

CSR

Third Party Comments



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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 and environmental accounting. His recently published works include Carbon Labelling for Visualizing CO2 Emissions (Chuokezai-sha, Inc.) and Assurance on Environmental Reports (Dobunkan Publishing Co., Ltd.).

1. Sustainable community development

The Nomura Real Estate Group made "What our group wants to become" its vision of the future when it drew up the new medium term management plan in November, 2015. In this year's report, however, this has been changed to "Our Group Vision", and clearly positioning it to represent the Group's corporate philosophy and CSR vision .

The core goals of Our Group Vision are to "build cities that connect today with tomorrow's possibilities" and "embrace every moment of life's pursuits." Through the achievement of these goals, it aims to solve social problems and continuously create new value for society. Incorporated into the various "commitments" made in its development business and supported by the synergy that can only be achieved by a general real estate group, this philosophy is contributing to sustainable community development that can adapt to social change.

One such "commitment" is the "urban-type compact town". In addition to providing safe and comfortable housing for people in Japan's graying society, this concept seeks to compactly consolidate urban functions such as offices, shopping facilities, hospitals, and schools to put them within walking distance, putting in place the urban infrastructure to allow communities of all generations to grow together. This business model is highly commendable as one richly steeped in a CSV* concept that involves coordinating with local communities to create lasting value for urban areas and, as a result, improve the company's corporate value.

2. Properties that have acquired environmental certification

Another of these "commitments" is the company's efforts to acquire environmental certification for the properties they market. Many of its office buildings and other facilities have acquired A-Rank CASBEE certification, a testament to the high overall environmental performance of these buildings. A number of buildings have also acquired Green Building certification from the Development Bank of Japan (DBJ). Additionally, some buildings have demonstrated a high level of readiness towards climate change by acquiring Top-Level Facility status under the Tokyo Metropolitan Ordinance on Environmental Preservation.

A particularly outstanding aspect of the company's environmental performance is the fact that four properties have acquired Biodiversity-Promoting OfficeR certification, which is given to such facilities as office buildings, shopping centers, and condominiums that show strong regard for preserving biodiversity. This Nomura Real Estate Group "commitment" makes the company's properties pathways to a more sustainable society. I find myself clapping inside out of admiration.

3. Future plans

One of the challenges to be urgently addressed is establishing a group-wide CSR management system by which the group's environmental and social impacts can be properly evaluated and sufficiently mitigated on based on the entire group. The system must also work well over the group's supply chain. It needs to also remember that the disclosure of basic environmental and social information that includes quantitative data is an essential aspect of effective CSR management. Through a framework that can stand up to social monitoring, I expect the Nomura Real Estate Group's CSR management to become even more effective.

*CSV: Creating Shared Value. Put forth by Harvard Business School professor Michael Porter, this concept centers on companies creating economic as well as social value through business activities that fulfill social needs

Response to the Third Party Opinion

We thank Mr. Kozuma for his opinions and insights concerning efforts needed to sustainably develop the CSR activities of the Group.

This fiscal year outlined its Corporate Philosophy and CSR Vision in the form of its Group Vision. The Group Vision seeks to " build cities that connect today with tomorrow's possibilities " and " embrace every moment of life's pursuits " while at the same time promoting CSR.

To ensure that our Group Vision is perpetuated, we will focus on creating the kind of company-wide CSR structure that Mr. Kozuma has suggested.

As we move forward, the Group 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.

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