



October 31, 2017

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**Details on DMLP Phase I–2 project,
a large-scale multi-tenant logistics facility in Bekasi, Indonesia**

The project outline has been resolved for PT Daiwa Manunggal Logistik Properti, a joint venture between Daiwa House Industry Co., Ltd. (Head office: Osaka, President and COO: Naotake Ohno) and PT Bekasi Fajar Industrial Estate Tbk. (BEST), involving the development and infrastructure preparation of the industrial estate in the Republic of Indonesia.

The site work has been commencing on DMLP Phase I–2, a large-scale multi-tenant logistics facility, in Bekasi, West Java, Indonesia since October 2, 2017.



DMLP Phase I–1 and 2

Daiwa House Industry started participating in the development of MM2100 Industrial Estate, an industrial estate business that was developed by BEST in Bekasi, West Java in February 2013. We began to develop this area and renamed the project Daiwa Manunggal MM2100 Industrial Estate (total development area of about 1,450 ha^{*1}).

We managed the development of DMLP Phase I–1 as our first Indonesia multi-tenant logistics facility. On the other hand as a construction company, we also have experience constructing a logistics facility^{*2} which is equipped with freezing and chilling capabilities for cold chain^{*3} storage and factory rental space, which is currently limited in Indonesia.

The DMLP phase I–1 logistic facility is fully occupied and on October 2, 2017 we began working on DMLP Phase I–2, which will be the second stage of our multi-tenant logistics facility in Indonesia.

In the future, we will combine the managerial resources Daiwa House Group possesses, including our know-how (knowledge and capability) of building surveying, designing and construction as well as building management. We are making efforts to expand our logistics facility development based on business needs and to attract clients from Japan and other countries, who are considering logistics facilities in Indonesia.

*1. Including the planned site.

*2. We have attracted companies such as Kawanishi Warehouse Co., Ltd. to the MM2100 industrial estate, where we carried out the design and construction of their warehouse, handed over the building in September 2017.

*3. To transport fresh, frozen or other foods from a producing area to a consumption area at temperatures that are kept consistently low.

● Main points

1. Development of a logistics facility in Bekasi Indonesia, where the demand for product distribution is rising
2. Development of a multi-tenant logistics facility, capable of accommodating up to eight tenants

1. Development of a logistics facility in Bekasi Indonesia, where the demand for product distribution is rising

Indonesia is an emerging nation that is estimated to have the world's fourth largest population of about 265 million people, and the population is expected to grow to 295 million people*4 by 2030.

In recent years, distribution related businesses, such as supermarkets, convenience stores, and e-commerce business have grown rapidly. However, in the world's largest island nation of more than 17,000 islands, the current logistics infrastructure is struggling to keep up with this rising demand, prompting the rapid construction of distribution networks.

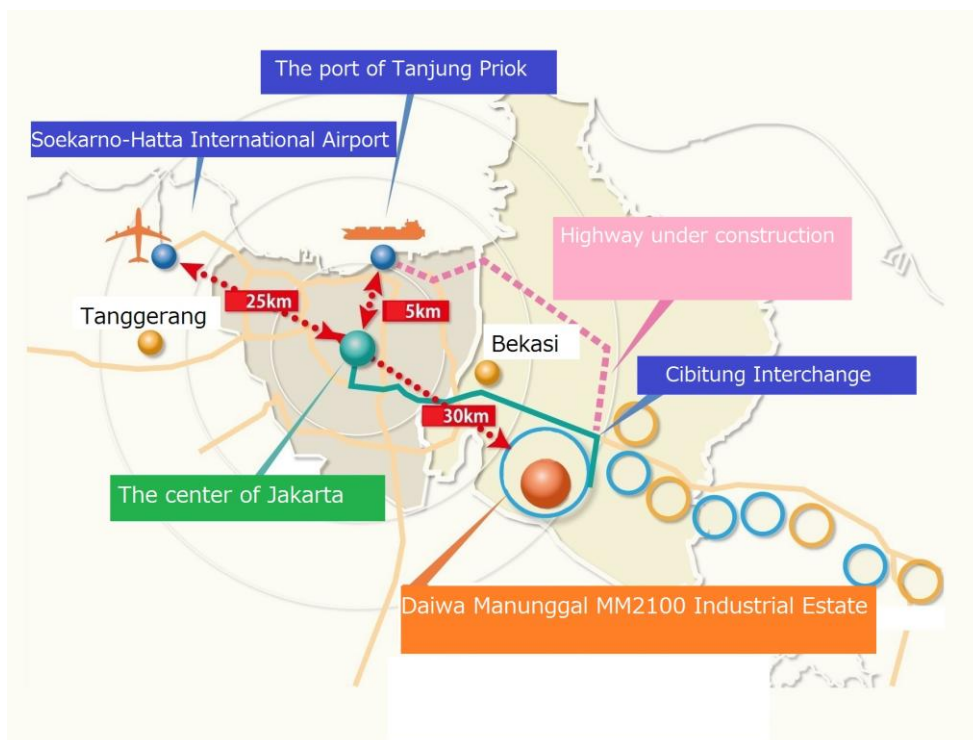
Thus, we have decided to expand development of distribution facilities in Bekasi where demand is expected continuously for a long time and the area is close to many industrial estates which house a variety of facilities from manufacturing to distribution.

The DMLP warehouse area is located approximately 500 m from the Cibitung Interchange of the Jakarta - Cikampek Highway, and 30 km to Jembatan Semanggi in the center of Jakarta. Moreover, the location is easily accessible by both sea and air, as it is around 35 km to the Port of Tanjung Priok, the international commercial harbor boasting Indonesia's largest container volume, and approximately 55 km to Soekarno-Hatta International Airport.

*4. Based on average estimates of future population forecasts in the World Population Prospects: The 2017 Revision.

2. Development of a multi-tenant logistics facility, capable of accommodating up to eight tenants

The DMLP Phase I-2 has a gross floor area (GFA) of 26,500 m² and it can be expanded to a logistics facility with 50,000 m² space when combined with the neighboring DMLP Phase I-1. The DMLP Phase I-2 is a multi-tenant logistics facility which has the capability of accommodating up to eight tenants and can offer lots from 5,000 m².



Location of Daiwa Manunggal MM2100 Industrial Estate

■ Future Plans

By the end of 2019 we will accomplish development of the multi-tenant and BTS*5 logistic facilities (approximately 47.500 m²) in the Daiwa Manunggal MM2100 Industrial estates area as a new DMLP phase II project.

*5. BTS (Build to Suit) logistic facilities are built and used exclusively for specific customers.

■ Building Outline

Project Name	DMLP Phase I – 2
Location	MM2100 Industrial Estate, Cikarang Barat, Bekasi, West Java, Indonesia
Access	0.5 km from the Jakarta - Cikampek Highway Cibitung Interchange 30 km to center of Jakarta 35 km to the Port of Tanjung Priok 55 km to Soekarno–Hatta International Airport
Land Size	Approximately 47,500 m ²
Building Gross Floor Area	Approximately 26,500 m ²
Structure/Number of Stories	Reinforced concrete structure / 1 story warehouse type
Building Function	Multi-tenant logistics facility
Business Company	PT Daiwa Manunggal Logistik Properti
Design and Construction	PT Daiwa Tetra Manunggal Konstruksi
Commencement Date	October 2, 2017
Completion Date	May 2018 (estimated)
Available Date	June 2018 (estimated)
Gross Investment:	1.3 billion yen
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