

# GREEN FOREST

Sumitomo Forestry Group News Letter



## Introducing a U.S. Housing & Real Estate Development Company



### Business Outline of DRB Group

DRB Group is headquartered in Maryland and operates a development and residential building business in 10 states on the U.S. East Coast. The company was ranked 21st in the U.S. in terms of the number of homes sold in 2022\*. DRB Group builds up and down the East Coast including the nation's capital, Washington,

D.C., as well as major cities in the states of North Carolina, South Carolina, Georgia, and Florida. DRB Group's core areas are prime housing markets where population growth and housing demand are expected.

and communities that are designed for their likes and activities. DRB Group's Development branch focuses on construction contracting for its Build to Rent business, increasing its presence as a for hire, residential construction contractor. DRB Group Development builds mainly three types of homes: single family homes, townhomes, and multi-story condominiums (2over2). DRB Group has a diverse product lineup covering all price ranges with the DRB Homes brand and the DRB Elevate brand for active adults.

\* Source: Builder magazine's 2022 Builder 100

DRB Group's builder, DRB Homes, sells homes for first-time homebuyers, buyers who want to buy larger homes (move-up buyers) and homes for older couples who are looking for smaller homes (downsizers). Another of its builders, DRB Elevate, builds homes for retirees who want to be in specific types of homes

#### Basic Data

▪ <b>Headquarters</b>	Rockville, Maryland, U.S.A
▪ <b>Representative</b>	Ronny Salameh (President, CEO)
▪ <b>Employee</b>	637 employees (as of end of Dec. 2022)
▪ <b>Established</b>	October 1990
▪ <b>Net sales</b>	1,863 million dollars (FY ended Dec. 2022)
▪ <b>Annual Home Sales</b>	3,962 units (as of end of Dec. 2022)

### Explanation of terms

#### ► Townhome

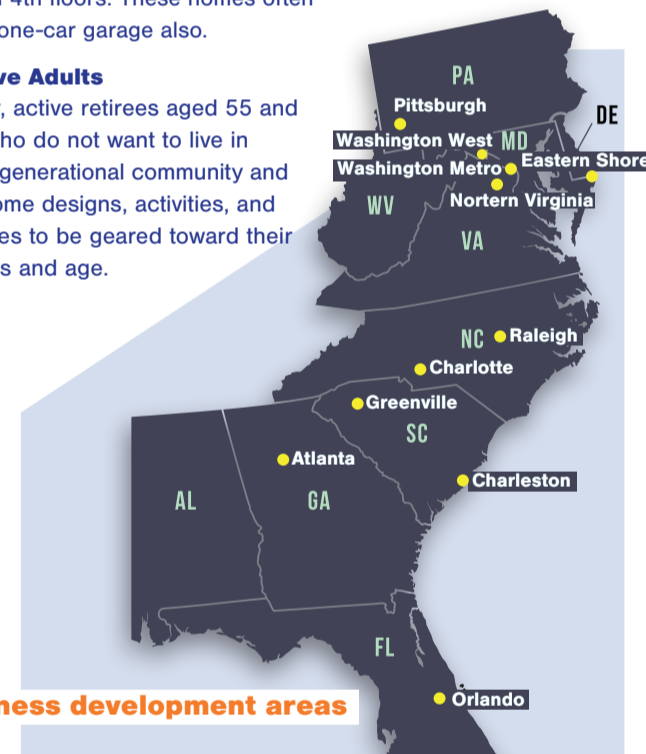
A multi-level residence attached to another multi-level residence where the owners have shared walls and individual entrances and approaches. These homes usually have one or two car garages and sometimes no garage.

#### ► Multi-story condominium (2over2)

The owners have a two level home that is under or over another two level home and they live either on the 1st and 2nd floors or the 3rd and 4th floors. These homes often have a one-car garage also.

#### ► Active Adults

Healthy, active retirees aged 55 and older who do not want to live in a multi-generational community and want home designs, activities, and amenities to be geared toward their interests and age.



Business development areas



## Message from Top Management

On behalf of the DRB Group team, I would like to express our gratitude on being chosen for the Green Forest cover.

Our primary focus is growth. Last year, we built new homes in nine states and 19 different markets. In 2022, we built 4,000 homes for families and just expanded into the state of Florida. Florida is the second largest housing market in the U.S., bringing our footprint to 10 states and 20 markets. We're proud to have also built an additional 400 "Build-to-Rent" homes, which generated additional revenue. Since 2019, DRB Group Development (the build-to-rent branch) has worked with over 31 different investment groups and is well-known as the "industry leader" in this discipline.

We feel fortunate to have a team of hardworking individuals who take immense pride in delivering exceptional homes. We recognize that our success is dependent on the talented individuals who make up our team. For 2024 and beyond, we have a solid land pipeline with an additional 25,000 building lots throughout our markets. The depth of our land pipeline helps us to have a positive outlook on the DRB Group's future.

Again, we are honored to be featured amongst the outstanding, world-class businesses that comprise the Sumitomo Group's portfolio.

Arigato!



**Ronny Salameh**  
President and CEO



### Introducing DRB's Employee Newsletter



The newsletter is called Our House and is where divisions share events, new hires, babies that are born, and new communities. The newsletter is a fun and creative way to share exciting news with the rest of employees.

# The Potential of Wood

There are high hopes in the potential of wood to provide key solutions to a range of issues we face today, in areas including global, urban, and living environments, and the mental and physical wellbeing of individuals. Here, we introduce the efforts of Tsukuba Research Institute, which researches the potential of wood.

## Sumitomo Forestry and Kyoto University: Aiming to launch a wooden satellite

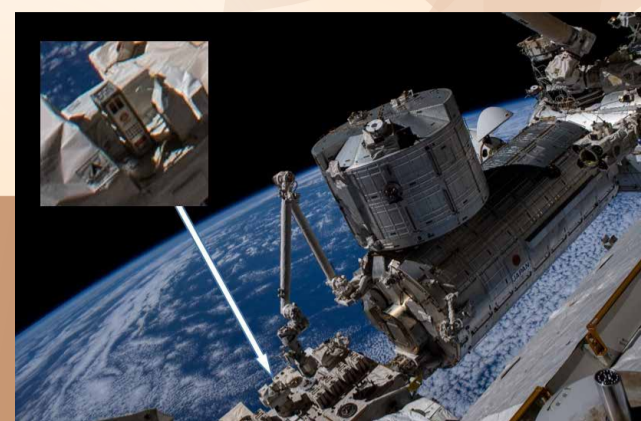


Image by JAXA/NASA

Sumitomo Forestry and Kyoto University initiated the LignoStella Project\* in May 2020 aimed at launching the world's first wooden satellite in 2024. Environmental pollution from space debris such as fragments from satellites and rockets has become an increasing problem in space. Wooden satellites would be more environmentally friendly wood burns up, whereas metal produces particles.

exposure on wooden materials. The wood specimens were brought back to Earth after approximately 10 months of exposure in space. The specimens showed very little degradation, with no splitting, warping, or erosion, remaining stable even under the large temperature

fluctuations and powerful radiation of the extreme cosmic conditions. These results again proved wood's exceptional durability.

elucidate the mechanism of degradation. This is hoped to lead to the development of degradation control technology and expanded use of wood on Earth. Final adjustments will then be made to prepare for the launch of the wooden satellite.

\* The project name, LignoStella, combines the Latin words Ligno (meaning "wood") and Stella ("star").

In December 2022, the team completed the world first experiment at the International Space Station (ISS) to test the effects of cosmic



■ Wood specimens exposed to space



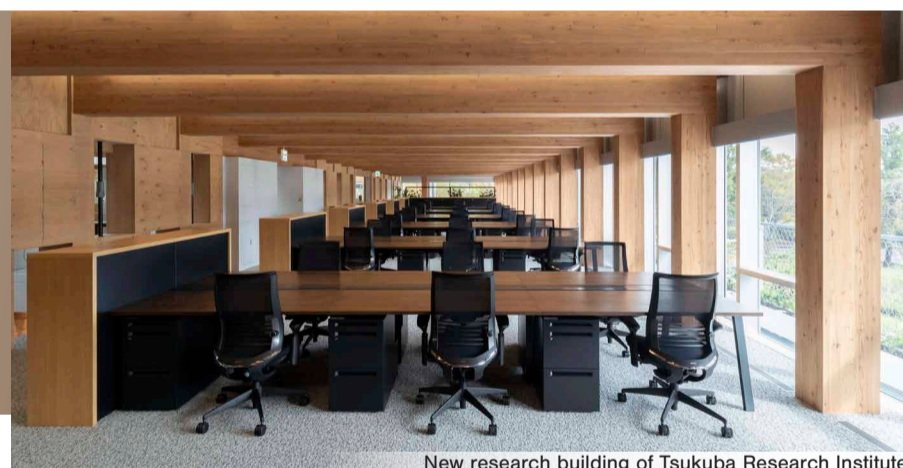
Until now, NASA has not paid much attention to wood as a space material. We hope that the success of the wooden satellite will lead to a reevaluation of wood as not only an Earth-friendly material, but also one that is friendly to the space environment. This research is the first step towards the future development of human civilization on the Moon and Mars, where trees will be planted and wooden structures will be constructed. We also hope that the results of these cosmic experiments will lead to the development of new applications for wood on Earth and advancement of the forestry industry.



**Kenji Kariya**  
Team Manager  
Tsukuba Research Institute

## Experimental proof! The effects of wood on mind and body

Tsukuba Research Institute of Sumitomo Forestry adopts various approaches, including brain science technology, to quantify the effects of wood. By focusing on the five senses, the group is demonstrating the effects and benefits of wood for human beings. One of their experiments is described below.



New research building of Tsukuba Research Institute

**Tsukuba Research Institute tested changes in participants' feelings and intelligence in both a wooden space and white wallpaper space.**

Fifty university students agreed to undergo an intelligence test in both spaces in which the participants repeated numbers in the opposite order to which they heard them. Their emotional responses were then evaluated and the results compared.

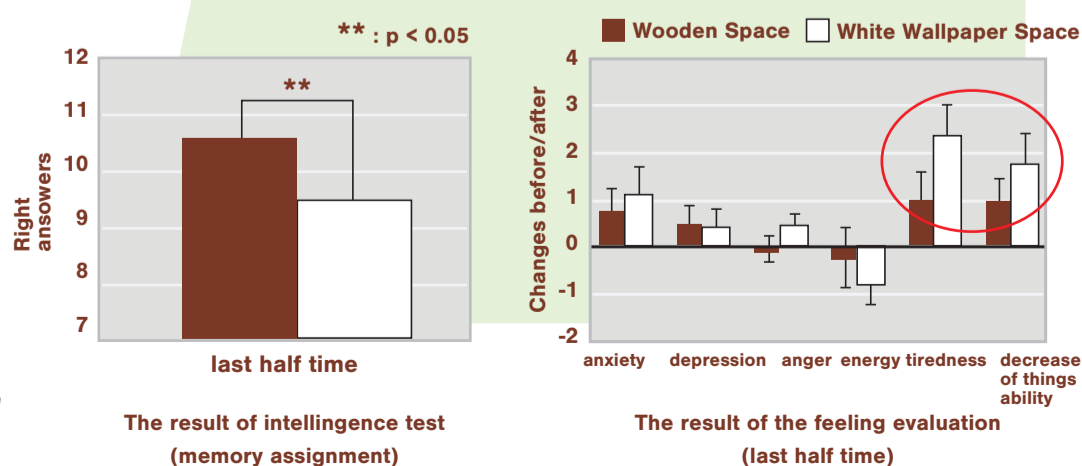


### Q. What were the results?

**A.** Wooden spaces are better when they have to study or work for a long time.

In short periods of time, participants performed better in the white wallpaper space, but over longer periods, participants' performance improved in the wooden space. Based on the feelings evaluation results, it appears that, for longer periods of study or work, a wooden space is less tiring and less likely to decrease our ability to think.

Source: Kawamura, Kariya, Nagai. "Effects of Wooden Interior Finishes on Working feeling and fatigue." Architectural Institute of Japan Conference, 2014.



## Mangrove Planting at BIOS in Indonesia

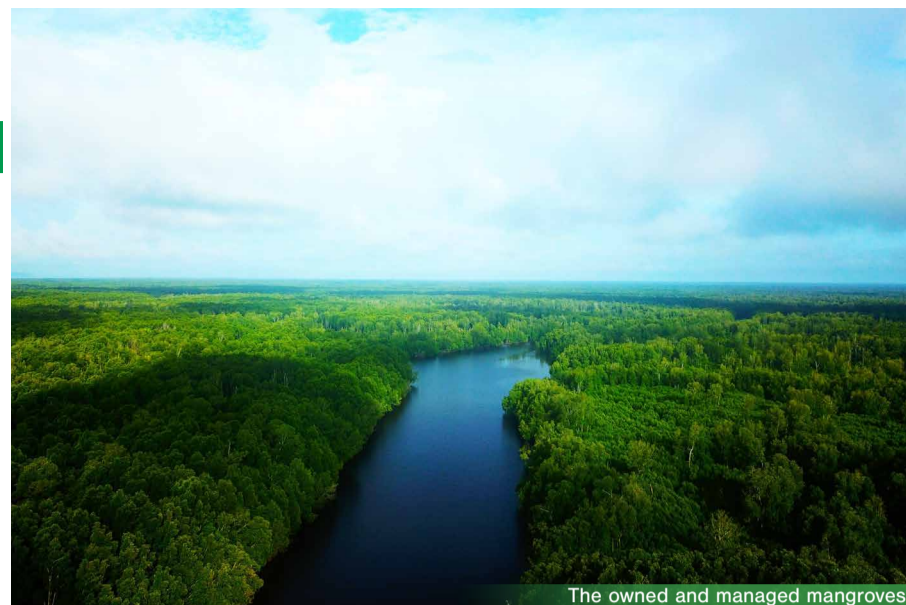
On July 26, employees of a Sumitomo Forestry Group company PT. BINA OVIVIPARI SEMESTA (BIOS)\* based in Indonesia volunteered for mangrove planting. Of the 9,738 hectares of mangroves owned and managed by BIOS, the event targeted areas where reforestation had not progressed as expected and had become barren. Twenty-eight employees, including those who are not involved in afforestation in their daily work, participated in the event and planted approximately 4,300 viviparous seedlings of major species in the area.

Mangrove is a collective name for plants that grow in areas where freshwater and seawater mix, such as coasts and estuaries in tropical and subtropical regions. While mangroves have been gaining a lot of attention in recent years for their ability to fix carbon conserve biodiversity in marine ecosystems, there is a global problem of shrinking mangrove habitats due to factors such as overexploitation. July 26 is the International Day for the Conservation of Mangrove Ecosystems, established by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to promote sustainable management, conservation, and uses of mangroves.

The estate manager, Asep Ginanjar, commented, "All BIOS members were very enthusiastic about this tree-planting event. Even the female staff members who usually cook meals at the base camp joined the project, saying that they wanted to plant trees. In the future, we would like to involve other Group companies such as WSL, MTI, and KMF, as well as fishermen and local communities who benefit from the mangroves, in the reforestation activities."

### What are viviparous seedlings?

Among mangroves, the reproduction of the Rhizophoraceae is unique. The seed inside the fruit germinate and begin to grow while the fruit is still attached to the parent tree. The process of seeds germinating and growing inside a fruit is called vivipary, which is a concept similar to viviparity in animals. The viviparous seedlings planted this time were 60 to 90 cm in length!



The owned and managed mangroves



BIOS aims to establish a business that leverages the value of natural capital through mangrove conservation efforts.

\* BIOS joined the Sumitomo Forestry Group in December 2022.

Related press release:  
[https://sfc.jp/english/news/pdf/20230222\\_01.pdf](https://sfc.jp/english/news/pdf/20230222_01.pdf)



### Topic 1

#### Integrated Report and Sustainability Report Publication

Sumitomo Forestry released the Integrated Report 2023 at the end of June, summarizing the Group's initiatives from both financial and non-financial aspects. This year's integrated report features the long-term vision "Mission TREEING 2030" announced in February 2022 and the progress of the Medium-Term Management Plan. As with every year, we also publish annual results and the latest topics.

You can view the Group's sustainability activities in the Sustainability Report 2023 released at the end of April. The company places "further integrating our businesses operations with ESG initiatives" as one of its basic policies, and last year established the Medium-Term Management Plan Sustainability Edition 2024. In it, we lay out our group's business and initiatives from the three perspectives of environmental, social, and governance.

Please use the Integrated Report and Sustainability Report as explanatory material for external parties and for your own understanding.



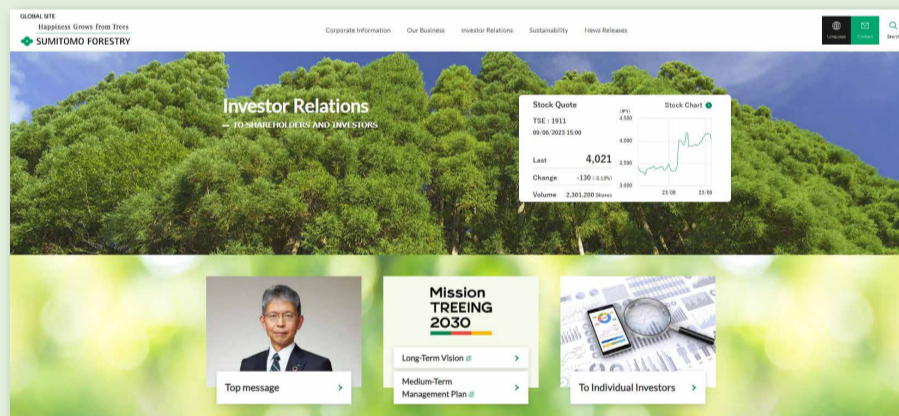
Integrated Report :  
<https://sfc.jp/english/ir/library/annual/>

### Topic 2

#### We have renewed our IR site for the first time in about 10 years!

The IR site is primarily intended to spread information to shareholders and investors, but it also provides information on Sumitomo Forestry's stock price and financial information in an

easy-to-understand manner. It is useful for group companies to find information on a daily basis as well as for your own understanding of our group, so please make use of it!



IR site: <https://sfc.jp/english/ir/>



#### Please Give Us Your Opinion!

Thank you for always reading Green Forest. In order to improve Green Forest's quality, we would like to hear our readers' honest thoughts and opinions. It takes about three minutes. Your opinion will make Green Forest even more powerful!



Click below to take the survey  
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