



Leading 21st Century Retailing, as Logistics Partners

Combining Online Shopping with Shopping in Stores

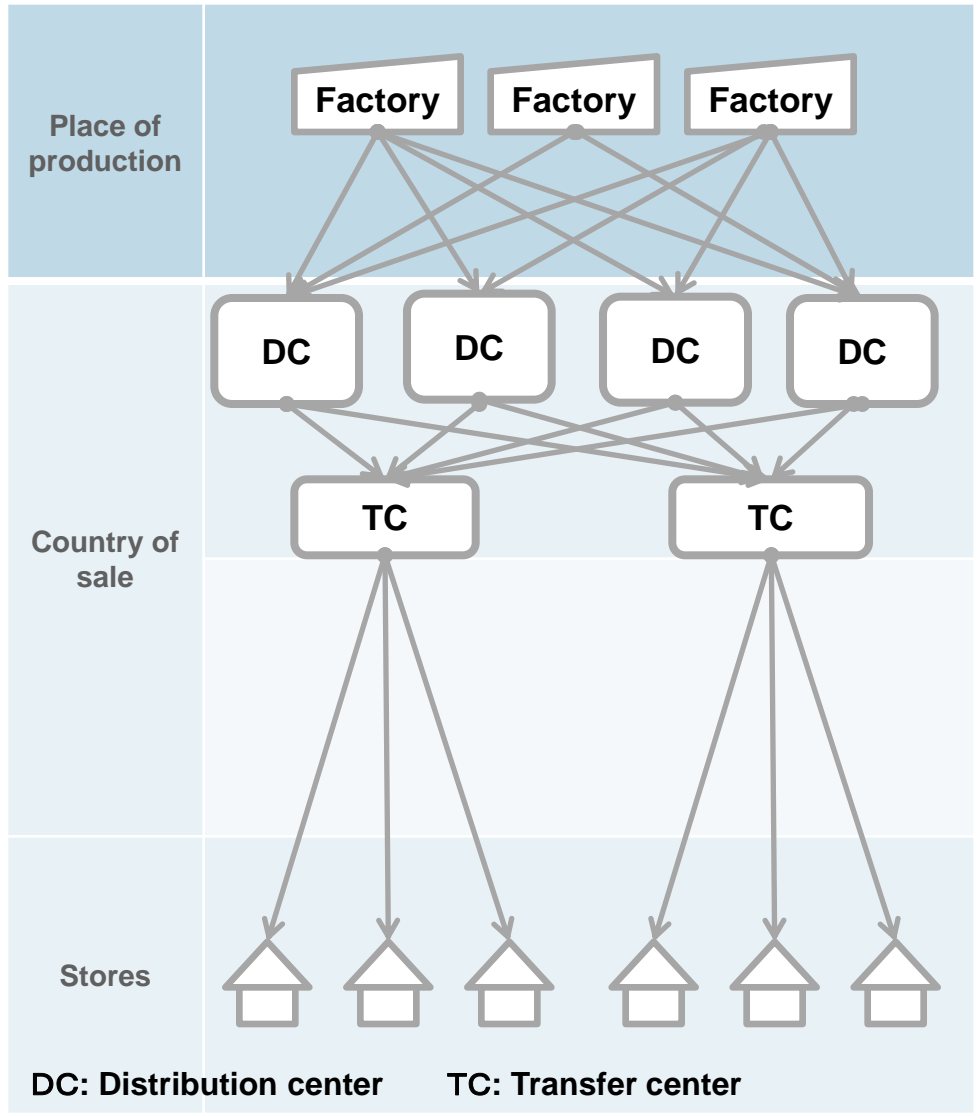
- Connecting directly to customers, to cater to their needs in an optimal way
- Offering the most comfortable and enjoyable shopping experience
- Leveraging diverse online or face-to-face interactions with customers for a shopping experience that matches the brand's values

Examples

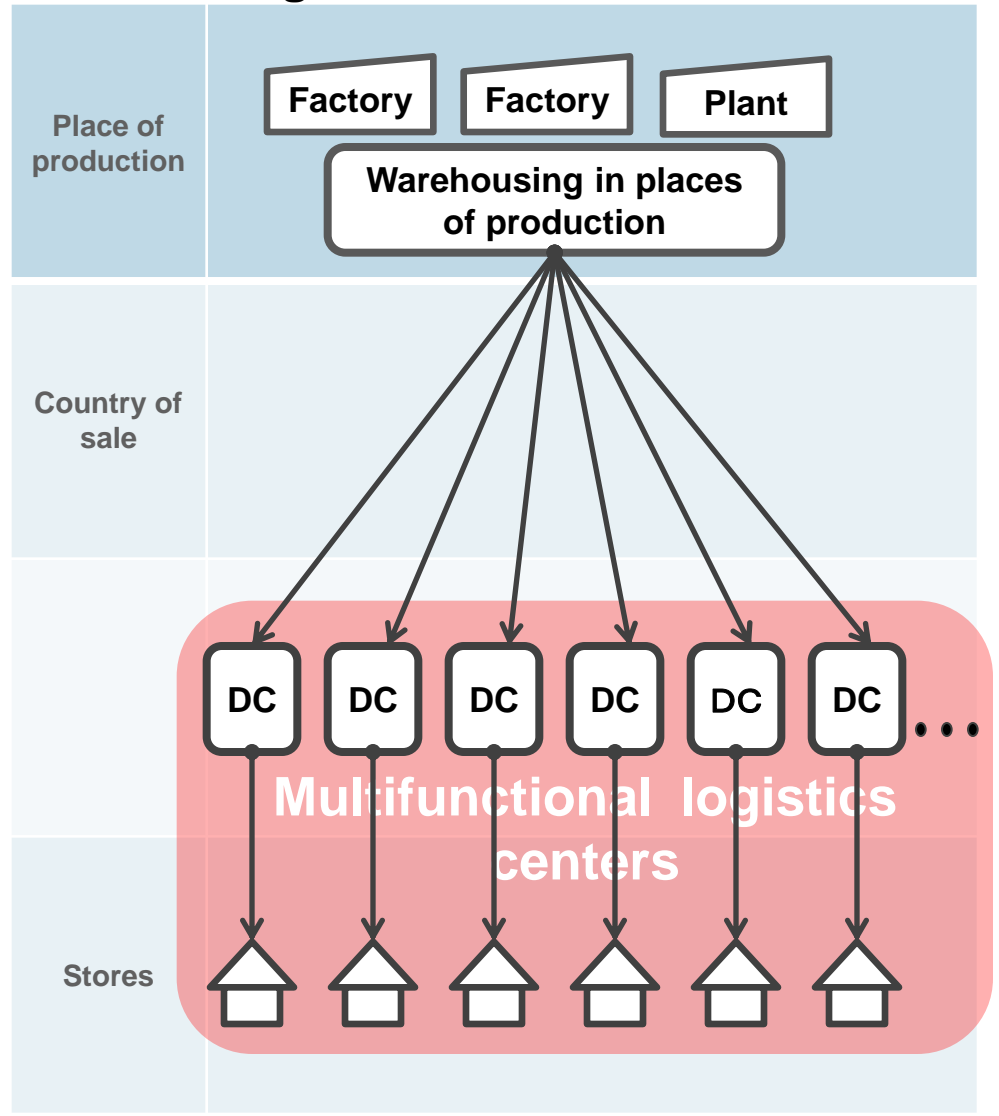
- Customized services, such as providing information that matches personal tastes and offering advice
- Empowering customers to purchase online and pick up their items quickly at store locations, or have them delivered to their home
- Leverage real-time links between stores and warehouses to deliver merchandise quickly, and never run out of stock
- Enabling customers to purchase online, if they cannot find items in the right sizes or colors at store locations, and have their purchases delivered

Logistics Play a Key Role in Transforming Retail

Logistics of Today



Logistics of Tomorrow



Logistics model of tomorrow

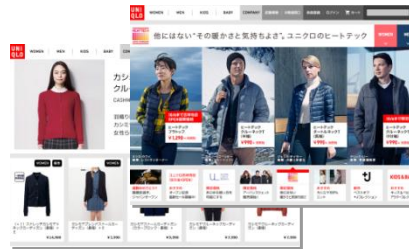
Develop, produce, and retail merchandise as an SPA, while building our own logistics supply chain



Global flagship stores



Large format and standard stores



Online shop



Mobile access

Multifunctional Logistics Centers

1. Logistics hub close to customers, for significant cost and time savings on deliveries
2. Quick delivery of goods, based on real time response to store sales
3. By providing a backroom-function storage service, rapid delivery of products to ensure they can immediately be displayed on sales floor - reducing need for on-site stock
4. Manufacturing and processing services, to meet customization needs for customer products
5. Functional leadership across the entire logistics process, working with stores and other delivery partners
6. Center for disseminating information to customers, working with stores.



Home



Neighborhood store



Other stores



Hotels, etc.



Business scale, as a global retailer
Store operations expertise

Property development track record in
Japan and abroad
Expertise in warehouse construction



Joint Logistics Initiatives

- A joint venture to build a logistics framework focused on multifunctional logistics centers
- As first step, construct warehouse in Ariake to serve central Tokyo
- Then, create new logistics infrastructure around Japan and worldwide
- Plan to set up private real estate investment trust (REIT) to secure distribution center sites and finance construction

Ariake

Multifunctional
Distribution
Center

Multifunctional
Distribution
Center

Multifunctional
Distribution
Center



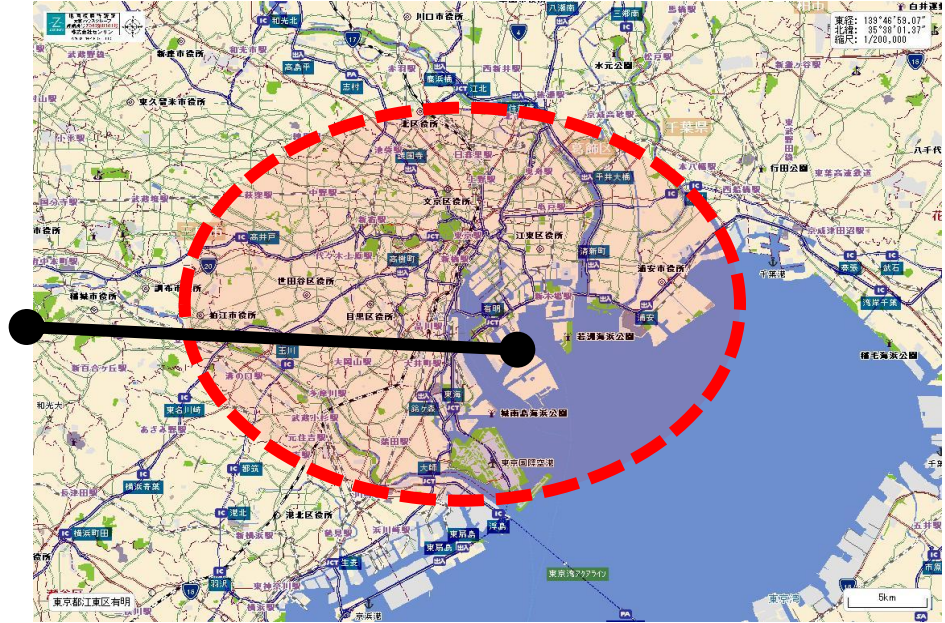
Daiwa House set to create its first private real estate investment trust

Starting with Ariake facility, developing and deploying new distribution centers

REIT setup:	2016
Investment:	Fast Retailing logistics facilities
Target yield:	Projected to exceed 4% on profit distribution basis
Asset scale:	Around ¥65 billion at inception, expanding thereafter
Asset manager:	Daiwa House REIT Management Co., Ltd.

Overview of Ariake Facility

Serving central Tokyo



- 1. Name: Provisionally, D Project Ariake I New Construction
- 2. Location: 1-8, Ariake 1-chome, Koto-ku, Tokyo
- 3. Function: Warehouse and office
- 4. Property size: 36,309 square meters
- 5. Building size: 19,474 square meters
- 6. Floor space: 112,402 square meters
- 7. Structure/scale: Steel and reinforced concrete, six floors above ground
- 8. Construction: Scheduled to start Nov. 15, 2014, ending Jan. 25, 2016

Building specifications

- 1. Floor load: Each floor, 1.5 metric tons per square meter
- 2. Effective beam height: 5.5 meters each floor
- 3. Outer wall: DRS panel
- 4. Emergency generator: 500KVA, within 1,000L
- 5. Seismic isolation: Pile top isolation
- 6. Greenery: Wall and rooftop vegetation, as well as seasonal vegetation on site
- 7. LED lighting: In office and other locations, and prospectively within warehousing area
- 8. Solar power: Facility designed to enable eventual installation of such facilities