

Daiwa House Logistics Trust adds 19th property to its portfolio with DPU-Accretive¹ Acquisition in Japan

- ***The Acquisition is expected to increase DPU by 3.3%, on a pro forma basis¹***
- ***Built in 2022, the Property is a green-certified freehold property that is located in Greater Tokyo***
- ***The Acquisition allows DHLT to attain a new blue-chip tenant, strengthening its tenant base***

SINGAPORE, 24 March 2025 – Daiwa House Asset Management Asia Pte. Ltd., in its capacity as manager of Daiwa House Logistics Trust (“**DHLT**”, and as manager of DHLT, the “**Manager**”), is pleased to announce that DHLT has



acquired DPL Gunma Fujioka (“**Property**”), a freehold logistics property located in Greater Tokyo, Japan (“**Acquisition**”). The Property was built in January 2022 and is entirely leased to a Japanese group company of one of the largest multinational consumer goods corporations globally, which is well established in Japan.²

The purchase consideration for the Property was JPY3,990 million (approximately S\$34.7 million) (“**Purchase Consideration**”), which was at an attractive discount of 23.4% to the independent valuation of JPY5,210 million (approximately S\$45.2 million) (“**Independent Valuation**”). The Purchase Consideration and transaction-related expenses were financed mainly through debt.

¹ On a pro forma basis. For illustration only, assuming that the Acquisition was completed on 1 January 2024 and based on DHLT’s distribution per unit (“**DPU**”) for the financial year ended 31 December 2024 (“**FY2024**”). Please refer to paragraph 4 of DHLT’s announcement on the Acquisition dated 24 March 2025 (the “**Announcement**”) for the pro forma financial effects of the Acquisition, including the relevant assumptions.

² The Property is multi-tenanted although it is currently leased to a single third-party tenant.

Rationale and Benefits of the Acquisition

The Manager believes that the Acquisition will bring the following key benefits to DHLT and the unitholders of DHLT (“**Unitholders**”):

1. DPU-accretive Acquisition

The Acquisition is expected to be DPU-accretive to Unitholders. For illustration purposes, the DPU for FY2024 will improve by approximately 3.3% on a pro forma basis, assuming that the Acquisition was completed on 1 January 2024. While the aggregate leverage as at 31 December 2024 would increase to approximately 40.8% on a pro forma basis, it remains at a healthy level below the aggregate leverage limit in Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

2. Addition of another high-quality property

(a) Modern freehold property built in 2022

The Property is a freehold logistics facility that was built with modern specifications. Built only in 2022, the required capital expenditure for the Property is expected to be minimal in the near term. With this Acquisition, 11 properties out of the 19 properties in DHLT’s portfolio (including the Property) (the “**DHLT Portfolio**”) (being 60.2% of the DHLT Portfolio (by valuation), on a pro forma basis) consist of properties with freehold land tenure. The PML of the Property is also relatively low at 1.7%³.

(b) The Property is well-connected to transportation networks

The Property is strategically located with good connections to transportation networks. Located near the Fujioka Interchange on the Joshin-Etsu Expressway as well as the Fujioka Junction which connects Kan-Etsu Expressway and the Joshin-Etsu Expressway, the location is suited to be used as a base for deliveries to the wider Kanto and Koshinetsu regions.

³ PML refers to maximum probable loss in relation to a major earthquake.

(c) Obtaining a new blue-chip tenant

The entire Property is leased to a single tenant (“**Tenant**”), which is a Japanese group company of one of the largest multinational consumer goods corporations globally, and which has had operations in Japan for more than 50 years, and the Property serves as the distribution center for the Tenant’s goods. On a pro forma basis, assuming the Acquisition had been completed on 1 January 2024, based on the existing monthly rent payable by the Tenant, the Tenant would contribute to 4.4%⁴ of the Net Property Income (“**NPI**”) of the DHLT Portfolio in FY2024, making it one of the top five tenants of DHLT.

(d) Expanding the “green” portfolio

DPL Gunma Fujioka is green-certified by the Building Energy-efficiency Labelling System with a rating of 5 stars, the highest star rating at the point of assessment⁵. After the Acquisition, DHLT has 17 properties that are green-certified out of its portfolio of 19 assets. The Property also has solar panels installed on its rooftop with an aggregate capacity of 2.5 megawatt peak (“**MWp**”), bringing the total solar energy capacity of the DHLT Portfolio to 18.6 MWp.

3. Fundamentals of the Japan logistics sector to remain healthy in long term

The fundamentals of Japan’s logistics sector are expected to remain strong from a longer-term perspective. Demand is expected to be supported by the growing e-commerce sector and the expected moderation of new supply over the coming years⁶. The e-commerce sector in Japan continued to grow, increasing by 4.8% in 2023 to a market size of JPY14.7 trillion⁷. However, 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 Kingdom⁷, which may indicate potential for further growth.

⁴ 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 and allocated to the respective tenants by the proportion of NLA occupied by the tenants in the properties.

⁵ The new evaluation criteria that was effective from April 2024 had a star rating of up to 6 stars, which was not applicable to the Property at the time of assessment.

⁶ Source: Savills Research – Japan: 2024 Review and 2025 Prospects (December 2024).

⁷ Source: Report by the Ministry of Economy, Trade and Industry on 2023 E-Commerce Market Survey (September 2024).

4. Acquisition at an attractive price

The Purchase Consideration of the Property is at a substantial discount of 23.4% to the Independent Valuation. Based on the Purchase Consideration, the implied NPI Yield of the Property is approximately 5.8%⁸, which is higher than the blended NPI yield of the other 17 Japan properties in the DHLT Portfolio, of 5.2%⁹.

Mr Jun Yamamura, Chief Executive Officer of the Manager, said, “We are pleased to continue the steady growth of DHLT with the acquisition of DPL Gunma Fujioka. The property is a green-certified freehold logistics facility built to modern specifications, and we believe that the addition of DPL Gunma Fujioka will enhance the quality of the portfolio. Through the acquisition, DHLT also attained a new blue-chip tenant, which will further strengthen its tenant base.

Based on the Purchase Consideration, the NPI yield of DPL Gunma Fujioka is 5.8%⁸, which is higher than that of DHLT’s existing Japan Portfolio as at 31 December 2024, demonstrating the ability of the Manager to acquire high-quality properties at an attractive price. The Manager will continue to seek opportunities to improve the value of the portfolio.”

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⁸ Based on the Purchase Consideration and the pro forma NPI of the Property for FY2024.

⁹ Based on the NPI for FY2024 (annualised for DPL Ibaraki Yuki which was acquired in March 2024) and the valuation of the Japan properties in DHLT’s portfolio as at 31 December 2024.

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 19 high-quality logistics properties (18 in Japan and one in Vietnam) with an aggregate net lettable area in excess of 499,000 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 JPY3,203.7 billion (S\$27.8 billion) as of 30 December 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.

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The information in this media release is qualified in its entirety by, and should be viewed in conjunction with, the full text of the Announcement. In the event of any inconsistency or conflict between, on the one hand, the Announcement and the information contained in this media release, the Announcement shall prevail.