
Special Feature 1



Social Issues

Sustainable Urban Development Needed for a Variety of Reasons

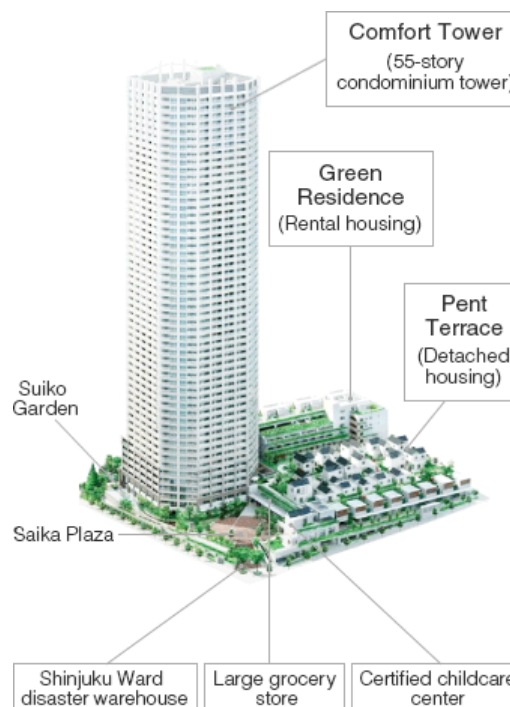
In order to maintain social vitality as the Japan's population declines, there is a need to avoid population over-concentration in the Greater Tokyo Area and to improve urban functions throughout the nation. Greater efforts are also being made towards urban redevelopment, including measures to address 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-storey 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 Igokochi (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



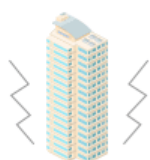
Green Residence, bringing green to daily life

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

Building structure



Dual
damping structure

Storehouse for disaster supplies



Disaster warehouses
designated by
Shinjuku Ward

Manhole toilets



Installed in
three locations

Emergency power generators



Emergency power supplies
providing **3 days** of electricity
(as currently planned)

Firefighting tanks



Firefighting tanks in
three locations with a total of
140 tons of water

Disaster prevention center



Security guards
working **four to a shift**

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.

470

Special Feature 2



Social Issues

Expectations for a Smart Community that Can Address Environmental Problems

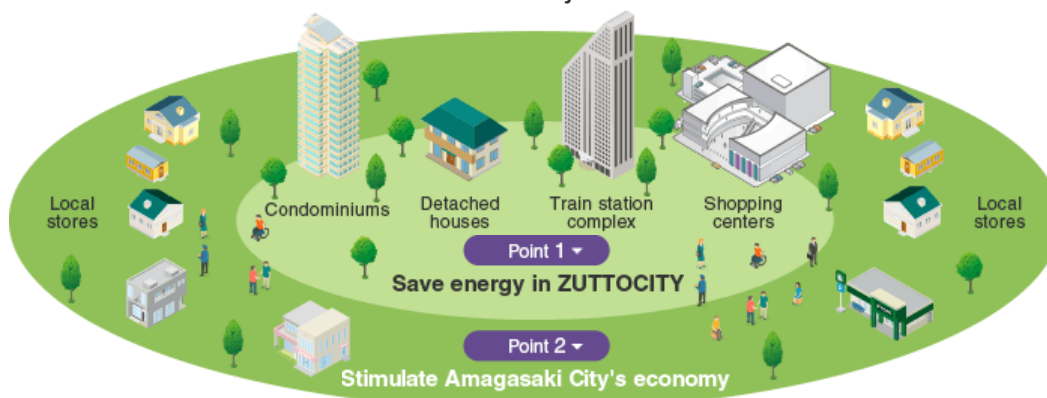
Having experienced the power shortages and rising electricity costs that followed the Great East Japan Earthquake, everyone in the country—including ordinary households—are aware of the importance of energy conservation. In the interest of creating stability with regard to the balance between power supply 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.

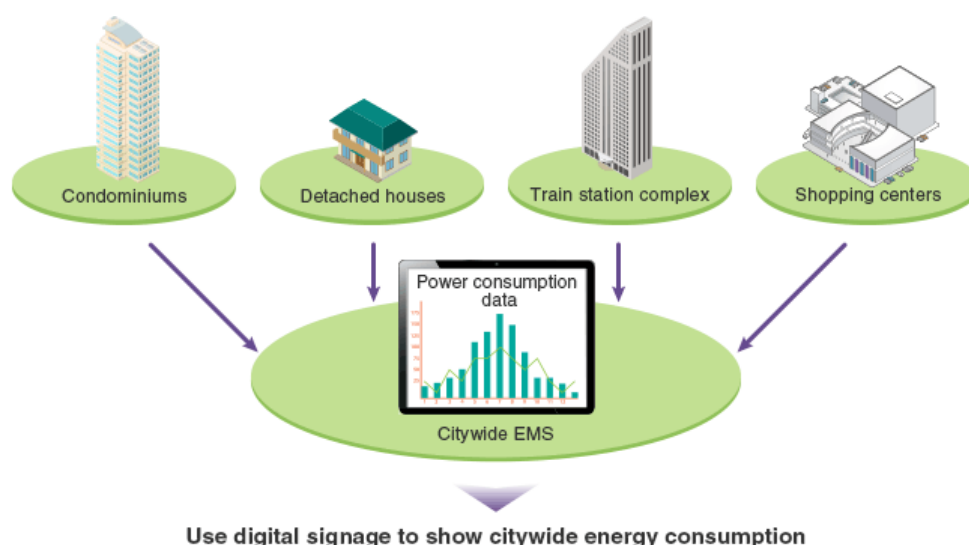
System for Achieving Sustainable Energy Saving and Stimulation of Local Economies through the Use of Local Currency Points



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)

