

December 6, 2024

For Immediate Release

Sumitomo Forestry Co., Ltd.

Development of a multifamily community in North Carolina
~Meeting a wide range of housing needs in the rapidly growing Durham suburbs~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) is pleased to announce that its wholly owned subsidiary, Crescent Communities, LLC (CEO: Brian Natwick; headquarters: Charlotte, North Carolina; hereinafter, Crescent) will develop NOVEL UHill, a 400-unit, six-floor, wood-frame multifamily community in the City of Durham, North Carolina. Kyuden Urban Development America, LLC, the US subsidiary of Kyushu Electric Power Co., Inc. (President and CEO: Kazuhiro Ikebe; headquarters: Fukuoka) and NEC Capital Solutions America, Inc., the US subsidiary of NEC Capital Solutions Limited (President: Masaaki Suganuma; headquarters: Tokyo), will participate in the development. Construction is scheduled to begin in December 2024 and leasing of finished sections will begin in phases starting November 2026.



■NOVEL UHill characteristics

To control costs and create lower CO₂ emissions during construction (embodied carbon), the project will adopt the wooden frame wall construction method. In addition, because trees sequester the CO₂ they absorb during the growth process as carbon, this building, which utilizes a large amount of wood in its structural materials and interiors, will fix carbon for long periods of time, thereby contributing to decarbonization. Through a building lifecycle assessment using the software One Click LCA,^{*1} we will quantify CO₂ emissions during construction (embodied carbon) to reduce emissions and visualize the carbon fixation volume of wood.

Targeting students and young adults who study or work in the Durham metropolitan area, the development features a total of 400 units, including studios, one- to three-bedroom apartments and townhouses. With a wide range of amenities, including a coffee shop, sky lounge, pool terrace, club room, bike lounge, co-working space and fitness center, the complex provides for a lifestyle that meets the needs of a wide range of target groups, from single people to families.

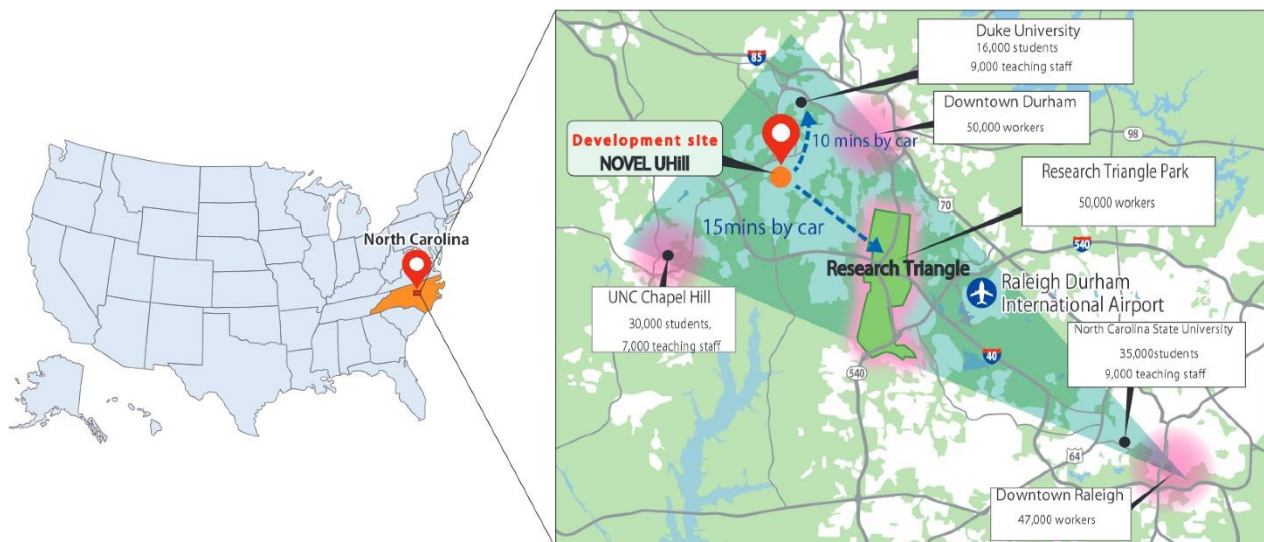
NOVEL is Crescent Communities' high-end market rate multifamily product offering distinct design features and amenities within each apartment home, common space and the overall community. For each

community Crescent holds in-depth design and identity session called “CANVAS” where many disciplines and stakeholders collaborate to ensure the community delivers on authenticity and appeal. NOVEL UHill will be developed with a deep appreciation of the area’s history and characteristics, making it an appealing addition to the local community.

■Area characteristics

The project site is located in the Research Triangle, an area that connects Duke University, North Carolina State University and the University of North Carolina, Chapel Hill, and has a concentration of over 300 global IT and life science companies at the center. Downtown Durham, Duke University, one of the nation’s leading research institutions, and Duke University Hospital are all approximately 10 minutes by car. The area’s leading universities and employment sites, including Research Triangle Park, which has the highest concentration of advanced industries in the US, the University of North Carolina, Chapel Hill, and the downtown area of Chapel Hill are all approximately 15 minutes by car. The neighborhood also boasts several shopping centers and restaurants, including University Hill, a large commercial district within walking distance.

With North Carolina is gradually lowering its corporate tax rate, it expects to see further population growth, employment and economic growth as companies and people from neighboring states move into the state.



■Participation details

The developer is a special purpose company (SPC) jointly owned by Crescent (a wholly owned subsidiary of Sumitomo Forestry), Kyuden Urban Development America, LLC (a wholly owned subsidiary of Kyushu Electric Power Co., Inc.), and NEC Capital Solutions America, Inc. (a wholly owned subsidiary of NEC Capital Solutions Limited). Sumitomo Forestry’s wholly owned subsidiary SFC Asset Management Co., Ltd. (President: Yujiro Yoshizawa; headquarters: Tokyo) will coordinate communication within the joint venture.

■Future plan

Sumitomo Forestry Group is engaged in a wide range of global businesses centered around wood, including forestry management, the manufacture and distribution of wood building materials, the construction of single-family homes and medium- to large-scale wooden buildings, real estate development, and wood biomass power generation. In our long-term vision Mission, TREEING 2030 and through our forestry, timber and construction operations, we aim to promote the Sumitomo Forestry Wood Cycle, our value chain designed to contribute to decarbonization not only for our own company but also for society as a while by increasing the CO₂ absorption of forests and popularizing wooden buildings that

store carbon for extended periods. One of our business plans in our long-term vision is global expansion. Ever since we entered the US multifamily development business in 2017, our annual supply of multifamily units has expanded to become our second largest core businesses after single-family homes and grew to become equivalent to the ninth largest^{*2} in the United States in 2023. We will continue to accelerate our decarbonization initiatives both in Japan and overseas.

*1 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 to processing, transport, construction, renovation and disposal (CO₂ emissions during construction).

Related press release: <https://sfc.jp/information/news/2022/2022-08-08.html> (Japanese only)

*2 The annual total number of units supplied by Sumitomo Forestry Group's three US subsidiaries is equivalent to 9th place in the 2024 rankings of NMHC 25 Largest Developers, announced by the National Multifamily Housing Council of the United States (in-house tabulation).

■ Community Overview (planned)

Name	NOVEL UHill
Location	3737 Durham Chapel Hill Blvd., Durham, NC 27707
Total floor space	34,764 m ² (374,196 square feet)
No. of units	400
Structure/method	Wood-frame construction (Part of floor 1 is RC structure)
Certifications	NGBS Bronze (environmental certification), Fitwel (wellbeing certification)
Start of construction	December 2024
Start of rentals	November 2026 (in phases starting with completed sections)

■ Crescent Communities LLC

Headquarters	Charlotte, North Carolina
Representative	Brian Natwick (President, CEO)
Employees	201 (as of December 2023)
History	Established in 1963 from the forestry division created in 1939 by Duke Energy, an electric power company. Entered the real estate development business in 1990. Became a wholly owned subsidiary of Sumitomo Forestry in July 2018.
Business description	Develops multifamily residential and commercial complexes and other properties in 17 cities in ten states and one special district in the southeast and southwest regions of the US, primarily Charlotte

■ SFC Asset Management Co., Ltd.

Headquarters	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/> (Japanese only)