

April 14, 2021

For immediate release

Sumitomo Forestry Co., Ltd.
Kanden Realty & Development Co., Ltd.
The Sankei Building Co., Ltd.

**Commencement of multi-family Development Project
in the Suburbs of Seattle**
~Joint development involving three Japanese companies~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sumitomo Forestry), Kanden Realty & Development Co., Ltd. (President: Hironori Katsuda; Headquarters: Kita-ku, Osaka City; hereinafter Kanden Realty), and The Sankei Building Co., Ltd. (President & CEO: Kazunobu Iijima; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sankei Building) announced that they will be commencing a multi-family development project in the suburbs of Seattle, Washington State, through a special purpose company (SPC) with major U.S. developer Trammell Crow Residential, the multifamily development company of Crow Holdings (hereinafter Trammell Crow Residential). The total construction cost is approximately USD 128.9 million (approximately JPY 13.6 billion*1) with completion targeted for June 2023.

*1 Calculated at USD 1 = JPY 106 (the exchange rate on February 28, 2021)

■ Project overview and future prospects

This project will be carried out through an SPC between Trammell Crow Residential and a Japanese joint venture formed by three companies: SFA MF Holdings, LLC, a wholly-owned subsidiary of Sumitomo Forestry; Kanden Realty & Development America LLC, a wholly-owned subsidiary of Kanden Realty; and SKB USA LLC, a wholly-owned subsidiary of Sankei Building.

Sumitomo Forestry—which started distribution business of timber and building materials in Seattle in the 1960s and has accumulated local knowledge—shares the same vision and strategy to expand business in the United States with Kanden Realty and Sankei Building, both of which have a wealth of achievements in real estate development and investments within Japan and overseas. The three Japanese companies formed a joint venture and decided to undertake this project with an exceptional local developer. With this project as a start, excellent business opportunities in the global market will continue to be considered in the future while applying the characteristics and knowledge of each company.

■ Area and property characteristics

This property is located in an area that is 20 minutes by car from the downtown areas of Seattle and Bellevue, where large global companies have their headquarters. It also has good access to major highways.

Located adjacent to a commercial facility, it is characterized by its extremely high convenience in living, including close proximity to major retailers such as Costco and food supermarket chains within five minutes by car. It also allows easy access to entertainment and recreation, including walking trails, beach parks, a lake, and large cinemas in the vicinity. In addition, further convenience can be expected as an extension



of the light rail line from the downtown area is also being planned for this area.

This is a property that is well equipped with amenities. On the first floor are outdoor spaces allowing an expansive view of rich nature, spaces that allow barbecues to be enjoyed with family and friends, and a swimming pool. The second floor has a clubhouse and gym.

The Seattle metropolitan area has an estimated population of approximately 3.98 million people^{*2}. From 2010 to 2019, population growth has increased by 540,000 people, and the area ranks seventh in the United States for population growth rate^{*3}. Housing the headquarters of large companies famous in the world such as Amazon, Boeing, Microsoft, Starbucks, and Expedia, employment continues to grow in this area, and while recent market conditions have still been affected due to COVID-19, it is an area where high growth can be expected in the medium-to-long term.

*2 Source: Data as of 2019, released by the United States Census Bureau

*3 Source: Data as of 2019, released by the United States Census Bureau

■ Facility overview

Property name	: Alexan Alderwood
Location	: 2927 Alderwood Mall Blvd, Lynwood, WA
Floor area (planned)	: 313,342 sq. ft. (29,110 m ²)
Residential units (planned)	: 387 units 233 1-bedroom apartments (with combined living/dining/kitchen, and 1 bathroom) 126 2-bedroom apartments (with combined living/dining/kitchen, and 1 or 2 bathrooms) 18 3-bedroom apartments (with combined living/dining/kitchen, and 1 or 2 bathrooms) 10 studio apartments and SOHOs (1-bedroom apartment with kitchen, etc.)
Structure	: 3-story and 5-story wooden buildings
Start of construction	: April 2021
Completion (planned)	: June 2023



Conceptual image

■ Overview of Trammell Crow Residential

Headquarters : Dallas, Texas
 Representative : Ken Valach (CEO)
 History : Trammell Crow Residential is a multi-family real estate developer established in the United States in 1977.
 Business description : Trammell Crow Residential is one of the largest developers of multifamily real estate in the United States. Focused on developing premier, amenity-rich multifamily communities in economically thriving locations, the company has delivered nearly 260,000 residences. Trammell Crow Residential is part of the development platform of Crow Holdings, a privately-owned real estate investment and development firm with a 70-year history and a strong track record of performance, partnership and innovation. This is the second project with Sumitomo Forestry Group since the partnership for the development of Alexan Heartwood (Issaquah) in 2018.

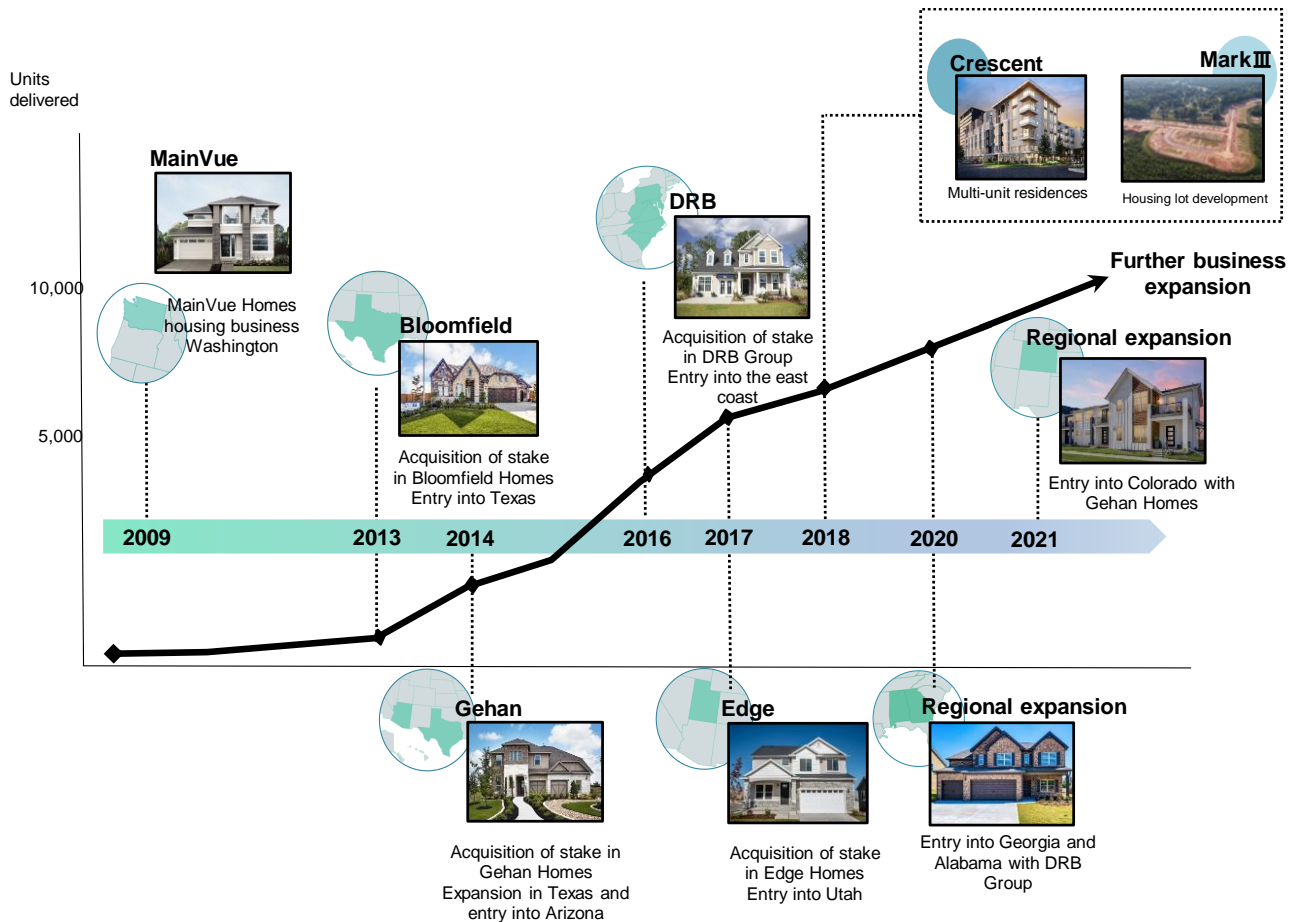
[Reference material: Sumitomo Forestry]

<History of Sumitomo Forestry’s housing and real estate business in the United States>

Starting with the distribution business, Sumitomo Forestry has a long history of more than 50 years carrying out businesses based in local communities at various locations in the United States. The housing and real estate business—one of Sumitomo Forestry’s main businesses in the United States—currently operates its business for detached houses in 14 states, and the multi-unit residential business started in 2018 has expanded to nine states. In 2019, the number of detached houses sold by the Sumitomo Forestry Group was 7,973 units (10th place in BUILDER Online’s 2020 ranking) while the number of multi-unit residences constructed was 2,547 units (21st place in 2020 NMHC 50), reaching a prominent scale even in the United States.

This project is Sumitomo Forestry’s third multi-family development project in the United States undertaken through joint investment with Japanese businesses. As a long-term plan, entering into asset management business is also being considered.

Based on the 2021 Medium-Term Management Plan, detached housing business and real estate development business will be actively promoted in the United States, Australia, and Southeast Asia to contribute toward the realization of a prosperous societies through the expansion and development of businesses related to housing and real estate. Going forward, Sumitomo Forestry will continue to supply excellent assets in the United States together with other Japanese companies.



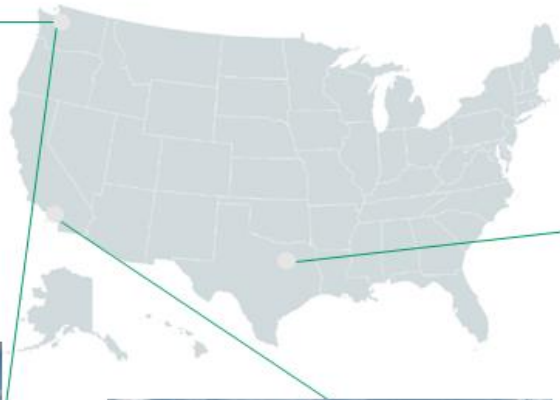
<Development projects with local developers>



Alexan Heartwood
 Joint developer: Trammell Crow Residential
 Location: Issaquah Highlands (suburbs of Seattle)
 Purpose: Multi-unit residence
 Units: 135
 Commencement of lease: May 2021 (planned)



Alexan Alderwood
 Joint developer: Trammell Crow Residential
 Location: Lynwood (suburbs of Seattle)
 Purpose: Multi-unit residence
 Units: 387
 Commencement of lease: January 2023 (planned)



Jefferson on SoLa
 Joint developer: JPI
 Location: South Gate (suburbs of Los Angeles)
 Purpose: Multi-unit residence
 Units: 244
 Commencement of lease: August 2021 (planned)



Jefferson Gallery House
 Joint developer: JPI
 Location: Dallas
 Purpose: Multi-unit residence
 Units: 353
 Commencement of lease: August 2021 (planned)



<Business area of Crescent Communities, LLC>

