



**Daiwa House**  
Logistics Trust

## **Daiwa House Logistics Trust**

Business Update for the period from 26 November 2021  
(Listing Date) to 31 December 2021

11 February 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 period from 26 Nov 2021 (Listing Date) to 31 Dec 2021**



**DPL Shinfuji**





- **Valuation increased 14.1% to JPY81,070 million** (S\$949.7 million<sup>(1)</sup>) versus purchase consideration of the portfolio
- Net Asset Value per Unit - **S\$0.92**
- Aggregate leverage – **37.7%**



- **Occupancy rate remained high at 96.3%, with long WALE of 7.0 years**
- **Portfolio resilient** amidst COVID-19 with no request for rental relief as of 31 December 2021

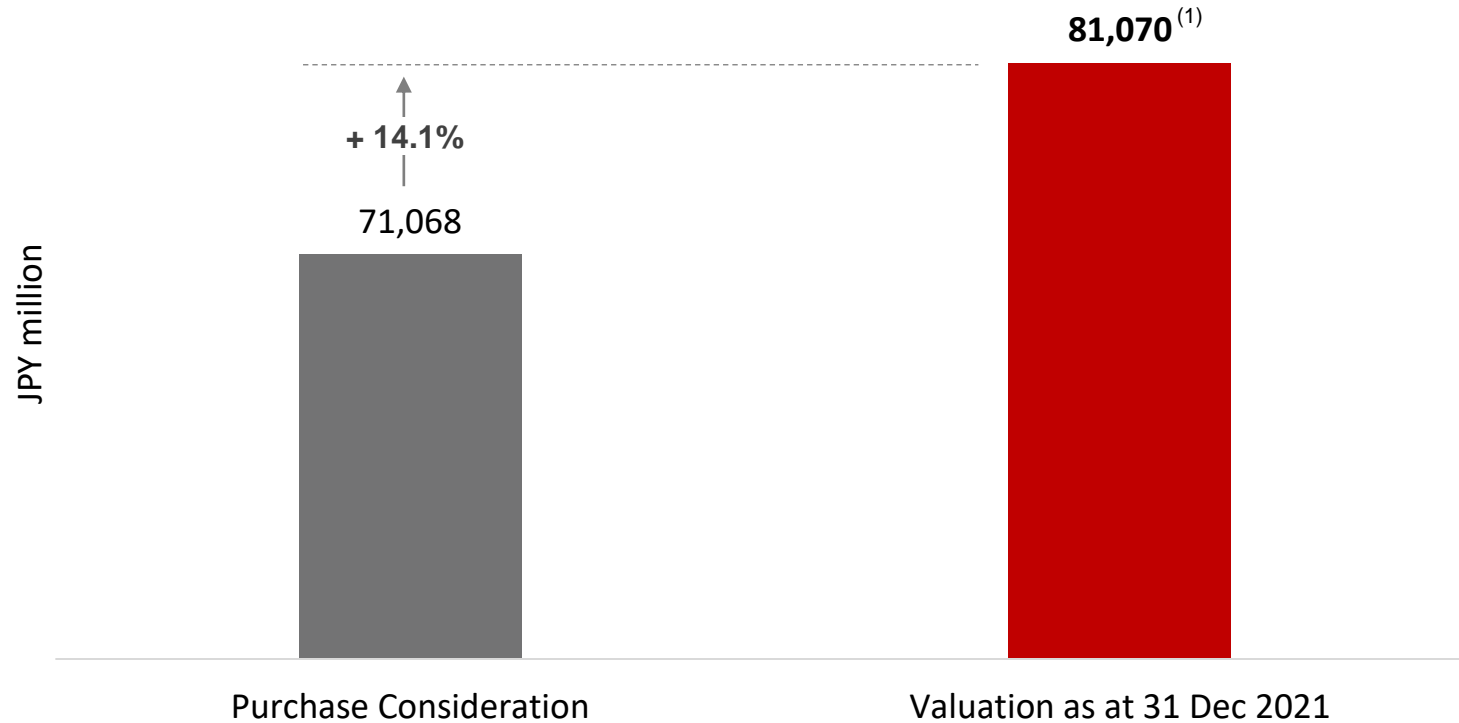


### For period 26 November 2021 to 31 December 2021

- **Gross revenue S\$6.6 million, Net Property Income S\$5.3 million, Distributable income to unitholders S\$3.3 million, Distributable income per unit 0.49 cents**
- In line with forecast

(1) Exchange rate: 1 SGD to JPY 85.3671.

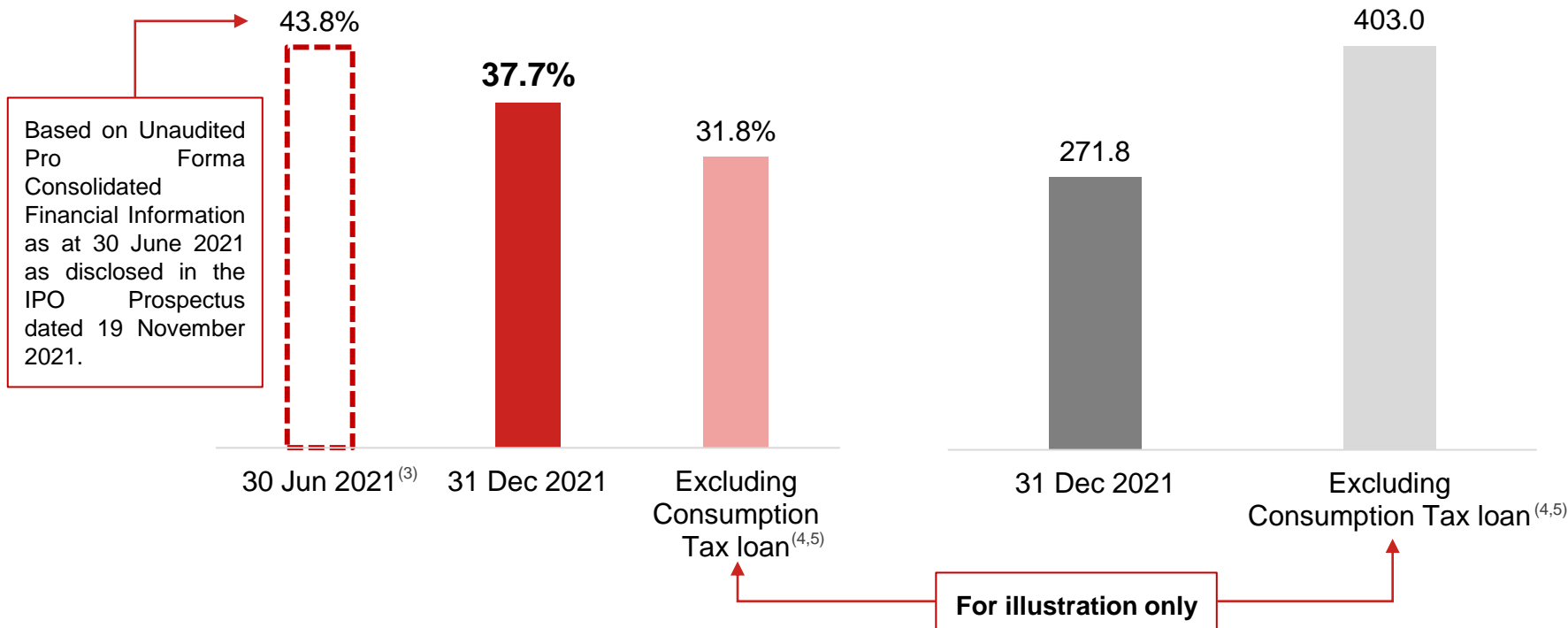
## Valuation vs Purchase Consideration (JPY m)



(1) The valuation of the portfolio as at 31 December 2021 was conducted by Savills Japan Co., Ltd. (7 properties) or CBRE K. K. (7 properties), while the same valuers each conducted valuation for the entire portfolio of 14 properties as at 30 June 2021. On a “same valuer” basis, the valuation of the portfolio as at 30 June 2021 would be JPY81,160 million.

Aggregate Leverage<sup>(1)</sup>

Debt Headroom based on 50% Limit (S\$ million)<sup>(2)</sup>



- Aggregate leverage of 37.7% following revaluation of properties as of 31 December 2021, compared to 43.8% as of 30 June 2021<sup>(3)</sup>
- For illustrative purpose only, excluding Consumption Tax Loan, the aggregate leverage is 31.8%<sup>(4,5)</sup>

(1) 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 security deposits) (2) 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. (3) Based on Unaudited Pro Forma Consolidated Financial Information as at 30 June 2021 as disclosed in the IPO Prospectus dated 19 November 2021. (4) A Consumption Tax Loan is taken to pay the consumption tax in relation to the acquisition of the portfolio. The consumption tax is expected to be refunded by June 2022 and the Consumption Tax Loan shall be repaid thereafter as soon as practicable. (5) For illustrative purpose only, assuming refund of Consumption Tax and repayment of Consumption Tax Loan.





## Overview of Daiwa House Logistics Trust

DPL Shinfuji

**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**

**14**

Modern Logistics Assets<sup>(1)</sup>

**96.3%**

Portfolio Occupancy Rate<sup>(1)</sup>

**S\$949.7 mil**

Portfolio Valuation<sup>(2)</sup>

**7.0 Years**

Portfolio WALE<sup>(3)</sup>

**423,920 sqm**

Total NLA<sup>(1)</sup>

**4.2 Years**

Portfolio Age<sup>(4)</sup>

**CHUGOKU & KYUSHU**

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

**HOKKAIDO & TOHOKU**

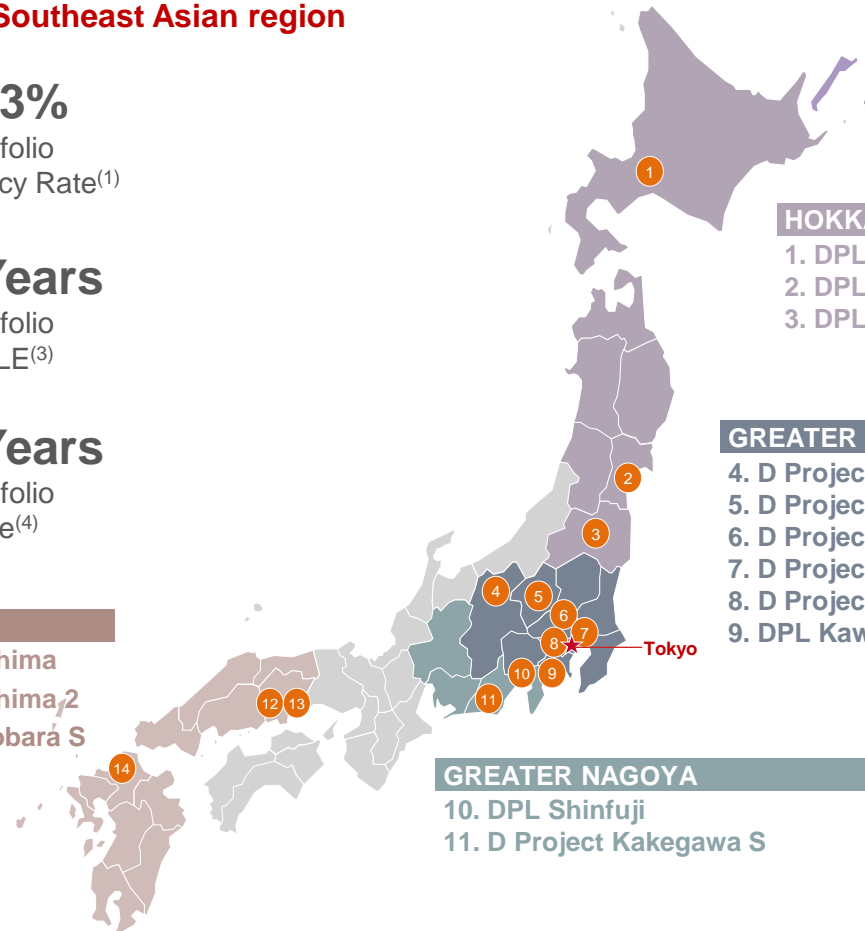
- 1. DPL Sapporo Higashi Kariki
- 2. DPL Sendai Port
- 3. DPL Koriyama

**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**

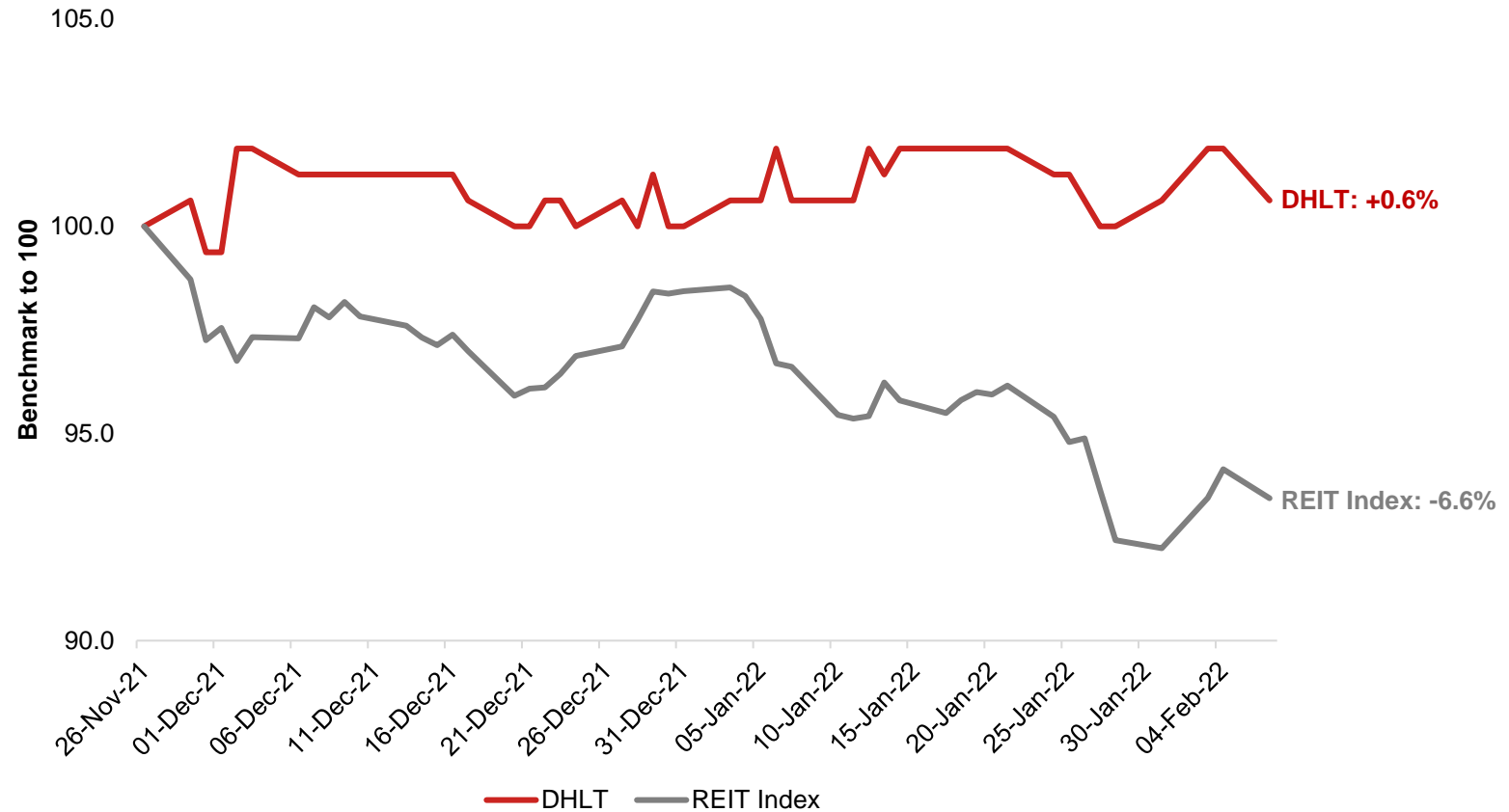
- 10. DPL Shinfuji
- 11. D Project Kakegawa S



(1) As at 31 December 2021. (2) Based on the independent valuations of the IPO Properties conducted by the Independent Valuers which are as at 31 December 2021 and converted from JPY to S\$ based on exchange rate of 85.3671. (3) By occupied NLA as at 31 December 2021. (4) Portfolio age as at 31 December 2021 based on weighted average by NLA.



Closing Unit Price from Listing Date (26 November 2021) to 7 February 2022



- The trading performance of DHLT's Units has been relatively stable since listing on 26 November 2021 despite market volatility, and has outperformed the S-REITs market in general



Operations Updates

DPL Kawasaki Yako

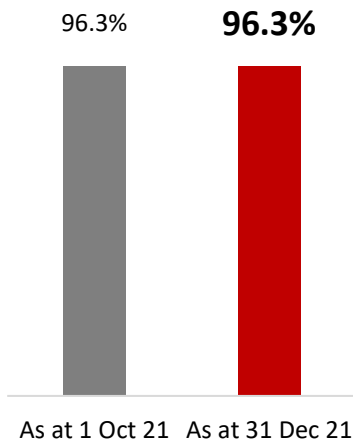
The Manager are working with the property manager to lease out the vacant space and is currently in discussion with potential tenants

**7.0 Years<sup>(1)</sup>**  
Overall Portfolio Aggregate WALE

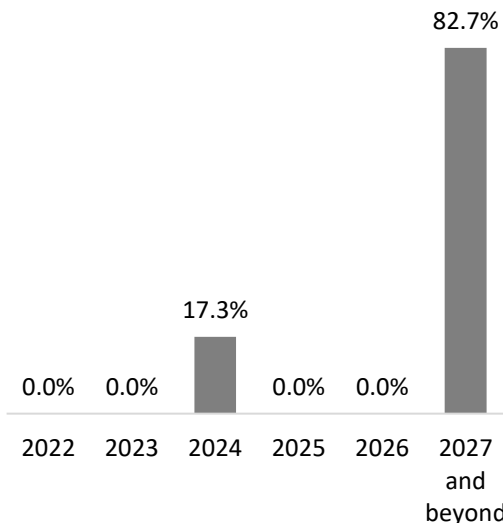
**10.7 Years<sup>(1)</sup>**  
WALE of Single-Tenanted BTS Properties

**5.7 Years<sup>(1)</sup>**  
WALE of Multi-Tenanted Properties

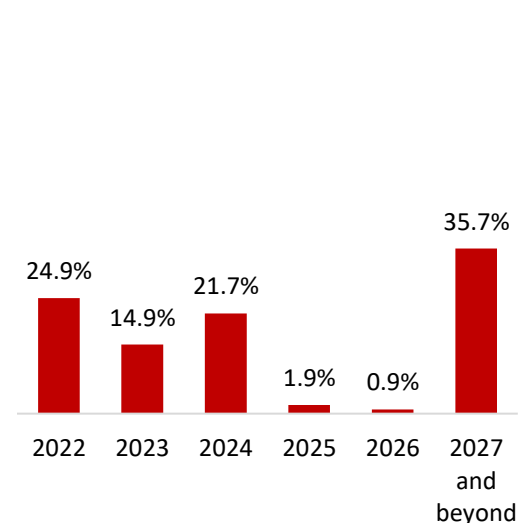
**Overall Portfolio Occupancy Rate**



**Single-Tenanted BTS Assets Lease Expiry<sup>(1)</sup>**



**Multi-Tenanted Assets Lease Expiry<sup>(1)</sup>**

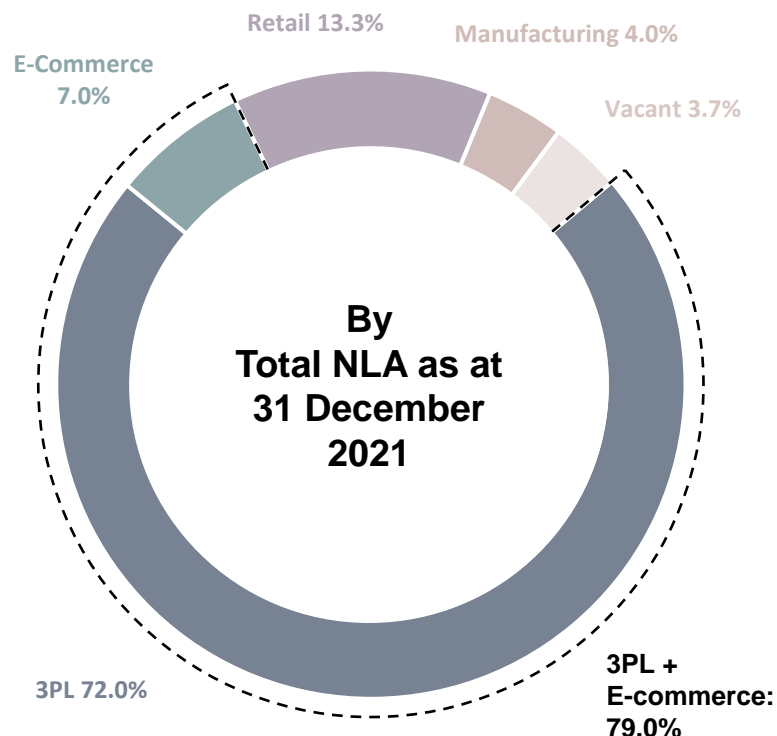


- Occupancy remained high at 96.3% as at 31 December 2021
- The single-tenanted BTS properties provide stable income for extended period while multi-tenanted properties offer potential rental upside

(1) By occupied NLA as at 31 December 2021.



## Breakdown by Tenant Trade Sector



## Top 10 Tenants

Tenant	Sector	% of NPI <sup>(1)</sup>
1. Mitsubishi Shokuhin Co., Ltd.	3PL	19.7%
2. Suntory Logistics Ltd.	3PL	8.2%
3. Nippon Express Co., Ltd	3PL	8.2%
4. Tenant A <sup>(2)</sup>	3PL	7.0%
5. Nitori Co., Ltd.	Retail	6.2%
6. Tenant B <sup>(2)</sup>	3PL	4.6%
7. Create SD Co., Ltd.	Retail	4.5%
8. Tokyo Logistics Factory Co., Ltd.	3PL	4.3%
9. Tenant C <sup>(2)</sup>	E-commerce	4.2%
10. K.R.S. Corporation	3PL	4.1%
		<b>71.0%</b>

- 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 31 December 2021
- Majority of the tenants are listed on Tokyo Stock Exchange (TSE) or entities related to TSE-listed companies

(1) Based on NPI for the period from Listing Date to 31 December 2021 and % of NPI is 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 Updates**

**DPL Sendai Port**

	Period 26 Nov 21 to 31 Dec 21		Variance
	Actual (unaudited)	Pro-rated Forecast <sup>(1)</sup>	
<b>Gross Revenue (S\$ '000)</b>	<b>6,599</b>	6,570	<b>+0.4%</b>
<b>Net Property Income (S\$ '000)</b>	<b>5,261</b>	5,138	<b>+2.4%</b>
<b>Distributable Income (S\$ '000)</b>	<b>3,317</b>	3,303	<b>+0.4%</b>
<b>Distribution per Unit<sup>(2)</sup> (cents)</b>	<b>0.49</b>	0.49	<b>-</b>

- Financial performance for period Listing Date 31 December 2021 was in line with forecast<sup>(2)</sup>
- The first distribution, which will be in respect of the period from the Listing Date to 30 June 2022 is expected to be paid on or before 30 September 2022

(1) Pro-rated based on the forecast Consolidated Statements of Comprehensive Income for the period 1 October 2021 to 31 December 2021 as disclosed in the IPO Prospectus dated 19 November 2021.

(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.



**31 Dec 2021  
(unaudited)**

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<b>Total Assets (S\$ million)</b>	<b>1,375.6</b>
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<b>Total Liabilities (S\$ million)</b>	<b>721.7</b>
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<b>Net Assets Attributable to Unitholders (S\$ million)</b>	<b>618.8</b>
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<b>NAV per Unit attributable to Unitholders (S\$)</b>	<b>0.92</b>
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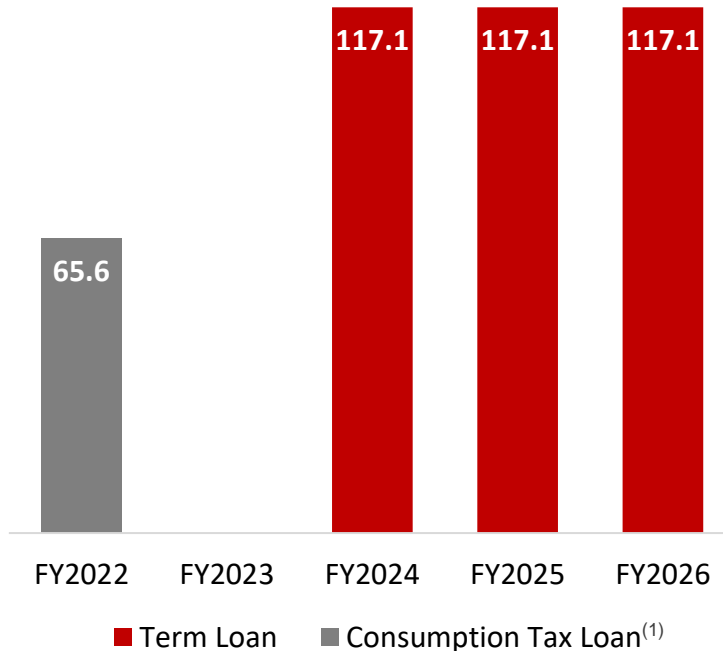
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<b>Aggregate Leverage<sup>(1)</sup></b>	<b>37.7%</b>
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(1) Computed based on total borrowings (excluding lease liabilities arising from land rent) divided by total assets (excluding right of use assets, asset retirement obligation assets and the amount of restricted cash equivalent to security deposits payable by end-tenants)

## Debt Maturity Profile (\$ million)



Total borrowings	JPY35,600 million (S\$417.0 million)
Weighted average debt tenure	3.4 years
Weighted average borrowing cost	0.91% (all-in rate, including upfront fees)
Debt with fixed cost	100.0%

- The Consumption Tax Loan<sup>(1)</sup> shall be repaid following refund of the consumption tax, expected by the end of June 2022
- Excluding the Consumption Tax Loan, there are no refinancing requirements until FY2024
- Excluding upfront fees, the interest rate for the Term Loan is 0.44% p.a.

(1) A Consumption Tax Loan is taken to pay the consumption tax in relation to the acquisition of the portfolio. The consumption tax is expected to be refunded by June 2022 and the Consumption Tax Loan shall be repaid thereafter as soon as practicable.



**Outlook**

**DPL Sapporo Higashi Kariki**



- Despite the emergence of COVID-19 Omicron variant, Japan upgraded its GDP growth projection for fiscal year 2022 to 3.2%, which if realised, would be the fastest growth since fiscal year 2010<sup>(1)</sup>
- While supply in logistics space in Japan continued to grow in recent years, supply-demand remained tight resulting in generally low vacancy rate
- Large supply of logistics space is expected over the next two years in certain markets, particularly in Greater Tokyo, which may result in increasing vacancy and moderation of rental rates growth in these markets
- However, demand is expected to remain robust in general with the continual expansion of Japan's e-commerce market a major contributing factor
- The Portfolio remained resilient amidst the COVID-19 situation and for the period from Listing Date to 31 December 2021, there were no request for any form of rental relief or abatements
- COVID-19 continues to create uncertainties regarding its impact on the economy and the Manager will continue to monitor the situation

(1) Source: Article titled "Japan raises 2022 GDP growth outlook despite omicron risks" that was published on the website of Nikkei Asia dated 23 December 2021.



Appendix

DPL Okayama Hayashima 2

# Portfolio Summary

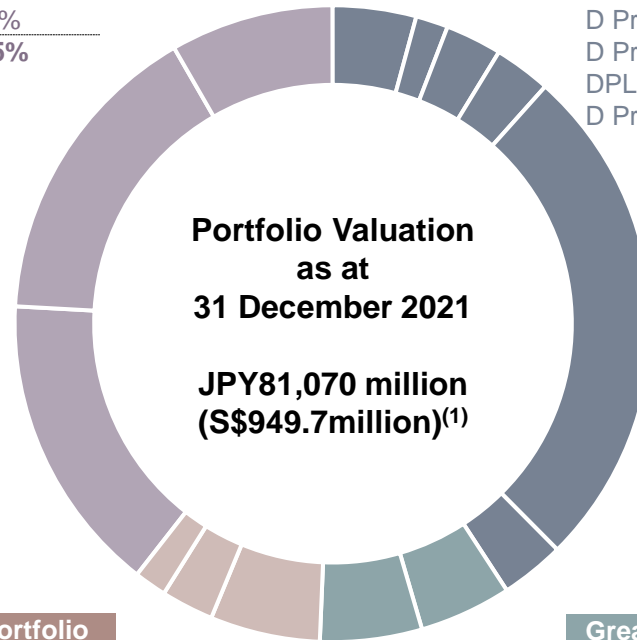
	Completion Year	NLA (sq m)	Land Tenure	Tenancy Type	WALE (By NLA) <sup>(1)</sup>	Occupancy <sup>(2)</sup>	Valuation (JPY million)	Valuation (S\$ million) <sup>(3)</sup>
<b>Hokkaido &amp; Tohoku</b>								
DPL Sapporo Higashi Kariki	2018	60,347	Freehold	Multi-tenanted	2.2	83.8%	12,400	145.3
DPL Sendai Port	2017	63,119	Freehold	Multi-tenanted	1.3	100.0%	12,900	151.1
DPL Koriyama	2019	34,174	Freehold	Multi-tenanted	1.2	82.3%	6,730	78.8
<b>Greater Tokyo</b>								
D Project Maebashi S	2018	14,736	Freehold	Single-tenanted	11.8	100.0%	3,430	40.2
D Project Kuki S	2014	18,257	Expiring 2034	Single-tenanted	2.6	100.0%	1,330	15.6
D Project Misato S	2015	14,877	Expiring 2045	Single-tenanted	13.1	100.0%	2,320	27.2
D Project Iruma S	2017	14,582	Expiring 2048	Single-tenanted	16.0	100.0%	2,340	27.4
DPL Kawasaki Yako	2017	93,159	Expiring 2067	Multi-tenanted	11.3	100.0%	21,000	246.0
D Project Nagano Suzaka S	2018	9,810	Freehold	Single-tenanted	6.8	100.0%	2,630	30.8
<b>Greater Nagoya</b>								
DPL Shinfuji	2017	27,537	Expiring 2065	Multi-tenanted	9.2	100.0%	3,790	44.4
D Project Kakegawa S	2019	22,523	Freehold	Single-tenanted	12.3	100.0%	4,190	49.1
<b>Chugoku &amp; Kyushu</b>								
DPL Okayama Hayashima	2017	23,541	Expiring 2067	Multi-tenanted	5.4	100.0%	4,520	52.9
DPL Okayama Hayashima 2	2017	16,750	Expiring 2051	Multi-tenanted	3.0	100.0%	2,160	25.3
D Project Fukuoka Tobaru S	2019	10,508	Expiring 2068	Single-tenanted	12.6	100.0%	1,330	15.6
<b>Total / Average / Weighted Average</b>		<b>423,920</b>			<b>7.0</b>	<b>96.3%</b>	<b>81,070</b>	<b>949.7</b>

(1) Based on occupied NLA as at 31 December 2021. (2) Based on NLA as at 31 December 2021; (3) Converted from JPY to S\$ based on exchange rate of 85.3671.



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

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%
	<b>40.8%</b>



Chugoku & Kyushu	% of portfolio
DPL Okayama Hayashima	5.6%
DPL Okayama Hayashima 2	2.7%
D Project Fukuoka Tobarā S	1.6%
	<b>9.9%</b>

Greater Nagoya	% of portfolio
DPL Shinfuji	4.7%
D Project Kakegawa S	5.2%
	<b>9.8%</b>

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

(1) Converted from JPY to S\$ based on exchange rate of 85.3671.

# Overview of Select Pipeline Assets – Japan

#	Name	Type	Land Type	GFA (sq m)	Completion Year
1	DPL Toyama Imizu	Multi-tenanted	Freehold	22,889	2021
2	DPL Iwate Hanamaki	Multi-tenanted	Freehold	13,666	2021
3	DPL Maebashi	Multi-tenanted	Freehold	12,972	2021
4	DPL Tosu	Multi-tenanted	Leasehold	50,807	2021
5	DPL Tsukuba Yatabe	Multi-tenanted	Freehold	41,487	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	2022 <sup>(1)</sup>
9	DPL Sendai Rifu 1	Multi-tenanted	Freehold	48,860	2022 <sup>(1)</sup>
10	DPL Nagano Chikuma	Multi-tenanted	Freehold	42,780	2022 <sup>(1)</sup>
11	DPL Okayama Airport South	Multi-tenanted	Freehold	33,301	2022 <sup>(1)</sup>
12	DPL Iwate Kanegasaki	Multi-tenanted	Freehold	20,286	2022 <sup>(1)</sup>
13	DPL Koriyama 2	Multi-tenanted	Freehold	19,693	2022 <sup>(1)</sup>
14	DPL Ibaraki Yuki	Multi-tenanted	Freehold	11,519	2022 <sup>(1)</sup>
15	DPL Tomigusuku 2	Multi-tenanted	Leasehold	79,916	2022 <sup>(1)</sup>
16	DPL Tsukuba Ami 3	Multi-tenanted	Freehold	76,750	2023 <sup>(1)</sup>
17	DPL Sendai Rifu 2	Multi-tenanted	Freehold	15,851	2023 <sup>(1)</sup>
<b>Total</b>				<b>583,527</b>	



DPL Tosu



DPL Tomigusuku 2

During the period, DHLT was offered a property, DPL Utsunomiya, from the Sponsor pursuant to the ROFR agreement, but the opportunity was declined as the acquisition was not expected to be accretive

# 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 <sup>(1)</sup>
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	85,000	2023 <sup>(1)</sup>
8	DMLP 1	Indonesia	Multi-tenanted	Leasehold	59,040	2018
9	DMLP 2	Indonesia	Multi-tenanted	Leasehold	54,294	2020
10	DMLP 3	Indonesia	Multi-tenanted	Leasehold	64,582	2023 <sup>(1)</sup>
11	DMLP 4	Indonesia	Multi-tenanted	Leasehold	104,098	N.A.
<b>Total</b>					<b>523,863</b>	



Note: Information as at 31 December 2021. (1) Estimated year of completion.



**Daiwa House**

Daiwa House Group

***Listed on Tokyo Stock Exchange  
with a market capitalisation of JPY  
2,203.9 billion (S\$25.8 billion) as of  
31 December 2021  
AA Credit Rating<sup>(1)</sup>***

- 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 54,900 commercial facility projects as at 31 March 2021
  - The Sponsor is also one of the largest logistics real estate developers in Japan. As of 30 September 2021, the Sponsor has completed, or is currently developing, more than 300 logistics properties located in Japan with a total GFA of close 11 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





**Daiwa House**  
Logistics Trust

Thank you.

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