

July 5, 2024

For Immediate Release

Sumitomo Forestry Co., Ltd.
Fuyo General Lease Co., Ltd.
Odakyu Electric Railway Co., Ltd.

Development of a wooden multi-family housing near Los Angeles
~Joint development with one of the largest developers in the United States
and three Japanese companies~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo), Fuyo General Lease Co., Ltd. (President and CEO: Hiroaki Oda; headquarters: Tokyo) and Odakyu Electric Railway Co., Ltd. (President and CEO: Shigeru Suzuki; headquarters: Tokyo) are pleased to announce that they are working with Trammell Crow Residential (TCR), one of the largest developers in the United States, ^{*1} to develop a three- and four-story wooden multifamily residential building complex in Montclair, a suburb of Los Angeles, California. Total operational costs will be about USD\$145.3 million (approximately 23.4 billion yen)^{*2} with leasing scheduled to begin June 2026.

■Property features

With a total of 302 units, this multifamily residential complex features three- and four-story apartment-type buildings and three-story townhome-type buildings. Residents can enjoy a large, resort-like pool and spa, along with a fully equipped outdoor kitchen and modern furniture for poolside meals. The property also includes a barbeque deck, a pet spa and grooming facilities, co-working spaces, a gym with a kids' room, and other common facilities to provide a comfortable living space.



Artistic rendering of the completed

To control costs compared to reinforced concrete structures(RC), the project will adopt the wooden frame wall construction method using standard 2x4 lumber. Wood construction generally results in lower CO₂ emissions during construction (embodied carbon) compared to steel-frame(S) or reinforced concrete construction(RC).^{*3} Additionally, because trees sequester the CO₂ they absorb during the grown as carbon, this project, which utilizes a significant amount of wood in its structural parts and interiors, will continue to sequester carbon for long periods and contribute to the achieving a decarbonized society.

■Area features

The project site is located in the Los Angeles greater metropolitan area of Inland Empire. Renowned for its proximity to educational institutions and major companies, this area is attracting increasing interest. Located near two interstate highways, it is about 40 minutes by car from central Los Angeles and about 15 minutes from Ontario International Airport. The Montclair Transit Center is a five-minute walk away, providing convenient access to bus and train transportation. Additionally, the projects site is adjacent to the starting point of the Pacific Electric Trail, a 33km trail popular for road biking, running and other activities. Within walking distance, residents



can find Montclair Place, a large-scale commercial facility offering daily conveniences. Given its appealing location, Montclair is expected to continue attracting people from coastal areas. Moreover, with a limited supply of new apartments, there is projected demand for housing.

■Participation details

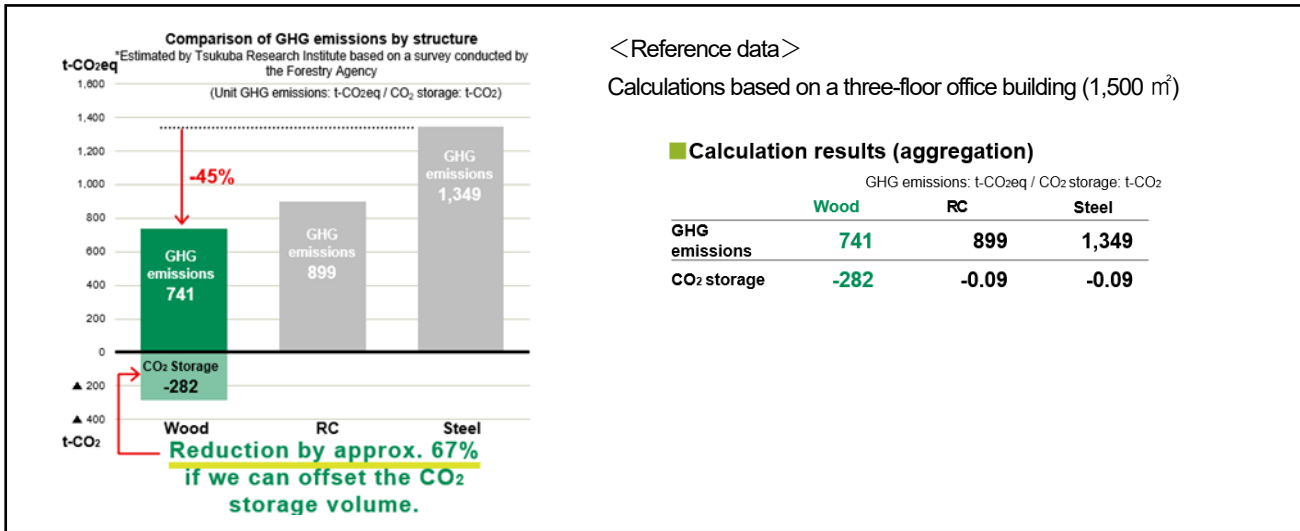
This project marks the second collaboration between Sumitomo Forestry, Fuyo General Lease, with whom we are fostering deeper relationships through our US ESG real estate development fund and forestry fund,⁵ and Odakyu Electric Railway, which is seeking to expand its real estate development operations in the US. The developer is a special purpose company (SPC) jointly owned by TCR and a joint venture of Sumitomo Forestry's wholly owned subsidiary SFA MF Holdings, Fuyo General Lease's wholly owned subsidiary Fuyo General Lease (USA) Inc., and Odakyu Electric Railway's wholly owned subsidiary Odakyu USA Inc. Sumitomo Forestry's wholly owned subsidiary SFC Asset Management Co., Ltd. (President: Yujiro Yoshizawa; headquarters: Tokyo) is responsible for coordinating this project.

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. Our annual number of multifamily residential housing starts has grown to become equivalent to the ninth largest in the United States⁴ and this business continues to expand as our second largest source of revenue. Since 2018, Sumitomo Forestry has been working with TCR, a quality local partner, to develop multifamily rental housing in the Seattle suburb cities of Issaquah, Lynnwood, Bothell, Woodinville and Shoreline, as well as the Denver suburb city of Northglenn.⁵ This will be our seventh project with TCR. Our goal is to supply more than 10,000 units of multifamily residential housing by 2027.

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 not only our own operations but also 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.

Fuyo Lease Group is aiming to achieve sustainable growth as a group by simultaneously resolving social issues and delivering economic value through the practice of CSV (creating shared value), as outlined in our medium-term management plan Fuyo Shared Value 2026, which began in fiscal 2022. Through this Montclair project, the company is seeking to create enriching, convenient lifestyles that will contribute to the realization of a prosperous society and sustainable growth.

The Odakyu Group is committed to creating value along the Odakyu Line and the business operation area in while taking environmental and social sustainability into consideration, guided by the corporate vision UPDATE Odakyu: Becoming a Community-Based Value Creation Company. In addition to its core focus on communities along the Odakyu Line, Odakyu Electric Railway's real estate business is expanding overseas. We are participating in joint ventures with both Japanese and local partners in the United States and Australia, where stable economic growth is forecasted. This project will be utilized as an opportunity to collect information, accumulate knowledge and build networks in the real estate industry in the US. In addition, we will use our knowledge in Japanese real estate development of train stations and their surrounding areas to enhance the value of communities overseas.



- *1 Ranked 3rd in the 2024 NMHC Top 25 Developers released by the National Multifamily Housing Council of the United States.
<https://www.nmhc.org/research-insight/the-nmhc-50/top-50-lists/2024-top-developers-list/>
- *2 Calculated at USD 1 = JPY 161.23 (the TTM exchange rate as of July 1, 2024)
- *3 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."
- *4 The annual number of housing starts of Sumitomo Forestry Group's three US subsidiaries totaled is equivalent to 9th place in the 2024 NMHC Top 25 Developers released by the National Multifamily Housing Council of the United States.
- *5 (April 14, 2021, press release) Alexan Alderwood: https://sfc.jp/english/news/pdf/20210414_en.pdf
 (October 7, 2021, press release) Alexan Bothell: https://sfc.jp/english/news/pdf/20211007_01.pdf
 (June 21, 2022, press release) Alexan Woodinville: https://sfc.jp/english/news/pdf/20220621_01.pdf
 (July 5, 2023, press release) Alexan Shoreline: https://sfc.jp/english/news/pdf/20230705_01.pdf
 (June 21, 2022, press release) Alexan Northglenn: <https://sfc.jp/information/news/2023/2023-09-07.html>
- *6 (March 30, 2022, press release) Formation of an ESG real estate development fund:
https://sfc.jp/english/news/pdf/20220330_01.pdf
 (May 11, 2023, press release) Establishment of Eastwood Climate Smart Forestry Fund I:
https://sfc.jp/english/news/pdf/20230511_01.pdf

■Property overview (planned)

Name	Alexan Marlowe
Location	4700 & 4697 Huntington Dr., Montclair, CA
Total floor space	Approx. 40,300 m ² (434,000 square feet)
Units	302
Structure	Wooden 3~4 floor structure
Start of construction	July 2024
Completion	1Q 2027 (rentals of a portion of the complex to begin 2Q 2026)

■Trammell Crow Residential Company

Headquarter	Dallas, Texas
Representative	Ken Valach (CEO)
History	Trammell Crow Residential is a multifamily residential real estate company established in the United States in 1977. It is part of Crow Holdings, a real estate development firm with a more than 70-year history.
Business description	Multifamily real estate development in the United States. The company has delivered nearly 265,000 residences, particularly in economically thriving locations.

■SFC Asset Management Co., Ltd. (website: <https://sfcam.jp/>)

Headquarters	Tokyo, Japan
Representative	Yujiro Yoshizawa
Established	November 2020
Business description	Investment advisory services for investment funds organized by Sumitomo Forestry Group and others

<<Inquiries>>

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