

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

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Compliance

Policy and Standards

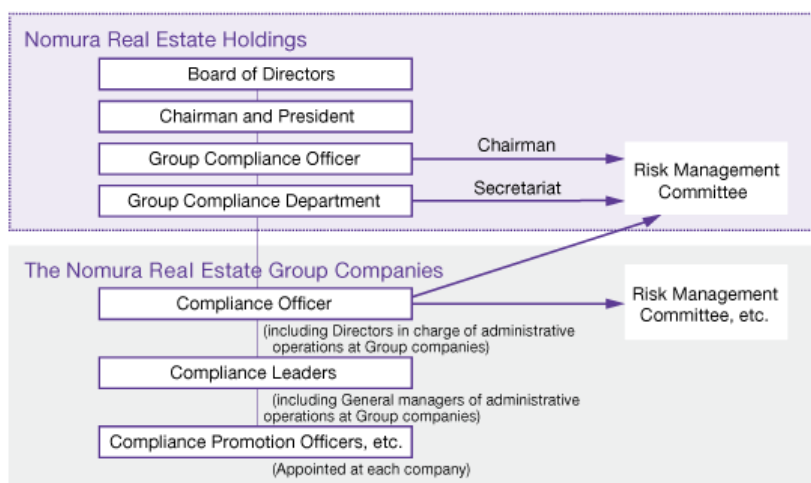
The Nomura Real Estate Group Code of Action

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.

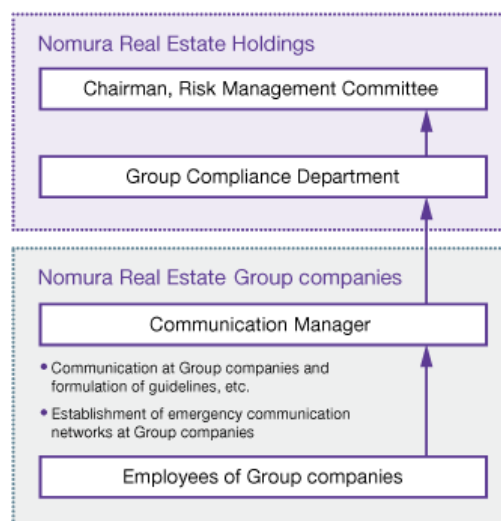
Risk Management

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.