

October 30, 2020

For immediate release

Sumitomo Forestry Co., Ltd.

United States Subsidiary Dan Ryan Builders Group Acquires Business of Housing Company in Georgia

First venture into Atlanta area, toward establishing a system of 10,000 units sold

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sumitomo Forestry) announced that its United States subsidiary DRB Group (President: Ronald Salameh; Head Office: Maryland, United States; 92.48% owned by Sumitomo Forestry; hereinafter DRB) has signed a business acquisition agreement with Builders Professional Group, LLC (hereinafter Knight Homes)—which carries out homebuilding business under the Knight Homes brand centered on the Atlanta area in the state of Georgia in the United States—to further expand the area served by DRB. This will be the Sumitomo Forestry Group's first venture into the Atlanta area for single family housing business.

The Sumitomo Forestry Group is putting effort to expand business in the United States. Currently, single family housing business is deployed in 11 states across the United States centered on the growth area known as the Sun Belt. So far, the Sumitomo Forestry Group has ventured into the Dallas and Houston areas in Texas, which have the largest and second largest housing markets in the United States respectively, as well as other areas such as the rapidly growing Salt Lake City area in Utah, and the states of North and South Carolina on the East Coast. Business expansion is being undertaken steadily against a backdrop of growth in the housing market based on population growth and actual demand. In 2019, approximately 8,000 units were delivered.

By venturing into the Atlanta area—which has the third largest market in the United States—through this business acquisition, the Sumitomo Forestry Group has gained a business foothold in a new area of growth within the United States.

Many major corporations have locations in the Atlanta area, making it an area with high employment. As the population and employment continue to grow, it is a promising market with expectations of further housing demand in the medium and long term. The area is not seeing a slowdown in the housing market even under the COVID-19 pandemic and stable growth is expected to continue into the future.

Knight Homes, the subject of business acquisition this time, is a housing construction company that sells approximately 700 units annually* in the states of Georgia and Alabama, mainly in the southern part of Atlanta. In recent years, Knight Homes has expanded its business selling detached houses and townhomes mainly targeting first-time home buyers—a segment with significant increase in demand—and is ranked tenth in this area for the scale of its business. DRB will take over Knight Homes' business as its Atlanta branch to make it the foundation for business expansion in the Atlanta area.

Through this business acquisition, the Sumitomo Forestry Group's single family housing business has expanded in its scale of sales together with the expansion in business area, making a significant move

toward establishing a system that sells 10,000 units annually within the United States alone.

Going forward, the Sumitomo Forestry Group will continue to actively develop businesses globally that contribute both to local communities and to comfortable living environments.

* Zelman served as the exclusive financial advisor to Knight Homes and Smith, Gambrell & Russell, LLP served as Knight's legal advisor. Falls River Group, LLC served as financial advisor to DRB and Davis Wright Tremaine LLP served as DRB's legal advisor.

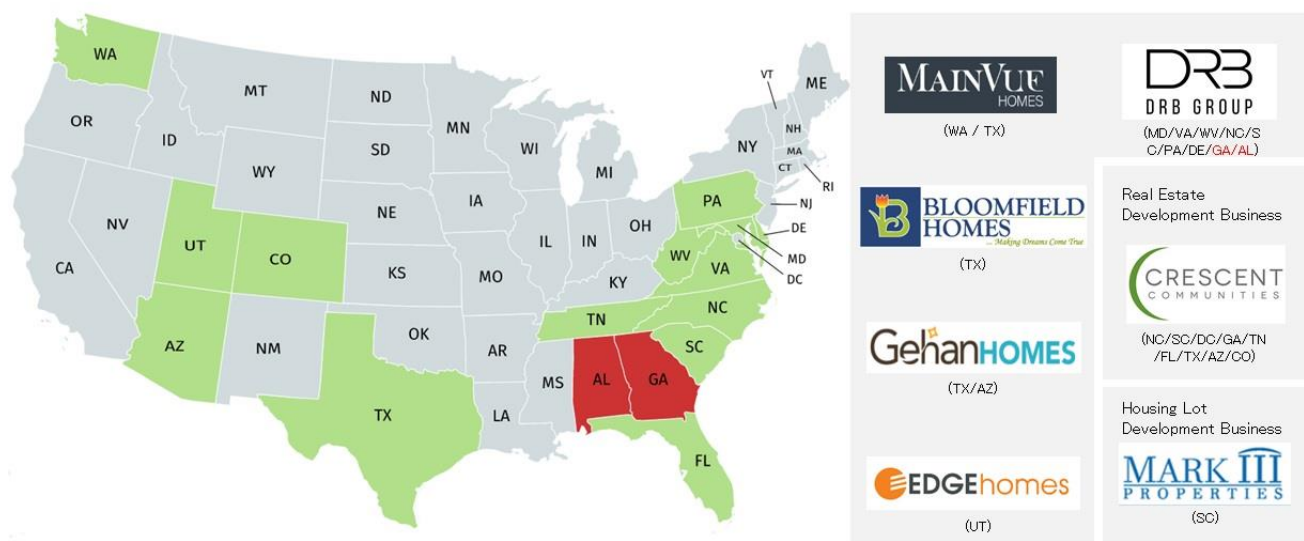
*: Plan for fiscal year ending December 2020

Reference



Exterior views of Knight Homes

■ **Map of Sumitomo Forestry's housing business in the United States**



■ Outline of DRB Group

Name and Title of Representative:	Ronald Salameh (President, CEO)
Location of Head Office:	Rockville, Maryland, U.S.A.
Year of Foundation:	1990
Business:	Single family housing business in the seven states of Maryland, Delaware, Pennsylvania, Virginia, West Virginia, North Carolina, and South Carolina
Number of Employees:	452 (Group total, as of September 2020)

Areas served by DRB
