

February 1, 2022

For immediate release

Sumitomo Forestry Co., Ltd.

Sumitomo Forestry Participates in Master-planned Community Development Project in the Suburbs of Austin, Texas, U.S.**~ Working with Hines, a global real estate developer,
to meet the growing demand for housing ~**

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; Headquarters: Chiyoda-ku, Tokyo; hereinafter “Sumitomo Forestry”) and global real estate developer Hines Interests Limited Partnership (Chairman and Chief Executive Officer: Jeffrey C. Hines; Headquarters: Texas, United States; hereinafter “Hines”) announced their joint participation in a master-planned community development project in the suburbs of Austin in Texas, United States. The project is expected to have a development area of 570 hectares*¹ and will include the development of 2,500 single-family lots, 20 hectares of land for multifamily and townhomes, and 30 hectares of land for commercial use. The project will be developed in stages until July 2032.

*¹ The area of approximately 122 Tokyo Domes

■ Area and property characteristics

With a population of approximately 29 million people, Texas is the state with the most significant population growth in the United States. Austin, the state capital, has been overgrowing as a global tech hub in recent years, with major Fortune 500 companies such as Oracle, Tesla, and Apple, announcing the relocation of their headquarters from California and the expansion of their branches. The Austin-Round Rock metropolitan area, which has the fifth-highest number of new housing permits in the U.S. (for 2020), has a population of approximately 2.3 million, an increase of approximately 600,000 from 2010-20. The suburban area is expected to continue to see growth in employment and population, including the commencement of Tesla’s Gigafactory in 2020, and demand for housing in this area will increase even further.

Adjacent to State Highway 130 and State Highway 71, this project is located conveniently approximately 20 km southeast, or around 25 minutes by car, from the central downtown area of Austin. It has a suburban atmosphere even though it is within 15 minutes from places such as Circuit of the Americas (Formula One race circuit), Austin-Bergstrom International Airport, as well as nearby restaurants, parks, and live music clubs. Various amenities can be enjoyed within the project’s area, such as a 20-hectare lake, more than 240 hectares of greenbelt, trails, and swimming pool.

■ Project outline

In addition to Sumitomo Forestry America, Inc.—a wholly owned subsidiary of Sumitomo Forestry—and Hines, the real estate investment company Trez Capital and U.S. investment management company Caravel Ventures are also investing in this project as partners.

Development management will be undertaken by Hines, which has a wealth of experience in real estate

development, including land development. To further increase the added value of this project, Sumitomo Forestry will provide Hines with information about the latest needs and trends of home buyers, such as amenities, landscaping, and site plan. Some of the housing lots developed by this project will be sold through Gehan Homes, Ltd.—a wholly owned subsidiary of Sumitomo Forestry carrying out housing business in Austin—to maximize Group revenue and expand the share of home sales in the Austin area.

■ Project overview

Project name	: Mirador
Location	: Suburbs of Austin, Texas
Total area	: 570 hectares
Number of lots	: 2,500 single-family lots, 20 hectares for multifamily and townhomes, and 30 hectares for commercial use
Project commencement	: November 2021
Project completion	: July 2032

Sumitomo Forestry has worked with Hines on a total of three land development projects—including this project—in North America spanning a total of approximately 6,600 lots. For the continued growth of the housing business in North America, one of Sumitomo Forestry’s main businesses, it is essential to develop a system that ensures a long-term and stable supply of housing lots that have high demand in terms of location and other factors. Securing housing lots has become a greater issue due to the strong demand for housing in recent years, and the company will seek to gain revenue through these development projects. In addition, further expansion of the housing business will be sought by actively using the developed housing lots as land for the companies of the Sumitomo Forestry Group.

About Hines

Hines is a privately owned global real estate investment firm founded in 1957 with a presence in 255 cities in 27 countries. Hines oversees investment assets under management totaling approximately USD 83.6 billion (as of June 30, 2021). In addition, Hines provides third-party property-level services to more than 367 properties totaling 138.3 million square feet. Historically, Hines has developed, redeveloped or acquired approximately 1,486 properties, totaling over 492 million square feet. The firm currently has more than 171 developments underway around the world. With extensive experience in investments across the risk spectrum and all property types, and a foundational commitment to ESG, Hines is one of the largest and most-respected real estate organizations in the world.

Sumitomo Forestry’s collaboration with Hines

Including this project, Sumitomo Forestry has partnered with Hines on three land development projects so far, and they have also embarked on the development of a 15-story wooden office building—the tallest of its kind—in Melbourne, Australia. Going forward, Sumitomo Forestry will continue to search for opportunities to collaborate with Hines—not just within the United States and Australia but globally, including Japan—that combine each other’s expertise.

Collaboration with Hines

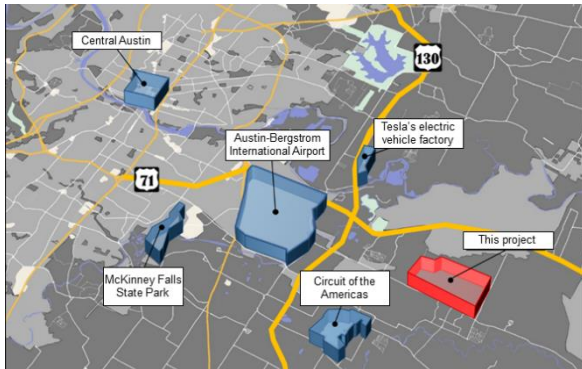
Land development projects in North America

Project name	Area	Number of lots (planned)/ Development area	Project period (planned)
Wildflower Ranch	Fort Worth, Texas	3,300 lots Approx. 430 hectares	2019 to 2028
Hartland	Loudoun County, Virginia	776 lots Approx. 320 hectares	2020 to 2024
Mirador (this project)	Austin, Texas	2,500 lots Approx. 570 hectares	2021 to 2032

Wooden office development project (Australia)

Project name	City/Area	Overview	Exclusive floor area	Project period
36 Wellington	Melbourne, Victoria/ Collingwood	2 stories below ground and 15 stories above ground Reinforced concrete for 1st to 5th floors and wooden construction for 6th to 15th floors	18,399 m ²	2021 to 2023

Mirador: Location Map



Wildflower Ranch: Rendering of the amenities

