

CSR

The Nomura Real Estate Group's Stance on CSR

CSR as a Part of the Ideal to Which We Aspire



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Amid circumstances such as the vacant housing problem, real estate stock deterioration and urban development in preparation for the Tokyo Olympic and Paralympic Games, large-scale mixed-use redevelopment plans are in motion, especially in central Tokyo. At the same time, looking at demographics, while Japan's total population has already begun to decline, the population and number of households in urban areas continues to grow. The need for comfortable and convenient urban development in core regional cities also remains strong. Furthermore, the need for extensive medical and care services, including prevention, is surpassing individual needs to become a major social issue as society ages and the number of senior citizens increases dramatically.

In the face of customer and societal needs such as these, enhancing city functions through safe, secure and comfortable urban development and permanently increasing city value through community-building town management that partners with the local society are well within what we as a general real estate group can do to demonstrate our capabilities and contribute to society. They are the core of what we consider CSR to be.

As the director in charge of development and the chair of CSR committee, my job is to lead the Group in building cities that connect with tomorrow and creating times of real value.

Solving Social Issues through Business to Achieve Our Group Vision

Urban development requires many months and years. This is why we must thoroughly grasp and understand the social issues facing people and communities now and in the future and, through this urban development, provide added value that contributes to solutions. The very reason that I, in charge of the Development Sector, promote CSR as the chair of the CSR committee is to solve social issues by incorporating a CSR perspective into urban development, at the upstream stages of planning and development, and realizing a plentiful and sustainable society through our products and services.

The fiscal year ending March 2017 is a new start for both our Mid- to Long-term Business Plan and CSR activities. In October 2015, in addition to the Mid- to Long-term Business Plan, we also formulated Our Group Vision: to build cities that connect with tomorrow and to create times of real value; to create new value, social value and, above all, real value. In our Mid- to Long-term Business Plan, the key strategy of expanding business volume and business domains in the Development Sector contributes to building cities that connect with tomorrow and the key strategy of demonstrating differentiation and a competitive edge in the Service & Management Sector contributes to creating times of real value. For us, achieving Our Group Vision is precisely what CSR is and promoting CSR activities as one with our business strategies is crucial.

Furthermore, we have identified four key themes of social issue areas in which we can make a contribution. By addressing these, we will create new value in society and accomplish Our Group Vision.

Simultaneously Creating Social Value and Increasing Company Value

Our Group's employees are on the frontline of the struggle against problems in society and everyday life as they carry out their real estate-related responsibilities. I expect that each of us internalizing these four key themes and carrying out our daily responsibilities with the Group's vision at the front of our minds will add a long-term perspective to our business activities and make them more worthwhile. This will then increase the value of the products and services we offer and help increase the sustainability of society.

I want to instill Our Group Vision and four key themes of CSR in every one of our employees. Then, by promoting CSR activities as one with our Mid- to Long-term Business Plan and simultaneously creating social value and increasing company value, we will meet the expectations of our shareholders, investors and all other stakeholders.

Our Group Vision

New Value, Real Value

Integrating all that is precious to people and communities, we build cities—dynamic stages that connect today with tomorrow’s possibilities, and embrace every moment of life’s pursuits.

We create new value, social value, and above all, real value.



Four Key Themes for CSR

Safety/Security

Environment





Community

Health/Comfort

CSR Promotion Foundation

Labor: Training diverse human resources

Management structure: Corporate governance, compliance and risk management

	Safty/Security	Enviroment	Community	Health/Comfort
	 Employees inspecting a building frame	 PROUD City Motosumiyoshi courtyard	 A Christmas party for tenants	 A senior citizen exercise program
Social Issues	Handling natural disasters, real estate stock deterioration, urban renewal expectations, etc.	Addressing environmental problems and energy shortages	Due to the low birthrate and aging society, ties between people and communities are weakening and their functions are eroding	Heightened interest in health and comfort due to the aging society, increase in free time, shifts in priorities and lifestyles, etc. and sophistication and diversification of needs
The Group's Approach	We work to improve safety in both tangible ways (installing the latest technology, ensuring architecture quality, improving city functions through development, etc.) and intangible ways (disaster prevention planning, BCPs, comprehensive after-service, etc.).	In our business, we work to reduce the environmental burden by installing the latest environmental technology and information and communications technology as well as energy generation and passive design that coexists with nature. We also seek to provide environmental education through events and town meetings.	We work with the people that live, work, gather and relax in and around the development site to use urban-type compact town-style development and the diverse values of communities such as cooperation and frameworks that encourage multi-generational interaction to create robust communities.	We work to enable people to live healthy and comfortable lives by improving health through sport and developing senior housing as well as promoting universal design and frameworks that encourage participation in the community.

<p>Specific Examples</p>	<ul style="list-style-type: none"> ● Using original Apartment Building Design Standards and Manuals ● Creating a PROUD Standard Disaster Prevention Manual for residences ● Installing a disaster prevention hub for office building tenants (PMO Nihonbashi Muromachi) ● Conducting disaster prevention training 	<ul style="list-style-type: none"> ● Formulating original PROUD Environmental Evaluation Sheets, quantifying each property's environmental efforts and reinforcing environmental consideration ● Instituting a policy of attaining at least a CASBEE A-rating for each of our PMO buildings ● Promoting smart towns 	<ul style="list-style-type: none"> ● Issuing Condominium Community Guides and supporting community-building events such as summer festivals and Christmas parties in each condominium community ● Holding the Firefly Evening 2016 at Yokohama Business Park to promote local interaction ● Conducting training, seminars and exchange events for office building tenants 	<ul style="list-style-type: none"> ● Sponsoring various health improvement programs corresponding to local needs through our sports clubs ● Creating a Universal Design Guidebook and strengthening promotion of universal design based on the guidebook's principles
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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 2015, 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.