

## US subsidiary Crescent Communities to develop industrial facility in Virginia

~Capturing strong logistics demand to reinforce revenue base~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Chiyoda-ku, Tokyo; hereinafter, Sumitomo Forestry) is pleased to announce that its wholly owned subsidiary, Crescent Communities, LLC (Chairman and CEO: Brian Natwick; headquarters: Charlotte, North Carolina), will develop an Industrial facility in the suburbs of Richmond, Virginia. Kyushu Electric Power Co., Inc. (President: Kazuhiro Ikebe; headquarters: Fukuoka City, Fukuoka Prefecture) will participate in this development through a US subsidiary, Kyuden Urban Development America, LLC (headquarters: New Castle, Delaware).

By capturing the strong demand for logistics in the East Coast, this project aims to reinforce the revenue base of Sumitomo Forestry's overseas real estate business. Total project costs are planned at USD 57 million (JPY 7.7 billion<sup>\*1</sup>). Construction will begin in May 2023 and completion is scheduled for July 2024.

### ■Project overview

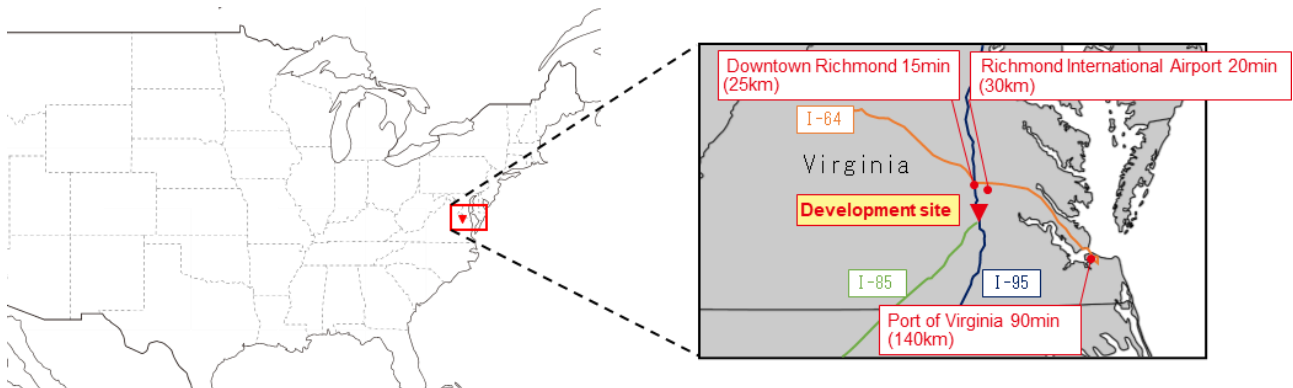
This project, Axial Gateway 95 will be a multi-tenant Industrial facility located in Chesterfield, a suburb of Richmond. The site is approximately 230,000 m<sup>2</sup> and the total floor space is 47,000 m<sup>2</sup>. It will be developed by a special purpose company (SPC) jointly owned by Crescent Communities, LLC and Kyuden Urban Development LLC. Sumitomo Forestry's wholly owned subsidiary SFC Asset Management Co., Ltd. (President: Yujiro Yoshizawa; headquarters: Chiyoda-ku, Tokyo) provided support services for structuring the project.



Using the whole building life cycle assessment software One Click LCA<sup>\*2</sup>, the environmental impact of the project, such as embodied carbon, will be quantified and evaluated. To promote environmentally conscious development, we will plan to achieve green building certification (LEED<sup>\*3</sup>).

### ■Location overview

The city of Richmond has a higher-than-average population growth rate in the United States and demand for logistics is strong with Amazon and Walmart securing new distribution facilities in recent years. The facility has excellent transportation accessibility with its location on I-95, which connects Miami and New York City. By car, it is approximately 15 minutes (25 km) south of downtown Richmond and 20 minutes (30 km) from Richmond International Airport. The site is also accessible for truck transport to the Port of Virginia, a major East Coast port. Strong demand for logistics is anticipated with a major toy manufacturer, automobile factory, and several major transport companies located nearby.



Sumitomo Forestry Group is engaged in a broad range of global businesses centered on wood, including forestry management, the manufacture and distribution of wood building materials, wooden building construction, such as single-family homes, real estate development, and biomass power generation. In Mission TREEING 2030, our long-term vision for 2030, we have set out advancing globalization as one of our business policies. With this aim, we are promoting real estate development in Japan and overseas to fulfill our long-term vision to reinforce our revenue base.

- \*1. USD\$ 1 = ¥135.91 (calculated at the currency rate of March 10, 2023).
- \*2. A software for which Sumitomo Forestry holds the exclusive distributorship agreement in Japan. It accurately calculates CO2 emissions of a building, from procurement of raw materials for construction, processing, construction, renovation, and disposal (CO2 emissions during construction). Related press release: [https://sfc.jp/english/news/pdf/20220127\\_02.pdf](https://sfc.jp/english/news/pdf/20220127_02.pdf)
- \*3. An environmental performance rating system for buildings and site use developed and operated by the USGBC (US Green Building Council).

#### ■ Property Overview

Name	Axial Gateway 95
Location	Chesterfield, a suburb of Richmond, Virginia
Total floor space	Approximately 47,000 m <sup>2</sup> (505,068 square feet) (scheduled)
Structure	Tilt up concrete
Start	May 2023 (scheduled)
Completion	July 2024 (scheduled)

#### ■ Crescent Communities LLC

Headquarters	Charlotte, North Carolina
Representative	Brian Natwick (Chairman and CEO)
Employees	196 (as of February 2023)
History	Established in 1939 from the forestry division of Duke Energy, an electric power company founded in 1904. Entered the real estate development business in 1990. Became a wholly owned subsidiary of Sumitomo Forestry in July 2018.
Business description	Develops multi-family residential and commercial complexes and other properties in 16 cities in ten states and one special district in the Southeast and Southwest regions of the US, primarily Charlotte.

\*Crescent Communities, LLC corporate website: <https://www.crescentcommunities.com/>

#### ■ SFC Asset Management Co., Ltd.

Headquarters	Chiyoda-ku, Tokyo
Representative	Yujiro Yoshizawa (Representative Director and President)
Established	November 2020
Business description	Investment advisory services for investment funds organized by Sumitomo Forestry Group and others

\*SFC Asset Management corporate website: <https://sfcam.jp/>

#### < Reference materials >

In February 2022, Sumitomo Forestry Group announced Mission TREEING 2030, its long-term vision. With 2030 as our target year, the same as our SDGs, this vision outlines our direction, our business policies, and what type of company we aim to be.

For more information about our long-term vision, please refer to our video or special website.

Long-term vision video:

<https://www.youtube.com/watch?v=xsKRGNOjyyw>

Long-term vision special website:

<https://sfc.jp/english/corporate/vision/>

## Mission TREEING 2030

