

December 1, 2022

For immediate release

DAIBIRU CORPORATION
 Sumitomo Forestry Co., Ltd.

Development of ESG-Friendly Offices in the Suburbs of Atlanta, U.S.A.
 ~Preserving history and culture by renovating existing school buildings, promoting decarbonization through wooden construction~

Daibiru USA, LLC (Representative: Keijiro Kamijo; Headquarters: Wilmington, Delaware; hereinafter Daibiru USA), a wholly-owned subsidiary of DAIBIRU CORPORATION (Representative Director, President Chief Executive Officer: Takashi Maruyama; Headquarters: Kita-ku, Osaka City; hereinafter Daibiru), and Crescent Communities, LLC (CEO: Brian Natwick; Headquarters: Charlotte, North Carolina, U.S.A.; hereinafter Crescent), a wholly-owned subsidiary of Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sumitomo Forestry) announced that they will develop ESG-friendly offices in the suburbs of Atlanta, Georgia, U.S.A.

A new three-story wooden office building and parking lot will be constructed, along with two existing buildings, a school building and gymnasium, will be converted into offices. The new wooden office building will reduce the CO₂ emissions generated during construction compared to steel frame (S), reinforced concrete (RC), and steel-framed reinforced concrete (SRC) structures, as well as contributes to decarbonization through the carbon storage effect of wood. Existing buildings of local historical and cultural significance will be reused as well as renovated to preserve and pass on their social value. Renovating and reusing existing buildings will reduce CO₂ emissions compared to demolition and new construction.

The total project cost is approximately USD 80 million (approximately JPY 11.1 billion*¹) with completion targeted for April 2024.

■ Project overview

This project will redevelop the site of a former African-American school established in 1950 to improve educational standards. The land and buildings have been acquired from the Board of Education, and the existing school building and gymnasium will be renovated into offices, while the three-story wooden office building with a mass timber structure^{*2} and the parking lot will be newly constructed. This project is of considerable social significance, contributing to the preservation of the historical value of the land and buildings and passing them on to future generations. It will be developed by a special purpose company (SPC) jointly invested in by Daibiru USA, Crescent, and local real estate developer KB Venture Partners, LLC (Representative: Fred Kay, Bruce Fernald; Headquarters: Atlanta, Georgia, U.S.A.). SFC Asset Management Co., Ltd. (President and Representative Director: Yujiro Yoshizawa; Headquarters: Chiyoda-ku, Tokyo), a wholly-owned subsidiary of Sumitomo Forestry, will coordinate the project.



The renovation of the existing buildings will utilize the distinctive brick exterior while improving features such as balconies, windows, and outdoor common spaces and facilities. This will preserve historical and cultural value while reducing CO₂ emissions generated during construction compared to demolition and new construction. New buildings will use DLT^{*3}, GLT^{*4}, and other types of mass timber to create interiors with the abundant use of wood. CO₂ emissions generated during the manufacturing and transportation of

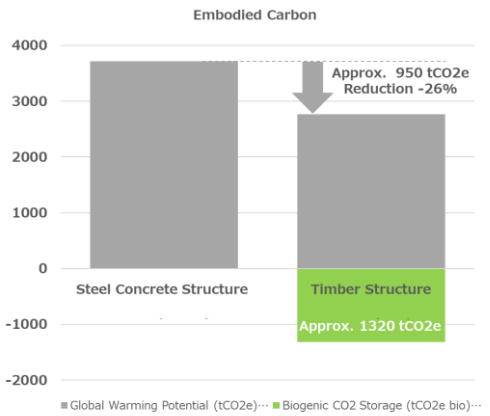
materials and during construction will be reduced compared to S, RC or SRC construction, and carbon will be stored for an extended period of time. According to calculations using the Whole Building Life Cycle Assessment software "One Click LCA"⁵, using wood for the new office building will reduce CO₂ emissions by approximately 950 tons compared to an SRC structure, and the wood used as building and other materials is expected to store approximately 1,320 tons of CO₂⁶.

This project also aims to obtain green building certification (LEED⁷) and wellness certification (Fitwel⁸), providing social and environmental value-added offices for ESG-conscious tenants. As people working from home becoming more prevalent and the role of offices being reevaluated, collaboration spaces and outdoor amenity areas where people can gather will be located on the premises, and a full range of common use facilities such as a fitness center will be available. The goal is to create a "creative office" that encourages improved creativity and productivity for organizations and individuals.

■ Development area overview

Located in Alpharetta, approximately 30 minutes north of downtown Atlanta by car, this property is conveniently located with easy access to major roadways connecting downtown Atlanta and the northern Atlanta area. Alpharetta is one of the most active office markets in the Atlanta metropolitan area in recent years. In the heart of Alpharetta is Avalon, a large mixed-use complex with approximately 800 residential units, approx. 47,000 m² of commercial facilities, and approx. 70,000 m² of office space (occupancy rate of 100%). The development area of this project is within walking distance of Avalon.

This project was made possible by the match between the ESG-conscious initiatives and new market development needs of Daibiru, which develops and owns office buildings in Japan and overseas, and the vision of Sumitomo Forestry, which promotes medium- to large-scale wooden constructions in Japan and overseas. Going forward, both companies will continue to consider collaboration in Japan and overseas, leveraging their unique characteristics and expertise.



- *1. USD 1 = JPY 139.06 (calculated based on the exchange rate on November 28, 2022)
- *2. A structure built using mass timber, an engineered wood of relatively high mass that is formed by combining multiple pieces of wood. It is attracting attention in North America as an ideal building material because of its ability to shorten the construction period and reduce building weight compared to RC and steel frames. It is also highly regarded as a sustainable resource and contributes to decarbonization through its carbon storage effect, and is being increasingly used for large-scale buildings.
- *3. Abbreviation for Dowel Laminated Timber, a 100% wood material made by laminating wood without using adhesives or nails.
- *4. Abbreviation for Glued Laminated Timber, laminated timber columns and beams.
- *5. Software for which Sumitomo Forestry has signed a sole agency agreement in Japan. It can precisely calculate CO₂ emissions (CO₂ emissions at the time of construction) generated during construction from procurement of raw materials to processing, transportation, construction, renovation, and disposal. Related release: <https://sfc.jp/information/news/2022/2022-08-08.html>
- *6. An estimate based on approximate quantities at the design stage; the numerical results may vary from the property that is actually constructed.
- *7. An environmental performance rating system for building and site use developed and operated by the US Green Building Council (USGBC).
- *8. A system to evaluate and certify the health, working environment, etc. of building users, developed by the U.S. Federal Government's General Services Administration (GSA) and the Centers for Disease Control and Prevention (CDC).

■ Development images



*Please visit this project's dedicated website for more information (<https://www.garrenonkimball.com/>).

■ Property overview

Property name	The Garren
Address	154 Kimball Bridge Road, Alpharetta, GA
Rental floor area (planned)	157,775 sq. ft. (approx. 14,656 m ²)
Structure	New wooden construction: 3-story wooden building (116,700 sq. ft. (approx. 10,842 m ²)) Existing building renovation: 1-2 story S structure with 1 basement story (41,055 sq. ft. (approx. 3,814 m ²)) Parking building: RC, 4 above-ground stories and 1 basement story
Start of construction (planned)	December 2022
Completion (planned)	April 2024

■ Outline of Daibiru USA, LLC

Headquarters : Wilmington, Delaware
 Representative : Keijiro Kamijo
 Establishment : October 24, 2022
 Description of business : Shareholding and business management of U.S. subsidiaries engaged in real estate business

■ Outline of Crescent Communities, LLC

Headquarters : Charlotte, North Carolina
 Representative : Brian Natwick (CEO)
 History : Started in 1939 as a forestry department established by Duke Energy, an electric company founded in 1904, and ventured into the real estate development business in 1990. The company became a wholly-owned subsidiary of Sumitomo Forestry in July 2018.

Description of business : Crescent develops multi-family housing, commercial and mixed-use complexes, and other real estate in 16 markets across 10 states and one special district in the southeastern and southwestern regions of the United States centered on Charlotte. In recognition of aspects such as its creative development concepts, innovative strategies, superior design, and marketing in multi-family housing development, Crescent was awarded the top prize of Multifamily Development Firm of the Year at the NAHB's Multifamily Pillars of the Industry Awards in 2019.

■ Outline of KB Venture Partners, LLC

Headquarters : Atlanta, Georgia

Representative : Fred Kay and Bruce Fernald

History : Established in 2019.

Description of business : Real estate developer comprised of seasoned commercial real estate principals with over 50 years of combined experience in office and multifamily and design and development. Primarily focused on securing, programming, and entitling development and value-add opportunities through proactive community and municipal engagement.