



Sustainability activities(ESG)

Environment

Through urban development and providing products and services that leverage property development and property-related services, the Company will contribute to reducing CO2 emissions to address climate change as a shared international concern. As such, we have identified decarbonization, biodiversity, and circular design as our three priority issues (materiality) and will promote them Company-wide. In addition, the Group has to date been actively participating in international initiatives, from obtaining SBT certification (35% reduction compared to fiscal 2019) and endorsing the TCFD to joining the RE100, and we intend to continue playing an active role in such initiatives.

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Group Policy

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Management

We are taking measures to improve Group-wide environmental management under the leadership of Nomura Real Estate Holdings president and Group CEO.

The Sustainability Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings president and Group CEO, deliberates on and decides related policies and action plans. The Sustainability Committee also sets targets and monitors progress for the Group's priority issues: decarbonization, biodiversity, and circular design.

An environmental subcommittee has been established as the Sustainability Committee's subordinate organization under the supervision of the officer responsible for quality management and architectural design. Furthermore, we have signed the UN Global Compact in May 2019. Based on the principles of the UN initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

Environmental Subcommittee

Consists of members from the architecture and product design-related departments at Nomura Real Estate Development, the environmental technology-related departments at Nomura Real Estate Partners, and the Sustainability Management Department and meets as needed. In fiscal 2022, it held three meetings to mainly discuss reducing CO₂ emissions and using renewable energy.

Environmental Management



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Decarbonization



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Environmental Management

Approach and Policies

[Group Policy \(Environment\)](#)



Management

[Management \(Environment\)](#)



Targets and Results

Targets, KPIs, and Results

	2030	Unit	FY2019	FY2020	FY2021	FY2022
Percentage of newly constructed fixed and income-producing properties (excluding rental housing) that acquire environmental certifications (DBJ Green Building ^{*1} , LEED ^{*2} , CASBEE ^{*3} , BELS ^{*4} , etc.) each year	100	%	100	100	100	100 (incl. pending applications)
Percentage of properties owned by Nomura Real Estate Master Fund, Inc. (NMF) with green certification (three stars or more or equivalent to) ^{*5, 6}	70	%	—	56.3	56.0	58.5

※1 A certification program developed by the Development Bank of Japan to promote real estate development that contributes to the environment and society.

※2 A system developed and operated by the U.S. Green Building Council for granting certification to environmentally conscious buildings.

- ※3 Comprehensive Assessment System for Built Environment Efficiency, includes the certification program administered by the Institute for Building Environment and Energy Conservation (IBEC) and independent local municipality assessment programs.
- ※4 BELS stands for Building-Housing Energy-efficiency Labeling System, which was established by the Ministry of Land, Infrastructure, Transport and Tourism. With this system, a third-party evaluation organization evaluates and certifies energy conservation performance of a building.
- ※5 Green certification (with three stars or more or equivalent to) refers to DBJ Green Building Certification (three stars or more) or BELS Certification (three stars or more), or CASBEE for Real Estate (B+ or higher). The figure is calculated based on the floor area of NMF's properties, excluding land. The green certification ratio is as of August 31 of the following fiscal year.
- ※6 The percentages of properties owned by NMF with green certification (with at least three stars or the equivalent) are available at <https://www.nre-mf.co.jp/ja/esg/environmental/environmental-performance.html>.

Other Results

	Unit	FY2019	FY2020	FY2021	FY2022
Percentage of properties with ISO 14001 certification*1	%	16.8	18.6	19.6	22.1
Number of properties with energy performance certification		14	17	16	14
Environmental compliance (material violations of environmental laws and regulations (including pollution and water use) and allegations by outside parties)		0	0	0	0
	FY2022 Results				
List of properties with DBJ Green Building certification in FY2022 (including pending applications)	Office buildings	PMO Tamachi III PMO Tamachi IV PMOEX Nihonbashi Kayabacho (pending application) PMO Jimbocho PMO Hatchobori IV (pending application) H ¹ O Aoyama (Gaienmae) H ¹ O Umeda Chayamachi			
	Logistics facilities	Landport Tama Landport Ageo II Landport Kyoto Minami			
	Retail facilities	MEFULL Tamachi MEFULL Kawasaki Hankyu Tsukaguchi Ekimae			
BELS (Building-Housing Energy-efficient Labeling System) in FY2022	13 properties mentioned above + PMOEX Yodoyabashi				

※1 The net lettable area of the Group as of the end of each fiscal year was used as the denominator, and the floor area of the relevant offices of the Yokohama Business Park, which is 154,103 m², was used as the numerator. Certification acquisition date: March 5, 2004 (JQA-EM3815)
Certification organization: Japan Quality Assurance Organization (JQA) Scope of registered activities: Planning and provision of comprehensive building management services (facility management, cleaning, and security)

 [ESG Data \(Environment\)](#)

Initiatives

Environmental Management System

The Group is increasing the sophistication of its environmental initiatives through the use of an internationally acknowledged environmental management system (EMS).

Yokohama Business Park Offices (A1, A2, A3, C1, C2, and C3 buildings) at the Yokohama Division of Nomura Real Estate Partners Co., Ltd. acquired ISO 14001 certification for their environmental management system and are carrying out various initiatives including waste reduction, resource recycling, and energy-saving measures. At certified offices, annual internal audits as well as audits by external certification organizations are conducted to ensure their compliance with the EMS and environmental laws and regulations and the effectiveness of measures for controlling environmental pollution.

Environmental Compliance

In fiscal 2022, the Group did not commit any material violations of environmental laws and regulations (including pollution and water use) in the manufacture, sale, or management of its products and services.

Environmental Management at Suppliers

In accordance with the Nomura Real Estate Group Procurement Guidelines, the Group has distributed its Procurement Guidelines to more than 4,600 suppliers to address environmental issues throughout the supply chain.

In fiscal 2020, we began a questionnaire survey on procurement guidelines. In fiscal 2021, we received survey responses from 89 of our top 200 suppliers (around 80% of the total) as key suppliers and engaged directly with ten companies. We sent out a questionnaire to approximately 300 suppliers, which account for about 80% of our trading volume as key suppliers, in the fiscal year 2022. We receive regular reports on the compliance status with our procurement guidelines based on the responses. Out of the

154 companies that responded, we conducted monitoring meetings (8 on-site visits and 2 web meetings) with 10 companies to confirm their initiatives and promote measures such as improving internal systems and reducing environmental impacts. The monitoring meetings were conducted with the presence of external consultants. After the monitoring meetings, we provided feedback on environmental considerations such as CO₂ reduction and waste reduction, as well as methods to prevent forced labor and child labor, and called for their cooperation. Based on the results of the questionnaire and monitoring meetings, we identified traceability in timber sourcing as a risk in the supply chain and have started to assess the actual situation internally. However, no suppliers were found to pose environmental risks at present.

Nomura Real Estate Group Procurement Guidelines (excerpts of environmental sections)

Consideration for the Environment

- Endeavor to make continuous improvements for reducing environmental impact in order to build a sustainable society.
- Comply with environmental laws and regulations in the countries and regions where your business activities are carried out.
- Reduce energy use and greenhouse gas emissions through circular design that reduces waste by extending the life cycles of goods, products, and services. Also strive to efficiently use natural resources, including water, and to optimize and reduce usage.
- Endeavor to appropriately manage hazardous chemicals and reduce the amounts used and reduce emissions of pollutants that have adverse effects on the environment and the human body.
- Reduce and appropriately manage waste.
- Implement development and greening, taking into consideration the surrounding environment and biodiversity.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegally logged timber, and use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

Environmental Responses in the Design and Construction Stages

The Group undertakes environmental responses in the design and construction phases of condominiums, leased offices, and other properties in accordance with the Design and Construction Standards and the Quality Manual that include specifications for environmental performance.

 [Click here for details of the Design and Construction Standards and the Quality Manual](#)

Assessment of Environmental Performance in Newly Developed Properties

When developing PROUD condominiums in the Residential Development Business Unit, the Group requires project implementers to submit Environmental and Product Planning Sheets and to improve residential environmental performance and quality. Similarly, when developing office buildings, commercial facilities and logistics facilities in the Commercial Real Estate Development Unit, the Group requires project implementers to submit Sustainability Assessment Sheets and to quantify the environmental performance and quality of each development project.

Environmental and Product Planning Sheets (excerpt)

- Inclusion of UA-value^{*1} and BEI-value^{*2}
- Inclusion of environmental certification status, energy-saving equipment, and energy-creating equipment
- Comprehensively cover safety and security, the environment, community, and health and well-being
- Promotion of community design and universal design

※1 UA-value: Insulation performance of concrete, thermal insulation materials, sashes, etc.

※2 BEI-value: Energy-saving performance of the entire building, including thermal performance of building envelopes as well as equipment, such as heating and cooling systems and hot water supply systems

Environmental Education

In addition to providing environmental education to all employees every year as part of the rank-specific training programs (the Group's new employee and key employee training programs), we also publish our environmental initiatives in internal newsletters to promote environmental awareness among our employees. In addition, our Environmental Subcommittee, which consists of the persons in charge of architecture, product design and technology at each Group company, shares information on environmental issues and the latest environmental technologies.

Environmental Subcommittee (as of April 2023)

Officers in charge	Officers in charge of Quality Management and Architectural Design, Nomura Real Estate Holdings, Inc.
Departments in charge	Residential Product Planning & Marketing Dept., Quality Management Dept., Engineering Management Dept., Architectural Design Office, Nomura Real Estate Development Co., Ltd., Environmental Engineering Dept., Corporate Planning Dept., Nomura Real Estate Partners Co., Ltd.
Secretariat	Sustainability Management Dept., Nomura Real Estate Holdings, Inc.

Decarbonization

Approach and Policies

Group Policy (Environment)



Under the Group Policy, the Group will promote the reduction of total CO₂ emissions throughout the supply chain by promoting energy saving, low-carbon business, utilization of renewable energy in the buildings that we develop in order to resolve issues related to climate change.

Management

Management (Environment)



Targets and Results

Targets, KPIs, and Results

	Target	Target Value	Unit	FY2019	FY2020	FY2021	FY2022
Long-term target: By 2050 Achieving carbon neutrality	Scopes 1 and 2 and Scope 3*1 across the Group	0	Thousand t-CO ₂	3,518	1,588	2,297	2,173
Total CO ₂ emission reduction rate							

Mid-term target: By 2030 Total reduction rate (compared to FY2019) (SBT certified in November 2020)	<div>KPI</div> Scopes 1 and 2 and Scope 3 (Categories 1 and 11)*2 across the Group	35	%	Base year	Scope1,2 -12.2	Scope1,2 -14.2	Scope1,2 -34.7
Short-term target: By 2025 Total reduction rate (compared to FY2019)		15			Scope3 -59.4	Scope3 -39.6	Scope3 -41.1
Reduce energy use							
Mid- to long-term target: By 2050 Power consumption in the Group will be 100% renewable electricity (joined RE100 in January 2022)	Across the Group	100	%	—	—	—	—
Short-term target: By FY2023 renewable electricity will be used*3	All leasing properties in Japan owned by Nomura Real Estate Development						
<div>KPI</div> Energy-efficiency index for new buildings ZEH/ZEB oriented BEI value*4		Achieve the standard	—	—	—	—	Achieved

※1 Scope 1: Direct emissions from fuel combustion, etc., Scope 2: Indirect emissions associated with use of electricity and heat purchased by the Company, Scope 3: Indirect emissions other than those in Scopes 1 and 2

※2 In Scope 3, Category 1 (emissions from construction of buildings, etc.) and Category 11 (emissions from use of sold products, etc.) are targeted, which cover approximately 88.45% of the Scope 3 emissions recorded in fiscal 2020.

※3 Excludes leasing properties (including the portion used by tenants) for which Nomura Real Estate Development has concluded direct electricity supply contracts with power companies, properties that Nomura Real Estate Development owns units in or are jointly owned with other parties, and properties planned to be sold or demolished, as well as the common use areas of some rental housing.

※4 In order to achieve ZEH/ZEB oriented level by 2030, BEI (Building Energy-efficiently Index) value to be achieved in each year is set. The degree of achievement of the BEI value is measured. The BEI is based on the energy-saving standards of the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) and indicates a building's level of primary energy consumption.

□ Key performance indicators (KPIs) for priority issues (materiality) up to 2030

			Unit	FY2019	FY2020	FY2021	FY2022
Scope 1 emissions			Thousand t-CO ₂	23	20	21	23
Scope 2 emissions				126	112	107	74
Scope 1+2 emissions				150	132	129	98
Scope 1+2 intensity (CO ₂ emissions/Scopes 1 and 2 Gross Floor Area by Use)			kg-CO ₂ / m ²	74.1	63.6	61.9	47.9
Scopes 1 and 2 Gross Floor Area by Use (Number of facilities)	By use	Offices	m ² (building)	1,423,113 (104)	1,447,598 (110)	1,456,228 (101)	1,329,031 (97)
		Fitness facilities		127,295 (45)	130,130 (48)	130,130 (48)	128,909 (49)
		Commercial facilities		347,445 (15)	362,504 (13)	361,993 (16)	478,423 (20)
		Hotels		64,469 (12)	68,620 (13)	41,109 (10)	47,254 (10)
		Logistics facilities		49,547 (1)	49,547 (1)	49,547 (1)	49,547 (1)
		Parking lots		17,141 (4)	17,141 (4)	15,422 (1)	14,282 (2)
		Training centers		654 (1)	654 (1)	654 (1)	654 (1)
		Heating and cooling center		3,758 (1)	3,758 (1)	3,758 (1)	3,758 (1)
	Total			2,033,422 (183)	2,079,952 (191)	2,058,781 (181)	2,051,858 (181)

Scope 3 emissions	Category	1 Products and services purchased	kt-CO ₂	969	453	702	698
		2 Capital goods		71	97	159	111
		3 Fuel- and energy-related activities not included in Scopes 1 and 2		27	24	24	24
		4 Transportation and delivery (upstream)		4	3	4	6
		5 Waste generated by businesses		6	5	7	11
		6 Business trips		1	0 ^{*1}	0 ^{*1}	1
		7 Employee commuting		2	2	1	1
		8 Lease assets (upstream) ^{*2}		—	—	—	—
		9 Transportation and delivery (downstream)		—	—	—	—
		10 Processing of products sold		—	—	—	—
		11 Use of products sold		2,203	834	1,214	1,170
		12 Disposal of products sold		62	19	38	38
		13 Lease assets (downstream)		19	14	13	12
		14 Franchise		—	—	—	—
		15 Investments		—	—	—	—

Total				3,367	1,456	2,167	2,075
Energy consumption ^{*3}			MWh	422,490	381,817	379,428	382,231
Energy consumption intensity (Energy consumption/Scopes 1 and 2 Gross Floor Area by Use)			MWh/ m ²	0.208	0.184	0.182	0.186
Energy consumption by facility type	Facility type	Offices	MWh	—	—	189,086	165,019
		Fitness facilities		—	—	74,705	73,926
		Commercial facilities		—	—	74,607	99,849
		Hotels		—	—	9,904	17,257
		Logistics facilities		—	—	2,360	2,420
		Parking lots		—	—	198	194
		Training centers		—	—	52	61
		Heating and cooling center		—	—	28,516	23,503
Energy consumption by energy type	Energy type	Purchased electricity	MWh	255,089	228,825	220,740	219,214
		City gas		116,068	108,034	116,840	122,258
		LPG		507	183	436	232
		Class A heavy oil		2,546	1,401	1,303	718
		Gasoline		2,156	0	0	1
		Light oil		0	0	4	34
		Kerosene		5,089	3,544	2,779	2,045
		Heat		—	—	—	—
		Steam		16,552	18,555	18,119	17,821
		Cold water		24,482	21,275	19,208	19,908
		Renewable energy (in- house power generation)		1,000	1,818	7,882	68,824

Renewable energy (in-house power generation) consumption by facility type	Facility type	Offices	MWh	1,000	1,000	6,230	50,533
		Fitness facilities		—	—	—	1,348
		Commercial facilities		—	406	975	11,577
		Hotels		—	413	677	5,223
		Logistics facilities		—	—	—	143
		Parking lots		—	—	—	—
		Training centers		—	—	—	—
		Heating and cooling center		—	—	—	—
Solar power generation	Solar power generating facility installation rate at Landport logistics facilities		%	94.7	90.0	76.0	67.8
	Electric power generated at Landport logistics facilities		MWh	15,194	21,926	22,801	22,356

※1 Less than 1

※2 Calculation for Category 8 is included in Scopes 1 and 2. Categories with no figures indicate emission sources do not exist.

※3 Figures are based on those stated in Scopes 1 and 2 Gross Floor Area by Use (Number of Facilities).

 [ESG Data \(Environment\)](#)

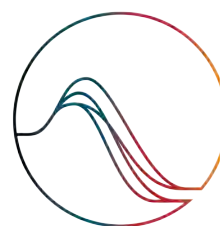
Initiatives

Joining RE100

Nomura Real Estate Holdings, Inc. joined RE100, a global initiative leading the transition to 100% renewable electricity in January 2022.

Approved by Science Based Targets initiative (SBTi)

Nomura Real Estate Holdings, Inc.'s CO₂ emissions reduction targets were approved by the SBTi on November 24, 2020.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Agreed to Recommendations Made by the Task Force on Climate related Financial Disclosures (TCFD)

Nomura Real Estate Holdings, Inc. and Nomura Real Estate Asset Management Co., Ltd. are fully aware that the substantial impact of climate change on their business continuity is a major management issue, and they therefore agreed to recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) in order to further promote their initiatives.



[Special Feature: TCFD](#)

Business Strategies for Decarbonization

To achieve its Scope 1, 2, and 3 reduction targets, the Group is promoting energy-saving, low-carbon business, and conversion to renewable energy.

Group's Initiatives to Reduce CO₂ Emissions

	Initiatives
Emissions in own business operations (Scope 1, 2)	Use of electricity with non-fossil certificates, use of renewable energy in owned assets, initiate/consider renewable energy projects such as in-house renewable power generation
Emissions in the construction stage (Scope 3, category 1)	Use of timber, which is regarded as low-carbon building material
Emissions from customers (Scope 3, category 11)	Establishment of energy conservation performance standards for new buildings completed before FY2029 (based on energy conservation performance (BEI) indicators)

Net Zero Energy House Initiatives

The Group is developing net zero energy house (ZEH)* in condominiums from the perspective of comprehensive environment impact reduction. In fiscal 2021, PROUD Musashi-Shinjo Station Marks was selected as a Super High-Rise ZEH-M Demonstration Project of the Ministry of the Environment, Trade and Industry. Also, in fiscal 2022, the Aobadai 2-Chome Project (tentative name) was selected as a Ministry of the Environment High-Rise ZEH-M Support Project. Looking ahead, we plan to adopt ZEH- and ZEB-oriented standards for all new buildings by 2030. We will also launch initiatives for adopting the same standards to detached housing from fiscal 2022.

Net Zero Energy House: Dissemination Result and Future Target

Result for FY2020/FY2021	Result for FY2022	Target for FY2025
0%	25%	50% or more in all detached houses

※ Housing designed to achieve a net zero annual primary energy consumption by greatly improving the insulation performance of the building envelope by installing highly efficient facilities and equipment to maintain the quality of the indoor environment while substantially reducing energy consumption and then introducing renewable energy.

[ZEH Condominium Initiatives \(Japanese only\)](#)

“Yukai-full” Enables Condominiums to Reduce CO₂ Emissions

Nomura Real Estate Development developed an air-conditioning system, “Yukai-full”, that makes it possible to reduce CO₂ emissions and realize a healthy and comfortable life, and has installed it in more than 1,000 units.

Yukai full was selected as one of the best 100 products in the 2020 Good Design Awards in recognition of its simple air conditioning system and technology that combines temperature control with standardized comfort.

[News Release \(Japanese only\)](#)

Environmental Performance Assessments During Product Planning and Design

The Group provides products and services that address climate change in accordance with the Design and Construction Standards and the Quality Manual. Thermal insulation performance rating of level 5*, double-glazed windows, LED lighting fixtures, and other features are set as standard specifications for PROUD condominiums, and Environmental and Product Planning Sheets are used to improve the environmental performance.

※ Thermal insulation performance rating: A housing performance evaluation system pursuant to the Housing Quality Assurance Act. Levels indicate performance in the thermal environment.

Assessment of Environmental Performance in Condominiums

Helping Customers to Save Energy

The Group not only strives to reduce CO₂ emissions from buildings, but also helps condominium residents and tenant companies to save energy.

Specifically, the Group provides a system that calculates total energy consumption and a system that makes it possible to visualize the amount of energy used, realizes energy savings using the enecoQ system, and provides eco-information via a member newsletter.

Reduction of Chlorofluorocarbons

To reduce the usage of ozone layer depleting chlorofluorocarbons, the Group established a quality manual that requires the use of chlorofluorocarbon-free insulation and air conditioner refrigerants. Construction partners are also required to submit a Quality Control Check Sheet during construction to confirm that only chlorofluorocarbon-free materials are used.

Use of Renewable Energy in Logistics Facilities

The Group is promoting renewable energy utilization through the solar power generation business. As of March 2023, solar panels were installed on a total of 19 buildings at Landport logistics facilities, with annual output of 22,356 MWh per year for the entire portfolio.

In addition, each hotel of the Nomura Real Estate Group (Nohga Hotel Ueno Tokyo, Nohga Hotel Akihabara Tokyo, and Hotel Niwa Tokyo) has acquired the Eco Mark certification from the Eco Mark Office and is promoting the use of green power by procuring all of its electricity from renewable energy sources.

Global Environmental Initiatives of NOHGA HOTEL UENO TOKYO



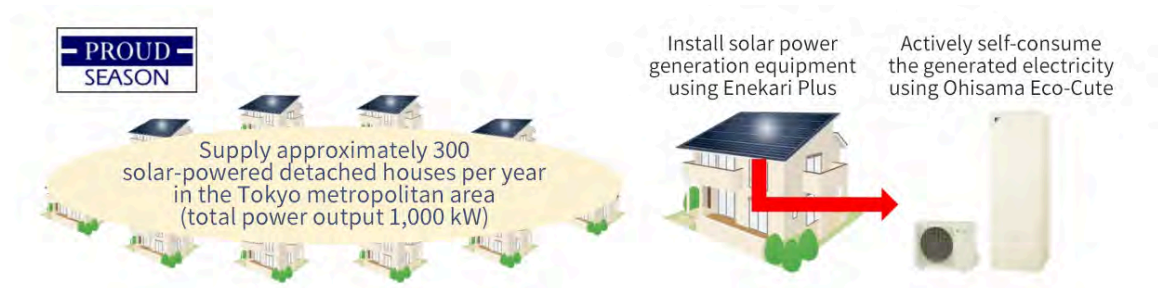
Landport Kashiwa Shonan



NOHGA HOTEL UENO TOKYO

Solar Power Generation in Detached Housing in the Tokyo Metropolitan Area

Nomura Real Estate Development, in collaboration with TEPCO Energy Partner, launched a Virtual Mega Solar project in May 2022 to install solar power generation capability at the same scale as mega solar power generation (total output 1,000 kW) in the PROUD SEASON (detached housing). This is the first initiative in Japan to introduce solar power generation with a total output of 1 MWh to detached houses for sale in the Tokyo metropolitan area (300 houses per year on the roof of PROUD SEASON houses), and the two companies will promote this as an initiative for localized generation and consumption of electric power, to conserve and generate energy in the Tokyo metropolitan area, where there are few areas of fallow land to be utilized.



Conceptual image of Virtual Mega Solar

Participation in Initiatives Related to Climate Change

The Group has taken part in international initiatives related to climate change and frameworks of industry associations, and is actively working to address climate change.

The UN Global Compact

The Group signed the UN Global Compact in May 2019. Based on the principles of the UN Global Compact initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

Endorsement of the Voluntary Action Plan on the Environment for the Real Estate Industry, formulated by the Real Estate Companies Association of Japan

In accordance with the voluntary action plan on the environment established by the Real Estate Companies Association of Japan, the Group endorsed the environmental targets in the real estate industry, and it promotes measures to respond to climate change by working to achieve CO₂ emissions reductions that exceed the statutory required standards.

Independent Third-Party Assurance Report

We have asked Lloyd's Register Quality Assurance Ltd. (hereinafter LRQA) to provide assurance on the environmental data.

Please refer to the following Independent Assurance Statement for detail.

 [LRQA Independent Assurance State](#)

Approach and Policies

Group Policy (Environment)

Under the Group Policy, recognizing that the loss of biodiversity poses risks of harming the living and business environments of our stakeholders, we will contribute to the conservation of the natural environment through urban greening and forest development to restore forest cycles in Japan and provide habitats for diverse species.



In our business activities, we give due consideration to biodiversity throughout the Group and strive to develop our business with full awareness of biodiversity by appropriately complying with environmental laws and regulations. We consult with government agencies and other stakeholders from the planning stage as appropriate to mitigate impacts and restore the natural environment. In addition, considering our participation in the 30by30 Alliance for Biodiversity established by the Ministry of the Environment, we will work toward conserving at least 30% of our national lands and sea areas as natural environment zones by 2030.

Management

Management (Environment)

Targets and Results

Targets, KPIs, and Results

	2030	Unit	FY2019	FY2020	FY2021	FY2022
 Carbon storage through the development of wood-based buildings	10,000	t-CO ₂ /year	Since this target was set in FY2023, results will be disclosed starting that year			
 Number of biodiversity certifications acquired (ABINC, JHEP, SEGES)	—		0	2	3	1

- ☐ Key performance indicators (KPIs) for priority issues (materiality) up to 2030
- ☐ ESG Data (Environment)

Initiatives

Risk Management System for Biodiversity

When starting a new development project, we conduct a biological survey on the development site and a risk assessment as necessary. Following the assessment results, we implement measures such as preservation, transplantation, and maintenance as necessary and periodically review and report. For large-scale development projects, we conduct environmental assessments to ensure there will not be any damage to the existing natural environment. We have established procurement guidelines and give due consideration to conserving biodiversity and the sustainable use of resources when procuring raw materials.

For the forests we own in Okutama Town in Tokyo, we have created a five-year management plan and risk management manual and are uniquely managing the forests with full awareness of biodiversity.

Agreed to the Declaration of Biodiversity by Keidanren (Japan Business Federation)

In fiscal 2019, The group agreed to the Declaration with the Keidanren Biodiversity Declaration Initiatives. We are aware that initiatives for biodiversity are important management issues for the Group which is engaged in real estate and urban development. Therefore, we will promote these initiatives, taking into consideration the natural environment and ecosystems.

Joined the TNFD Forum

The Group supports the principles of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in July 2022. The TNFD is an international organization that was conceptualized at the 2019 World Economic Forum Annual Meeting (Davos) and established in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wildlife Fund (WWF), and the UK-based environmental NGO Global Canopy. Through its participation in the TNFD Forum, the Group will



continue to assess the impact of all its business activities on biodiversity and promote initiatives for conservation and restoration.

Participation in the 30by30 Alliance for Biodiversity

30by30 is a target for nations to conserve or protect at least 30% of their lands and sea areas by 2030 to halt the loss of and restore biodiversity (nature-positive).



In order to achieve the target, the Ministry of the Environment has established the 30by30 Alliance for Biodiversity to expand the protected areas in Japan (currently about 20% of the land and 13% of the sea) and to promote efforts to certify areas that have been conserved by the private sector and others as OECMs. Nomura Real Estate Holdings joined this alliance in July 2022.

Acquisition of Biodiversity Certification

The Group actively seeks to acquire biodiversity certification for new construction and owned buildings, such as ABINC certification (certification registered by the Association for Business Innovation in harmony with Nature and Community)*¹, JHEP (Japan Habitat Evaluation and Certification Program)*², and SEGES (Social and Environmental Green Evaluation System series)*³, which assess and certify apartment buildings, office buildings, and other structures regarding efforts to create biodiversity friendly green areas. For PROUD Kokubunji, which was the Group's first ABINC certification acquired in the condominium version, we surveyed the green areas on the site and worked to preserve and restore them as the Musashino Forest in accordance with the ABINC certification standards.

For PROUD Tower Meguro MARC as well, we secured about 82% of its large site (approximately 2.0 hectares) as open areas and considered local vegetation in the planning and development of these areas.

We will continue to develop real estate projects in harmony with nature.

※1 ABINC (Association for Business Innovation in harmony with Nature and Community) certification: A program that assesses and certifies apartment buildings, office buildings, and other structures regarding efforts to create biodiversity friendly green areas in accordance with the Guidelines for Sustainable Business Sites prepared by the Japan Business Initiative for Biodiversity (JBIB)

※2 JHEP (Japan Habitat Evaluation and Certification Program): A program that quantitatively assesses and certifies efforts to contribute to the preservation and restoration of biodiversity operated by the Ecosystem Conservation Society Japan.

※3 SEGES (Social and Environmental Green Evaluation System series): A green certification program operated by the Organization for Landscape and Urban Green Infrastructure to comprehensively and objectively assess social and environmental functions created from the preservation of corporate green spaces and environmental communication.

Year of certification	Certified facilities/condominiums
FY2014	Yokohama Business Park (urban/SC version)
FY2015	PROUD Kokubunji (condominium version)
	Roka Koen The Residence ^{*1} (condominium version)
	PROUD City Musashino Mitaka (condominium version)
FY2017	PROUD City Kichijoji ^{*1} (condominium version)
	PROUD Tower Musashi Koganei Cross ^{*1} (condominium version)
	PROUD Season Inagi Minamiyama (detached housing complex version)
	Project for Noritake Shinmachi 3-chome, Nishi-ku, Nagoya City ^{*1} (condominium version)
FY2018	HARUMI FLAG ^{*1} (acquired ABINC ADVANCE certification ^{*2})
	The Gardens Ota Tamagawa ^{*1} (condominium version)
FY2020	PROUD Tower Meguro MARC (urban/SC version)
	Minamiyama Club House (detached housing complex version)
FY2021	PROUD City Musashino Mitaka (condominium version)
	PROUD City Kotake Mukaihara (condominium version)
FY2022	Project for Nakamachi 3-chome, Setagaya-ku, Tokyo (tentative name)

※1 Application by multiple vendors

※2 ABINC ADVANCE certification: Certification for long-term projects covering a wide area

PROUD Tower Meguro MARC (urban/SC version)



Site plan of the entire premises of PROUD Tower Meguro MARC

Due Consideration for Biodiversity in Design, Construction, and Raw Materials Procurement

The Group has distributed its Procurement Guidelines to more than 4,600 suppliers to ensure biodiversity is taken into account in the design, construction, and raw material procurement processes throughout the supply chain. In fiscal 2020, we began surveying suppliers. In fiscal 2022, we received survey responses from 154 of our top 300 suppliers (around 80% of the total) as key suppliers and engaged directly with ten companies. Going forward, we will continue to encourage suppliers to consider biodiversity.

Nomura Real Estate Group CSR Procurement Guidelines (excerpts of related provisions)

- Endeavor to implement development and greening, taking into consideration the surrounding environment and biodiversity.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegal logged timber, and endeavor to use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

 [The full text is available here.](#)

Green Areas and Tree Planting in Consideration of the Surrounding Environment

The Group implements building site plans and tree planting plans in its real estate development and urban development activities giving consideration not only to the comfort of customers and local residents, but also to the surrounding environment and ecosystems. In all development projects, the Group requires project managers to submit Environmental and Product Planning Sheets for residential development projects and Sustainability Assessment Sheets for commercial real estate development projects, which include consideration for biodiversity.

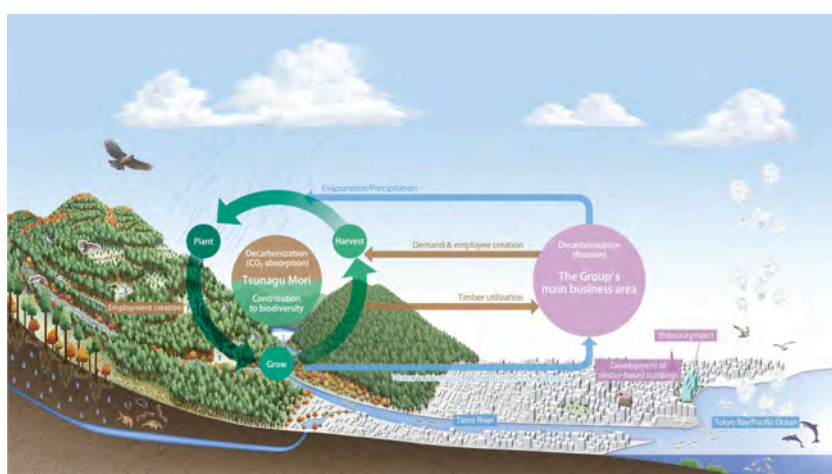
Examples of key assessment points on the Environmental and Product Planning Sheet

- Acquisition of biodiversity certification
- Ingenuity and consideration in tree selection (e.g., use of existing trees)
- Ingenuity and consideration in the landscape of the roadside and surrounding areas (e.g., continuity with roadside trees)
- Creating green roofs and walls

Mori wo Tsunagu TOKYO project (Integrated Forest Management Project in Tokyo)—Supporting the Coexistence of Urban and Nature through Business Activities

The Group launched the Mori wo Tsunagu TOKYO project, which supports the coexistence of nature and the city in Tokyo, where it mainly operates its businesses. The forest obtained certification for Other Effective Area-based Conservation Measures (OECM)^{*1} in recognition of the rich biodiversity of Tsunagu Mori, the forest owned by the Group in Okutama Town, and its ecosystem management initiatives. We are creating a case model in Tokyo that can be applied to other regions by advancing initiatives for conserving ecosystems and important species while also contributing to a nature-positive future through ecosystem services.

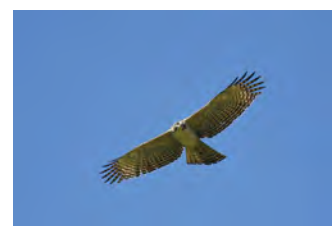
※1 A system under which the Ministry of the Environment certifies areas where biodiversity is being protected through initiatives with the private sector.



Landscape approaches in Tokyo



Higashihida salamander (endangered species)



Mountain hawk-eagle (endangered species)

[Website of Mori wo Tsunagu TOKYO project](#)

Project to Create Firey Habitats in the Yokohama Business Park

The Group has been presenting an annual exhibit of Urban Design for Firefly Habitats, for conserving biodiversity, since 2008 at the Yokohama Business Park (YBP) (Yokohama City, Kanagawa Prefecture), an office building and commercial facility that it owns, in cooperation with Yokohama National University. In fiscal 2023, the event will resume for the first time in four years, after having been suspended during fiscal 2020, 2021, and 2022 to help contain the spread of the COVID-19 pandemic. Firey observation events for local residents and hands-on rice planting programs for local elementary school students are offered, and the business park has become a site for considering and learning about biodiversity and



A nature observation program for local children

environmental problems together with local residents. Yokohama Business Park acquired certification for consideration of conserving biodiversity under the ABINC certification program (urban/SC version) of the Association for Business Innovation in harmony with Nature and Community (ABINC).

Use of Domestic Lumber

On March 9, 2022, Nomura Real Estate Holdings and Wing Co. Ltd. became the first private company to sign a triparty Agreement on the Promotion of Timber Use in Buildings with the Ministry of Agriculture, Forestry and Fisheries. As part of the agreement, we are aiming to use 10,000 m³ of domestic timber as building materials over the next five years. We are also striving to develop a stable supply chain for domestic timber while promoting the cyclic use of domestic forest resources and, in turn, achieve both the utilization and conservation of forest resources. The timber we procure is building material for our detached housing business, and 1,112 m² was used in fiscal 2022.

The Nomura Real Estate Group Procurement Guidelines asks suppliers to use sustainable resources and timber to reduce the risks of disrupting the ecological balance and impacting local communities due to illegal logging. We actively promote the use of domestic and certified timber.

In our future construction projects, we plan to apply domestic lumber for the interiors of common areas in PROUD condominiums and introduce a wooden hybrid structure in our office building brand H¹O. Domestic lumber not only allows us to provide a more comfortable living environment for our customers but also leads to the reduction of CO₂ emissions and prevention of natural disasters by preserving the recycling of forest resources.

- 📄 [News Release \(First private company to sign an agreement with the Ministry of Agriculture, Forestry and Fisheries to promote the use of wood in buildings\) \(Japanese only\)](#)
- 📄 [News Release \(Initiatives of the Residential Development Business\) \(Japanese only\)](#)
- 📄 [News Release \(Initiatives of the Commercial Real Estate Business\) \(Japanese only\)](#)



Asukayama Residence's common use building made of domestic lumber



H¹O Gaizenmae

Promoting the Use of Wood Products in Hotel Businesses

As part of its environmental protection efforts, Nomura Real Estate Hotels is reviewing the amenities in its guestrooms and switching to biomass and wood-based products to reduce the amount of plastic used. Items to be updated included toothbrushes and hairbrushes made from rice husks, a biologically derived material, and toothbrushes and slippers made from natural bamboo. The switchover of equipment and decreasing the number of in-room fixtures has been underway from September 2022.

 [News Release \(Initiatives in Hotel Businesses\) \(Japanese only\)](#)

Use of Certified Wood-Derived Paper and Plant-Based Inks in the Residential Development Business

As a general rule to further reduce environmental impact in the production of paper advertisements for PROUD and other condominium projects, the Nomura Real Estate Development's Residential Development Division only uses paper made from wood from properly managed forests for its brochures, guides, direct mail, drawings, and newspaper inserts. In addition, it uses vegetable oil inks for printing, which biodegrade more readily than traditional petroleum-based solvents used in the past. Consequently, printed materials with these types of paper and inks display the appropriate logo and statement. We will continue to use environmentally sound products and strive to reduce our environmental impact.

Approach and Policies

Group Policy (Environment)



Under the Group Policy and recognizing that the depletion of natural resources associated with urban development is a major social issue, we will contribute to realize a decarbonized society and circular economy by reducing waste discharge and by providing urban development and services that promote longer building lifespans, the reuse of materials, and the sharing of spaces.

Management

Management (Environment)

Targets and Results

Targets, KPIs, and Results


	Targets for 2030	Unit	FY2022
 Initiatives to promote building longevity	Fully implement the Group's voluntary standards*1	%	Since this target was first set in FY2023, results will be disclosed starting that year
 Promote waste reduction and increase recycling rate (compared to FY2021)	Reduce industrial waste by 20%	%	Since this target was first set in FY2023, results will be disclosed starting that year

※1 One of the following conditions must be met: (1) Ensuring freedom to change plans, (2) Obtaining a building certification system that contributes to variability, (3) Load capacity that exceeds legal standards, (4) Seismic resistance that exceeds legal standards, or (5) High exterior durability

 Key performance indicators (KPIs) for priority issues (materiality) up to 2030

			Unit	FY2019	FY2020	FY2021	FY2022
Initiatives to promote building longevity: Number of completed properties that offer the re:Premium service			Properties	17	9	13	20
Initiatives to promote building longevity: Number of properties that adopted the Attractive30 service			Properties (units)	23 (3,211)	23 (2,390)	28 (2,936)	26 (3,503)
Waste ^{*1}	Waste discharge (total of general and industrial waste)		Thousand tonnes	6.59	5.11	7.21	11.18
	Waste discharge intensity (total of general and industrial waste/total floor area of properties to be aggregated)		kg/m ²	5.16	3.05	3.50	5.45
Water usage ^{*1}	Water intake (total)		Thousand m ³	2,287	1,698	1,920	2,040
		Surface water		2,017	1,395	1,555	1,650
		Ground water		166	141	163	190
		Recycled water		103	161	202	199
	Water intake intensity (water intake/total floor area of properties to be aggregated)		m ³ /m ²	1.12	0.81	0.93	0.99
	Water discharge (sewage water)		Thousand m ³	2,179	1,398	1,600	1,701
	Water use		Thousand m ³	108	299	320	339

※1 Please see ESG Data for the scope of waste discharge and water usage to be aggregated.

 [ESG Data \(Environment\)](#)

Initiatives

Reduction and Appropriate Management of Waste Discharge

The Group plans to reduce waste discharge and increase the recycling rate throughout the life cycles of products and services. We appropriately manage waste from design to construction, operation, and demolition of buildings to reduce the environmental impact of waste during real estate development.

Restoring Condominiums

The Group is working to restore old condominiums into homes with new value. We expanded PROUD Uehara Forest, which was established more than 30 years ago, by utilizing its excess floor space with the latest technologies while improving its livability. As a result, it was certified in 2019 as excellent long-term housing for the first time as an old condominium built by a private developer. It was also certified as having a service life of 65 years by a third-party evaluation agency.

[📄 News Release \(Japanese only\)](#)

Reduction and Reuse of Waste

The NOHGA Hotel, operated by the Group, is working to reduce and reuse waste through such efforts as reducing the use of plastics by eliminating single-use toiletries and using biodegradable bamboo straws derived from plant fibers. It is also using name plates and handkerchiefs made from reused scraps of leather and Japanese clothing.

[📄 NOHGA HOTEL ENVIRONMENTAL MANAGEMENT](#)



Eliminating single-use toiletries



Name plate made from reused leather scraps

Pilot Demonstration of Centralized PET Bottle Collection for a Circular Economy

As part of our efforts to achieve a circular economy and reduce CO₂ emissions, we conducted a pilot demonstration of the centralized collection of PET bottles and verified their separation and disposal status at 19 properties (four offices and 15 condominiums) managed by the Nomura Real Estate Group in

cooperation with Suntory Beverage & Food Limited, Shirai Group Co., Ltd., and Shutoken Environmental Beautification Center, Co., Ltd. Using the pilot results, we will further reduce CO₂ emissions, improve collection efficiency, and promote activities to raise awareness of bottle separation.

Overview of Pilot and Verification

Background	Although Japan's PET bottle collection rate is high, most of the PET plastic recycled from these bottles is of low quality, so in actual PET bottle production, new materials must be input in addition to recycled materials.
Purpose	There are high expectations for horizontal recycling in which used PET bottles are used as raw materials to manufacture PET bottles of the same quality. One issue to be addressed in realizing this initiative is verifying reasonable collection costs and sufficiently reducing CO ₂ emissions during transport.
Results and future prospects	Centralized collection improves efficiency and contributes to reducing CO ₂ emissions from collection vehicles. On the other hand, we confirmed that PET bottles collected from offices had a high rate of foreign matter contamination, leading to a decline in recycling quality. In the future, we will consider ways to reduce the rate of foreign matter contamination.



Pilot project



Pilot project

[Press release](#)

Effective Utilization of Water Resources

The Group intends to reduce water consumption throughout the life cycles of products and services.

Introduction of Water-saving Devices Upon New Construction and When Performing Renovations

Water and hot water saving devices have been made standard equipment when developing housing, office buildings, retail facilities, logistics facilities, and other structures in accordance with its design and construction standards and quality manuals. In addition, fixtures are systematically replaced with water-saving devices when performing renovations.

[Details of design and construction standards and quality manuals can be found here.](#)

Water Risk Assessment

The Group conducts water risk assessments on its properties using Aqueduct, a tool designed for that purpose. As a result, all properties built by the Group in fiscal 2022 (85 buildings in total: 71 in the residential sector and 14 in the urban development sector) were found to be located in “Low-medium” water risk areas and outside of “Medium-high” and higher water risk areas. Therefore, no water was taken from areas designated as “High” or “Extremely high” by the properties built in fiscal 2022. We will continue to periodically monitor the water risk.

Number of Properties Subject to Water Risk per Subsector

	Extremely-high	High	Medium-high	Low-medium	Low
Houses	0	0	0	71	0
Offices	0	0	0	8	0
Fitness facilities	0	0	0	0	0
Commercial facilities	0	0	0	3	0
Hotels	0	0	0	0	0
Logistics facilities	0	0	0	3	0
Parking lots	0	0	0	0	0
Training centers	0	0	0	0	0
Heating and cooling center	0	0	0	0	0

Collaborating with External Partners to Reduce Water Use

The Group is a formal member of the Environmental Committee in the Real Estate Companies Association of Japan. In 2013, this committee formulated the Real Estate Industry Environmental Action Plan, which includes specific initiatives such as introducing highly effective water-saving fixtures and automatic faucets and flushing systems. It is aiming for the entire industry to work together in an effort to reduce water usage.

The Group Intends to extend the lifespans of its buildings by using highly durable materials with long lifespans and implementing appropriate management and repair plans.

Measures to Lengthen Cycles for Large-Scale Repair Work

In order to reduce the economic and psychological burdens on condominium residents and management associations and to reliably carry out large-scale repair plans, the Group offers products and services intended to lengthen large-scale repair work cycles.

Measures at Completed Condominiums

Due to the aging of the population and the increase in vacant dwelling units, about 35% of condominiums are unable to accumulate sufficient reserves for repairs as scheduled (source: data by Ministry of Land, Infrastructure, Transport and Tourism). The re:Premium

repair and maintenance service offered by the Group is designed to extend the cycle for large-scale repair work for PROUD

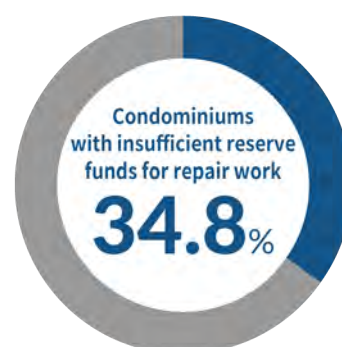
condominiums that have already been completed. The service can extend the typical 12-year cycle for large-scale repair work to 16 to 18

years and result in ultra-long-term improvement plans of up to 60

years after the completion of construction. It extends the lifespans of buildings and reduces demolition waste. It also reduces the psychological and economic burdens on customers by substantially cutting lifecycle costs. For these reasons, the Group is striving to expand the scope of properties that adopt the re:Premium service.

In fiscal 2020, drainage pipe repair work in the common use areas for replacing older pipes made of different materials with plastic pipes all at once to improve performance and reduce lifecycle costs for the Coop Nomura Higashi Rokugo, which is under Group management, was certified as a model project for extending the life of condominium stock with the support of the Ministry of Land, Infrastructure, Transport and Tourism.

[News Release\(Japanese only\)](#)



Source: Ministry of Land, Infrastructure and Transport, 2018 Condominium general survey result report

Measures at Newly-Constructed Condominiums

In fiscal 2018, the Group launched the Attractive30 service, which seeks to increase the lifespans and durability of newly-constructed condominiums. Under this initiative, the Group will promote the adoption of highly durable materials and construction techniques and the introduction of the re:Premium service to realize an extension of the cycle for large-scale repair work.

[News Release\(Japanese only\)](#)

The Group is aiming for the appropriate management of resource use in the entire supply chain. Accordingly, the Group established the Nomura Real Estate Group Procurement Guidelines and is working with all of its suppliers to reduce its environmental load.

Nomura Real Estate Group Procurement Guidelines (excerpts)

- Reduce energy use and greenhouse gas emissions through circular design to reduce waste by extending the life cycles of goods, products, and services. Strive to efficiently use natural resources, including water, and to optimize and reduce usage.
- Appropriately manage hazardous chemicals and reduce the amounts used and reduce emissions of pollutants that have adverse effects on the environment and the human body.
- Reduce and appropriately manage waste.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegal logged timber, and endeavor to use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

 [The full text is available here.](#)

Addressing Environmental Pollutants

Approach and Policies

Group Policy (Environment)

Under the Group Policy, the Group will work to reduce environmental pollution by complying with environmental laws and regulations, conducting supplier management, and obtaining environmental certifications.

Management

Management (Environment)

Initiatives

Response to Soil Contamination/Water Pollution

When acquiring land, the Group investigates the history of land use of the site and, if soil contamination is suspected, hires specialists to conduct soil surveys. If soil contamination is detected, we take appropriate measures including removal and containment of the contaminated soil in accordance with the Soil Contamination Countermeasures Act and other relevant laws and regulations. Similarly, we take appropriate measures if a problem with water pollution is detected.

The Group takes appropriate action to prevent environmental impact and detrimental health effects caused by soil contamination and chemical substances.

Proper Management and Reduced Usage of Chemicals

When developing residences, office buildings, commercial facilities, and so on, the Group uses construction materials with four-star ratings (highest rating) for formaldehyde emissions in accordance with its Design and Construction Standards and Quality Manuals.

In addition, we require that construction companies submit quality control check sheets and measure the five substances designated as specified measurement substances under the Housing Quality Assurance Promotion Act (formaldehyde, toluene, xylene, ethylbenzene, and styrene) when construction is completed.

Appropriate Asbestos Measures and Ongoing Monitoring

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