

The Environment

Addressing environmental issues and energy shortages represent critical issues facing society. A company will not be able to continue as a going concern without addressing these issues.

Through its businesses, the Nomura Real Estate Group is focused on deploying advanced eco-technologies and ICT, implementing passive design and creating energy through harmony with nature, and other initiatives that seek to lessen our environmental impact.

We are also engaged in ongoing efforts to support community development and environmental education through events and town meetings with the goal of achieving a sustainable society together with local communities.



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- ▶ Environmental Data

Environmental Management

Environmental Activity Promotion Framework

■ The Group Environmental Philosophy

The Group believes that it has a duty to society to help pass the current natural environment down to future generations. In accordance with that belief, we are working to create communities and spaces in harmony with the environment, and we are pursuing the realization of ideal environmental quality. Nomura Real Estate Holdings has formulated the Nomura Real Estate Group Environmental Philosophy and is actively addressing environmental issues at the Group level.

The Nomura Real Estate Group Environmental Philosophy

The Group has a mission of utilizing the power and blessings of nature to create communities and spaces in harmony with the environment in order to pass down the earth's beauty to future generations.

We will pursue the realization of ideal environmental quality with a strong will and increased sensitivity to the environment.

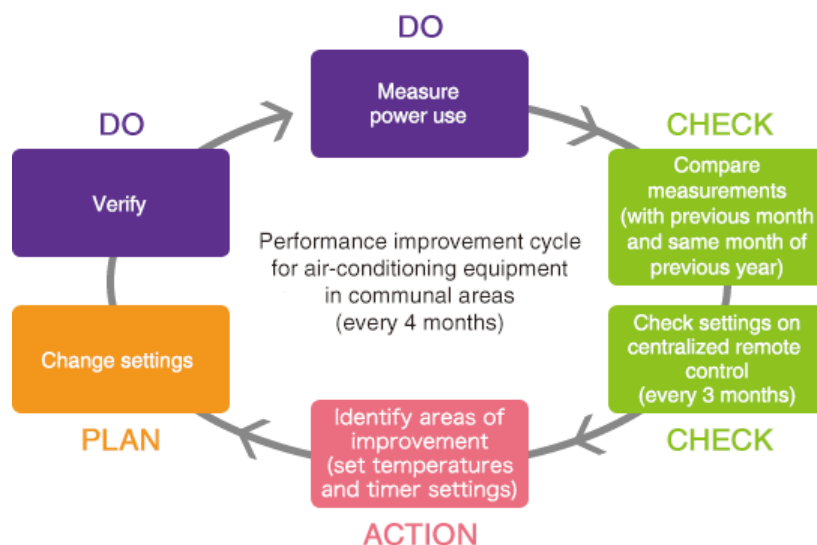
■ Environmental Management System ISO 14001 Certification

The Yokohama Office of Nomura Real Estate Partners Co., Ltd. is a model environmental office that has earned ISO 14001 certification, the international standard for environmental management systems. The office is working to advance a wide range of initiatives, including waste reduction, resource recycling, and energy-saving measures.

Energy Management System ISO 50001 Certification

At PROUD Funabashi Blocks 1&2, FamilyNet Japan Corp., one of our business partners, earned ISO 50001 certification for the development of the facility's energy management system. This marks one of our many efforts to build a sustainable energy management framework.

ISO50001 Energy Management System Example: Air-Conditioning Equipment for Communal Spaces



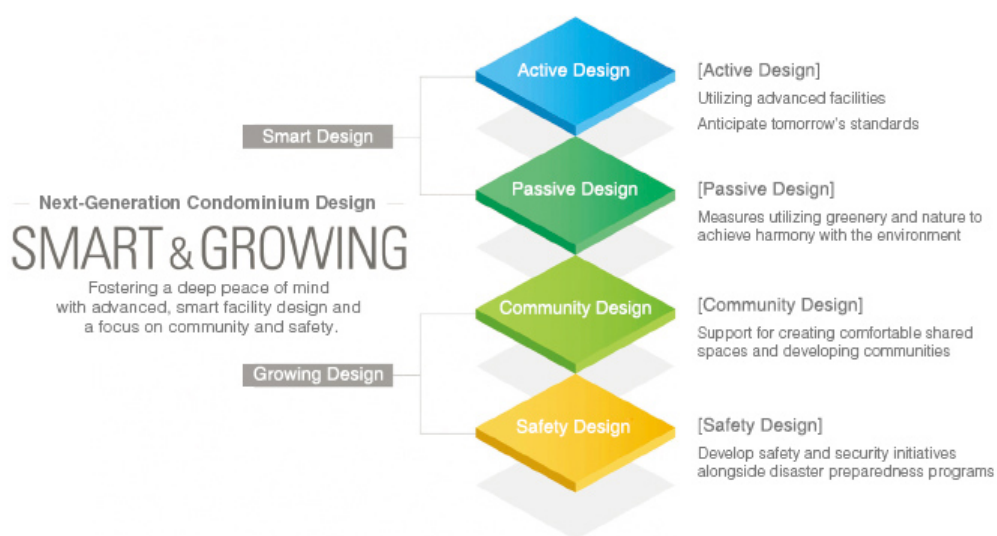
PROUD Funabashi showcases advanced energy management, especially in air-conditioning and lighting in communal spaces. The power used by each piece of equipment is measured, visualized, and analyzed, and the results are used to improve performance. By repeating this process, we work to optimize energy use in condominiums without overburden, waste, or irregularity.

Providing Environmentally Conscious Housing and Buildings

Saving Energy and Reducing CO₂ Emissions

PROUD Smart Design: SMART & GROWING

Nomura Real Estate Development has formulated its PROUD Smart Design: SMART & GROWING concept in line with its environmental vision focused on creating next-generation condominiums. SMART denotes a commitment to reducing environmental impact through the use of advanced equipment and through harmony with nature, and consists of active design and passive design. GROWING refers to achieving relaxing lifestyles and sustainability and consists of community design and safety design. Through these two concepts, we are focusing efforts on sustainability, providing homes with value that will stand the test of time.



Developing energy-saving detached houses that utilize passive design

Nomura Real Estate Development has developed PROUD Season Fuchu Tenjin-cho, an energy-saving detached-housing development in Tokyo's Fuchu City built based on passive design principles that utilize natural airflow and light.

Through joint research with Masao Koizumi, a graduate school professor at Tokyo Metropolitan University, we surveyed changes in energy usage based on conditions concerning ventilation, natural lighting, temperature, and humidity, as well as how residents lived. After deeds are transferred, we conduct environmental performance surveys together with residents and have them complete a questionnaire to gauge the level of comfort of their homes. Questionnaire results inform the development of future energy-saving products.

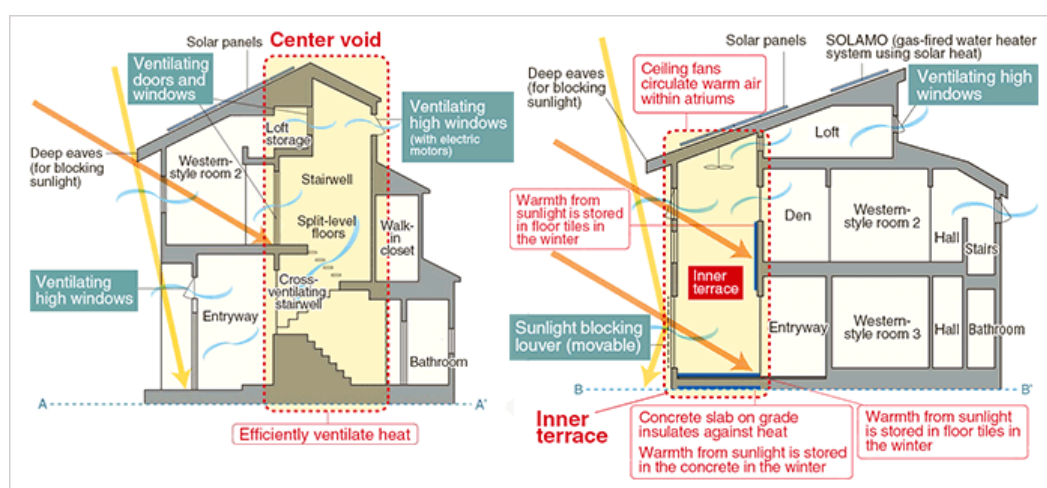
Example of Nomura's Passive Design

- Center void

By creating a void in the center of the house and using bidirectional skylights and split-level floors, we create a pathway for air and light and stabilize interior temperatures.

- Inner terrace

Building an open space on the south side of homes and using flooring and wall material that can store heat and cold allows for storing warmth from sunlight in the winter. In the summer, wind insulated against heat via a blocking louver is circulated through the interior.



PROUD Season Sengawa Gets Gold Certification, the First in Mitaka City's Eco-town Development Incentive Program

PROUD Season Sengawa was the first to receive "gold" certification as part of the "eco-town development incentive system" being promoted as a means to make the City of Mitaka sustainable.

Under the project, solar panels, HEMS (home energy management systems), storage batteries, and power outlets for recharging electric cars are included as standard features in detached homes developed based on the SMART & GROWING concept of PROUD Smart Design. In addition, efforts are made to develop connections with regional areas through community development support and disaster preparedness initiatives.

PROUD Environmental Assessment Sheet

Nomura Real Estate Development has created the PROUD Environmental Assessment Sheet, a set of in-house standards designed to increase the transparency of environmental initiatives. The PROUD Environmental Assessment Sheet contains key PROUD Smart Design: SMART & GROWING concept design points for use in improving environmental performance.

Purchasing Green Power at the Nihonbashi Muromachi Nomura Building

The Group is actively promoting environmental initiatives at its Nihonbashi Muromachi Nomura Building, including site landscaping, rooftop gardens, and water reuse. As a part of these initiatives, the building purchases 1 million kWh per year of electricity generated by renewable energy, which is known as green power.



Nihonbashi Muromachi
Nomura Building

Start of Solar Power Generation Business

Yokohama Business Park Heating and Cooling Supply has installed solar panels on Landport, a large-scale distribution facility developed by the Nomura Real Estate Group, and has begun a solar power generation business. Landport's combined six facilities (as of March 2015) generate 4.74 million kWh of energy a year, equivalent to the annual power consumption of 1,310 ordinary households.*

* Assuming each of the 1,310 households uses 3,600 kWh a year. Source:
The Federation of Electric Power Companies of Japan (FEPC), Electricity Statistics Information

Resource Conservation and Waste Reduction Initiatives

Nomura Real Estate Partners Co., Ltd. practices waste reduction, reuse, and recycling to make effective use of resources and reduce the waste generated through its business activities. With a view to helping create a recycling-based society, the company promotes the recycling of industrial waste while working to reduce regular waste.

Proposing Energy Efficiency Solutions to Customers

Energy Efficiency and Eco Proposals for Tenants

The Nomura Real Estate Group makes energy efficiency and environmental proposals to tenants of buildings owned and managed by the Group and residents of condominiums and houses developed by the Group.

Nomura Real Estate Partners Co., Ltd. established a committee to respond to restrictions on power consumption. This committee makes proposals to building owners on ways to reduce power consumption in managed buildings. The company also employs an ASP*-based system that compiles energy data, provides operational support, and conducts awareness-raising activities designed to reduce electricity use. The company makes energy efficiency and electricity conservation proposals to condominium associations and introduces examples of environmental initiatives through "Smile" Online, a housing newsletter that provides useful information about residential living.

* ASP, or Application Service Provider, is a provider that rents business applications to customers via the Internet.

Energy Efficiency Consulting and Renovation Work

Nomura Real Estate Partners Co., Ltd. business activities support energy management and conservation with a system that compiles energy data for use in the creation of reports submitted in compliance with environment-related regulations, an "ecommo" system to visualize energy use, and renovation work for greater energy savings.



The "ecommo" system visualized energy use

Initiatives for Biodiversity

PROUD Kokubunji Receives ABINC Certification

Nomura Real Estate Development has acquired Biodiversity-Promoting Office Certification from ABINC (Association for Business Innovation in Harmony with Nature and Community) for the PROUD Kokubunji facility being planned in Tokyo Prefecture's Kokubunji City.

The project has been recognized for efforts including the preservation of 2,700 m² of existing forest to preserve local ecosystems, and conservation and development projects—including "wild flower viewings"—involving participation by residents will be planned and carried out after construction is completed.

Yokohama Business Park Receives ABINC Certification (Urban/SC Ver.)

Yokohama Business Park (YBP) received ABINC (Association for Business Innovation in Harmony with Nature and Community) certification (urban/SC ver.)* for its consideration given to conserving biodiversity. YBP regularly holds the Exhibit of Urban Design for Firefly Habitats, rice-harvesting lessons, and biotope tours, where tenant companies and the surrounding community together think and learn about biodiversity and environmental issues.



Exhibit of Urban Design for Firefly Habitats 2014

* ABINC (Association for Business Innovation in Harmony with Nature and Community) certification: A certification program created to promote harmony between people and nature in corporate activities. Under the program, ABINC—as an independent party—evaluates and certifies office buildings and commercial facilities considerate of biodiversity in accordance with the JBIB Guidelines for Sustainable Business Sites published by the Japan Business Initiative for Biodiversity (JBIB).

Promoting Green Design in Business Activities

The Nomura Real Estate Group actively conducts green space design with landscaping and trees, and maintains and manages landscaping at condominiums and office buildings.

Nomura Real Estate Development's PROUD condominiums use passive design strategies based on the PROUD Smart Design: SMART & GROWING concept. These include improving the visibility of vegetation from the street through the effective use of different sized trees, creating cool spots with tall trees, and taking into account continuity with surrounding green spaces.

Environmental Certification

Nihonbashi Muromachi Nomura Building Certified as Top-Level Facility under the Tokyo Metropolitan Ordinance on Environmental Preservation

The Nihonbashi Muromachi Nomura Building (located in Tokyo's Chuo Ward), which is owned by Nomura Real Estate Development, was certified as Top-Level Facility in connection with the Total Greenhouse Gas Emission Reduction Mandate and Emissions Trading Scheme* under the Tokyo Metropolitan Ordinance on Environmental Preservation.

In addition to the use of equipment including a water-cooling packaged air conditioner and high performance air conditioner, the building has introduced a BEMS (building energy management system) to centrally manage energy usage and the operational state of building equipment. The building has also been recognized for initiatives that include holding conferences with building tenants aimed at reducing CO₂ emissions.

* Total Greenhouse Gas Emission Reduction Mandate and Emissions Trading Scheme:

A program whereby CO₂ emission requirements are relaxed for high-performing facilities based on their contribution with regard to Tokyo Prefecture's mandate on reducing CO₂ emissions. Facilities that score 80 points or higher across 228 evaluation categories are certified as Top-Level Facilities.

Acquisition of CASBEE Certification

The Nomura Real Estate Group actively works to reduce environmental impact with the goal of acquiring CASBEE* certification.

The Group's policy is to acquire A-Rank or higher CASBEE certification for its premium midsize offices (PMO) and buildings developed by NREG TOSHIBA BUILDING.

* CASBEE, or Comprehensive Assessment System for Built Environment Efficiency, includes the certification program administered by the Institute for Building Environment and Energy Conservation (IBEC) and programs such as CASBEE Kawasaki, which are administered by local governments.

CASBEE Certified Properties

Building	Rank	System
PMO Nihonbashi Kayabacho	A	CASBEE
PMO Shiba Koen	A	CASBEE
PMO Shiba Daimon	A	CASBEE

* Only major properties certified in FY 2014 are shown

Acquisition of Green Building Certification

Under the DBJ Green Building Certification system*, the Nihonbashi Muromachi Nomura Building (located in Tokyo's Chuo Ward) was given five stars, a certification given to buildings demonstrating a nationally high level of regard for the environment and society. In addition to state-of-the-art equipment that reduces environmental impact, the building has been recognized as contributing to the revitalization of the Nihonbashi area through the use of a multi-purpose hall spanning to plan and conduct regional events.

Other properties have also been certified as shown to the right for efforts that include preserving the environment through the use of cutting-edge equipment, "visualizing" energy usage, and enabling tenants to work in comfort.









*1 DBJ Green Building Certification System:

A ranking system employed by the Development Bank of Japan. The system is designed to promote real estate development planning that considers environmental performance, disaster preparedness, and security as well as social needs from a diverse range of stakeholder.

*2 Plan Certification:

The Development Bank of Japan's Green Building Certification Program utilizes a model to score real estate development projects in the planning stage for their environmental performance and tenant user friendliness and rank them accordingly.

Properties with Green Building Certification

Building Name	Rank
Nihonbashi Muromachi Nomura Building	2014 
NRE Sapporo Building**	2014 
PMO Nihonbashi Odenmacho**	2014 
PMO Nihonbashi Honcho**	2014 
PMO Hatchobori**	2014 
PMO Higashi-nihonbashi**	2014 
Landport Kashiwa Shonan I	2014 Plan 
Landport Kashiwa Shonan II	2014 Plan 

* Only major properties certified in FY 2014 are shown

** These properties are owned by Nomura Real Estate Master Fund, Inc.

Environmental Considerations during Construction and Demolition

Policy and Standards

PROUD Environmental Guidelines

We created the PROUD Environmental Guidelines for construction partners to help reduce environmental impacts from construction sites. These guidelines include design consideration, such as greenery and use of recycled materials, and the promotion of the 3Rs (Reduce, Reuse, Recycle).

Summary

- Improve environmental awareness
- Reduce waste emissions and increase recycling rate
- Reduce impacts on the natural environment and surrounding environment
- Reduce greenhouse gas emissions
- Proper management and reduced usage of chemicals
- Promote the use of products, technologies and methods with fewer environmental impacts

Initiatives to Reduce Hazardous Materials and Prevent Pollution

Asbestos: Proper Handling and Continuous Monitoring

The Nomura Real Estate Group handles asbestos found during demolition work with the utmost caution and care by cordoning off affected areas and ensuring regular third-party testing to determine presence and concentration. We also conduct continuous monitoring to ensure that no problems exist.

Initiatives against Soil Contamination

The Nomura Real Estate Group thoroughly investigates the history of land use prior to the purchase of any site for development and hires specialists to conduct soil surveys when prior soil contamination is suspected. If soil contamination is found, we initiate measures required under the Soil Contamination Countermeasures Law and other related laws, which include the removal or containment of substances.

Initiatives for Reducing Chemicals used in Construction Materials

The Nomura Real Estate Group is firmly committed to the proper management of chemical substances and is working to reduce the amounts it uses.

Nomura Real Estate Development Condominium Design Standards require that materials used in construction have a four star* formaldehyde emission rating. At the time of completion, we also measure the levels of formaldehyde, toluene, xylene, ethylbenzene, and styrene, the five substances designated in the Housing Quality Assurance Promotion Act.

To ensure the proper handling and reduced usage of VOCs, PCBs and other chemicals, we require our construction partners to follow the PROUD Environmental Guidelines during construction. Construction partners are also required to submit a Quality Control Check Sheet.

* Four star formaldehyde rating:
The highest rating against formaldehyde emissions

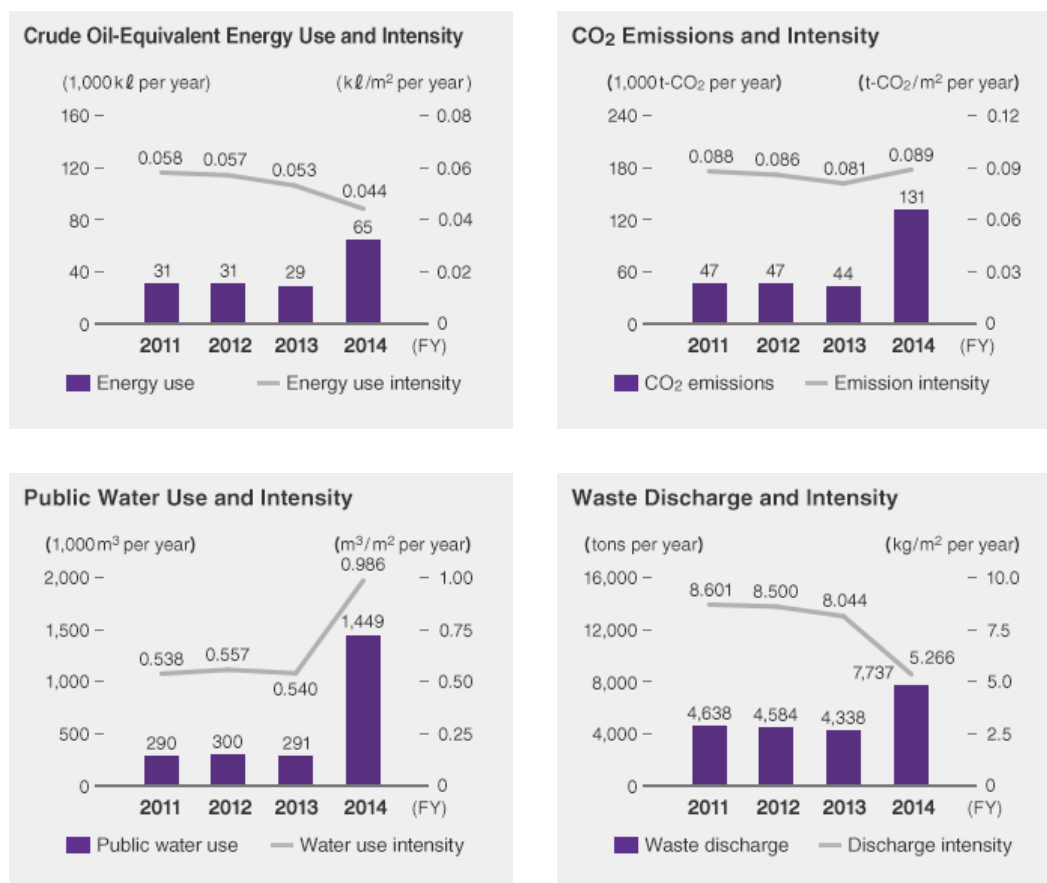
Initiatives for Reducing Chlorofluorocarbon

The Nomura Real Estate Development Condominium Design Manual requires the use of chlorofluorocarbon-free insulation and refrigerants used in air conditioners to prevent emissions of ozone-damaging chlorofluorocarbon. Construction partners are also required to submit a Quality Control Check Sheet during construction to confirm that only chlorofluorocarbon-free materials have been used.

Environmental Data

Environmental Data

The Nomura Real Estate Group gathers environment-related data for the major facilities that must be registered under the Energy Saving Act.



* Until fiscal 2013, this included seven buildings (primarily used for office space) that were subject to the Tokyo Metropolitan Ordinance on Environmental preservation and that had a Nomura Real Estate Group floor area ownership of 50,000 m² or more.

* For fiscal 2014, this included 143 facilities requiring registration under the Energy Saving Act (including some waterworks, sewerage, and waste facilities), excluding rental housing. (There was a total of 202 facilities.)

* CO₂ emissions are calculated using the coefficient stipulated in the Tokyo Metropolitan Ordinance on Environmental Preservation.