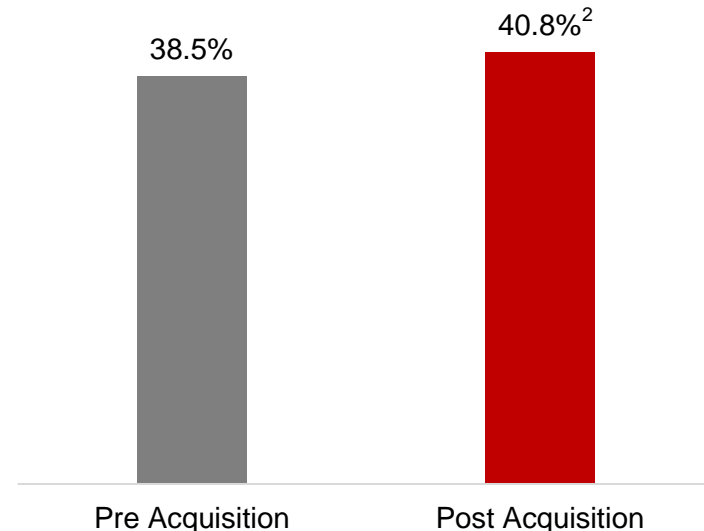


- ✓ On a pro forma basis, assuming that the Acquisition was completed on 1 January 2024, the DPU for DHLT in relation to FY2024 would increase by approximately 3.3%
- ✓ While aggregate leverage of DHLT would increase to approximately 40.8% as at 31 December 2024 on a pro forma basis assuming the Acquisition was completed on 31 December 2024, it remains at a healthy level below the aggregate leverage limit in Appendix 6 of the Code on Collective Investment Schemes

**Distribution per Unit  
for FY2024**



**Aggregate Leverage as at  
31 December 2024**

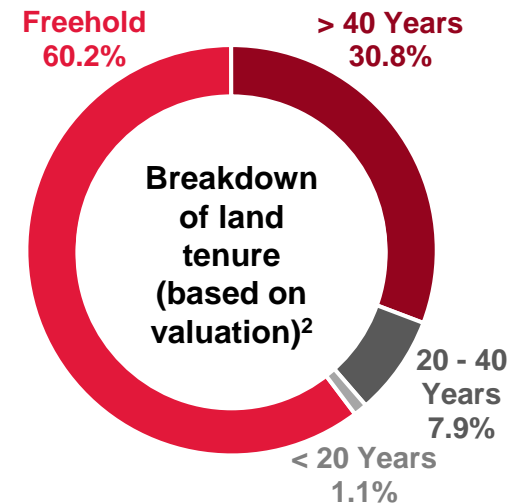


(1) Please refer to paragraph 4 of the Announcement for the pro forma financial effects of the Acquisition, including the relevant assumptions.  
(2) On a pro forma basis.



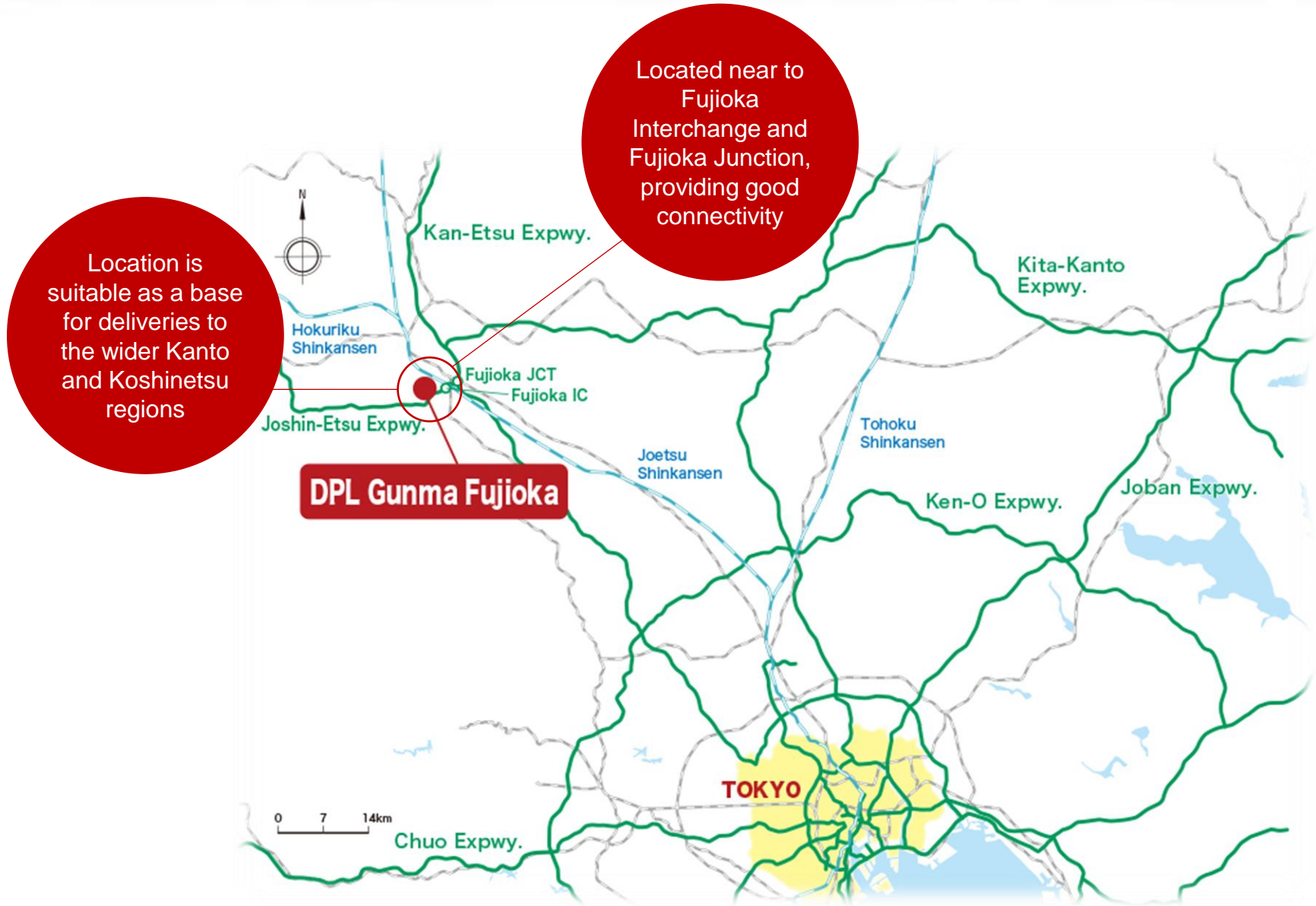


- ✓ DPL Gunma Fujioka is a fully occupied freehold property that is built to modern specifications, with a PML of only 1.7%<sup>1</sup>
- ✓ As it was constructed only in 2022, the capital expenditure requirements of the Property are expected to be minimal in the near term
- ✓ On a pro forma basis, the Property would increase the portfolio occupancy rate to 97.7% as at 31 December 2024, assuming the Property was acquired on 31 December 2024
- ✓ With the acquisition of the Property, DHLT has 11 freehold properties, and on a pro forma basis, the proportion of properties in the DHLT Portfolio with freehold land tenure (by valuation)<sup>2</sup> would increase to 60.2% as at 31 December 2024



(1) PML refers to maximum probable loss in relation to a major earthquake and no earthquake insurance is acquired for the Property as the Manager will generally consider obtaining earthquake insurance for properties that covers the portion of the PML exceeding 15.0%

(2) Based on the latest valuation of DHLT's portfolio as at 31 December 2024, and the Independent Valuation for the Property, each converted from JPY or VND (as the case may be) to S\$.



## Adding a blue-chip tenant

- ✓ The entire property is leased to a new tenant to DHLT's portfolio ("**Tenant**")
- ✓ With the addition of the Tenant following the Acquisition, the tenant base of DHLT is further diversified and strengthened
  - The Tenant is a Japanese group company of one of the largest multi-national consumer goods corporations globally, and has had operations in Japan for more than 50 years
  - The Property serves as the distribution centre for the Tenant's goods
- ✓ On a pro forma basis, and assuming the Acquisition was completed on 1 January 2024, based on the existing monthly rent payable by the Tenant, the Tenant would contribute approximately 4.4% to the NPI of the DHLT Portfolio (including the Property) in FY2024<sup>1</sup>, ranking it amongst the top five tenants of DHLT

## Adding another green property

- ✓ The Property is green-certified by the Building Energy-efficiency Labelling System (BELS) with a rating of 5 stars, the highest star rating at the point of assessment<sup>2</sup>
- ✓ With the Acquisition, 17 out of DHLT's 19 properties are green-certified
- ✓ Solar panels with a capacity of 2.5 MWp have been installed on the rooftop, bringing the total solar energy capacity of DHLT's portfolio to 18.6 MWp



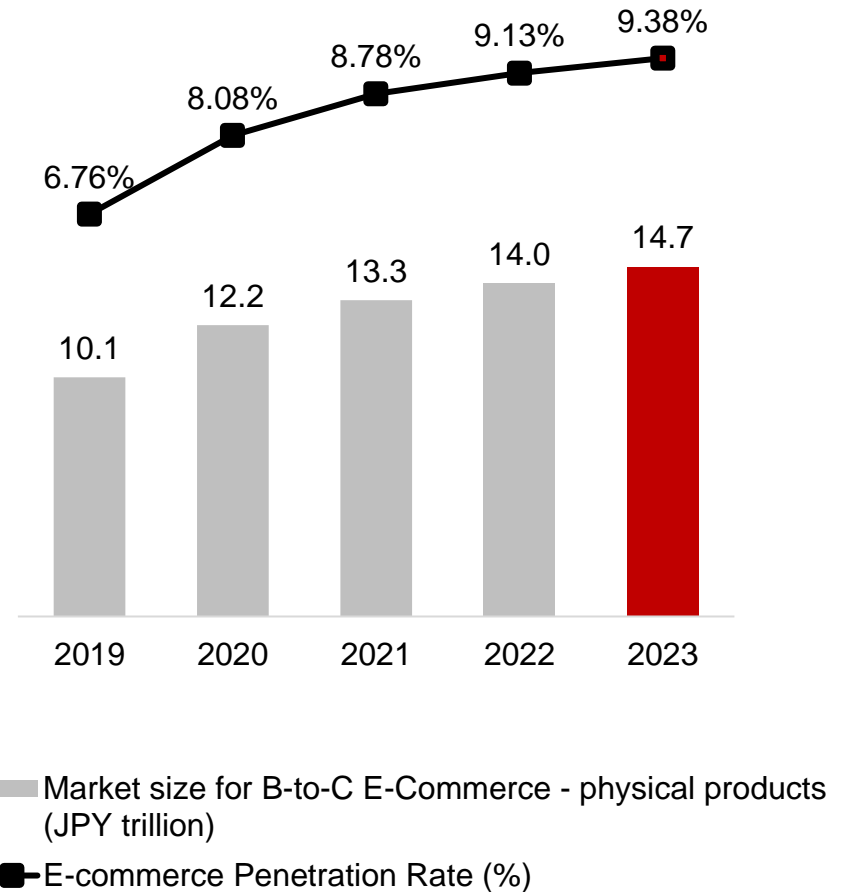
*Solar panels installed on the rooftop of DPL Gunma Fujioka*

- (1) Based on DHLT's NPI for FY2024 (including the Property) and the percentage of NPI was calculated and adjusted based on the NPI of each property in the DHLT Portfolio (including the Property) and allocated to the respective tenants by the proportion of NLA occupied by the tenants in the properties
- (2) The new evaluation criteria that was effective from April 2024 had star rating of up to 6 stars, which was not applicable to the Property at the time of assessment.

# Long term fundamentals of Japan logistics sector healthy Daiwa House®

- ✓ While the logistics sector in Japan faced near-term challenges from an increase in supply, in general, the fundamentals are expected to remain healthy from a longer-term perspective due to factors such as:
  - New supply being expected to be moderated over the coming years<sup>1</sup>
  - Demand being supported by the growing e-commerce sector<sup>1</sup>
- ✓ The e-commerce sector in Japan has continued on its growth trend, expanding by 4.8% in 2023 to a market size of JPY14.7 trillion<sup>2</sup>
- ✓ Despite the continual growth, the e-commerce penetration rate in Japan remained relatively low at 9.38% compared to other mature e-commerce markets such as China, United States and the United Kingdom<sup>2</sup>

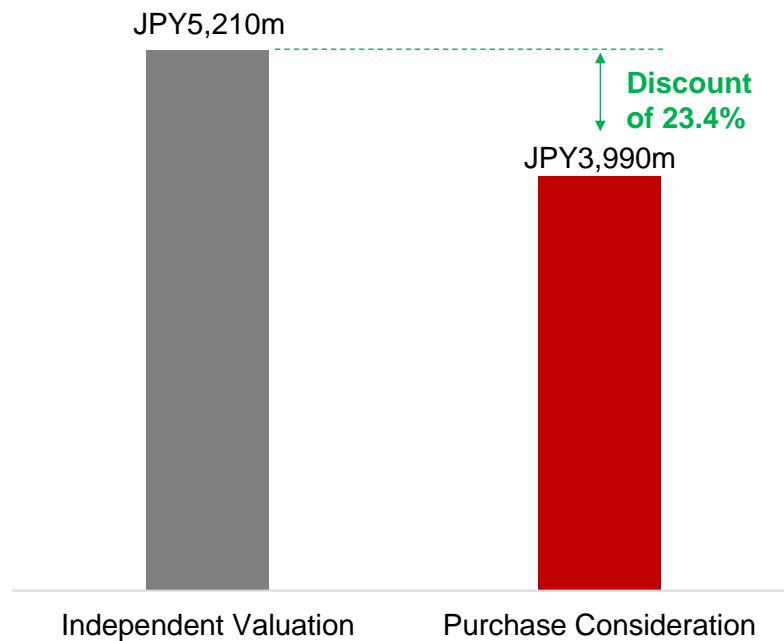
## Japan B-to-C E-Commerce Market<sup>2</sup>



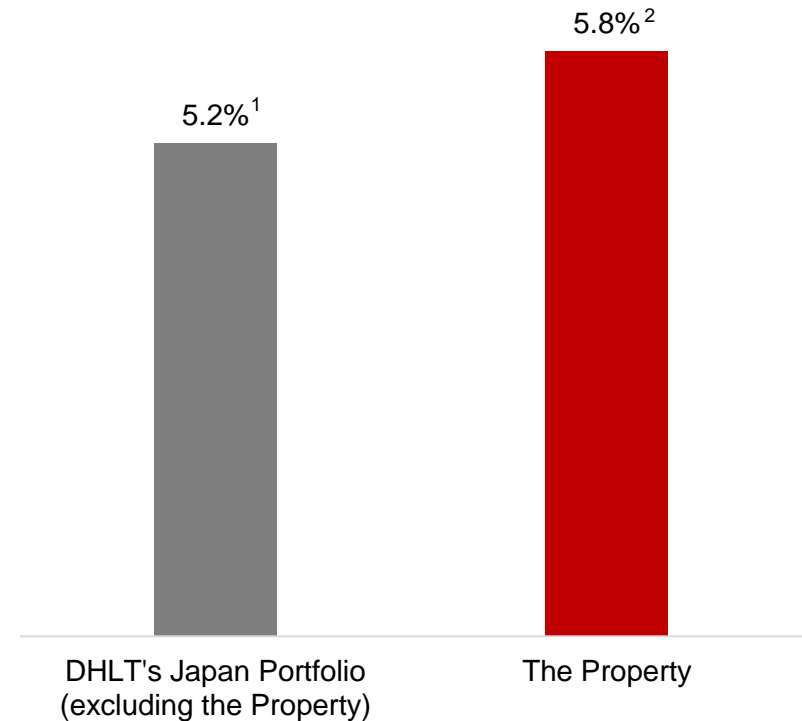
(1) Source: Source: Savills Research – Japan: 2024 Review and 2025 Prospects (December 2024).

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

## Independent Valuation vs Purchase Consideration



## NPI Yield



(1) Based on the NPI of the Japan Portfolio for FY2024 (annualised for DPL Ibaraki Yuki which was acquired in March 2024) and the latest valuation of the Japan Portfolio as at 31 December 2024.

(2) Based on the Purchase Consideration and pro forma NPI of the Property for FY2024.

# Summary



 Daiwa House Group

# Key takeaways

*DPU-accretive Acquisition<sup>1</sup>*

*High-quality Property, anchored by blue-chip tenant*

*Long term fundamentals of Japan logistics sector to remain healthy*

*Acquisition at attractive discount*



(1) On a pro forma basis.



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Thank you.

[www.daiwahouse-logisticstrust.com](http://www.daiwahouse-logisticstrust.com)