



July 9, 2025

For Immediate Release

Sumitomo Forestry Co., Ltd.
Chuo-Nittochi Co., Ltd.

Joint Development of a Multi-Family Rental Complex Near Washington, D.C.

~First-time collaboration between the three companies - Sumitomo Forestry,
Chuo-Nittochi, and Hines~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) and Chuo-Nittochi Co., Ltd. (President: Kiyoshi Miyake; headquarters: Tokyo; hereinafter, Chuo-Nittochi) are pleased to announce that they are working with major US developer Hines (Chairman and Co-CEO: Jeffrey C. Hines; headquarters: Houston, Texas) to develop a multi-family rental housing complex in the suburbs of Washington, D.C., in the Commonwealth of Virginia. The complex features a six-floor building with a total of 365 units. Construction is scheduled to start in July 2025 and leasing will begin in April 2027. This is the first time the three companies of Sumitomo Forestry, Chuo-Nittochi and Hines are working together.

■Property characteristics

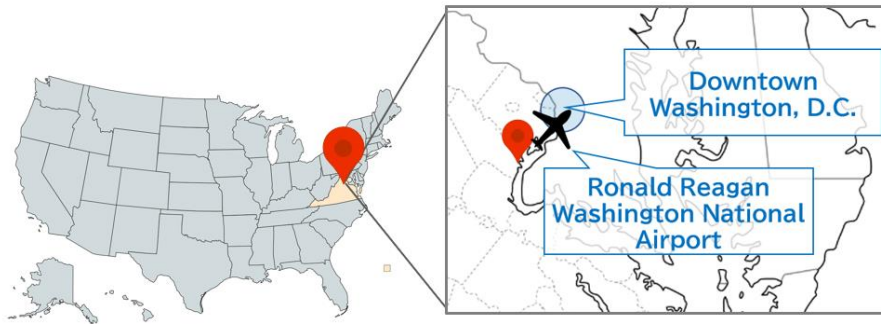
The project is the only multi-family rental property situated in an approximate 1,920-acre urban development area that overlooks the Potomac River. While mainly targeting highly skilled young professionals and young couples, the complex features a diverse range of layouts that can also meet the housing needs of families as well as middle- to senior-aged couples. Shared facilities include a co-working space, a pool and a comprehensive range of other amenities to provide residents a comfortable living environment.



To control costs compared to reinforced concrete (RC) structures, the project will adopt the wooden frame wall construction method using standard 2x4 lumber for the upper five floors. Wooden buildings have generally lower CO₂ emissions during construction (embodied carbon) than steel-frame (S) or RC structures. In addition, trees sequester the CO₂ they absorb during the growth process as carbon. Hence, this building, which utilizes a large amount of wood in its structural components and interiors, will fix carbon for long periods of time, thereby contributing to decarbonization.*¹

■Area characteristics

The property is located approximately 40 minutes by car from Ronald Reagan Washington National Airport and approximately 50 minutes by car to the south from downtown Washington, D.C., in an urban development area of Prince William County, situated in the northern part of the Commonwealth of Virginia. Near Interstate I95 and Route 1, which provide direct access to downtown Washington, D.C., the site boasts excellent transportation access. Within the urban development area are detached homes, schools, sports complexes, trails, and golf courses. Plans are underway for the construction of new commercial facilities, offices, hotels and other buildings. A new commuter train station is under construction just one block from the site, offering direct access to downtown Washington, D.C., for even greater convenience. The entire urban development area is situated on elevated terrain overlooking the Potomac River, with the east side of the property offering sweeping and unobstructed views of the river.



■Participation details

The developer is a special purpose company (SPC) jointly owned by SFA MF Holdings (a wholly owned subsidiary of Sumitomo Forestry), Chuo-Nittochi I LLC (a wholly owned subsidiary of Chuo-Nittochi) and Hines. Sumitomo Forestry's wholly owned subsidiary SFC Asset Management Co., Ltd. (President: Seita Kisanuki; headquarters: Tokyo) will be responsible for coordinating the project with the participating companies, including Hines.

Sumitomo Forestry has been working with Hines on housing development projects since 2019, but this particular project marks the first time the two companies are developing a multi-family rental housing complex. This is the first time for Chuo-Nittochi to work with Hines and the sixth time for it to work with Sumitomo Forestry in the US, following multi-family housing development projects in the suburbs of Seattle and Denver. The companies are aiming to reinforce their real estate development operations both in Japan and overseas through joint development of this property.

Sumitomo Forestry Group entered the real estate development business in 2018. In 2024, our annual supply of multi-family housing units grew to 5,344, equivalent to the fourth largest^{*2} in the US and has expanded to become a major pillar of operations after our US spec homes business. By 2027, we aim to supply over 10,000 multi-family rental housing units. Chuo-Nittochi has been involved in overseas operations since 2022. This project marks its 13th development in the US and its second housing development project in the Washington, D.C., area.

■Future developments

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, the contracting 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, we are seeking to promote the Sumitomo Forestry Wood Cycle, our value chain to contribute to decarbonization for the whole of society by increasing the CO₂ absorption of forests and popularizing wooden buildings that store carbon for long periods of time. With the promotion of global expansion as one of our business policies in our long-term vision, we are also working to accelerate decarbonization initiatives in the US.

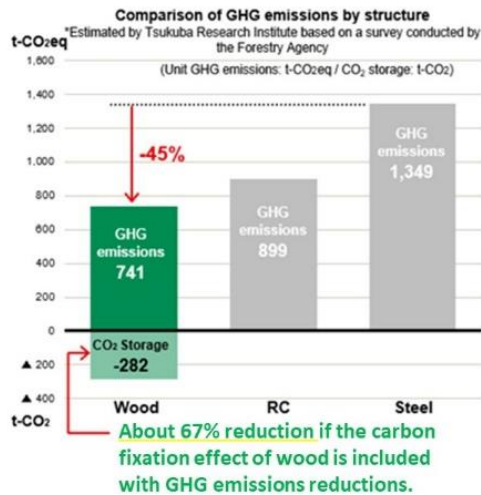
Chuo-Nittochi Group is a comprehensive real estate group with operations in eight major segments (urban development, leasing, residential development, overseas, real estate solutions, asset management, construction, golf). The company is accelerating its initiatives overseas with investments in real estate development projects in the United States and investments in renewable energy projects in Taiwan and the United States. In October 2024, it established a local office in San Francisco, California. To help realize a decarbonized society, Chuo-Nittochi Group is working with all stakeholders, including tenants and joint venture partners, to promote urban planning that harmonizes with the natural environment



through the development of environmentally conscious real estate and the operation and use of renewable energies.

<Reference data>

Calculations based on a three-floor office building (1,500 m²)



■ Calculation results (aggregation)

GHG emissions: t-CO₂eq / CO₂ storage: t-CO₂

	Wood	RC	Steel
GHG emissions	741	899	1,349
CO ₂ storage	-282	-0.09	-0.09

*1 Estimates calculated by Sumitomo Forestry's Tsukuba Research Institute based on a study by the Forestry Agency (refer to graph and table below). Calculations were made for the entire life cycle, from construction to demolition, of the frame, exterior and interior (excluding equipment) of a three-story office building (1,500 m²) based on the material quantities in Forestry Agency's "FY2015 Report on the Promotion of Wood Use and Energy-Saving CO₂ Demonstration Operations."

*2 A Sumitomo Forestry calculation based on a NMHC 2025 US multi-family residential developer ranking conducted by the National Multifamily Housing Council of the United States.

**■Property overview (planned)**

Name	Potomac Shores
Location	1552 River Heritage Blvd., Dumfries, Virginia 22026
Rental floor space	32,261 m ² (347,272 square feet)
Units	365
Structure/method	Floor one, reinforced concrete construction; floors 2-6, wooden construction
Start of construction	July 2025
Start of rentals	April 2027 (in phases starting with completed sections)
Completion	July 2027

■Hines

Headquarters	Houston, Texas
Representative	Jeffrey C. Hines (Chairman and Co-Chief Executive Officer)
Employees	4,954 (as of April 2025)
Business description	<p>Hines is a leading global real estate investment manager. We own and operate \$90.1 billion¹ of assets across property types and on behalf of a diverse group of institutional and private wealth clients. Every day, our 5,000 employees in 30 countries draw on our 68-year history to build the world forward by investing in, developing, and managing some of the world's best real estate. To learn more, visit www.hines.com and follow @Hines on social media.</p> <p>¹Includes both the global Hines organization and RIA AUM as of December 31, 2024.</p>

■ SFC Asset Management Co., Ltd.

Headquarters	Tokyo
Representative	Seita Kisanuki (President)
Established	November 2020
Business description	Private placement handling, investment advisory services, etc., for investment funds organized by Sumitomo Forestry Group and others

*SFC Asset Management corporate website: <https://sfcam.jp/> (Japanese only)