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PRESS RELEASE

March 30, 2022

Haseko Group Invests in U.S. ESG-Friendly Real Estate Opportunities Fund Formed by Sumitomo Forestry Group

Tokyo, Japan, January 26, 2022--Haseko Corporation (head office: Minato-ku, Tokyo; president: Kazuo Ikegami) announced that it has decided to invest in a U.S. ESG-friendly real estate opportunities fund formed by Sumitomo Forestry Co., Ltd. (head office: Minato-ku, Tokyo; president: Toshiro Mitsuyoshi) and its wholly owned subsidiary Crescent Communities, LLC (head office: Charlotte, North Carolina, United States; CEO: Brian Natwick) on February 28. It is an ESG-friendly fund targeting the development of four rental housing complex properties (totaling approximately 1,000 units with an asset size of 580 million dollars or approximately 70 billion yen) in prominent metropolitan areas of the fast-growing Sun Belt of the United States, with plans to operate these properties for a five-year period and attain LEED[*1] or NGBS[*2] certification for all properties. Several Japanese companies are investing in this fund, including Kumagai Gumi Co., Ltd. (president: Yasunori Sakurano; head office: Shinjuku-ku, Tokyo) and Fuyo General Lease Co., Ltd. (president: Yasunori Tsujita; head office: Chiyoda-ku, Tokyo), promoting development projects while using diverse expertise nurtured so far.

■ Features of This Fund

- The fund targets four new development projects in prominent metropolitan areas of the Sun Belt of the United States, which boast high employment and economic growth rates even throughout COVID-19.
- Attractive assets that focus on the “Live, Work, Play” concept will be newly developed in close proximity to employment areas, stores, public transportation, restaurants, and other facilities, with many shared facilities and exceptional design features.
- Added value from an ESG perspective will be increased through the following measures: acquiring environmental certifications such as LEED or NGBS; conducting Crescent’s unique workshops known as Canvas sessions, in which ideas are developed in collaboration with neighborhood and other stakeholders and a development concept that is desired by local communities is created; and acquiring Fitwel certification[*3] related to consideration toward the health of residents.

*1 LEED certification: An environmental performance evaluation system for buildings and site use developed and managed by the U.S. Green Building Council (USGBC)

*2 The National Green Building Standard (NGBS) certification: The only certification recognized by the American National Standards Institute (ANSI) as an evaluation system for environmentally friendly detached and multi-family housing

*3 Fitwel certification: A system developed under the direction of the U.S. General Services Administration (GSA) and Centers for Disease Control and Prevention (CDC) to certify designs and management operations that consider the health and working environment of building users

The Haseko Group continues to consider opportunities in the U.S. mainland market, where robust real estate demand is expected, as one of its overseas business areas. The Group resumed investment in the mainland United States in 2018, and beginning with a senior housing project on the West Coast of the United States in March 2019, several rental apartment development projects are also currently in progress. The Group will continue to expand investment opportunities in housing assets as it seeks to establish a profit base, expand its expertise regarding development projects in the mainland United States, and build networks.

■ Overview of Fund

Outline	U.S. ESG-friendly real estate opportunities fund
Size	Expected market value of total assets approx. 70 billion yen
Operation period	Sold after 5 years of operation
Manager	Sumitomo Forestry Group: Crescent (U.S.) and SFCAM (Japan)
Launch date	February, 2022
ESG	In principle, U.S. Green Building Certification (LEED, NGBS, Fitwel, etc.) Community-oriented development through Canvas sessions

■ Overview of Planned Development Projects (Partial List)

Project name	NOVEL Beach Park	NOVEL 14th Street	NOVEL River District	NOVEL North Buckhead
Location	Tampa, Florida	Washington, D.C.	Charlotte, North Carolina	Atlanta, Georgia
Purpose	Housing complex	Housing complex	Housing complex	Housing complex
Structure	10-story reinforced concrete structure	8-story reinforced concrete structure	3- to 4-story wooden building	25-story reinforced concrete structure
Number of units	289	200	292	250


NOVEL Beach Park


NOVEL 14th Street

■ Corporate Profiles

Crescent Communities, LLC
- Established: 1939
- Head office: Charlotte, North Carolina, United States
- Number of employees: 147 (as of January 2022)
- Business activities: 16 markets across ten states and one special district in the southeastern and southwestern regions of the United States

SFC Asset Management Co., Ltd.
- Established: November 2020
- Head office: Otemachi, Chiyoda-ku, Tokyo
- Number of employees: 15 (as of February 2022)
- Business activities: Investment advisory services related to investment funds formed by the Sumitomo Forestry Group and other companies