

5. Outline of both companies

Business transferee company

Company name	Stanley-Martin Communities, LLC
Head office	11710 Plaza America Drive, Suite 1100, Reston, Virginia 20190, USA
Representative	Steven B. Alloy (President)
Established	April 27, 2005 (Founded in October 31, 1966)
Net sales	US\$503,204,000 (fiscal year ending December 2016)
Business lines	Holding membership interests in companies (including Neighborhoods Capital, LLC) which engage in single-family housing business and related businesses
Employees	442

Business transferor company

Company name	FD Communities, LLC (FrontDoor)
Head office	2859 Paces Ferry Rd SE #1725, Atlanta, GA 30339, USA
Representative	Terry Russell (CEO), Mike Langella (President)
Established	August 15, 2012
Net sales	US\$52,520,000 (fiscal year ending December 2016)
Business lines	Single-family housing business
Employees	61

6. The emerging area and the US housing market

The urban area of Atlanta, Georgia, where FrontDoor conducts its single-family housing business, boasts a population of some 5.8 million people. Moreover, the area is a business, sports and culture center for the Southern USA, was the venue for the 1996 Olympic Games, and is home to the head offices of Coca-Cola, Delta Air Lines and CNN.

From the aspects of this diverse industrial base, population and employment are increasing, and the level of household income for the middle class is also high. As one of the USA's largest housing markets, it has become a highly attractive emerging area.

On the other hand, the population of the Charleston-North Charleston-Summerville metropolitan area in South Carolina is much smaller at about 600,000 people.

Charleston, in particular, is a harbor city also known as a beautiful living history town in

the Southeast USA.

From the perspective of the USA housing market, the population in the “smile curve” area reaching from Seattle in the northwest, Houston in the south and Washington D.C. in the east increased by 1.5% over the approximately 10-year period from 2000 to 2010. And it is being closely watched as an area that is expected to have population growth in the future.



Single-family housing of FrontDoor



Single-family housing interior (bathroom)