



Mori wo Tsunagu TOKYO project

Global warming and climate change, caused in part by greenhouse gas emissions, and the loss of biodiversity due to development and overuse of natural resources, are progressing at a significant rate. The Task Force on Climate-related Financial Disclosure (TCFD) and Task Force on Nature-related Financial Disclosure (TNFD) were established as international disclosure frameworks for companies to address these serious environmental issues. In 2022, the 15th Conference of the Parties to the UN Convention on Biological Diversity (COP15) positioned “Nature Positive” as a global mission to halt the loss of biodiversity and support recovery by 2030. To this end, the “30 by 30” target was laid out to conserve at least 30% of land and sea areas as natural environment. Consequently, the roles that businesses play in resolving social issues are becoming increasingly important.

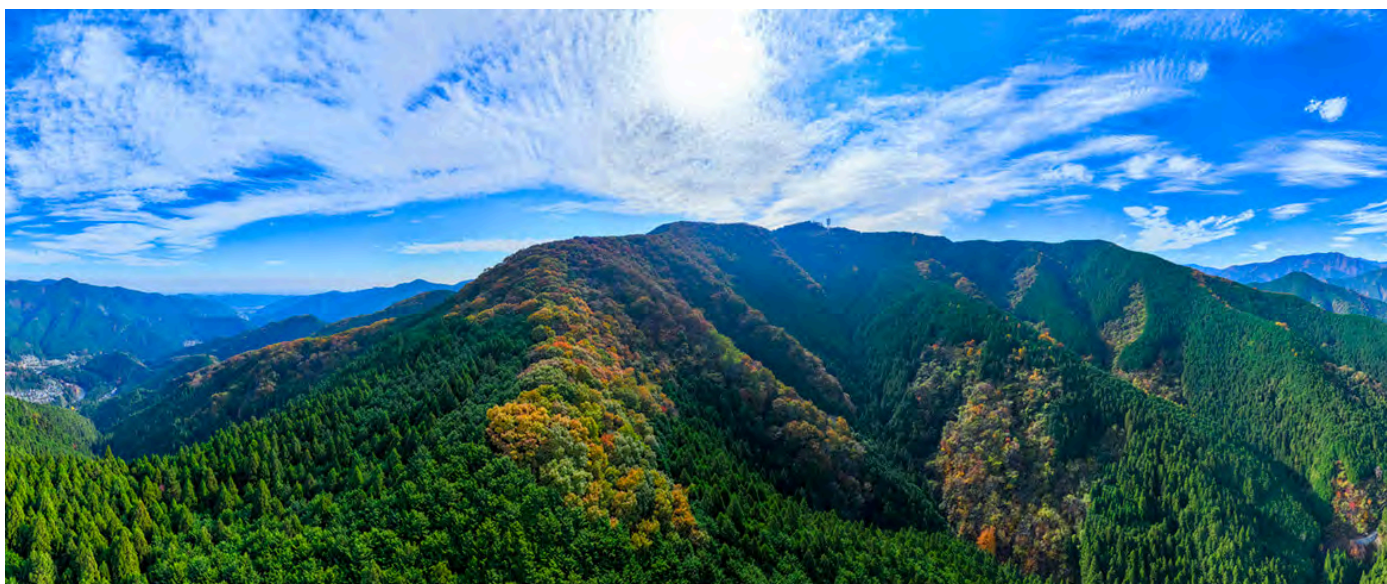
<div style="background-color: #4b6120; width: 10px; height: 20px; margin-bottom: 5px;"></div> Mori wo Tsunagu TOKYO project (Integrated Forest Management Project in Tokyo) —Supporting the Coexistence of Urban and Nature through Business Activities	31
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Special Feature Mori wo Tsunagu TOKYO project (Integrated Forest Management Project in Tokyo)—Supporting the Coexistence of Urban and Nature through Business Activities

☐ [Press Release November 1, 2023](#)

☐ [Press Release October 25, 2023](#)

☐ [Press Release November 28, 2022](#)



1. Project Background

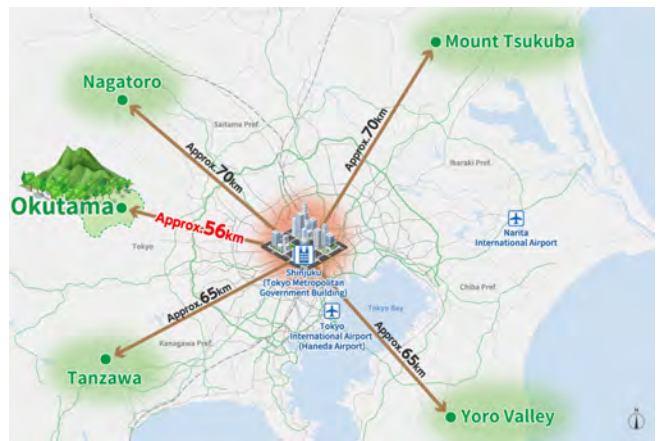
1-1 Challenges society faces today

Global warming and climate change, caused in part by greenhouse gas emissions, and the loss of biodiversity due to development and overuse of natural resources, are progressing at a significant rate. The Task Force on Climate-related Financial Disclosure (TCFD) and Task Force on Nature-related Financial Disclosure (TNFD) were established as international disclosure frameworks for companies to address these serious environmental issues. In 2022, the 15th Conference of the Parties to the UN Convention on Biological Diversity (COP15) positioned “Nature Positive” as a global mission to halt the loss of biodiversity and support recovery by 2030. To this end, the ☐ “30 by 30” target was laid out to conserve at least 30% of land and sea areas as natural environment. Consequently, the roles that businesses play in resolving social issues are becoming increasingly important.

1-2. Use of Landscape Approaches to Resolve Social Issues

In August 2021, the Group entered into a comprehensive partnership agreement^{*1} with Okutama Town, which has a rich natural environment and is also located in Tokyo, where the Group mainly operates its businesses. Subsequently, in October 2022 the Group concluded a land rights establishment agreement with the town, through which it will take control of its forests for over 30 years, and launched the Mori wo Tsunagu TOKYO project (Integrated Forest Management Project in Tokyo).

Okutama Town, which receives many visitors from Japan and abroad, is unique in that forests cover 94% of the town despite its close proximity to the Tokyo metropolitan area, one of the world's most populous urban centers. On the other hand, it faces serious challenges such as the decline of the forestry industry, falling birthrates, an aging population, and depopulation. Its population is expected to decline by another 50% over the next 20 years^{*2}. The Group hopes to address the social issues specific to this region and leverage its business activities to support the coexistence of urban and nature based on landscape approaches^{*3} that attempt to simultaneously achieve environmental, social, and economic objectives.

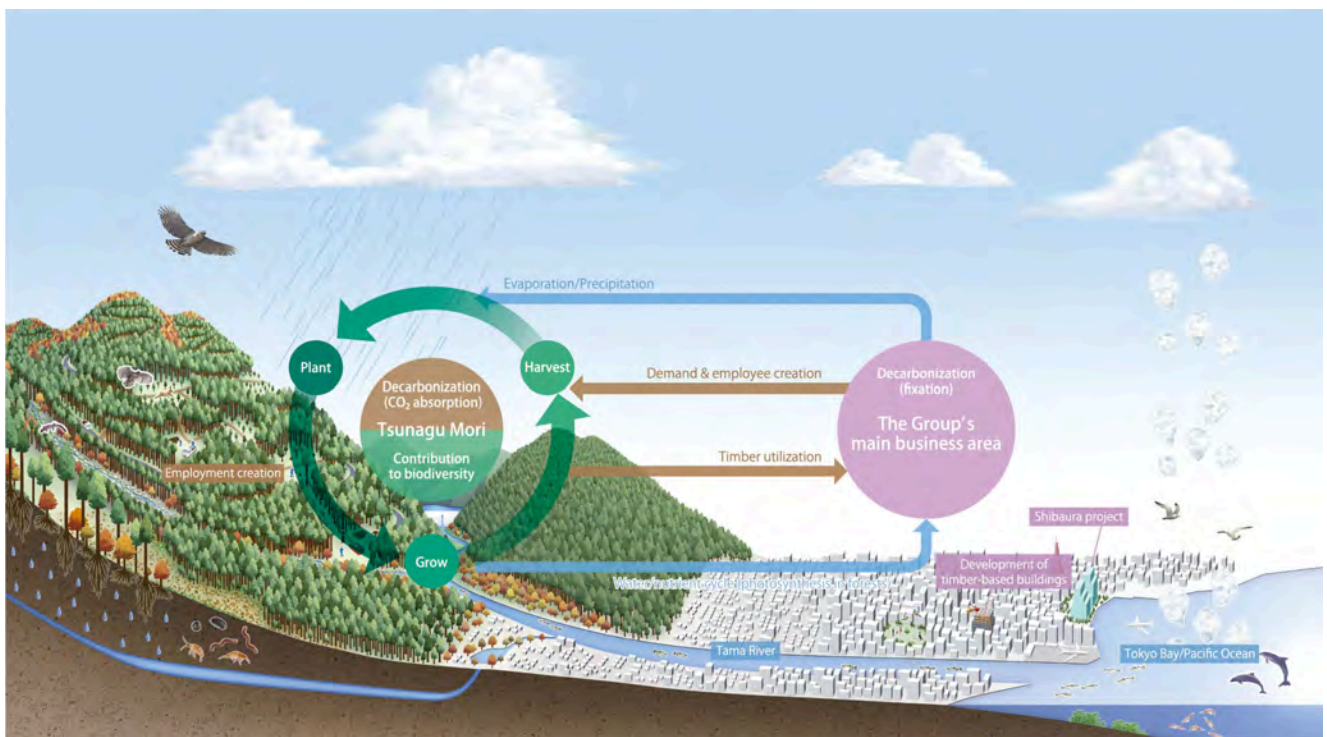


Distances from Shinjuku to major nature attractions

※1 Comprehensive Partnership Agreement between Okutama Town and Nomura Real Estate Holdings, Inc. on Realizing a Sustainable Society

※2 Based on National Institute of Population and Social Security Research (IPSS) estimates

※3 Methods that holistically consider diverse human activities and the natural environment to discover solutions for multiple uses of a given area or space, mainly based on land and spatial planning (excerpt from Japan's national biodiversity strategy and action plan 2023–2030).



Landscape approaches in Tokyo

“Earth Pride” is the Group’s [sustainability policy](#), which describes its vision of 2050 and its intention to make this a planet we can proudly pass on to the next generation by [addressing social issues through its corporate activities](#). The project is intended to establish a model case in Tokyo of the coexistence of urban and nature. We hope to achieve both positive social impact and corporate growth by applying the lessons learned to other regions.

2. Growing sustainable forests

2-1. Nurturing a forest as an originating source of nature

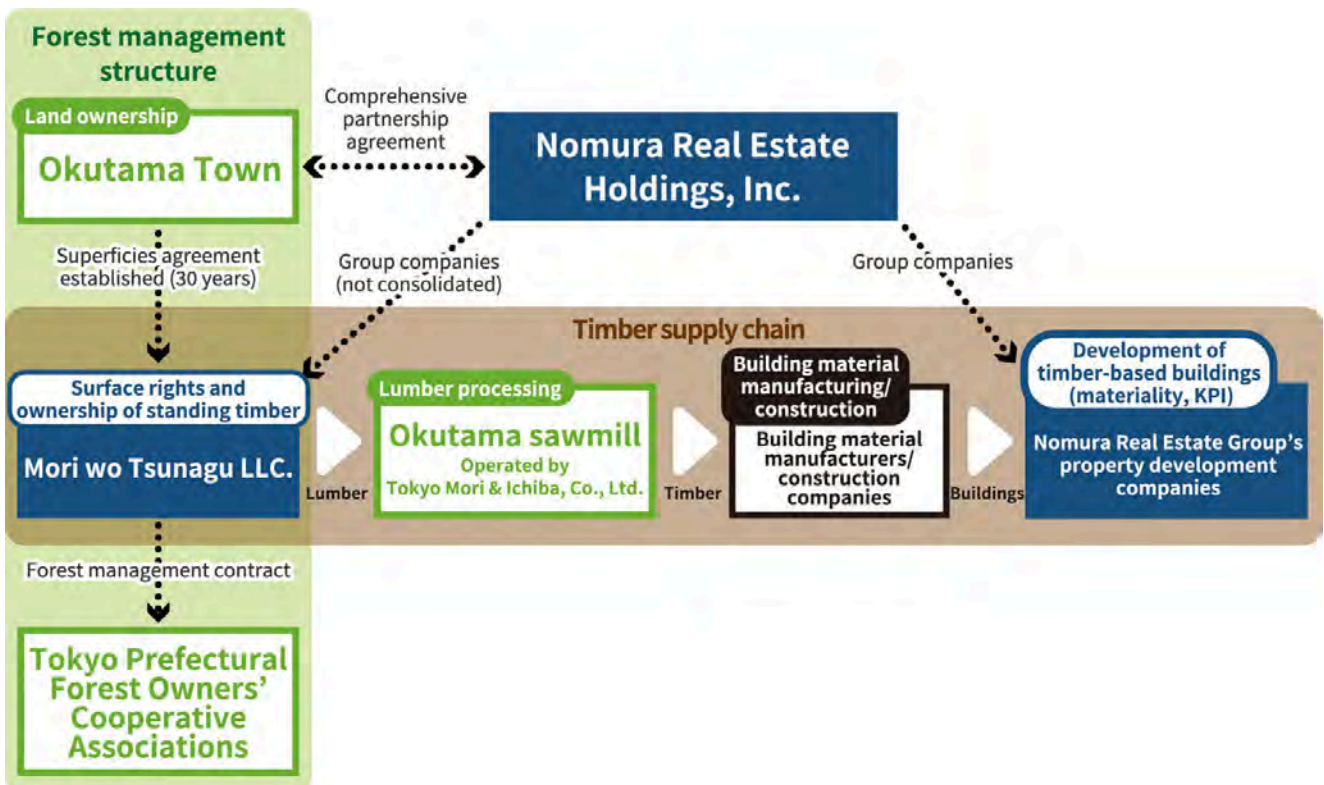
Forests not only absorb CO₂ and contribute to the prevention of global warming; they also protect water sources and play a major role in the formation of rich ecosystems and fishery resources in rivers and oceans. Humanity enjoys the benefits of these multifaceted functions. By creating and protecting forests, where nature originates from, we are nurturing the natural environment. The Group named the forests it owns in Okutama Town (approx. 130 ha) "Tsunagu Mori" and plans to promote the "Growing sustainable forests" in these forests to allow them to fulfil their multifaceted functions.



Tsunagu Mori Location (Okutama Town)

In the forestation process, Mori wo Tsunagu LLC., a Group company (not consolidated), outsources the management of the forest to the Tokyo Forestry Union as a member, and Tokyo Mori & Ichiba, Co., Ltd., the only sawmill operator in Okutama Town, processes the timber harvested from the forest. In addition, the Group plans to utilize this timber to contribute to decarbonization through [the development of timber-based buildings \(carbon storage\)](#).

■ Structure for the "Growing sustainable forests"

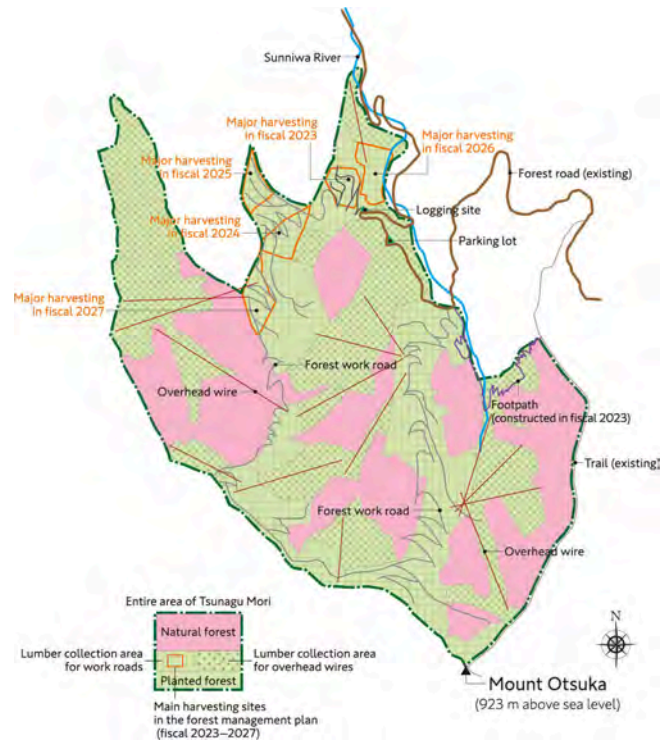


Overview of Tsunagu Mori

Area: measured approx. 130 ha (registered approx. 79 ha)

Standing trees: cedar and cypress 74.2%, broad-leaved trees 25.8%

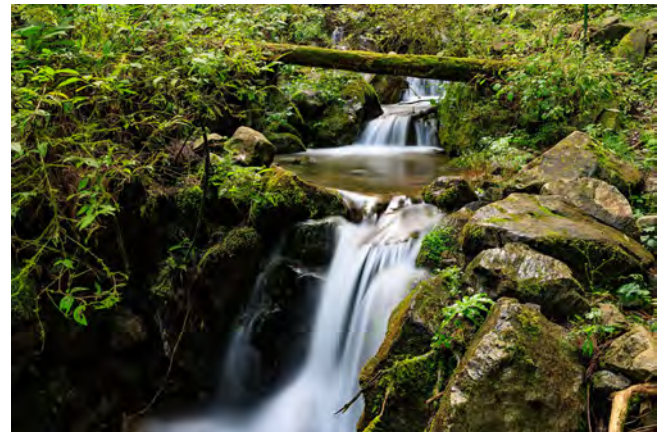
Others: Forest roads on site (Sunniwa Line/Okutama Forest Road), Sunniwa River (managed by Okutama Town) and wasabi fields, characterized by steep terrain



Entire area of Tsunagu Mori



Trees in Tsunagu Mori



Sunniwa River in Tsunagu Mori

Comparing the challenges faced by the forests in Japan and the rest of the world

Japan's forests face challenges that significantly differ from the rest of the world, which is experiencing the destruction of ecosystems and the decline of the CO₂ absorption function due to conversion to agricultural land and excessive logging, as well as illegal labour and violations of the rights of indigenous peoples.

The main challenge for forests in Japan, however, is the deterioration of their multifaceted functions, mainly due to the lack of management for forests planted after World War II. There is a need to restore the multifaceted functions of the forests through growing sustainable forests, such as the felling of standing trees that have reached the age for harvesting and the planting of new trees for reforestation.

2-2. Nomura Real Estate Group's unique forestation initiatives

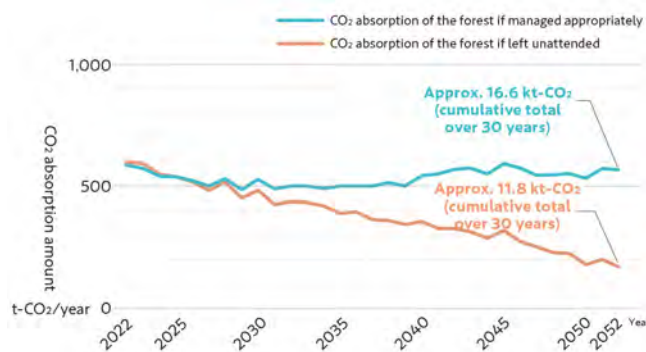
[Video: Short video for growing sustainable forests in Tsunagu Mori](#)

(1) Biodiversity Initiatives

The Group will focus on biodiversity initiatives in Tsunagu Mori by maintaining healthy ecosystems, conserving important species, and providing ecosystem services.

(2) Improve CO₂ absorption capabilities

It is estimated that by rejuvenating aged forests through logging, planting and nurturing forests, the forests will absorb a cumulative total of approximately 16,600 t-CO₂^{*4} over the period of the 30-year superficies agreement. This is approximately 1.4 times more than the amount that would be absorbed if the forests were left unattended. In addition, the cumulative total of carbon stored through the use of harvested timber during this period is approximately 11,000 t-CO₂^{*5}.



Estimated carbon absorption amount in Tsunagu Mori over the 30 years

※4 Calculated in accordance with the "Method of Calculating the Amount of Carbon Dioxide Absorbed by Forests" (Notification of the Director-General of the Forestry Agency, December 27, 2021).

※5 Calculated based on a harvested volume of approx. 37,000 m³ × sawmill yield (50%).

(3) Improve timber productivity

Newly constructed forest work roads will boost efficiency during logging, planting and nurturing forests.

(4) Strengthen soil/water recharge function

By distributing the main harvesting site each year in a mosaic pattern and cultivating forests of different tree species, we hope to control surface soil run-off and improve soil water retention, thereby strengthening the soil and water recharge functions.

(5) Acquisition of forest certification (SGEC/PEFC FM certification)^{*6}

In June 2023, we acquired the SGEC forest management (FM) certification and PEFC certification, a mutual international certification system, for Tsunagu Mori.

We will work with the entire supply chain of timber harvested from Tsunagu Mori and encourage these suppliers to acquire the same certification to promote the distribution of certified timbers.



※6 A system in which independent third-party organizations assess and certify forests and management organizations that conduct appropriate and sustainable forest management based on relevant standards.

2-3. Active use of timber

Timber harvested from Tsunagu Mori will be used by the Group's businesses. For the [Shibaura Project \(Minato-ku, Tokyo\)](#), for which the Group is the main developer, timber from Tsunagu Mori is used for the flooring of the Hamamatsucho Trial Office, where the Group will relocate its head office (scheduled for 2025).

To further promote the use of wood, the Group and the Tokyo Metropolitan Government signed the Agreement on Promoting the Use of Wood in Buildings*7 in October 2023.

※7 Agreement for the Mori wo Tsunagu TOKYO project



Tsunagu Mori wood used for flooring at the Hamamatsucho Trial Office

3. Biodiversity

3-1. Tsunagu Mori, inhabited by a diverse range of species

In the year since April 2023, biodiversity surveys conducted within Tsunagu Mori have discovered as many as 50 important species*8, including plants, mammals, amphibians, reptiles, and birds. In recognition of its rich biodiversity and the ecosystem management initiatives there, the forest received certification for Other Effective Area-based Conservation Measures (OECM)*9, a registration system introduced in April 2023.

※8 Species falling under any of the following selection criteria are defined as important species.

- IUCN Red List: Critically Endangered (CR), Endangered (EN), Vulnerable (VU)
- Ministry of the Environment Red List 2020: Critically Endangered (CR), Endangered IB (EN), Vulnerable (VU), Near Threatened (NT), Deficient (DD)
- Tokyo Metropolitan Government's Red Data Book 2023 (mainland): Critically Endangered (CR), Endangered (EN), Vulnerable (VU), Near Threatened (NT), Deficient (DD)
- Act on Conservation of Endangered Species of Wild Fauna and Flora): Species designated as domestic rare animal and plant species

※9 A system under which the Ministry of the Environment certifies areas where biodiversity is being protected through initiatives with the private sector and others.



Higashihida salamander (endangered species)



Ginran (endangered species)

3-2. Initiatives to conserve Tsunagu Mori's ecosystems and important species

● Establish an ecosystem management plan

After completing the ecosystem surveys, we will establish a management plan to conserve the rich ecosystem of Tsunagu Mori.

● Establish the Expert Panel on Biodiversity

Mori wo Tsunagu TOKYO project has established an expert panel on biodiversity and natural capital. The project will strive to meet the recommendations made by the international and national guidelines on biodiversity based on the opinions of researchers and other experts knowledgeable in various fields.

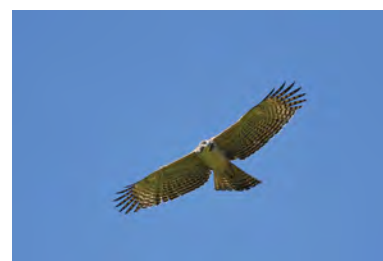
Members of the Expert Panel on Biodiversity

Name	Profile	Fields of expertise
Shizuka Hashimoto	Associate Professor, Graduate School of Agricultural and Life Sciences, Department of Ecosystem Studies, The University of Tokyo Co-chair, Multidisciplinary Expert Panel, Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)	Ecosystem services, landscape planning, and environmental policy
Akira S Mori	Professor, Research Center for Advanced Science and Technology, The University of Tokyo	Ecology, biodiversity, and ecosystem services
Nozomu Mitarai	Representative of the Study Group of Natural History in Ome City	Species and ecosystems of the Tama region

● Monitor Biodiversity

• Conservation of the mountain hawk-eagle

We restrict our timber harvesting operations to the months of September through January in order to avoid the nesting season of the mountain hawk-eagle, an endangered species. Conservation of these hawks at the top of the ecological pyramid helps to maintain population stability throughout the ecosystem.



Mountain hawk-eagle (endangered species)

• Small-area clear-cutting in a mosaic pattern

We plan to balance forest management and biodiversity and thus minimize the impact on flora and fauna by clear-cutting small areas at a distance each year, rather than large areas at the same time.



Harvesting at Tsunagu Mori

4. Future Development

The harvesting plan in Tsunagu Mori takes a long period of time to complete the full rounds. As a long-term initiative, we must develop and expand it as a sustainable project even after the expiration of the 30-year forest tenure contract. In future initiatives, we will also look to link this project to other business activities of the Group in addition to the use of timber in property development.

New initiatives under consideration to contribute to a nature-positive future

Mori wo Tsunagu TOKYO project is considering the provision of recreational activities in Okutama Town and the Tsunagu Mori area in the future. The project hopes to contribute to a nature-positive future, gain the support of stakeholders for the project, and lead to the sustainable development of the Nomura Real Estate Group through ecosystem services.



Recreational activity for illustrative purposes

In future initiatives, we will work to create new value through co-creation with various stakeholders that promote cross-sector collaboration with partners. Through the Mori wo Tsunagu TOKYO project, we will make steady progress toward realizing our sustainability policy and become a company that can pass the Earth to the next generation through our business activities.



Co-creation with stakeholders