



Daiwa House[®]
Group

October 13, 2023

Press Release

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**Trumark Companies (California, USA)
Takes Ownership of JP Holdings' Single-Family Housing Business**

The Daiwa House Group hereby announces that on October 13, 2023 (October 12 in the USA), Group company Trumark Companies, LLC (hereinafter, Trumark) took over ownership of the single-family housing business previously operated by JP Holdings, LLC (hereinafter, Wathen*¹) in the USA.

*1. JP Holdings, LLC operates the business under the name Wathen Castanos Homes.



[Single-family homes by Wathen]

1. Purposes behind business takeover

In our 7th Medium -Term Management Plan, which runs through FY2026, the Daiwa House Group outlines the theme of completing a sustainable growth model that will enable the long-term, continuous maximization of business value and social value. For Overseas Business, we are promoting community-based business in 25 countries and regions with the goal of achieving net sales of one trillion yen and operating income of 100 billion yen.

In particular, the Daiwa House Group is striving to achieve net sales of 730 billion yen through business expansion in the USA, including in the Single-Family Houses Business and Rental Housing Business. In the Single-Family Houses Business, we are aiming to increase closing units by the three Daiwa House Group companies (Stanley Martin Holdings, LLC, CastleRock Communities, LLC, and Trumark) from 6,010 units in 2022 to 10,000 units by 2026. To achieve this goal, we are expanding residential housing development and sales in what we refer to as the smile zone, regions of eastern, southern, and western US where the economy is favorable.

Amid this initiative, the Daiwa House Group has decided to have Trumark acquire the Wathen single-family housing business in order to further expand our provision of single-family houses in California, USA.

2. Synergy between Wathen and Trumark

Wathen is a comprehensive company engaged in every aspect of the single-family housing business, from land development to housing construction and sales, and operating mainly in Central California (Monterey, Madera, Fresno, San Luis Obispo). Offering a wide range of products, from homes for first-time buyers to luxury homes targeting the affluent, with first-time buyers and mid-level income earners representing over 90% of their home buyers. Wathen delivered 398 units in 2022 and, as of the end of June 2023, has secured land for the development of nearly 3,700 single-family built-for-sale homes, indicating the capacity for stable provision moving forward.

With its strength in supplying products to high-income consumers, Trumark will strengthen its single-family housing business by acquiring knowhow in areas such as single-family housing product design and sales methods from Wathen, which mainly provides products for first-time buyers and mid-level income earners.



【Single-family residential area developed by Wathen】

3. About Central California

Home to famous universities such as California State University, Fresno, Central California has a sound educational environment. Major corporations are also developing facilities in the region, and the region is seeing firm demand for single-family homes.

In this market environment, in 2022, Wathen ranked 6th in the Central California area, 6th in the San Luis Obispo area, and 2nd in the Monterey area in terms of the number of closing units.

4. Business and assets subject to transfer of ownership

The Daiwa House is planning for Trumark to take over ownership of the single-family housing business^{*2} operated by Wathen, with Wathen management personnel and employees to join Trumark.

*2. Transfer of single-family housing business excluding land development

5. Schedule

Transfer of ownership to be executed on October 12, 2023 (Japan time: October 13)

6. Impact on Financial results

This transfer of ownership has no significant impact on the consolidated financial results.

7. Overview of both companies

■ Company receiving transfer of ownership

Company	Trumark Companies, LLC
Address	3001 Bishop Drive, Suite 100 San Ramon, CA 94583, USA
Name and title of Representative	Gregg Nelson (Co-CEO) Michael Maples (Co-CEO)
Areas of business	Residential development business and housing construction business
Date of incorporation	February 1, 1996 (established: 1988)
Net sales	USD 392 million (FY2022)
No. of housing units delivered	448 (FY2022)
Employees	209 (As of September 30, 2023)
Major shareholders and equity ratio	Daiwa House USA Inc. (100% wholly-owned subsidiary of Daiwa House Industry Co., Ltd.) 80%

■ Company transferring ownership of business

Company	JP Holdings, LLC (Wathen)
Address	2505 Alluvial Avenue, Clovis, 93611, USA
Name and title of Representative	Joshua Peterson (CEO)
Areas of business	Residential development business and housing construction business
Established	1983
Net sales	USD 279 million (FY2022)
No. of housing units delivered	398 units (FY2022)
Employees	Approx. 100 (As of September 2023)

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