



**Daiwa House**<sup>®</sup>  
Group

# N e w s L e t t e r

January 16, 2020

News Release

Daiwa House Industry Co., Ltd.  
Keiichi Yoshii, President, CEO and COO  
3-3-5 Umeda, Kita-ku, Osaka

## **Notice Regarding Purchase of Equity Interests of Trumark Companies LLC**

Daiwa House Industry Co., Ltd. (hereinafter, “the Company”) hereby announces that, as of January 16 (January 15 Pacific Standard Time), 2020, Daiwa House USA Inc. (hereinafter, “Daiwa House USA”), a wholly owned subsidiary of the Company, has entered into an equity interests purchase agreement with the founders of Trumark Companies LLC (hereinafter, “Trumark”). Trumark is engaged in the building of master planned communities, single family and attached housing, urban and mixed-use development in California, which is part of the Western United States. Pursuant to the agreements between the parties, Daiwa House USA will acquire 60% of the equity interests in Trumark, making Trumark its subsidiary, and commit to make additional capital contributions to Trumark as funding to further develop Trumark’s business.



Examples of Trumark Developments

## 1. Reasons for the Acquisition

Daiwa House Group, working to co-create value for individuals, communities and people’s lifestyles and realize a society in which people can live fulfilling lives, has developed a wide-ranging business in life infrastructure industries, such as single-family housing, rental housing, condominiums, housing stock, commercial facilities and business facilities.

In this fiscal year (FY 2019), the Company started the Daiwa House Group 6th Medium-Term Management Plan. Establishing the “acceleration of overseas development” as one of our basic policies, we have set the target of reaching overseas sales of 400 billion yen in 2021 by expanding our business with a focus on the United States, Australia and the ASEAN countries.

In 2017, we acquired Stanley-Martin, a company engaged in the single-family housing business, mainly in Virginia, which we have grown as a platform for our housing business in the Eastern United States.

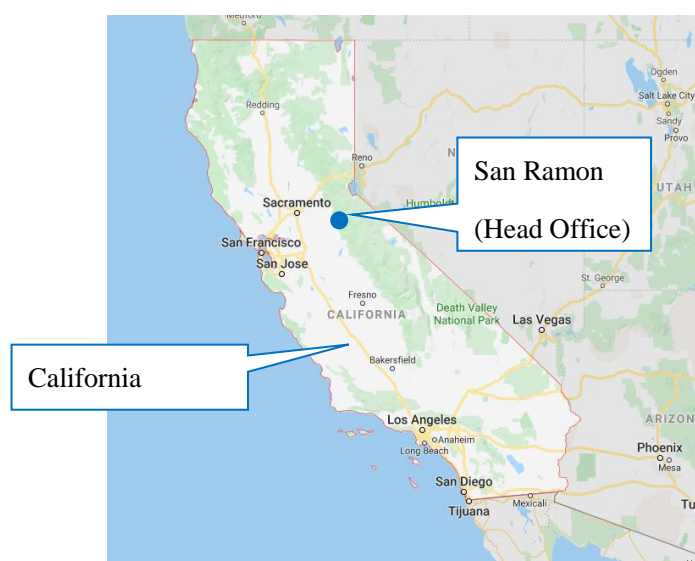
We have been considering California as an important area to expand our North American business, due to its large economy and the high potential for growth. However, California had been also one of the most difficult places in the United States to obtain required approvals for residential development and construction. Despite this challenge, since 1988, Trumark has developed over 8,000 lots to date in their housing land development and construction business. (\*1) In addition, Trumark has successfully procured funds from institutional investors for its projects and sold an average of approximately 435 homes per year (\*2). Going forward, by shifting its business model, Trumark intends to develop its business more flexibly by using its own funds.

As Trumark shifts its business model following our investment, we intend to promote the expansion of our North American business by supporting the further development of Trumark’s business in the Western United States.

\*1 Development business through non-consolidated subsidiaries

\*2 The average number of houses in the past three years

Trumark’s Business area (California)



## 2. Outline of Daiwa House USA and Trumark

### ● Acquiring Company

(i) Name	Daiwa House USA Inc.
(ii) Location	222 West Las Colinas Blvd, Suite 1540 East Tower, Irving TX 75039
(iii) Name and Title of Representatives	Nobuya Ichiki (President)
(iv) Description of Business	A Holding Company that develops, sells and possesses real properties and the peripheral business
(v) Number of Employees	0 (as of the end of December 2019)
(vi) Date of Establishment	April 5, 2011

(vii) Major Shareholders and their Shareholdings	Wholly owned subsidiary of Daiwa House industry Co., Ltd.
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● Seller Company

(i) Name	Trumark Companies LLC
(ii) Location	3001 Bishop Drive, Suite 100 San Ramon, CA 94583, USA
(iii) Name and Title of Representatives	Gregg Nelson (Principal) Michael Maples (Principal)
(iv) Description of Business	Housing lot development business and housing construction business
(v) Number of Employees	95 (as of the end of September 2019)
(vi) Date of Establishment	February 1, 1996 (Founded in 1988)
(vii) Major Shareholders and their Shareholdings	Family trust affiliated with Mr. Maples 50.0% Family trust Affiliated with Mr. Nelson 50.0%

3. Schedule

Date of Transfer of Equity Interests (expected): February 1 (January 31 Pacific Standard Time), 2020.

End

Contact		
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