August 5, 2026

For Immediate Release

Sumitomo Forestry Co., Ltd.

Joint Development with Japanese Companies of a Multifamily Rental Complex in Phoenix

〜Meeting growing housing demand in an area with major semiconductor manufacturers〜

Sumitomo Forestry Co., Ltd. (President: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) is pleased to announce that its wholly owned subsidiary, Crescent Communities LLC (CEO: Jay Curran; headquarters: Charlotte, North Carolina; hereinafter, Crescent) will develop NOVEL Norterra, a four-story, 248-unit, wooden multifamily rental complex in Phoenix, Arizona. The development will involve the participation of NEC Capital Solutions America, Inc. (Chairperson: Ken Nakamura; headquarters: Saddle Brook, New Jersey), which is the U.S. subsidiary of NEC Capital Solutions Limited (President: Shoichi Hirano; headquarters: Tokyo), Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (President: Keiichi Hamano; headquarters: Tokyo), and others. This is the first time Crescent will work with Japanese companies on a project in Arizona. Construction started in July 2026, and leasing will begin in phases from February 2028.

■ NOVEL Norterra overview

The NOVEL Norterra project involves the development of a multifamily rental residential building complex with a total floor area of 21,804m² on an approximately 8.5-acre (about 34,398m²) plot of land. There will be five four-story residential buildings and one communal building with a clubhouse. The main target will be highly educated and skilled business people, often referred to as young professionals.

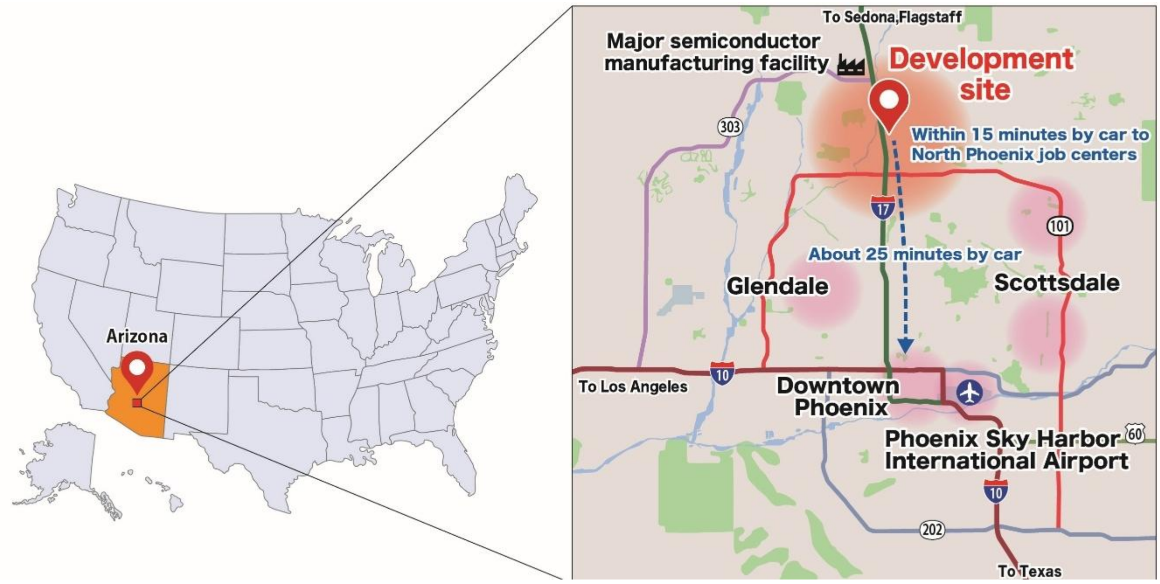
The NOVEL series is Crescent's flagship luxury brand of multifamily rental housing characterized by high-quality specifications and premium amenities. This development will offer one-bedroom and two-bedroom layouts, all with balconies, and air-conditioned common hallways. Separate from the residential buildings will be a clubhouse, pool, outdoor kitchen, pickleball court, dog run, and other shared amenities to offer residents a comfortable living environment characterized by a spacious layout and community design.

To help control costs compared with reinforced concrete (RC), the residential buildings will utilize a wooden frame wall construction method using 2x4 lumber. Wood construction generally results in lower CO_2 emissions during construction (embodied carbon) than steel-frame or RC construction. Furthermore, trees sequester the CO_2 absorbed during their growth, storing carbon over long periods and contributing to decarbonization efforts.

Front exterior view of the clubhouse

■ Area characteristics

The property is located in North Phoenix, an area in the Greater Phoenix metropolitan region characterized by rapid growth. The development site is in the Norterra master-planned community, a designated development zone. It is less than a 15-minute drive to various job centers in North Phoenix, including a major semiconductor manufacturing facility, and financial and healthcare-related companies. Thanks to a strong employment environment, demand for housing is forecasted to grow. Situated directly adjacent to Interstate 17, the property offers excellent access to Loop 101, Loop 303, and others. It is also easily accessible to downtown Phoenix (about 25 minutes by car), Phoenix Sky Harbor International Airport (approximately 30 minutes by car), and other major areas, and is expected to attract strong demand from young, dual-income households. The area provides an appealing live-work-play environment, with supermarkets, open-air shopping centers, and other daily conveniences within walking distance, as well as numerous key employers in the vicinity. In addition, with the planned construction of a major new semiconductor manufacturing plant in North Phoenix, further job growth and housing demand are anticipated.



■Participation details

The developer is a special purpose company (SPC) jointly owned by Crescent (a wholly owned subsidiary of Sumitomo Forestry), NEC Capital Solutions America, Inc. (a wholly owned subsidiary of NEC Capital Solutions Limited), Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., among others. Sumitomo Forestry's wholly owned subsidiary Sumitomo Forestry Asset Management Co., Ltd. (President: Seita Kisanuki; headquarters: Tokyo) will be responsible for coordinating this project.

■Future policies

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 and by promoting the Sumitomo Forestry Wood Cycle, our value chain, we are seeking to contribute to decarbonization for the whole of society by increasing the CO_2 absorption of forests and popularizing wooden buildings that store carbon for long periods of time. One of our business policies in our long-term vision is the promotion of global expansion, and we will continue to accelerate our decarbonization initiatives in the United States.

■ Property Overview (planned)

Name	NOVEL Norterra
Location	Southeast corner of W. Jomax Road & N. Norterra Parkway, Phoenix, AZ 85085
Total floor space	21,788m^2 (234,536 square feet)
No. of units	248
Structure/method	Four-story wooden structure (wooden frame wall construction method) (the clubhouse is a one-story wooden structure)
Certifications	NGBS Bronze (environmental certification), Fitwel (building health certification)
Start of construction	July 2026
Start of rentals	February 2028

■ Crescent Communities LLC

Headquarters	Charlotte, North Carolina
Representative	Jay Curran (President, CEO)
Employees	203 (as of May 2026)
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 United States, primarily Charlotte

■ Sumitomo Forestry Asset Management Co., Ltd.

Headquarters	Tokyo
Representative	Seita Kisanuki (Representative Director and President)
Established	November 2020
Business description	Investment advisory services for investment funds organized by Sumitomo Forestry Group and others

* Sumitomo Forestry Asset Management corporate website: https://sfcam.jp/EN