

CSR

Special Feature



- ▶ **1** Bringing a Long-standing Residential Community into the Next Generation
Mixed Use Facility Redevelopment Project in Shinjuku Ward



- ▶ **2** Community Building that Saves Energy and Stimulates Local Economies
Smart Community Project in Amagasaki City

Top Commitment

Bringing Tomorrow Today Creating Value through Change

▶ Eiji Kutsukake
President
Nomura Real Estate Holdings, Inc.



The Nomura Real Estate Group's Stance on CSR

▶ Learn about the Nomura Real Estate Group's ideal and the key CSR themes aimed at achieving this ideal.

Key Themes in CSR Management



▶ Safety and Security

- ▶ Building Safety and Security
- ▶ Safety and Security after a Sale
- ▶ Disaster Preparedness Initiatives



▶ The Environment

- ▶ Environmental Management
- ▶ Providing Environmentally Conscious Housing and Buildings
- ▶ Environmental Considerations during Construction and Demolition
- ▶ Environmental Data



▶ Community

- ▶ Support for Developing Condominium Communities
- ▶ Revitalizing Communities Surrounding Our Projects



▶ Health and Comfort

- ▶ Promoting Design that Improves Health and Comfort
- ▶ Addressing Japan's Aging and Diversifying Society

CSR Promotion Foundations



▶ Appointment and Utilization of Diverse Human Resources

- ▶ Respecting Diversity and Reinforcing Co-Creation
- ▶ Developing Employee-Friendly Workplaces



▶ Management System

- ▶ Corporate Governance
- ▶ Compliance
- ▶ Risk Management

▶ Connection with Customers

▶ Social Contribution

Top Commitment



The Nomura Real Estate Group predecessor Nomura Real Estate Development Co., Ltd, was founded in 1957 with a social mission - to contribute to society by putting our full weight behind the construction of large-scale new towns to solve Japan's housing shortage, and for more than 50 years since then we have striven to develop communities and to create affluence throughout society.

The role the Nomura Real Estate Group should fulfill and expectations from society have greatly increased. Society is changing—demographics are changing due to the declining birthrate and aging population, regional communities are undergoing transformation, existing stock is aging, expectations are being placed on urban renaissance, globalization is accelerating, and environmental issues abound. We need to assess such changes in society and work hard to consider how to resolve these issues. The recently formulated Mid- to Long-term Business Plan summarizes our ideal, namely, our resolve to seriously face these questions and issues, and to continue to create new values for society.

Our Ideal

Utilizing what people and communities mutually respect to engage
in urban development that anticipates the future, and nurturing an affluent time to live in together
with communities while creating new value for society.

Through the provision of a variety of products and services relating to real estate, we are working on the creation of a sustainable community that offers safety, security, and comfort and, together with people who "live," "work," "gather," and "relax" in communities, we will nurture times of abundance. This is the unique way in which we create value and we believe that uniting the strength of the Group and achieving this ideal not only serves to improve sustainable corporate value but also ensures we contribute to the realization of a sustainable society.

We will continue to embrace change and the challenge of realizing a more enriching tomorrow as we work to help people make their dreams come true.

The Nomura Real Estate Group's Stance on CSR

CSR as a Part of the Ideal to Which We Aspire



Yukoh Yoshida
 Director and Executive Officer
 Chair of the CSR Committee

As a group of companies engaged in real estate—a core component of people's lives—the Nomura Real Estate Group's businesses place it in close proximity to local communities. We recognize that our mission in society is to work closely with stakeholders to address social issues and help realize a sustainable and affluent society through our products and services.

In conjunction with the start of the new Mid- to Long-term Business Plan, we have prepared the ideal of the Nomura Real Estate Group. Our approach to CSR is defined by this ideal. In other words, we seek to achieve sustainable urban development that is safe, secure and comfortable and that focuses on harmony with the natural environment, while leveraging the diversity and values of people and the community. We will nurture an affluent time to live in together while supporting community building that connects people and neighborhoods.

Furthermore, in order to carry out CSR activities aligned with the management strategy in the Mid- to Long-term Business Plan, we have modified key themes and the CSR promotion system including promotion foundations that support them, based on the socioeconomic environment and changing customer needs.

In addition to achieving sustainable value creation under the four themes, we will also promote CSR management that includes development of a diverse workforce using diversity management—an important promotion foundation, establishment of robust corporate governance system, and reinforcement of compliance and risk management practices. Going forward, we will continue to create new value for society while finding solutions to social issues.

Conducting CSR Activities in Concert with the Mid- to Long-Term Management Plan

Changes in the Socioeconomic Environment

Dwindling and aging population More women in the workplace	Urban renewal in metropolitan areas Regional revitalization movements	An growing number of real estate stock and its deterioration	Expanding real estate investment market Shift from savings to investment	Economic growth in Asia Increasing pace of globalization
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Our Ideal

Utilizing what people and communities mutually respect to engage in urban development that anticipates the future, and nurturing an affluent time to live in together with communities while creating new value for society.



Four Key Themes

Communities

The Nomura Real Estate Group works to develop vibrant communities together with people who live, work, gather, and relax in our areas of operation. This involves making the most of the diverse values held by communities through initiatives that include community building via the urban-type Compact Town concept and building systems to encourage mutual support and inter-generational interaction.

Safety and Security

The Nomura Real Estate Group is engaged in the technical aspects of safety and security in ways that include ensuring building quality and improving urban functions. Non-technical efforts involve bolstering disaster prevention plans, BCPs, and after-sales services. Through these efforts, we seek to improve service quality and ensure safety and security for customers and communities.

Health and Comfort

In response to diversifying values and lifestyles, we are working to bring health and comfort to people's lives through such efforts as promoting health through sports, developing housing for senior citizens, advancing universal design, and creating systems to encourage participation in communities.

The Environment

Through its businesses, the Group is focused on deploying advanced eco-technologies and ICT, implementing passive design through harmony with nature, and other initiatives that seek to lessen our environmental impact. We are also engaged in ongoing efforts that include providing support for community development and environmental education with the goal of achieving a sustainable society together with local communities.

CSR Promotion Framework

The Group has established a CSR Committee to further strengthen and promote CSR management.

The Committee is comprised of Executive Officers and External Directors selected by the Board of Directors, and is in charge of deliberating on and establishing policies and action plans concerning CSR.

In fiscal 2014, the Committee clarified social issues that the Group needed to address and deliberated on what should be achieved through CSR activities as well as key CSR themes.

Special Feature 1



Social Issues

Sustainable Urban Development Needed for a Variety of Reasons

In order to maintain social vitality as the Japan's population declines, there is a need to avoid population over-concentration in the Greater Tokyo Area and to improve urban functions throughout the nation. Greater efforts are also being made towards urban redevelopment, including measures to address earthquakes and other potential disasters and efforts to address aging infrastructure built primarily in Japan's period of rapid economic growth. These kinds of redevelopment projects are expected to achieve sustainable urban areas with a focus on a range of objectives. One of these is preserving the original charm of towns that developed in each region while improving residents' comfort level as lifestyles diversify. Another is building communities where everyone from children to the elderly can live happily and creating enriching communities that exist in harmony with the environment and nature.

The Nomura Real Estate Group's Approach

Tomihisa Cross, Japan's First Urban Development Project Led by Local Residents

Tomihisa-cho, a Town Where Generations Have Lived Since the Edo Period

Located close to the center of Shinjuku Ward, the town of Tomihisa-cho enjoys a long and prosperous history that began as a home for samurai families in the Edo period. Despite being located so close to one of Tokyo's subcenters, this residential community has remained a quiet place where long cherished traditions have more or less been preserved. However, disorderly land purchasing during the bubble period created sporadic pockets of vacated houses and land. Residents concerned about the situation began a study group in 1990, which was followed by the formation of the Western Tomihisa Urban Development Association—the first such resident-led organization in the country—and the start of the redevelopment project in 1997. It was a major milestone for the project when the area was designated an emergency development area in 2002 under the Act on Special Measures concerning Urban Reconstruction. Nomura Real Estate Development has worked on this project with three other developers since 2008, pooling wisdom with not only local residents but also many other stakeholders that include universities, companies, and organizations that share the sentiment held by these residents. Through cooperation among industry, government, academia, and local residents, we have examined solutions aimed at achieving an urban space that will be seen fondly by its residents for many years.



The Birth of a Town Where Generations Can Continue to Live After 25 Years of Hard Work

The Western Tomihisa District Type 1 Urban Redevelopment Project, otherwise known as Tomihisa Cross, is a large-scale mixed use facility project—the largest such facility within the perimeter of the JR Yamanote Line. The region contains a 55-story condominium tower known as Comfort Tower, housing in the form of the Green Residence and Pent Terrace, a large grocery store, a certified childcare center, commercial stores, and disaster warehouses, among other facilities. To ensure people continue to call it home for 50 or even 100 years to come, we are implementing disaster preparedness measures that leverage advanced technologies and knowledge while creating a bustling space symbolized by a roughly 800 m² plaza ("Saika Plaza") usable as a gathering spot for the residents in the surrounding area. Guided by the concept of "Best Igo Kochi (Comforts in Living)," the town has been transformed into a place appealing to all residents of the area, regardless of age, through the implementation of a number of solutions that improve quality of life and comfort.



Saika Plaza as a symbol of community building



Green Residence, bringing green to daily life

Implementing Advanced Disaster Preparedness and Mitigation Measures from Both a Technical and Non-Technical Perspective

In Tomihisa Cross, we undertook a range of disaster Preparedness and mitigation measures in an effort to build communities that can withstand major disasters. Comfort Tower utilizes a dual-damping structure consisting of a damping column and viscous damper brace that alleviates wind-induced sway as well as emergency power generators that can provide three days' worth of electricity. Every floor also has a disaster warehouse with three days' worth of rations and other supplies. In addition to these kinds of technical solutions, we are also engaged in the non-technical initiatives that include working with Toshio Ojima, Professor Emeritus at Waseda University, to create programs for maintaining lifestyles and quickly getting people back to how things were after a major disaster occurs.

Key Disaster Preparedness and Mitigation Measures Deployed in Tomihisa Cross

<p>Building structure</p>  <p>Dual damping structure</p>	<p>Storehouse for disaster supplies</p>  <p>Disaster warehouses designated by Shinjuku Ward</p>	<p>Manhole toilets</p>  <p>Installed in three locations</p>
<p>Emergency power generators</p>  <p>Emergency power supplies providing 3 days of electricity (as currently planned)</p>	<p>Firefighting tanks</p>  <p>Firefighting tanks in three locations with a total of 140 tons of water</p>	<p>Disaster prevention center</p>  <p>Security guards working four to a shift</p>

Message from a Stakeholder

Working with New Residents to Build a Vibrant Community.

Located near Yotsuya and Ichigaya and walking distance from Shinjuku Station, the Western Tomihisa district is advantaged both in terms of access and living environment. The town used to be the kind of warm place where the traditional sense of community still holds, where you can see people talking in the streets and cats lazing around.

Although the region was directly affected when the bubble burst at the beginning of the 1990s, it has since established an Urban Development Association led by local residents who want to continue living there out of a fondness for the area. It was a very moving event when—25 years after the start of the study group—the new town of Tomihisa Cross was born.

We have maintained a continual focus on answering the question "what is best for the residents?" We are very grateful to the universities, organizations, and companies that have given their support to the project and provided solutions that have the resident in mind.

We will continue to work with new residents to build a vibrant community that demonstrates the characteristics of the region. As a persistently reliable partner, we ask the Nomura Real Estate Group for its continued support with building a great community that will live on for years.



Toru Sasano
Director
Tomihisa Cross
District Urban
Redevelopment
Association

Close Up

Achieving "1,000 Igokochi (Comforts in Living)" from More Than 100,000 Ideas

In order to achieve the concept of creating the "Best Igokochi," this project saw the start of Tokyo Igokochi Ronso discussions in 2013 that ask "what is the nature of comfortable living spaces?" After carefully considering more than 100,000 ideas solicited through online questionnaires and roundtable discussions, we realized 1,000 "igokochi" related to shared spaces and services. Through these, we provide the residents with opportunities to make everyday life more comfortable and communicate with each other.

Representative Examples from the 1,000 "Igokochi"

Saien

Saien is a plaza in the middle of town for people to meet with each other.

Located at the spot where Comfort Tower and Pent Terrace meet, it is an open space that facilitates conversation between residents of the two complexes.

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Saika Plaza

As one of the largest plazas in the area, it can serve as a place for residents from neighboring communities in the area to gather in emergencies.

The site of the Shinjuku Ward Disaster Warehouse, the plaza is equipped for use as an evacuation site during major disasters.

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Inari Shrine

A holy place that invigorates the spirit. Also a good experience for children.

Visitors to this shrine that watches over the region will feel the area's history and find the scenery comforting.

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Special Feature 2



Social Issues

Expectations for a Smart Community that Can Address Environmental Problems

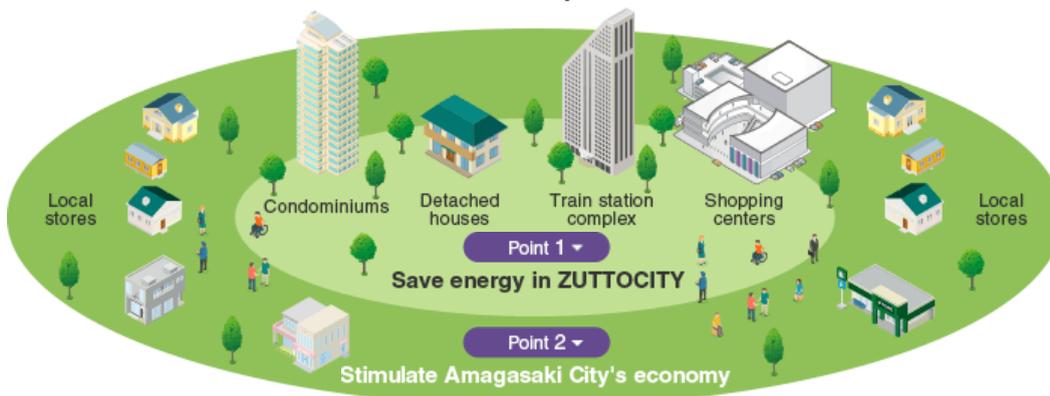
Having experienced the power shortages and rising electricity costs that followed the Great East Japan Earthquake, everyone in the country—including ordinary households—are aware of the importance of energy conservation. In the interest of creating stability with regard to the balance between power supply and demand, steps are being taken towards making Japan a country run using distributed energy resources. Efforts, mostly by local governments, are picking up throughout the country to establish smart communities. Smart communities are those that fully utilize ICT to centrally manage and optimize control of power and other social infrastructure. There are many ways in which they can make a difference in building sustainable communities, including stabilizing energy supply as well as improving quality of life and conserving the environment through energy saving.

The Nomura Real Estate Group's Approach

A Key Focus on ZUTTOCITY in Developing Smart Communities that Save Energy and Stimulate Local Economies

Unfolding in the area in front of JR Tsukaguchi Station just a short distance from downtown Osaka, ZUTTOCITY is one of the largest redevelopment projects in the Kansai region. With this project as a springboard, Nomura Real Estate Development is working with Amagasaki City and multiple companies to develop a smart community project that will save energy and invigorate the community. The most important feature of the project is to establish a demand response system to control consumers' power usage while at the same time stimulating the local economy through the use of local currency points, which will be introduced throughout Amagasaki City. In recognition of this original concept of ours, the project was certified as an Amagasaki-Version Smart Community in June 2015. With support from Amagasaki City, the community will be developed over a three-year period beginning in fiscal 2016.

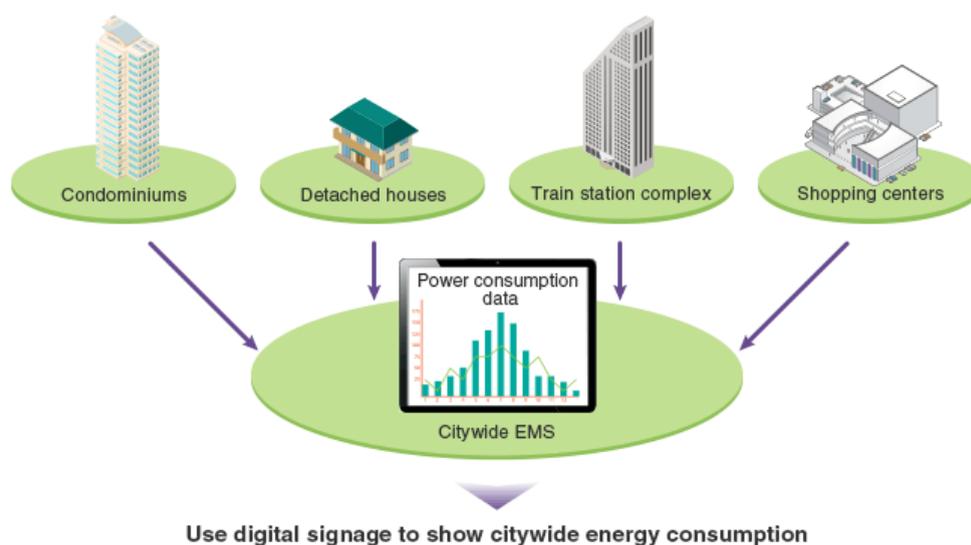
System for Achieving Sustainable Energy Saving and Stimulation of Local Economies through the Use of Local Currency Points



Point 1

"Visualize" the total energy picture in ZUTTOCITY

Through measures that include installing smart meters on every condominium and detached house in ZUTTOCITY, we will achieve a system whereby "simply going about your day helps the environment." Through the use of EMS (energy management systems), digital signage installed throughout ZUTTOCITY provides a real-time display of energy supply and demand for the entire city. These efforts will make each resident more aware of energy conservation and help with demand response requests during periods of peak demand.



Point 2

Grant local currency points based on energy conservation performance

Cities can achieve significant energy savings if individual homes curb air conditioner and heater usage and become conscientious about using large facilities that are highly energy efficient during periods of peak energy demand in the middle of summer and winter. This is why ZUTTOCITY uses a system of local currency points, called ZUTTO ECO Maipo (Maipure Points)*. Those making purchases in local shopping streets, the train station complex, and other such places during periods of peak demand will accumulate twice the normal number of points, advancing the demand response initiative. This will also improve sales at local shopping centers and help stimulate the local economy.

* A local currency point system managed by Maipure with YOU, Inc. One point is granted for every ¥100 spent at local shops. Points can be redeemed at local participating stores at a rate of ¥1 per point.



Message from Stakeholders

I want to expand the field for local currency points as a tool for stimulating local economies.

The Maipure Group has operated its Maipure Point (Maipo) local currency point business in three areas to date: the Sanin region, Funabashi City, and Miyazaki City. We believe local currency point systems supported by public-private collaboration are a powerful tool for stimulating local economies. We will therefore be working with various governmental programs involving volunteering, social welfare, health, and bike parking systems and will be looking at connecting up with premium gift certificate systems throughout Japan to help build vibrant communities.

We handle demand response system management, data compilation, reporting, and other duties as the organization in charge of managing the smart community project, and believe expanding the number of Maipo participating stores will be key to operational success. Our aim is to leverage our community-based network and, through diligent legwork, expand the project together with local businesses.



Atsushi Kato
President
Maipure with
YOU, Inc.

We see incredible potential for ZUTTOCITY as a means to further the smart community concept.

One of the first cities to engage in low-carbon community building, Amagasaki City was designated an Environmental Model City by the Japanese government in March 2013. Our smart community development business centered on ZUTTOCITY has been well received as an exemplary effort towards the "harmony between industry and the environment (Amagasaki-Version Green New Deal)" that the city aspires to achieve.

Although people often think saving energy means "enduring inconvenience," this project will use local currency points and other initiatives to ensure that residents can save energy without effort in a way that is fun, and will continue to expand as a means to create opportunities for individual residents to save power and become aware of the importance of energy-saving. Moreover, initiatives that involve the coming together of businesses, government, local stores, and residents—as is happening with this project—will be the key to community building as well.

We hope that Amagasaki City will act as a visionary model for smart communities through a sustainable framework developed by the Nomura Real Estate Group, which sees the environment as an important component of added value in housing development. Through this project, we seek to develop appealing communities.

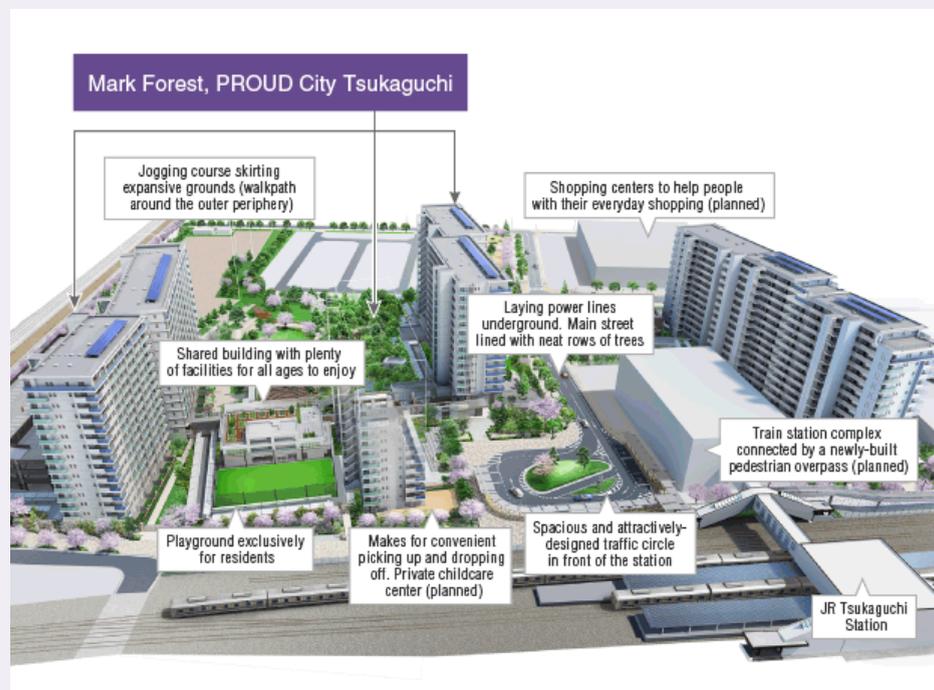


Tatsuro Yoshioka
Section Manager
Environmental
Policy Section,
Environment
Department
Economy and
Environment
Bureau
Amagasaki City

ZUTTOCITY: One of the Largest Train Station-Area Redevelopment Projects in the Kansai Region

Managed by Nomura Real Estate Development in collaboration with JR West Real Estate & Development Company and Haseko Corporation, ZUTTOCITY is one of the largest train station-area redevelopment projects in the Kansai region. Located near Tsukaguchi Station on the JR Takarazuka Line, this lush area conveniently located 10 minutes* from Osaka Station is sure to see further growth. This former site of a Morinaga & Co. factory that was a fond fixture for residents for many years will be the new home for condominiums, detached housing, a train station complex, a shopping center, a traffic circle in front of the station, and a large park, among other facilities. The goal is to realize a "city where all ages will want to live, forever (zutto)." In order to achieve this, we will make 25% or more of the project area a green belt centered on a 8,000 m² space known as "Minna no Mori," as well as create a smart community and foster a sense of community while improving disaster preparedness.

* Ranges between 9 mins. and 16 mins. depending on the time of day. Does not include transfer or waiting time. (JR Odekake.net data as of December 2014)



Connection with Customers

Strengthening connections with the customer and improving customer satisfaction

Launch of the Nomura Real Estate Group Customer Club

The Group has launched the Nomura Real Estate Group Customer Club*, an evolution of the PROUD Owners Club for owners and residents of housing developed by Nomura Real Estate. The Customer Club is also for those who use the services of Nomura Real Estate Urban Net Co., Ltd., Nomura Real Estate Partners Co., Ltd., or Nomura Real Estate Reform Co., Ltd.

To make daily life a higher-quality, less stressful experience, we provide members with a diversity of housing-related support to address the everyday problems they face, and offer special treatment as well as a range of services aimed at accommodating changing lifestyles. Utilizing the comprehensive capabilities of the Group, we remain close to the customer and help them achieve a better lifestyle into the future.

野村不動産グループカスタマークラブとは

Home > 野村不動産グループカスタマークラブとは

**日常の快適から将来の安心まで。
野村不動産グループが一貫体制でトータルサポートします。**

より上質で安心な毎日をお届けするために。日常のお困り事にお応えする住まいの各種サポートや上質な時間をお届けする各種ご優待、ライフスタイルの変化を見据えた多彩なサービスまで。野村不動産グループの総合力を活かし将来にわたりいつも身近で、皆さまの暮らしをサポート致します。

会員様限定 野村不動産グループ特典

住まいの安心・快適を。

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今のマンションはいくらで売れるかな…そう思ったなら

野村不動産グループの管理
皆様の快適なマンションライフをサポートいたします

リフォーム
最新の設備に交換したい、収納スペースが欲しいなどのご要望はこちら

The Nomura Real Estate Group Customer Club website

* The Nomura Real Estate Group Customer Club is jointly administrated by four companies: Nomura Real Estate Development, Nomura Real Estate Urban Net Co., Ltd., Nomura Real Estate Partners Co., Ltd., and Nomura Real Estate Reform Co., Ltd.

"Smile" Seminars and "Smile" Online

Nomura Real Estate Partners hosts "Smile" Seminars on security, interiors, and other home living topics. It also produces "Smile" Online, a quarterly magazine with useful information for condominium life. Through these initiatives, Nomura Living Support endeavors to further promote communication with the residents of managed properties.

In addition, Nomura Living Support regularly surveys condominium association officers to further improve customer satisfaction and operational quality.



"Smile" Seminars

Special Talk

Every year since 2001, Nomura Real Estate Development has held Special Talk sessions for its corporate customers.

Aimed at enhancing customer satisfaction, these sessions have featured renowned instructors from various industries speaking on politics, economics, international affairs, and other topics essential to forming medium- to long-term business outlooks.

Selected as Top Condominium Management Company for the Sixth Consecutive Year in Survey of Condominium Residents

Nomura Real Estate Partners has been selected as the number one condominium management company for six consecutive years in a customer satisfaction survey* conducted by SumaiSurfin (Home Surfing), in part because of high satisfaction with our lifestyle services, which include services for private areas.

* This satisfaction survey, conducted by SumaiSurfin, a website catering to condominium shoppers operated by Style Act Co., Ltd., targets those who have already purchased a condominium.

Enhancing Customer Services through Satisfaction Surveys

Nomura Real Estate Urban Net strives to enhance owner satisfaction with a rigorous focus on the customer. To that end, we implement customer satisfaction surveys. Opinions and requests from customers are shared internally via, for example, the corporate intranet, and supervisors conduct satisfaction review interviews with employees as efforts to ensure continual improvement of customer satisfaction.

Safety and Security

Demand is on the rise for better real estate safety and security. This includes efforts to ensure natural disaster readiness, measures to address aging real estate stock, and expectations concerning urban revitalization.

The Nomura Real Estate Group is engaged in the technical aspects of this pursuit in ways that include ensuring building quality by deploying state-of-the-art technologies and satisfying our own quality control standards and improving the city functions in urban development projects. Non-technical efforts involve bolstering disaster prevention plans, BCPs, and after-sales services. Through these efforts, we seek to ensure safety and security for customers and communities.



▶ Building Safety and Security

- ▶ Quality Improvement Initiatives

▶ Safety and Security after a Sale

- ▶ Improving After-Sales Services

▶ Disaster Preparedness Initiatives

- ▶ Enhancing Disaster Preparedness Support

Building Safety and Security

Quality Improvement Initiatives

Integrated Development, Sales, and Management System

The Nomura Real Estate Group provides a complete range of integrated residential services, from development to after-sales maintenance. This commitment to tightly integrated services enables the Group to accurately grasp the opinions and preferences of its customers at each stage. As a result, we can better meet the needs of the market as we utilize feedback to improve subsequent product development.

Integrated Development, Sales, and Management System



Condominium Design Standards and Condominium Manual

Nomura Real Estate Development has established proprietary design and construction standards, including its Condominium Design Standards, Condominium Design Manual (Structure, Construction, Facilities), and After-sales Service Standards. These manuals and standards are distributed to all construction companies and other business partners, and efforts are made to increase awareness about these by holding regular seminars. The goal of these activities is to ensure the supply of high-quality, safe, and secure housing.



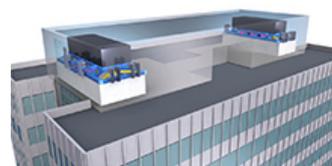
Condominium Design Standards and Condominium Manual

PROUD Quality Conference

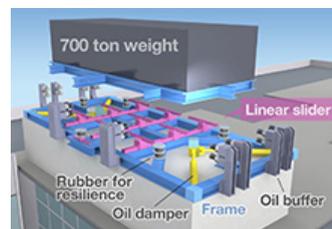
Nomura Real Estate Development hosts the PROUD Quality Conference, at which architectural personnel in the condominium business gather with the goal of increasing condominium quality. At the annual conference techniques are improved and standardized through the sharing and discussion of updated content for the Condominium Design Standards and Condominium Manual as well as the latest information about facility planning.

Deploying a Long-Period Ground Motion Countermeasure for the Shinjuku Nomura Building

Nomura Real Estate Development, Nomura Real Estate Master Fund, Inc., and Takenaka Corporation began installing Japan's first dual TMD-NT vibration damper on the 52nd and 53rd floors of the Shinjuku Nomura Building as a countermeasure against long-period ground motion. Construction will be completed in September 2016.



TMDs (Tuned Mass Dampers) use a weight that moves in the opposite direction of building sway to dramatically reduce sway time and amplitude. Interior spaces do not need to be modified, so no floor space will be lost. Furthermore, TMDs do not use electricity, ensuring that vibration damping performance will be maintained even during power outages.



Dual TMD-NT

By making sure this building's earthquake resistance is as strong as that of cutting-edge super high-rise buildings, we improve its habitability for facility visitors and employees of tenant companies while ensuring their safety and security.

Usage of "Standard Specifications"

In developing Premium Midsize Offices (PMOs), Nomura Real Estate Development creates its proprietary PMO Standard Specifications that establish standards for designs, structures, equipment, etc. and inform construction companies and design personnel of these standards in order to supply comfortable, high-quality office buildings that provide safety and security.

Safety and Security after a Sale

Improving After-Sales Services

National Customer Conference

To enhance its after-sales services, Nomura Real Estate Development hosts the National Customer Conference, which is attended by after-sales service personnel from Nomura Real Estate Development's head and branch offices. The conference provides a venue for the sharing and discussion of issues and new initiatives.

NEXT PASS 10

Nomura Real Estate Development has run the NEXT PASS 10 paid program to respond to home needs, including problems and malfunctions, for a period of 10 years. This service consists of equipment warranty extensions, emergency response and repair services, and long-term maintenance support. The first maintenance and support system for private floor space to be offered in the condominium industry, this service has further enhanced the Company's after-sales service and improved customer comfort and peace of mind.

Nomura Real Estate Relocation Service

Nomura Real Estate Development offers the Nomura Real Estate Relocation service for owners of condominium units. When owners of Nomura Real Estate condominium units in the Tokyo metropolitan area are absent from their homes for long periods due to job transfer or other reasons, we lease the vacant homes directly from the owners and sublet them as rented accommodations. The owners receive rent payments and enjoy peace of mind because they are leasing their homes to the company that originally sold the property.

Regular Study Sessions Held With Partner Companies

Nomura Real Estate Partners holds study sessions with partner companies on a regular basis in an effort to prevent the recurrence of accidents and improve business quality. Discussions at these study sessions cover topics such as reporting accidents and other problems and giving improvement instructions.

Earnest Repair Guarantee Service

Nomura Real Estate Urban Net Co., Ltd. offers its Earnest Repair Guarantee service to bring safety and security to customers purchasing resale housing.

Based on options including Building Guarantees (for detached houses) and Housing Equipment Guarantees (for condominiums), this service guarantees secure housing by promptly inspecting the property sold and repairing any problem areas after a brokerage agreement is signed. This service was launched in December 2012, and is now provided for some 5,000 properties.

Integrated Management Quality Assessment Standards

To standardize, maintain, and improve the quality of integrated management, Nomura Real Estate Partners has issued its Integrated Management Quality Assessment Standards, which consist of over 400 items. The Company makes appropriate revisions based on customer needs, legal compliance, voluntary checks, and internal audits.

■ Acquiring ISO Certification

Nomura Real Estate Partners holds ISO 20000 international certification for IT service management systems (ITSMS) for services provided to the Nomura Research Institute data center. ISO 20000, which represents the certification standard for IT service management, sets forth the management processes for IT services to customers. This marks the first time that a company in Japan's building management industry has obtained this certification.

As of March 31, 2015, a total of 18 business sites had acquired ISO 9001 certification, the international standard for quality management systems.

For details on ISO 14001 and ISO 50001, please see [▶ Environmental Activity Promotion Framework](#).

Disaster Preparedness Initiatives

Enhancing Disaster Preparedness Support

"Circle Aid" Disaster Preparedness Concept

We have instituted the "Circle Aid" disaster preparedness concept at PROUD brand condominiums. This concept encompasses earthquake-resistant design and disaster preparedness storerooms, and assists residents in helping themselves and others when disasters strike. As part of this initiative, we have distributed guidebooks and support disaster drills.

Disaster Preparedness at Condominiums

Nomura Real Estate Partners provides assistance for disaster preparedness, helping condominium associations formulate and implement disaster preparedness drills and earthquake response manuals. We have also created a Disaster Preparedness Guidebook, a set of guidelines for earthquakes and power outages that is distributed free of charge to all condominium associations contracted for management.

TOPICS Participation in the First Union-Authorized Redevelopment Project of the 10-Year Fireproofing Project for Areas of Densely-Packed Wooden Houses in Tokyo*1

As a participating union member*2, Nomura Real Estate Development participated in the Higashi-ikebukuro 5-chome Type 1 Urban Redevelopment Project, the first union-authorized redevelopment project of the 10-Year Fireproofing Project for Areas of Densely-Packed Wooden Houses in Tokyo. This project was begun to address needs to reconstruct aging buildings and make communities more disaster-proof.

*1 10-Year Fireproofing Project for Areas of Densely-Packed Wooden Houses in Tokyo
Devised by the Tokyo Metropolitan Government, the project seeks to make areas with large numbers of wooden housing into those that "will neither burn nor allow fire to spread."

The project will place particular focus on regions with a high concentration of wooden housing that is likely to suffer severe damage in the event of a large earthquake (a total of approx. 7,000 ha), preparing the regions for such an event by fiscal 2020.

*2 Participating union members

Union members as provided for by Article 21 of the Urban Renewal Act. These members acquire floor space not afforded to property right holders (unused floor space) within redevelopment buildings and condominiums. The costs of acquiring unused floor space are partially allocated to redevelopment project costs and the space is sold or retained by the participating union member, i.e. the developer.

Disaster Preparedness Hub Set up for Office Building Tenants

The Nomura Real Estate Group is developing premium midsize offices (PMOs) for small- and medium-sized enterprises that feature the same functions and design standards found in much larger office buildings. To respond to the disaster preparedness and BCP needs of tenants in PMO series buildings, we opened N-FORT disaster preparedness hub at PMO Nihonbashi Muromachi. N-FORT houses food rations for some 2,000 people and an emergency generator that can supply power for up to 72 hours following a blackout caused by a major disaster.



PMO Nihonbashi Muromachi

Disaster Response Drills at Office Buildings and Commercial Facilities

Nomura Real Estate Partners holds regular disaster preparedness drills to ensure the safety of tenants and their visitors. It also creates earthquake and fire preparedness manuals, and runs basic lifesaving certification classes for building managers.

In addition, disaster communication drills are held every month between the head office of Nomura Building Management and local sites. Once a year, a widespread disaster response drill is held. The drill involves identifying, assessing, and communicating damage levels and building a system that uses wireless devices and teleconferencing.

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.



▶ Environmental Management

- ▶ Environmental Activity Promotion Framework

▶ Providing Environmentally Conscious Housing and Buildings

- ▶ Saving Energy and Reducing CO₂ Emissions
- ▶ Proposing Energy Efficiency Solutions to Customers
- ▶ Initiatives for Biodiversity
- ▶ Environmental Certification

▶ Environmental Considerations during Construction and Demolition

- ▶ Policy and Standards
- ▶ Initiatives to Reduce Hazardous Materials and Prevent Pollution

▶ Environmental Data

- ▶ 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.

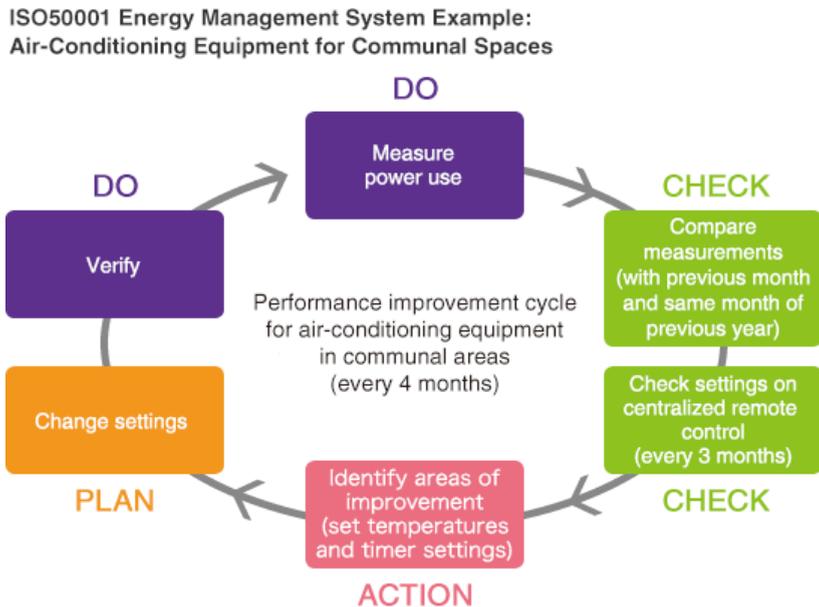
We will pursue the realization of ideal environmental quality with a strong will and increased sensitivity to the environment.

■ 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.



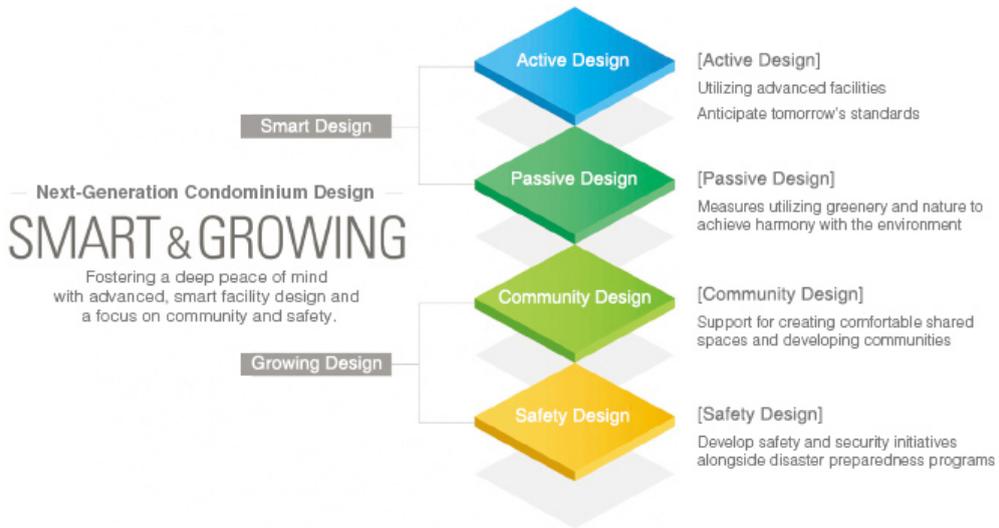
PROUD Funabashi showcases advanced energy management, especially in air-conditioning and lighting in communal spaces. The power used by each piece of equipment is measured, visualized, and analyzed, and the results are used to improve performance. By repeating this process, we work to optimize energy 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.



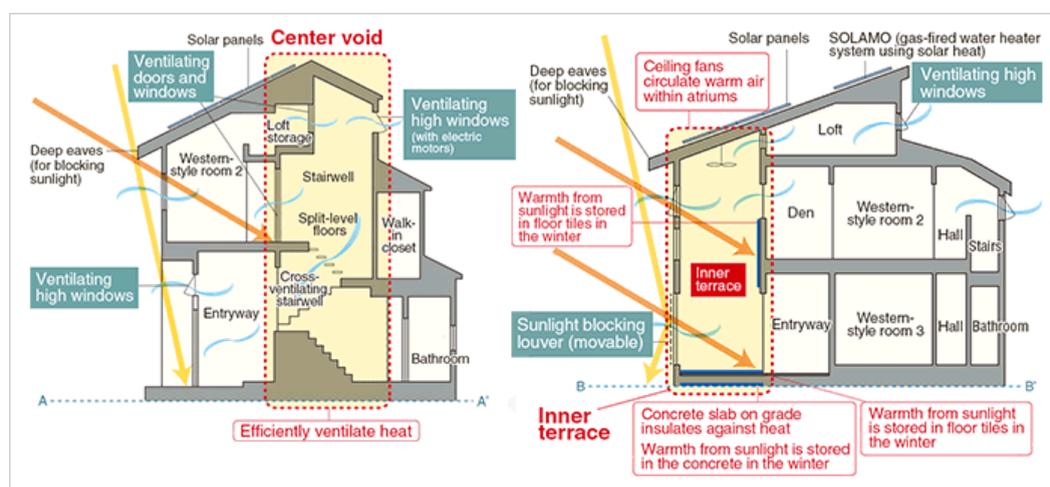
Developing energy-saving detached houses that utilize passive design

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 "ecom" system to visualize energy use, and renovation work for greater energy savings.



The "ecom" 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 Odenmachi**	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

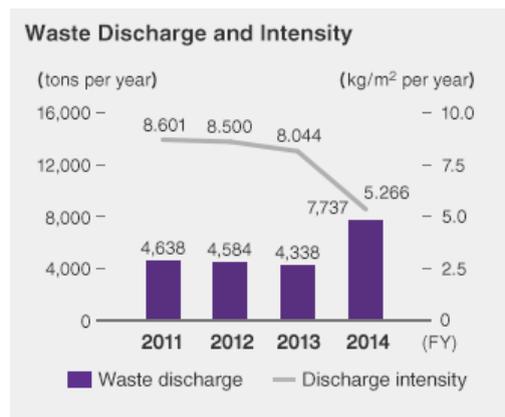
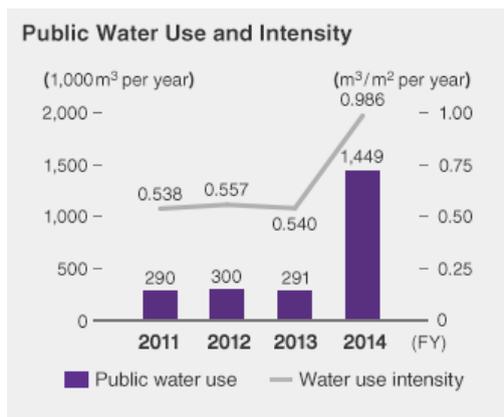
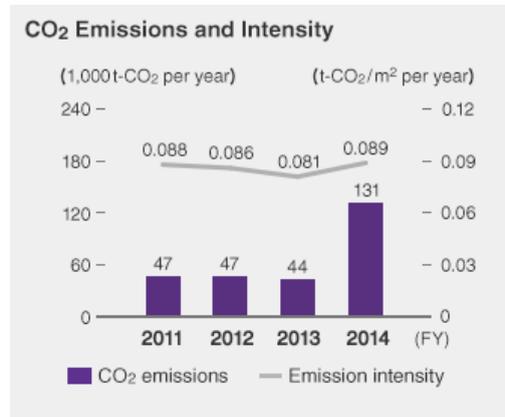
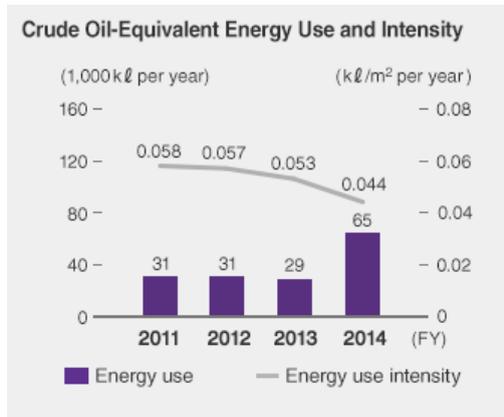
Initiatives for Reducing Chlorofluorocarbon

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.

Community

One social problem we face is an eroding connection between individuals and the community and a reduced effectiveness of communities brought about by changes to the social fabric, which include a declining population and growing number of elderly.

The Nomura Real Estate Group works to develop vibrant communities together with people who live, work, gather, and rest in our areas of operation. This involves making the most of the diverse values held by communities through initiatives that include community building via the urban-type Compact Town concept, promoting mutual support, and building systems to encourage inter-generational interaction.



▶ Support for Developing Condominium Communities

▶ Initiatives for Community Building

▶ Revitalizing Communities Surrounding Our Projects

▶ Events Aimed at Revitalization

Support for Developing Condominium Communities

Initiatives for Community Building

Building PROUD Communities

Through efforts such as partnering with the Graduate School of Japan Women's University for a joint industry-academia research project to develop "100 Design Techniques for Condominium Communities," as well as providing a range of services and lifestyle support measures through the Nomura Real Estate Group Customer Club, Nomura Real Estate Development is working to build great PROUD communities.

With the goal of improving quality of life after residents move in, we work with these residents to create comfortable communities where people help others in need while respecting individual lifestyles.



The central courtyard at PROUD Funabashi

Initiatives of the Morino City Community Association

Recognizing that a sense of community is indispensable to sustainable urban development that gives thought to disaster preparedness and environmental conservation, the Nomura Real Estate Group helps develop a spirit of community in various projects.

For example, for the mixed use development project that is Funabashi Morino City, we set up the Morino City Community Building Association as a self-governing body comprising residents and companies and organizations related to the project that are working together to make the neighborhood more appealing. The Association is involved in various initiatives, including discussing community development issues, beautification activities, and disaster preparedness workshops, among others.



Forest City Big Band

Publication of the Condominium Community Guide

Nomura Real Estate Partners publishes the Condominium Community Guide to assist with the formation of resident communities within condominiums. The Guide covers a host of topics, ranging from information about events such as disaster preparedness drills and Christmas parties to points on planning and the holding of group activities. The guide is distributed to the board members of condominium associations at all properties managed under contract.

Partners Farm

Nomura Real Estate Partners held its two-day Partners Farm event for residents of its condominiums. At a farm rented out for the event, a total of 67 groups of 258 people tried their hand at harvesting summer vegetables such as eggplants and bell peppers.



Partners Farm

Revitalizing Communities Surrounding Our Projects

Events Aimed at Revitalization

The 2014 Exhibit of Urban Design for Firefly Habitats

Nomura Real Estate Development held its 7th annual "Exhibit of Urban Design for Firefly Habitats: Towards a Happy Harmony Among Nature, People, and Communities" at Yokohama Business Park in June 2014. Aiming at encouraging people to think about environmental problems and the importance of nature, this exhibit is held each year with many local residents attending. Attractions include a special exhibition booth for observing live fireflies and a guided tour of the business park's biotope for local children.



Special booth for observing fireflies

Community Building Activities at Kokubunji Izumi Hall

Nomura Real Estate Partners established Kokubunji Asobi Art in cooperation with the NPO Kids Arts Tokyo Conference. Hands-on arts events are held regularly at Kokubunji Izumi Hall, one of the properties it manages.

These events are held as part of the company's support for revitalization of the local community, and are designed to broaden interaction and foster greater sensibilities in local children and families through the creation of art.

Nomura Real Estate Partners is also engaged in a range of efforts involving the management of a public facility. This includes being involved from the planning stage in the Machi no Maestro 20 project, which seeks to nurture unique trendsetters who will shine brightly 20 years down the road.



The RobaRoba Festival

Tsudatomo Project Under Way at Morisia Tsudanuma

Morisia Tsudanuma (Narashino City, Chiba Prefecture), a commercial facility operated by GEO-AKAMATSU, is hosting the Tsudatomo Project, an event that encourages local residents to participate.

As part of the project, the First Job Experience event lets children try a job they like. The event is supported by local companies and technical colleges and is a community-wide effort aimed at developing children's potential.



First Job Experience

Initiatives at the Nihonbashi Muromachi Nomura Building

Nomura Real Estate Development takes part in a number of events as a member of the local community.

This includes working with local shopping streets and companies in surrounding areas to clean the famous Nihonbashi bridge, tending to the flower bed alongside Chuo-dori street, and providing support for community bus operation, among other efforts, to revitalize the Nihonbashi area.

We also lend a hand in ensuring regional disaster readiness through participation in drills held in Chuo Ward to provide shelter for those unable to get home in emergencies. We also constructed an underground square to be used as an evacuation point during a disaster.

Health and Comfort

Factors such as Japan's aging population and a growing amount of free time are promoting a stronger focus on ensuring health and comfort in people's lives. Moreover, changing values and lifestyles are bringing about more sophisticated, variegated needs.

The Nomura Real Estate Group is working to bring health and comfort to people's lives through such efforts as promoting health through sports, developing housing for senior citizens, advancing universal design, and creating initiatives to encourage participation in communities.



▶ Promoting Design that Improves Health and Comfort

- ▶ Providing Homes and Buildings that Achieve Greatness in both Design and Quality

▶ Addressing Japan's Aging and Diversifying Society

- ▶ Promoting Universal Design
- ▶ Responding to Health-Related Needs

Promoting Design that Improves Health and Comfort

Providing Homes and Buildings that Achieve Greatness in both Design and Quality

PROUD Smart Design: SMART & GROWING

For condominium development, the Nomura Real Estate Development has formulated SMART & GROWING as part of its PROUD smart design paradigm. Under the dual concepts of "SMART" (reducing environmental impact by using advanced technologies and achieving harmony with nature) and "GROWING" (achieving housing comfort, safety, and sustainability), the Group is developing PROUD communities.

FY2014 Good Design Awards

For 13 consecutive years, the Group has won Japan Institute of Design Promotion Good Design Awards. In fiscal 2014, the Tokyo Igokochi Ronso: House Planning Means through Public Discussion project was selected for inclusion in the Best 100. The Group won awards for seven projects for fiscal 2014.

Award-Winning Projects

- Lazona Kawasaki Toshiba Building
- PROUD Minamiazabu: French Embassy in Japan Reconstruction Project
- PROUD Tsunashimakamicho: Re-examining Security in Housing Complexes
- Ohana: Implementing Measures to Alleviate Fears through Post-Move in Cost Reduction and Standardization
- Forest City Big Band: Community Development through Music
- Anti-Tip Systems: Joint Research among Three Developers
- Tokyo Igokochi Ronso: House Planning Means through Public Discussion

Design Review Contest

Nomura Real Estate Development holds a Design Review, an in-house competition to honor exceptional properties completed in the previous fiscal year. The goal of this competition is to improve the design and quality of PROUD condominiums. A panel of outside architects judges the properties not only on exterior design but also on such aspects as community building and the handling of environmental issues.

By fostering a spirit of healthy competition, the Group helps in-house architectural staff to sharpen their design skills, techniques, and knowledge as they strive to enhance customer satisfaction.



PROUD Tower Oizumi Gakuen, winner of the 2014 Design Review Grand Prize

Addressing Japan's Aging and Diversifying Society

Promoting Universal Design

Barrier Free and Quality of Life Guidebook

Together with Sonoda Lab of Meiji University Graduate School, Nomura Real Estate Development is creating the Barrier Free & Quality of Life Guidebook as part of an industry-academia joint research project. The guidebook represents a compilation of major design points—such as the six types of spatial configurations and the 22 types of design points—required for a layout targeting seniors, people in wheelchairs or the visually or hearing impaired, based on actual floor plans from the company's custom-built condominium unit business launched in 2000. These floor plans provide spaces that are comfortable for those in need of care as well as supporting family members.



A custom-made kitchen

Universal Design Guidebook

Nomura Real Estate Development considers aspects of design that enhance the daily comfort of people of all ages and capabilities. This approach has been compiled into the PROUD Universal Design Guidebook, which we use to achieve universal design.

Responding to Health-Related Needs

Acquisition of "Active Leisure Certificate" by MEGALOS Sports Club's "Iki-iki 100 School"

In February 2015, the "Iki-iki 100 School," an exercise program provided by MEGALOS Kichijoji, acquired an "Active Leisure Certificate"* from the Ministry of Economy, Trade and Industry. The program aims to help the elderly "stay healthy and lively until 100," and will be implemented at other locations soon.

* The Active Leisure Certificate program seeks to make exercise routine for everyone and help people live longer. Businesses that provide exercise programs aimed at "making people healthy naturally while they have fun" are evaluated and then certified if they satisfy certain conditions concerning program safety and effectiveness.

Joint Research with Tsukuba University on Dual-Task Training

Under the supervision of University of Tsukuba Associate Professor Minoru Yamada, MEGALOS provides training to alleviate sarcopenia, the age-related loss of muscle mass that can cause falls among the elderly, and dual-task training to prevent the onset of dementia. With support from "Club 100®" members, researchers measure participants' physical capabilities and then analyze the effect of these training sessions on the muscles, etc. The results of this research will be used in the development of future exercise programs.

Supporting Exercise among Elderly Individuals in Local Communities

Commissioned by the local governments of cities such as Machida and Sagami-hara, MEGALOS provides exercise programs to "those 65 and over who may have trouble with various everyday physical functions," with an emphasis on safety and security. In addition to helping the elderly improve their physical abilities, these programs also get participants to see the fun in getting the blood flowing and help prevent depression and social withdrawal by encouraging interactions with others.



Exercise Programs

Promoting the Acquisition of "Dementia Supporter" Certification

MEGALOS encourages its employees to become certified Dementia Supporters, who help keep an eye on dementia sufferers and their family members in local communities. The fostering of Dementia Supporters is part of the Comprehensive Strategy to Accelerate Dementia Measures (New Orange Plan) devised by the Ministry of Health, Labour and Welfare.

Appointment and Utilization of Diverse Human Resources

Individual employees maximizing their abilities as part of a diverse workforce is essential in order to continually create products and services with value and new approaches using a speedy response to the diversifying needs and changes of our business environment.

Based on this, the Nomura Real Estate Group recognizes human resources as an important area of focus and is working to improve employees' abilities while promoting diversity management that will foster a corporate culture in which all employees—regardless of gender, age, or position—express and accept each other's diverse viewpoints and values.



▶ Respecting Diversity and Reinforcing Co-Creation

- ▶ Promoting Diversity
- ▶ Support for Capacity Building

▶ Developing Employee-Friendly Workplaces

- ▶ Reinforcing Health Management
- ▶ Respect for Human Rights
- ▶ Occupational Safety and Health at Business Partners

Respecting Diversity and Reinforcing Co-Creation

Promoting Diversity

Diversity Promotion Committee

The Nomura Real Estate Group is promoting diversity so that every employee, regardless of gender, age, or position, can demonstrate their full capabilities as individuals with unique values and backgrounds.

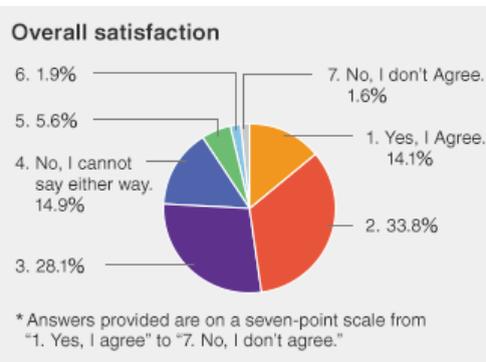
As part of these efforts, in June 2013 Nomura Real Estate Development established the Diversity Promotion Committee, chaired by the president and comprising male and female members from various departments and ranks. The Committee deliberates a broad range of matters, from work-life balance and ways to reinforce management abilities to mid- to long-term career development. The Committee is working to implement these deliberations into specific measures as part of a three-year plan, which it will then work to instill throughout the company. Nomura Real Estate Development has also assigned dedicated staff, launched a special website, started a blog, and taken other such measures to strengthen communication with its employees in order to promote a better understanding of the importance of diversity.



Diversity Promotion Committee

Employee Satisfaction Survey

In September 2014, Nomura Real Estate Development conducted its second consecutive annual employee satisfaction survey, which will be used as a base for ascertaining current employee awareness and discussing policies. In addition to overall satisfaction, the 109-question survey covered other topics including how employees perceive work, supervisors, workplace environment, and the company, as well as their future career ambitions. Responses were received from 1,516, or 95.1%, of the company's 1,594 employees.



Human Resource System Revisions

In line with a proposal from the Diversity Promotion Committee, Nomura Real Estate Development has implemented the following system revisions.

Revision of Systems Related to Nursing Care

Due to the increase in the number of elderly people requiring nursing care and other changes that are expected to come to the conditions surrounding caregiving, we have made revisions to our nursing care systems to allow all employees—regardless of position—to continue to take care of both caregiving and work responsibilities without worry.

- Adopted a shortened work hour system
- Extended the nursing care leave period
- Adopted non-contiguous nursing care leave system

Revision of Systems Related to Reemployment

We have revised the nature and implementation of our reemployment system to allow employees reaching the mandatory retirement age of 60 to continue working.

- Revised pay and benefits when workers opt for reemployment
- Began providing career seminars and job matching interviews for employees in their 50s

Ongoing Issues in Fiscal 2015 (Not a Complete List)

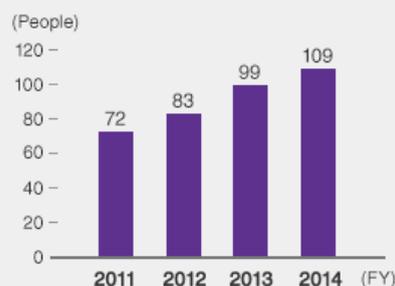
- Promoting Diversity by Changing Corporate Culture (aimed at raising employee awareness and promoting the understanding, usage, and implementation of related systems)
- Strengthening management skill
- Supporting medium- to long-term career development
- Familiarizing employees with nursing care system revisions (nursing care seminars, etc.)
- Implementing telecommuting
- Improving working styles

Support for Childcare and Nursing Care

The Nomura Real Estate Group has instituted childcare leave, shortened working hours for employees taking childcare leave, and nursing care leave programs to ensure a workplace environment in which every employee is able to choose an optimal working arrangement and demonstrate their abilities. These programs are intended to help prevent employees from having to choose between their jobs and childbirth/childcare or nursing care responsibilities. Furthermore, we are making efforts to ensure that the programs are easy to actually use, which includes providing information about these programs on the Company intranet. In fiscal 2014, 109 employees, including 2 males, took childcare leave. 96.3% returned to work.

At Nomura Real Estate Development, we believe that childcare and nursing care provide many opportunities to develop new perspectives and skills. Consequently, we have established a non-work day childcare support program along with a birth leave program for male employees and shortened work hours for nursing care program, among other such programs. This has been done to allow all employees, regardless of gender, to tend to both work and childcare/nursing care responsibilities.

No. of Childcare Leave Takers



No. of Nursing Care Leave Takers

Fiscal Year (FY)	2011	2012	2013	2014
No. of Nursing Care Leave Takers	1	4	2	1

Kurumin Certification for Nomura Real Estate Urban Net

Nomura Real Estate Urban Net has earned Kurumin certification. This certification is based on the Act on Advancement of Measures to Support Raising Next-Generation Children and awarded by the Ministry of Health, Labour and Welfare to companies that establish and implement action plans for the support of employee childcare and fulfill a number of conditions based on the results of those plans.

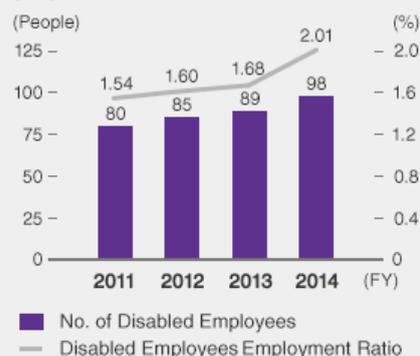
Hiring Seniors and People with Disabilities

The Nomura Real Estate Group believes in the importance of including individuals that represent a wide range of viewpoints and perspectives. Accordingly, we actively hire senior citizens and people with disabilities.

As of March 31, 2015, the Group employed 98 individuals with disabilities, a figure that represents 2.01% of the total workforce. We will continue these hiring practices and work to create pleasant and convenient working conditions for people with disabilities.

In addition, Nomura Real Estate Partners employed 2,312 senior citizens as "Smile" supporters (people in charge of condominium management) and in other positions as of March 31, 2015.

No. of Disabled Employees / Employment Ratio



Support for Capacity Building

Basic Plan for Human Resource Development

Nomura Real Estate Development Basic Human Development Policies

- Proactive medium-to-long-term human development that provides a focus for careers
- Human development that responds to change over time, fosters innovation, and supports future management

The Qualities and Skills Nomura Real Estate Development Looks For

- Professionalism: The ability to perform duties professionally in any field
- Determination: The willingness and ability to work proactively based on personal conviction and to continue working until results are achieved
- Judgment: Strategic thinking and decision making that exhibit an awareness of conditions in the workplace and that lead to specific plans that produce results
- Emotional intelligence: The understanding of personality characteristics and feelings, and communication ability that maximizes potential within an organization
- Adaptability: A flexible outlook with the ability to think outside the box, and the energy to create new value
- Versatility: A range of skills such as analytical management and the ability to discern changes in society

"You Can Do It" Skill Development Program

Nomura Real Estate Development and Nomura Real Estate Urban Net promote the "You Can Do It" (YCDI) skill development program based on the idea that each employee should be a professional with a high degree of specialization.

YCDI helps employees acquire real estate-related certifications, such as real estate transaction specialist and real estate appraiser, and provides a variety of programs, including classes in language, finance, and law, that are aimed at enabling employees to acquire a range of skills necessary for working adults.

Group-wide Dynamo Camp

The Nomura Real Estate Group implemented "Dynamo Camp," a group-wide, employee interaction program. The word "Dynamo" symbolizes human resources capable of taking the initiative to spark innovation. Dynamo Camp brings together employees from across various job titles, divisions, and age brackets to consider and discuss the Company's future in terms of new business and other themes.

Developing Employee-Friendly Workplaces

Reinforcing Health Management

Preventing Overwork

The Nomura Real Estate Group has a variety of initiatives to prevent or limit overwork by employees.

Some of the specific measures being taken by Nomura Real Estate Development include promoting the use of paid vacation days by introducing birthday and "refresh" vacation days, and shortening working hours by designating "no overtime" days and putting restrictions on computer usage times.

In addition, when an employee's work hours in a given month exceed a certain amount, the employee is required to submit an overwork self-assessment checklist to assess their health and provide feedback to his or her supervisor. At the same time, measures to ensure the health of the individual employee are implemented as necessary.

Reinforcing Health Management

The Nomura Real Estate Group Code of Action states that the Group will "strive to maintain and enhance sound and pleasant workplace conditions." Accordingly, the Group works to prevent work-related accidents, facilitate appropriate management of physical and mental health, and ensure pleasant workplaces. Group companies offer health checkups and examinations, and have set up mental and physical health hotlines and health consultation desks as part of proactive efforts to address mental health issues.

Respect for Human Rights

Initiatives to Raise Awareness about Human Rights

The Nomura Real Estate Group's Code of Action has the following provision: "The Group shall respect the dignity and fundamental human rights of all people, including customers, business partners, directors, and employees."

As a concrete measure, the Group has set up the Nomura Real Estate Group Human Rights Desk as a point of contact for consultation on human rights issues. The Sexual and Power Harassment Hotline, meanwhile, functions as an external point of contact for consultations. All consultations are handled in a confidential manner with a priority on providing relief and preventing recurrence.

Occupational Safety and Health at Business Partners

Work Safety and Security Guidelines Formulated for Construction Sites

Nomura Real Estate Development has formulated the Work Safety and Security Guidelines to prevent disasters and serious accidents at condominium construction sites. Nomura Real Estate Development raises the safety awareness of construction companies and reviews priority areas for each process in an effort to ensure safety and prevent crime during demolition and construction work.

Outline of the Work Safety and Security Guidelines

- Prompt reporting duties
- Individual and company information management
- Crime prevention standards
- Pre-construction checks
- Temporary work plan checks
- Accident prevention measures for demolition work
- Accident prevention measures for heavy machinery work

YBP Heating and Cooling Supply Hosts Safety Meeting

Together with partner companies, YBP Heating and Cooling Supply co-hosts a Safety Meeting once yearly.

The purpose of the meeting is to enhance safety management systems and increase the penetration of safety awareness. Outstanding business partners are recognized and occupational health and safety plans for the fiscal year are explained.

Management System

The Nomura Real Estate Group's CSR policy is focused on creating new value through its business activities and contributing to achieving a sustainable society.

Towards this end, we regard corporate governance, compliance, and risk management as the bedrock for our CSR promotion platform and work to expand and strengthen this system in order to enhance management integrity and transparency and conduct business activities with a strong sense of ethics.



▶ Corporate Governance

▶ Compliance

- ▶ Policy and Standards
- ▶ Compliance Promotion Initiatives

▶ Risk Management

- ▶ Basic Policy and Structure
- ▶ Emergency Response and BCP

Compliance

Policy and Standards

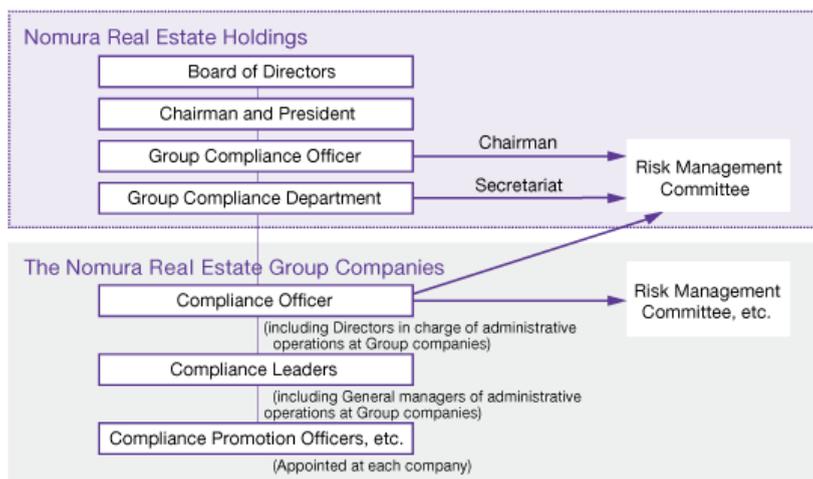
The Nomura Real Estate Group Code of Action

The Nomura Real Estate Group has formulated a Code of Action to define fundamental rules that Group officers and employees must adhere to.

Compliance Promotion Framework

NREH has established a Risk Management Committee and Group Compliance Department to develop and implement a framework for compliance. In addition, Compliance Officers, Compliance Leaders, and Compliance Promotion Officers have been appointed at Group companies to ensure compliance throughout the Group.

The Nomura Real Estate Group Compliance Promotion Framework



The Nomura Real Estate Group Helpline

The Nomura Real Estate Group has a Helpline available to Group employees. There are two channels available for reporting problems: one is to a contact within the Group and the other is to a contact outside the Group. Employees can use either contact in the event that a workplace problem cannot be resolved or when appropriate handling cannot be expected.

Compliance Promotion Initiatives

Compliance Program

The Nomura Real Estate Group runs a Compliance Program through which training is conducted throughout the year. Compliance Hour is an e-learning program distributed monthly to the directors and employees of Group companies via the Internet. The program has contributed significantly to improving compliance awareness throughout the Group.

The Exclusion of Anti-Social Forces from Our Business Relationships

The Nomura Real Estate Group has established a provision within its Code of Action that prohibits business transactions with anti-social forces or related organizations. It is our strict policy to exclude anti-social forces from our business relationships.

In line with this policy, we have issued a manual that details specific measures and responses, and we have assigned responsible departments and managers to ensure the consistent execution of these measures and responses throughout the Group. Additionally, we consult and coordinate with legal counsel, the police and other specialized organizations when necessary to ensure that anti-social forces are excluded from involvement in our management activities and to prevent any damage that may arise from such anti-social forces.

Guidelines on Social Media

The Nomura Real Estate Group's Guidelines on the Use of Social Media state that use of social media must exhibit an awareness of the individual's position as a member of society and exemplify a high level of ethics following the norms of society at all times when posting, regardless of whether such posting is for personal or professional reasons.

In addition, as part of our compliance training program, we regularly raise awareness and provide cautions about the potential risks of posting information on social media.

Policy on Fair and Open Competition and Appropriate Transactions

The Nomura Real Estate Group Code of Action sets forth rules on maintaining fair relationships with business partners. The areas covered by the rules include fair competition and transactions as well as transparency. Moreover, in the selection of business partners we strive to comprehensively and fairly assess a wide range of factors, including quality, price, track record, and reliability.

Risk Management

Basic Policy and Structure

Risk Management Regulations

The Nomura Real Estate Group believes that ensuring sound management by properly addressing risks is fundamental to corporations. Accordingly, the Group has established Risk Management Regulations as its fundamental risk management guidelines. Risk management is predicated on the crucial task of understanding risk. The Group has thus established timely and proper reporting rules, including prompt escalation of situational reports to management after unforeseen incidents have occurred, in addition to regularly monitoring risks.

Flow of Communication



Establishment of Risk Management Committee

In accordance with the Company's official regulations, a Risk Management Committee, has been established at Nomura Real Estate Holdings for the purpose of promoting risk management activities within the Group. Committee members include officers in charge of administrative operations at Group companies, who meet once each month to deliberate matters relating to risk management, compliance, and information security for the entire Group, as well as to discuss countermeasures when risks occur. The Committee regularly reports the details of those deliberations to the Board of Directors.

Furthermore, the Committee provides necessary guidance, advice, and support to Group companies. For example, the Committee conducts regular assessments of legal compliance. It also promotes legal compliance through ongoing assessment of this and other important elements, and by pointing out problems that should be addressed with respect to laws that apply to all Group companies, such as the Building Lots and Buildings Transaction Business Law and the Financial Instruments and Exchange Act.

Furthermore, Group companies strive to ensure proper risk management according to their business operations by, for example, independently establishing risk management-related committees.

Inquiries Desks

Inquiries Desks have been set up at Group companies in order to respond quickly and appropriately when a problem with a product or service is found. Information received by Inquiries Desks is reported to the Risk Management Committee, shared with other employees, and otherwise used to prevent problems from reoccurring.

Emergency Response and BCP

BCP Formulation

The Nomura Real Estate Group has in place a business continuity plan (BCP) for a possible major earthquake occurring directly under the Tokyo Metropolitan Area. The BCP sets forth the chain of command in the event of an emergency, as well as the assignment of duties and responsibilities to ensure business continuity and other matters. In this way, a system has been developed to minimize the impact of natural disaster on business continuity.

Nomura Real Estate Partners ensures that the head office can implement emergency responses even outside business hours by, for example, having management personnel take turns staying at hotels near the head office 365 days per year to function as emergency personnel in the event of a natural disaster.

Safety Confirmation Training Drill

Every year on January 17, the Nomura Real Estate Group conducts a safety confirmation training and emergency information correspondence drill for all officers and employees via the Internet, mobile phone, etc. The goal is to be able to quickly check the safety of officers and employees in the wake of a disaster. The participation rate for January 2015 was 100%.

BCP Joint Training for the Nomura Real Estate Group

BCP response training was conducted at Yokohama Business Park (YBP) under the scenario of a major disaster striking the area. The drill included Nomura Real Estate Development, Nomura Real Estate Partners, Nomura Real Estate Life & Sports and Yokohama Business Park Heat Supply. During the training, we verified our ability to establish a chain of command, assign duties and responsibilities, set up Earthquake Countermeasures Headquarters, form in-house firefighting teams, and provide assistance to those that cannot return home for the night due to the disruption of public transit.

Social Contribution

The Nomura Real Estate Group's business operations are closely rooted in the local community, and we engage in wide-ranging philanthropic activities that utilize our company's unique characteristics, including creating platforms for interacting with the local community and platforms for supporting children's education and cultural activities.

Additionally, we are committed to continually supporting the rebuilding effort following the Great East Japan Earthquake together with local communities and NGOs.



▣ Support for the Great East Japan Earthquake Reconstruction Efforts

- ▶ Donations for Affected Areas and Events Supporting Earthquake Recovery Efforts

▣ Initiatives for Youth Development

- ▶ Programs and Events Aimed at Developing the Next Generation

Support for the Great East Japan Earthquake Reconstruction Efforts

Donations for Affected Areas and Events Supporting Earthquake Recovery Efforts

Donating Rice from the Kayabuki-no-sato Project to a Family Camp for Fukushima Refugees

The Nomura Real Estate Group donated a portion of the rice harvested by the **Kayabuki-no-sato Project** to a family camp in Fukushima. Since the Great East Japan Earthquake, children living in Fukushima Prefecture have long faced restrictions when it comes to playing outside. Organized by the volunteer group, Karchanz, this project arranges for parents and children living in Fukushima Prefecture to go camping in Kanagawa Prefecture. The goal is to provide mental and physical healing by having participants enjoy nature and safe food.



A mother and her child enjoying an o-nigiri (rice ball) made from donated rice

Supporting the Education of Children in Tohoku through Donations from Used Books

With the assistance of Chance for Children, since 2012 the Nomura Real Estate Group has donated the proceeds from the sale of used books collected from employees to help fund extracurricular educational activities for children living in the Tohoku region.

Following the Great East Japan Earthquake, the disaster-stricken areas have seen a growing disparity in educational opportunities and academic ability caused by economic disparities. The goal of these activities is to provide children with equal opportunities for education and growth. As of July 2015, a total of 3,098 books had been collected and sold, with the proceeds used to fund private tutoring classes or cultural lessons.



A support beneficiary
Photo by Natsuki Yasuda / studio AFTERMODE

Message from a Stakeholder

Voice

We provide children affected by the Great East Japan Earthquake with coupons they can use for cram schools and other educational pursuits as a means to help develop the people who will see to affected regions' recovery. As a form of support we have been receiving since fiscal 2012, the Nomura Real Estate Group send books that their employees have finished reading to used bookstores we are partnered with, and the proceeds from selling these books are donated to us. These employees have provided more than 3,000 books to date, and we once again express our gratitude for their generosity.

The children receiving the support understand that the help comes from people they have never seen or met, and some have expressed their desire to give back to society in return for support they once received themselves.

Unfortunately, even now—four years after the earthquake—many affected households have seen no improvement to their economic well-being. As even in fiscal 2015 we have received a flood of requests for aid, we hope Nomura continue to support affected children.



Yusuke Imai
President
Chance for Children,
Inc.

Fukushima Product Exhibition

As one ongoing measure of support for recovery in the Tohoku region, we held the Fukushima Product Exhibition at the Shinjuku Nomura Building in September 2014.

Initiatives for Youth Development

Programs and Events Aimed at Developing the Next Generation

Seismic Isolation Tour for Children in Sendai

Working together with Obayashi Corporation, Nomura Real Estate Development held a Seismic Isolation Tour in PROUD City Sendai Nagamachi-minami for elementary school children living in Sendai City.

This event was held as part of the Disaster Readiness Camp for Children held every year by the Nagamachi Manabinet volunteer organization with the goal of raising local disaster readiness awareness. 58 children ranging from grades four through six learned about disaster readiness, which included hearing about how seismic isolation rubber and oil dampers work.



Seismic Isolation Tour

Kayabuki-no-sato Project

With the goal of creating connections between urban residents and rural communities, where the population is both dwindling and growing older, and to teach children in urban areas about the environment, Nomura Real Estate Development practices eco-friendly rice growing at the base of Mt. Tsukuba.

This industry-academia-government project involves the Tsukuba Green Tourism Suisinkyougikai, local NPOs, the City of Tsukuba, and the University of Tsukuba. Nomura Real Estate Development employees and their families, PROUD condominium residents, and PMO (premium midsize office) tenant companies help grow the rice.



Kayabuki-no-sato

Overall 4th Place Ranking in the Career University Award

Nomura Real Estate Development participates in Career University* initiatives with the goal of helping young people build their careers.

In fiscal 2014, we had 32 students take part in a real estate development business game we designed, facility tours, and other activities in line with the theme of "building communities, building happiness." In addition to coming in fourth place overall for the Career University Award, we also won the Best Lecture Award.

* An initiative conducted by NPO Career Cruise aimed at helping college students build their careers. Other like-minded organizations including companies and government agencies provide educational seminars covering various specialized fields.

Swimming in Clothes Classes for Elementary School Students

With the aim of preventing water-related accidents, MEGALOS has held classes since 2010 to teach elementary school students in many areas such as Hachioji City, Tokyo, how to swim in clothes. In fiscal 2014, some 1,250 children took part in the classes.

Internship Program

Nomura Real Estate Development takes in university undergraduate and graduate students as interns every year, and a total of 114 students participated in the summer and winter programs in fiscal 2014.

Under this program, groups of architecture students gave presentations on the topic of "housing that shares value with society." Presentations were about condominium plans that are actually being planned commercially, and interns were given opportunities to experience practical business affairs.



Internship program

Swimming Lessons for Asthmatic Children

At the request of Nagoya City, MEGALOS Chikusa has been providing swimming lessons for asthmatic children from fiscal 2014. 37 children learned how to swim over a period of five days in 2015.

Editorial Policy

This CSR site has been created to provide stakeholders with clear and accurate information about Nomura Real Estate Group CSR approaches and activities.

The report has been prepared with reference to Sustainability Reporting Guidelines Version 3.1 of the Global Reporting Initiative (GRI) and ISO 26000: 2010 Guidance on Social Responsibility.

Reporting Period

Fiscal 2014 (from April 1, 2014 to March 31, 2015)

* Certain information on activities and outlooks before and after fiscal 2014 is also provided.

Scope

Nomura Real Estate Holdings, Inc. and its 12 Group companies

Group Companies:

Nomura Real Estate Development, Nomura Real Estate Asset Management, Nomura Real Estate Urban Net, Nomura Real Estate Partners, NREG TOSHIBA BUILDING, MEGALOS, Yokohama Business Park Heating and Cooling Supply, Geo-Akamatsu, Nomura Real Estate Reform, Nomura Amenity Service, NREG TOSHIBA BUILDING FACILITIES, and PRIME X

Updated

November, 2015

Next Update

August, 2016

Statements on the Site

- On this site, Nomura Real Estate Holdings refers to Nomura Real Estate Holdings, Inc. and the Nomura Real Estate Group refers to Nomura Real Estate Holdings, Inc. and the Group's 12 member companies.
- Personal titles and company names in this report have been abridged.
- This site contains forward-looking statements about the plans, strategies and performance of Nomura Real Estate Holdings, Inc. and its consolidated subsidiaries. These statements are not historical facts, and they include assumptions and judgments that are based on information currently available to us. As such, future activities and results may differ from those mentioned herein.

Third Party Opinion



Yoshinao Kozuma
Professor
Faculty of Economics
Sophia University

After leaving the doctoral program at the Sophia University Graduate School of Economics, Professor Kozuma became a research assistant at the Nagoya Institute of Technology and attended the Limperg Instituut, the Inter-University Institute for Accounting and Auditing in the Netherlands, as a guest researcher. He became an associate professor at the University of Shizuoka, and then took up his current position as professor in the Faculty of Economics at Sophia University after first working as an associate professor. He has held successive positions as the chair or member of various CSR- or environment-related advisory panels, research societies, etc. for the Ministry of the Environment; the Ministry of Economy, Trade and Industry; the Ministry of Land, Infrastructure, Transport and Tourism; the Ministry of Agriculture, Forestry and Fisheries; the Cabinet Office; and the Japanese Institute of Certified Public Accountants. He specializes in non-financial reporting theory and environmental accounting theory. He has also served as Vice Chairman of the Japan Corporate Social Accounting and Reporting Association. His recently published works include Carbon Labelling for Visualizing CO2 Emissions (Chuokeizai-sha, Inc.) and Assurance on Environmental reports (Dobunkan Publishing Co., Ltd.).

1. Framing a medium- to long-term management plan

The Nomura Real Estate Group created a new medium- to long-term management plan in November, 2015 that lays out a vision for the Group as “the ideal to which we aspire.” The business environment will continue to change as we move closer to achieving a sustainable society. This is why our vision for the future (the ideal to which we aspire) encapsulates the strategies we will employ to accommodate this change, while establishing a clear mission focused on creating shared value with society.

If the companies of today are to achieve ongoing growth, they must establish business models adapted to a sustainable world. It is thus essential that business strategy reflect a regard for society and the environment, and that CSR management become a part of every business activity. The ideal set forth in the medium- to long-term management plan illuminates this path and is a singular vision for the future that represents a powerful commitment by the Nomura Real Estate Group. The smart community project discussed in this publication’s special feature is a shining example of the above-mentioned business model. Supported by the incentive of local currency points, the project marries energy-saving activities with efforts to stimulate the local economy.

2. Strengthening diversity initiatives

Since the establishment of the Diversity Promotion Committee in June, 2013, Nomura Real Estate Development has made steady progress in improving our diversity initiatives. The group conducted its second ever Employee Satisfaction Survey in fiscal 2014 followed by fiscal 2013 and revised nursing care and reemployment programs. Nomura Real Estate Development has also alleviated one area of concern by bringing the number of workers with disabilities to a level above the statutory employment rate. Additionally, every year sees more men take childcare leave, an indication that employees are feeling more comfortable in taking such leave. All of these efforts are highly commendable.

Diversity initiatives are a key issue concerning human resource development, a key theme of CSR management, and are an important pillar supporting long-term corporate growth. The company’s number of male and female employees is a key data point indicating workplace diversity. Including giving consideration to disclosing such information, I hope to see the company further strengthen and improve its diversity initiatives and continue to create diverse workplaces.

3. Challenges going forward

There is still much room for improvement in expanding and improving efforts to provide information stakeholders need to get a picture of the company’s overall CSR management situation. As an example, comparisons of results to targets—which show PDCA implementation—are data important to evaluating the quality of CSR management. The company has reported that such efforts are being made, but has disclosed very little in the way of result-to-target comparisons. Consequently, it is very difficult to evaluate the effectiveness of the company’s initiatives in this area as there is not sufficient information to determine whether CSR management is being systematically conducted at a companywide level. Looking at the entire value chain, although the company is now providing adequate information concerning its downstream initiatives, information is still lacking with respect to its entire supply chain. This includes risk assessments. To resolve these problems, it is advised that the principles of the Global Reporting Initiative’s G4 Sustainability Reporting Guidelines be promptly adopted.

Response to the Third Party Opinion

We thank Mr. Kozuma very much for his precise views and suggestions concerning initiatives needed to sustainably develop the Group's CSR activities.

In our ideal, which is discussed in our new Mid- to Long-term Business Plan formulated in November 2015, we indicate our resolve to create shared value with society. In order to achieve this ideal, a prime focus will be on furthering "CSR management fully coordinated with business strategy" and "diversity management" as has been indicated to us.

As we move forward, we will continue to fulfill the expectations of our stakeholders while working to earn their trust as we undertake CSR management that will improve corporate value and bring about a more sustainable society.

Yukoh Yoshida

Director, Executive Officer, and CSR Committee Chair
Nomura Real Estate Holdings, Inc.