



May 13, 2024

Daiwa House®
Group

Press Release

Keiichi Yoshii, President and CEO

Daiwa House Industry Co., Ltd.

3-3-5 Umeda, Kita-ku, Osaka

Enhancing Acquisition of Land for Single-family House Projects in Charlotte, North Carolina in the USA Notification of the Acquisition of All Membership Interests in Prestige through Stanley Martin (Making It a Wholly-owned Subsidiary)

Daiwa House Industry Co., Ltd. (Head Office: Kita-ku, Osaka, President and CEO: Keiichi Yoshii) hereby announces that we have entered into a contract to acquire all membership interests in the land business and land development general contracting company Prestige Corporate Development, LLC (hereinafter “Prestige”) through our group company operating in the single-family home business in the USA, Stanley Martin Holdings, LLC (hereinafter “Stanley Martin”), on May 11, 2024 (USA time: May 10).



Land preparation work



Prepared land

1. Reason for acquiring membership interests in Prestige

The Daiwa House Group is engaged in community-based businesses with the goal of achieving net sales of one trillion yen and operating income of 100 billion yen for overseas business in our 7th Medium-Term Management Plan, which runs through FY2026.

In this plan, we are aiming to achieve net sales of 730 billion yen in the single-family home, rental housing, and Condominiums, and other businesses in the USA. In particular, we are expanding our businesses with a focus on the Smile Zone, which connects the economically strong eastern, southern, and western parts of the USA. We started by making Stanley Martin, which is engaged in the single-family home business on the east coast, a subsidiary in 2017. We then turned Trumark Companies, LCC on the west coast and CastleRock Communities, LLC in the southern part of the USA into subsidiaries in February 2020 and September 2021 respectively. We are currently aiming to increase the number of housing units delivered by these three Daiwa House Group companies (Stanley Martin, CastleRock Communities, LLC and Trumark Companies, LLC) from 6,568 in 2023 to over 10,000 by 2026.

Accordingly, we have now decided to acquire membership interests in Prestige through Stanley Martin to further expand our single-family home business in the eastern part of the USA.

2. About Prestige

Founded in October 2017, Prestige is a land business and land development general contracting company headquartered in Charlotte, North Carolina in the USA. The company operates primarily in the Charlotte metropolitan area (North Carolina and South Carolina).

Prestige's land development business involves contracting for land, obtaining entitlements, processing engineering plans, developing communities, and selling lots. Since commencing operations in December 2017, the company has sold approximately 2,300 lots (as of the end of December 2023) to home builders, commercial developers and other operators. It has secured approximately 8,050 lots of land scheduled for development as of the end of December 2023. The company intends to continuing growing is lot development business in the future.

Prestige Site Works is in the land development general contracting business. It performs grading, installs utilities, constructs roads, and more. The company has invested approximately four billion yen in heavy construction equipment since 2019. It has capacity to develop approximately 2,300 lots per year today and intends to increase capacity in the future.



Commercial land prepared by Prestige



Residential land prepared by Prestige

3. About future developments

According to data by metropolitan area from the U.S. Department of Commerce, the Charlotte metropolitan area in the southeastern part of the USA was the seventh largest housing market in the country by the number of single-family house permits issued in 2023. Home to financial institutions such as Bank of America, Charlotte is one of the leading financial cities in the USA. Charlotte has strong employment and population growth. With the influx of people from the northeastern part of the USA, strong housing demand is expected to continue in the future. Although there is high demand for houses, there is a shortage of new home communities due to restrictive policies by local governments.

Therefore, high housing demand alongside restricted supply makes Charlotte a favorable location for land investment, creating a favorable environment for acquiring the Prestige membership interests.

Moreover, there is high demand for land development general contracting services in the Southeast, creating an opportunity for Prestige Site Works to expand its geographic footprint.

4. Schedule

May 11, 2024 (USA time: May 10, 2024): Enter into the Membership Interest Purchase Agreement

Late May 2024: Acquire the membership interests (planned)

5. Impact on financial results

The acquisition of these membership interests will have no significant impact on our consolidated financial results.

6. Overview of both companies

■ Company acquiring the membership interests:

Company	Stanley Martin Holdings, LLC
Address	11710 Plaza America Drive, Suite 1100, Reston, Virginia 20190, USA
Name and title of Representative	Steven B. Alloy (CEO)
Date of incorporation	April 27, 2005 (Date of foundation: October 31, 1966)
Net sales	USD 2,014 million (FY2023)
Areas of business	Single-family house business and related businesses
No. of housing units delivered	4,439 (FY2023)
Employees	1,029 full-time employees (as of the end of December 2023)

■ Company being acquired:

Company	Prestige Corporate Development, LLC
Address	7224 Jameson Way, Suite 1 Stanley NC, 28164, USA
Name and title of Representative	Brian Mahoney (owner & CEO)
Date of incorporation	October 9, 2017
Net sales	USD 104.5 million (FY2023)
Areas of business	Land business and land development general contracting business
Number of closing lots	523 (FY2023)
Employees	174 full-time employees (as of March 31, 2024)

Inquiries		
Public Relation Department	PR Group	+ 81-6-6342-1381
	Tokyo PR Group	+ 81-3-5214-2112