



CSR Report 2016



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Top Commitment



NEW VALUE, REAL VALUE

Supported by a new version of "Our Group Vision", we are continually changing and confronting new challenges so that we all will live in prosperity, achieve our dreams, and realize a better future.

Eiji Kutsukake

President and Representative Director, Group CEO
Nomura Real Estate Holdings, Inc.

This year marks the 10th year that Nomura Real Estate Holdings has been listed on the Tokyo Stock exchange. During this time, the company has seen its business grow and the number of employees and group companies increase, and the expectations customers and society have for the company are now greater than ever. What will the Nomura Real Estate Group need to do in order to successfully adapt to social change and satisfy wide-ranging needs while achieving sustainable growth? To answer this question, we have established "Our Group Vision" in the form of the Group's Corporate Philosophy and CSR Vision.

Our Group Vision

NEW VALUE, REAL VALUE

Integrating all the things precious to people and communities,
we build cities— dynamic stages that connect today
with a future of possibilities and enrich every moment invested in life's pursuits.
We create new value, social value, and above all, real value.

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 that the Group must play and the expectations society has for us are greater than ever before. For example, the changes in Japan's demographic structure and the transformation of communities as a result of a decreasing birth rate and increased longevity, expectations concerning urban revitalization and the aging of real estate stock, the acceleration of globalization, and environmental problems. How should the Group view these social changes and how should it commit itself to solving attendant problems? The Group will strengthen its resolve to faithfully confront these questions and challenges and continuously create value for society, and will tenaciously rise to the challenge so that we all will live in prosperity, achieve our dreams, and realize a better future.

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The Nomura Real Estate Group's Stance on CSR

CSR as a Part of the Ideal to Which We Aspire



Seiichi Miyajima

Executive Vice
President and
Representative
Director,
Group COO,
Chair of CSR
Committee,
Nomura Real
Estate Holdings
Inc.
President,
Nomura Real
Estate
Development
Co., Ltd.

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

	<div>Safety/Security</div>  <p>Employees inspecting a building frame</p>	<div>Environment</div>  <p>PROUD City Motosumiyoshi courtyard</p>	<div>Community</div>  <p>A Christmas party for tenants</p>	<div>Health/Comfort</div>  <p>A senior citizen exercise program</p>
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.

Specific Examples	<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.

CSR

Special Feature 1



Urbanization and Change in Household Makeup Drawing Attention to Urban-type Compact Towns

As single-person and elderly households increase due to the low birthrate and aging society, the population is concentrating in urban areas that are convenient for everyday life, the work or hospital commute and a variety of other reasons. With the need to develop environments in core cities all over the country in which diverse peoples can live more comfortably, the combination of the regional revitalization being advocated by the government and increased attention on disaster prevention awareness following the Great East Japan Earthquake is causing a wave of new urban development to sweep across Japan.

Against this backdrop, our Group is putting its effort into urban-type compact towns. These developments contain not only safe and comfortable housing but also retail facilities, sporting facilities, facilities for senior citizens, parks, hospitals, schools, research centers and various other functions, all within walking distance. To provide safety and abundance to all generations while nurturing the local community and forming a unique "town" - this is the type of urban development we pursue.

Management Ability is Essential to Ideal City Development

Development of urban-type compact towns requires the know-how to develop and manage residential, office, retail and many other types of facilities as well as robust imagination and management ability to link these based on an urban development perspective.

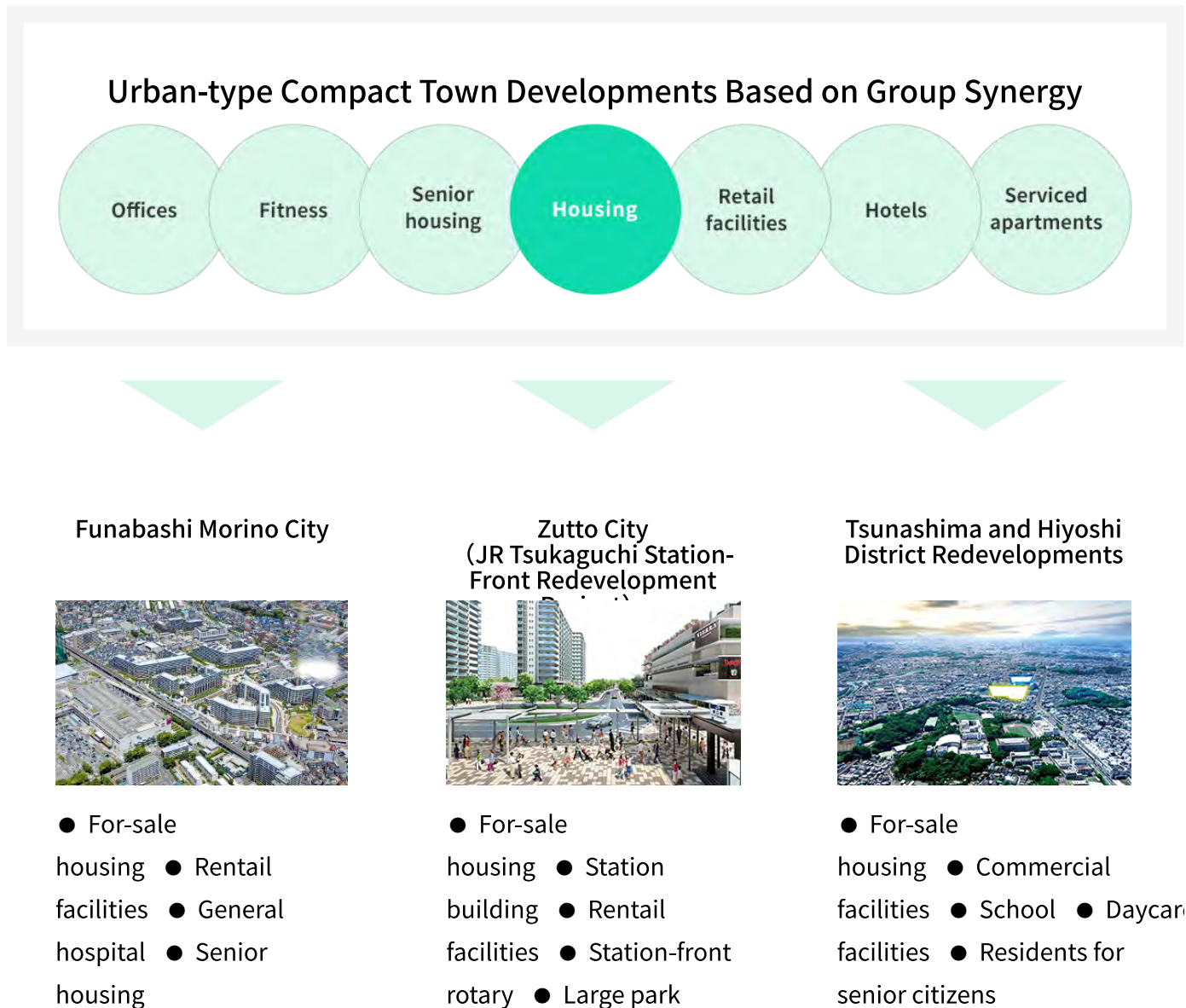
In addition to our top-class track record with residential redevelopments, by expanding our business domains in recent years, the Group has accumulated know-how pertaining to a wide range of facilities. On top of that, the expertise we have

cultivated by moving into new sectors such as senior citizen/health needs and the energy business adds value to our neighborhoods and is a great strength.

In this way, the Group is already using its comprehensive, Group-wide abilities to create unique urban-type compact towns such as Funabashi Morino City in Chiba Prefecture and Zutto City in Hyogo Prefecture and, through our promotion of community-building and town management, has received praise from the residents as well as the local society. We are also currently promoting sustainable urban development by participating in planning redevelopments in the Tsunashima and Hiyoshi districts of Kanagawa Prefecture.

Developing high-quality real estate stock that will be used for many years to come and enriching the lives and pursuits of the people who live, work, gather and relax in these communities through this kind of high value-added urban development is both our Group's unique social contribution and an opportunity to achieve continuous growth. We will continue to grow together with society by demonstrating the Group's comprehensive abilities and empowering people and society.

Urban-type Compact Town Developments Based on Group Synergy



《Case Study》 Tsunashima Sustainable Smart Town (SST) Plan: A Fusion of Nature, People and City

Name...Tsunashima Sustainable Smart Town

Location...4-chome Tsunashima-higashi, Kohoku-ku, Yokohama-shi, Kanagawa Prefecture

Schedule...Opening in 2018

Site area...Approx, 37,900㎡



The Tsunashima SST Council, composed of Nomura Real Estate Development, Panasonic and eight other partners from different industries, is promoting sustainable urban development in cooperation with Yokohama-shi and other government bodies.

Our aim is to create a next-generation urban-type smart town based on the concepts, "This town will create the future" and "Innovating the future together."

《Development Policy and Aims》 Promoting Development of Smart Towns as Platforms of Life by Establishing Targets to Aim for and Codes to Follow

Tsunashima SST is a large-scale redevelopment project on the former site of a Panasonic factory in Tsunashima-higashi, Kohoku-ku, Yokohama. Nomura Real Estate Development, Panasonic and other companies and municipal governments as well as citizens are pooling their knowledge to promote sustainable development of urban platforms of life from the perspective of all who are connected to it, whether by living, working, visiting or otherwise. Our goal is an urban-type smart town that connects apartment housing, retail facilities, R&D facilities, international student dormitories and various other facilities to produce cutting-edge innovation based on the potential and issues of the Tsunashima district.

To that end we are setting numeric targets as signposts from a wide range of perspectives such as environmental preservation, safety and security. We are also formulating codes to achieve these targets: a design code for designs and elements making up the townscape, a sustainable code that considers the next generation and the earth's environment and a smart code for comfortable, convenient, safe and secure living. These three codes are applied when constructing each facility to ensure they conform to the concept of a "next-generation urban-type smart town" from both tangible and intangible perspectives.

Furthermore, the Group will contribute to the realization of sustainable lifestyles, city and society befitting Yokohama as a "FutureCity" in its mixed-use development plan for Hiyoshi and other projects through broad-based connections with surrounding developments.

The Nomura Real Estate Group's Key CSR Theme Initiatives

Safety/Security

The Tsunashima SST Plan seeks urban development that protects living and spreads safety and security around the globe with comprehensive town security protecting its diverse facilities. It aims for 100% coverage of major entrances/exits by surveillance camera and a response time of 15 minutes or less anywhere in the neighborhood.

We have also planned mutual flexibility and optimal distribution of energy and information as well as people and materials by using facilities' unique characteristics should a disaster occur. With a three-day lifeline as our target, we will formulate a CCP (Community Continuity Plan) to restore regular operations in times of emergency.



A multi-signage (digital signage) system to provide various types of information

Community

The Tsunashima SST Plan aims for urban development that connects people living there, working there, visiting or otherwise both locally and globally and attracts people searching for a better future. Through community spaces and advanced communication tools that accommodate diversity, it supports the formation of a sustainable community nurturing interaction transcending generations and nationality and boosts the independent value of the neighborhood as a whole.



A Keio University international student dormitory and town management center supporting resident life (concept drawing)

Environment

In addition to laying out environmental targets of reducing CO2 emissions by 40%, reducing everyday water usage by 30% and using new energy for 30% or more of needs, the Tsunashima SST Plan also includes obtaining Gold rating in the LEED ND* global environmental performance evaluation. The entire neighborhood will have visualized energy use through cutting-edge information and communications technology and intelligently combine power from diverse sources including new energy such as hydrogen as well as solar and natural gas cogeneration.

* LEED ND: The Neighborhood Development category of Leadership in Energy & Environmental Design, an environmental benchmarking system for buildings and sites developed and run by the U.S. Green Building Council.



Hydrogen usage points installed around the neighborhood and operated by JX Nippon Oil & Energy Corporation (concept drawing)

Health/Comfort

The Hiyoshi Mixed-use Development Plan, which aims to develop a multi-generational recycling town centering on residences and commercial facilities but including a local elementary school and daycare facilities, also includes developing residents for senior citizens. Through the need-specific health management services and senior citizen services offered by MEGALOS CO., LTD., a sports club, we will work with residents, visitors, neighbors and others to provide healthy and comfortable life.



A diagram of the Hiyoshi Mixed-use Development Plan, a compact town currently being planned to attract diverse people.

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Special Feature 2



The Nomura Real Estate Group's Quality Management According to the Quality Management and Architectural Design Officer

Improving the Nomura Real Estate Group's Quality with a Customer-first Mentality

Aiming for a Sustainable Society through Real Estate that is Safe, Secure and Comfortable in the Long Term

In recent years, sustainable urban development has become more of a focus and people want new creations that integrate all aspects of life precious to people and communities. At the same time, rumors of problems related to quality, safety and security are emerging in numerous industries, bringing them under closer scrutiny by consumers and society.

The Nomura Real Estate Group has obtained trust by carefully maintaining quality through the customer-first mentality it has valued since its founding. Rather than let that trust make us complacent, we endeavor to create structures that achieve safety and security from an even stricter, more longterm perspective based on the changes in society's thinking in recent years. Instituting the position of Quality Management Officer in March 2016 was one such effort. As the entire Group's Quality Management and Architectural Design Officer, my goal is to incorporate an emphasis on quality into all stages of our processes, whether development, design, construction, or post-completion management and renovation, and manage and guide each unit with a view of the big picture in order to achieve safety, security and comfort that will serve as dynamic stages that connect today with tomorrow's possibilities, and embrace every moment of life's pursuits.



Takashi Kaku

Executive Officer,
Quality Management
and Architectural
Design, Nomura Real
Estate Holdings Inc.
Director & Senior Man
aging Executive Officer,
Nomura Real Estate
Development Co, Ltd.

Inheriting Responsibility for the Customer-first Mentality that is in the Nomura Real Estate Group's DNA

Another reason for establishing this position was to diversify the Group's business. Moving into new domains such as offices, retail facilities and senior housing requires a different kind of quality management from our residential business up until now. Therefore my mission and responsibility is to fuse the foundational know-how we have cultivated building residences with the technologies and expertise needed in these new sectors and develop high-level quality management structures covering not only development but our after-sale services in their entirety.

Construction is something that happens through the collaboration of many people. We have extended into various businesses, therefore it is so important that the attention to quality that makes up the DNA of the Nomura Real Estate Group is embedded in each employee of every Group company in each business as well as partners such as design and construction companies.

Since the Group's origin, Nomura Real Estate Development, was established in 1957, we have solidified a unified structure for manufacture, sale and management and, being among the first developers to formulate a quality management manual, have carried on this legacy by continuing to incorporate lessons learnt through our many construction projects. Instilling these rich insights and know-how and, above all, the customer focus contained therein in each and every one of our staff involved in creation, management and services should serve to preserve the trust that our customers place in the Nomura Real Estate Group in all of our businesses.

With employees that prioritize quality and apply this thinking to each project, whether creation, management or services, we will live up to the trust of our customers and society.

One in ten employees is a licensed first-class architect

The high percentage of licensed first-class architects among our employees is proof of the Nomura Real Estate Group's dedication to quality and one of its strengths. It is because we have architecture experts in each unit, not just the design and quality management units, that we can thoroughly ensure quality throughout all processes.

Nomura Real Estate Development no. of employees: 1,812 No. of licensed first-class architects: 194 (10.7%)

*As of August 2016. No. of employees excludes part-time staff.

《Case Study》 Condominium that Offer Lasting Security

The PROUD brand illustrates the Nomura Real Estate Group's dedication to quality

PROUD is the Group's flagship residential brand. Below is a step-by-step breakdown of the dedication to quality underpinning our trustworthiness.

Basic Plan

Formulate a plan to maximize the appeal of the land

We verify the reliability of the foundation and put forward a product plan that reflect the local environment and area characteristics.



Inspecting the foundation that will be key to the reliability of the building

Design

Generate quality from the design stage based on abundant experience

Based on our apartment design standards, the culmination of know-how cultivated over construction of around 180,000 on dominium units, we keep a close eye on design quality while moving from the basic plan to basic design and then to the actual design.



Quality management manuals reflecting 60 years of experience

Construction

Extend our dedication to quality to the construction site

Rather than leaving it up to those on-site, we thoroughly monitor the construction company while flexibly taking onboard their input, constructing high-quality buildings based on our combined know-how.



Sharing our thinking on quality with the construction company

Inspection

Thorough inspection leads to assured quality

We prepare a quality management checklist for each project and process based on our apartment manual. Our employees also conduct onsite inspections to guarantee quality.



Multiple inspections throughout each process

Completion

After-service

Provide long-term safety and security through after-service offered by the seller

Nomura Real Estate Development, as the seller, provides regular after-service to keep the building safe and secure for the duration of customers' tenancies, responding to problems with precision.



Regular, continuous support for comfortable living

Operation/Management



Supporting comfortable condominium life

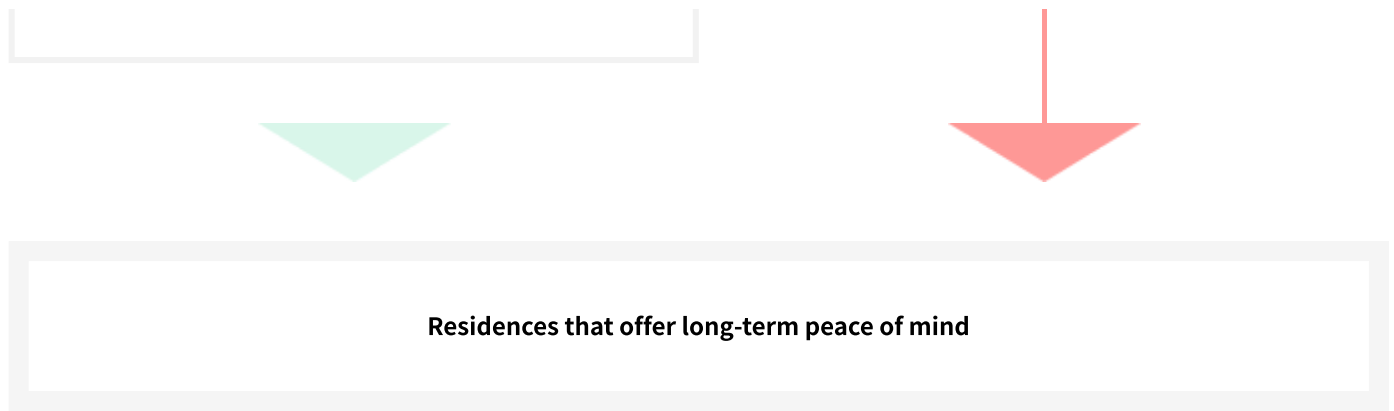
Long-term Improvement Plans/Renovation

Continue to address changing residential needs

We perform improvements over the long term to preserve the safety and asset value of building and use the Group's comprehensive abilities to propose renovation, resale, etc. based on changes in household makeup.



Making proposals matching the customer's stage in life



The Nomura Real Estate Group's Key CSR Theme Initiatives

Nomura Real Estate Development has formulated a PROUD Smart Design called "SMART & GROWING" as its vision for next-generation condominium.



Safety/Security

In safety design, we formulate safety and security measures and disaster prevention programs. We also work to offer safer and more secure products by listening to customer feedback through our unified manufacturing-sale-management structure.

Environment

In passive design, we formulate PROUD Environmental Evaluation Sheets for harmony with the natural environment. These quantify the environmental measures at each property and strengthen our efforts toward environmental consideration.

Community

Nomura Real Estate Development works to make common areas comfortable and support healthy community-building. Through joint industry-academic research with Japan Women's University Graduate School, we produced "100 Design Techniques for Condominium Communities."

Health/Comfort

In active design, we take the initiative in implementing the latest technology and trying to anticipate the standards of the future. We have also created a Universal Design Guidebook and promote universal design based on it.

Stakeholder's Voice

I've been involved with Nomura Real Estate Development for over ten years now, and what has been common to everyone that I've worked with is their strong spirit and end user awareness regarding building.

This can be seen in their detailed construction manuals, which are always being updated, and any point of improvement is immediately implemented at the next site. They demonstrate their dedication by visiting the site for processes usually checked by blueprint only. Their seller screenings are strict and employees present for Nomura Real Estate Development's inspections achieve excellent marks in our quality construction training test that checks building reinforcement arrangement.

At the same time, contrary to being limited by rules and arrangements, they are flexible when something better is possible, clearly illustrating their commitment to creating a quality product in partnership with the construction company. Going forward, I hope to maintain our cooperative relationship with this type of thinking.



Takumi Tokunaga
Takenaka Corporation
Head of Tokyo Main
Office



Construction project
overseen by Mr.
Tokunaga
(PROUD Minami-Azabu)



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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.

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CSR | Safety and Security

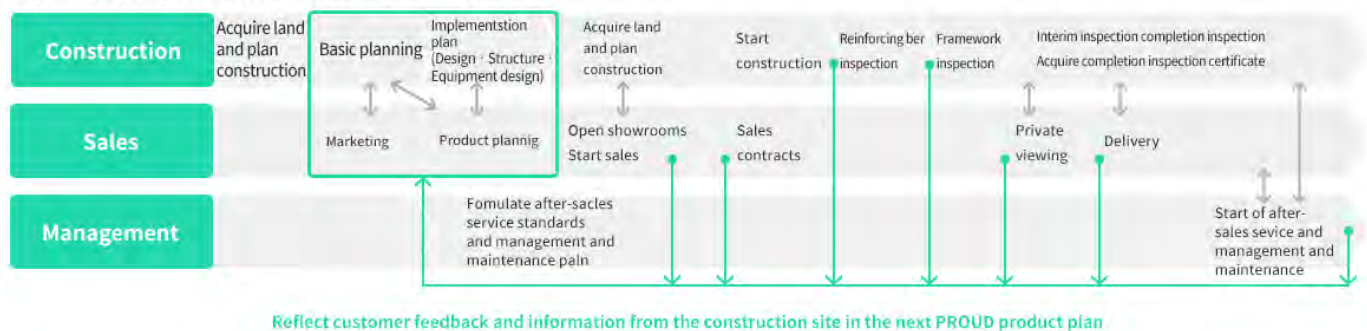
Building Safety and Security (PROUD Condominiums)

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

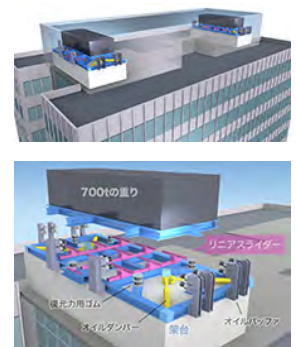
Nomura Real Estate Development hosts the PROUD Quality Conference, at which architectural personnel in the condominium business gather with the goal of increasing condominium quality. At the annual conference techniques are improved and standardized through the sharing and discussion of updated content 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.

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.



Dual TMD-NT

Usage of "Standard Specifications"

In addition to its PROUD series of condominiums, Nomura Real Estate Development develops lease-based PMOs (Premium Midsize Offices), GEMS, and Landport properties. As with its PROUD properties, the company prepares Standard Specifications when developing these facilities that establish standards for things such as designs, structures, and equipment, and informs construction companies and design personnel of these standards in order to supply comfortable, high-quality facilities that provide safety and security.

CSR | 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 7,000 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. Nomura Real Estate Development has also acquired ISO 9001: 2015 certification (an international standard for quality management systems) for design management and construction management operations conducted by the facility. In addition, September 2015 saw Nomura Real Estate Partners acquire ISO 9001: 2015 certification for 13 PMO series properties, becoming the first in Japan to acquire such certification.

As of March 31, 2016, 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.

CSR | Safety and Security

Disaster Preparedness Initiatives

Enhancing Disaster Preparedness Support

"Circle Aid" Disaster Preparedness Concept

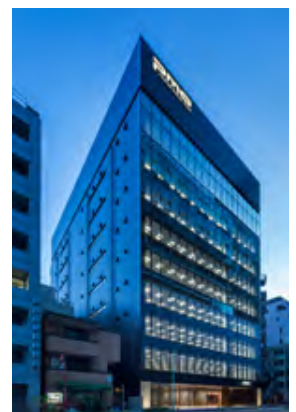
We have instituted the "Circle Aid" disaster preparedness concept at PROUD brand condominiums. This concept encompasses earthquake-resistant design and disaster preparedness storerooms, and assists residents in helping themselves and others when disasters strike. As part of this initiative, we have distributed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

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, Commercial Facilities, and logistics 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.

Sheltering of and Support for Disaster Victims through Temporary Living Accommodations for Those Unable to Return Home

The Shinjuku Nomura Building (Shinjuku Ward, Tokyo) and Nihonbashi Muromachi Nomura Building (Chuo Ward, Tokyo) have signed agreements with their respective wards to serve as temporary living accommodations for disaster victims unable to return to their homes.



CSR

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.

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CSR | The Environment

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

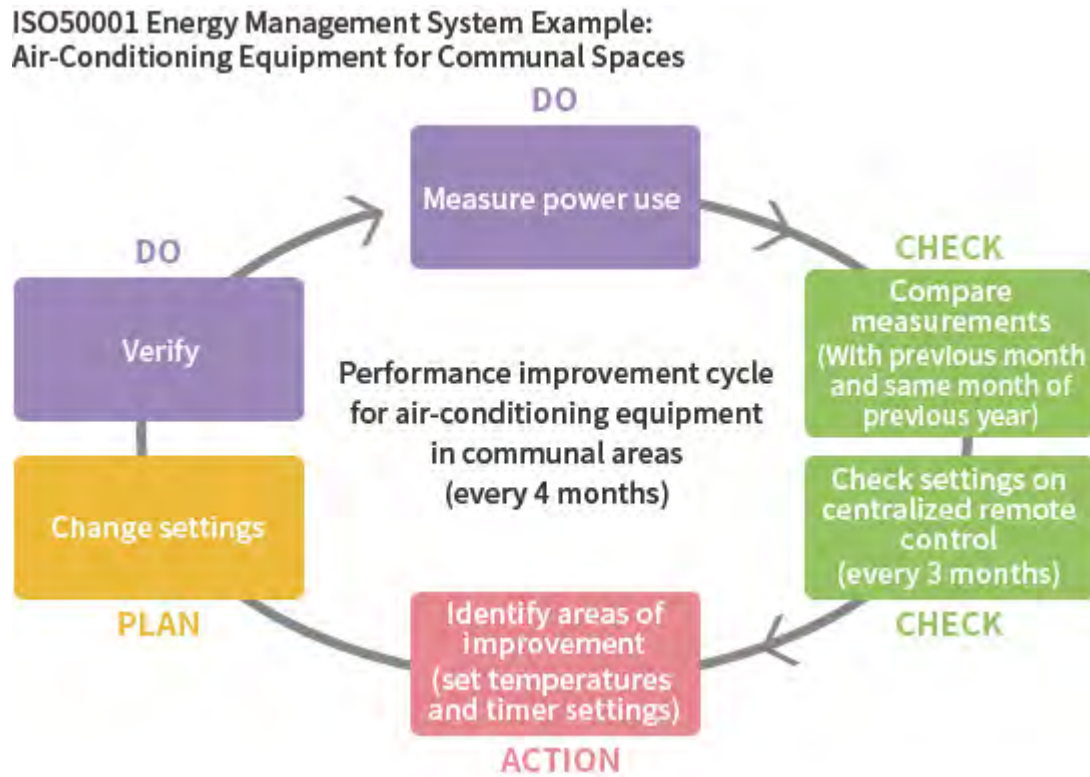
The Group has a mission of utilizing the power and blessings of nature to create communities and spaces in harmony with the environment in order to pass down the earth's beauty to future generations. We will pursue the realization of ideal environmental quality with a strong will and increased sensitivity 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.

CSR | The Environment

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.



PROUD Smart&GROWING

ZUTTOCITY Becomes Certified Amagasaki-Version Smart Community

One of the largest train station area redevelopment projects in the Kansai region, ZUTTOCITY (Amagasaki City, Hyogo Prefecture) was opened to the public in April 2016. The city comprises facilities that include PROUD City Tsukaguchi (a 1,200 unit condominium complex) and PROUD Season Tsukaguchi (a detached housing community with 71 units) as well as a train station building and commercial facilities. The city uses a comprehensive EMS (energy management system) to keep track of its energy usage.

The city implements "demand response" to curb power usage by visualizing energy usage in real time using digital signage and by encouraging residents to go outside in the middle of summer, winter, and other periods of peak power usage. As an incentive to go outside, the city provides residents with local currency points they can redeem at businesses in Amagasaki City. Efforts are underway to allow these points to be used at stores in the broader area in addition to stores within the city (see figure below).

In recognition of these efforts, ZUTTOCITY has been certified as an Amagasaki-Version Smart Community by Amagasaki City. These efforts to save energy in and stimulate an entire local community by implementing a demand response system in concert with local currency points have never before been done in Japan.



Public opening of
ZUTTOCITY

Grant local currency points based on energy conservation performance



Energy saving solutions for condominiums

At its PROUD facilities, the Nomura Real Estate Group is rolling out its enecoQ service. This service promotes energy-saving and cost reductions through a combination of ICT (information and communications technologies) and a high-voltage bulk electricity supply service for condominiums.

And in December 2015, the Group established NF Power Service Co., Ltd. to handle power purchasing. Leveraging demand prediction models developed over the course of providing our enecoQ service, we can now purchase power much more efficiently.

enecoQ

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

Energy-Saving Initiatives at PMOs

Nomura Real Estate Development is working to conserve energy at its PMOs through efforts that include using LED lighting and low-e pair glass for its excellent heat insulating properties, conducting rooftop and wall greening, and deploying natural ventilation systems.

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.

* 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).



Exhibit of Urban Design
for Firefly Habitats 2015

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 Landport building 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 Hirakawacho	A	CASBEE
PMO Nihonbashi Mitsukoshimae	A	CASBEE
Landport Komaki	A	CASBEE Aichi
Landport Iwatsuki	A	CASBEE Saitama
Landport Kashiwa-Shonan I	A	CASBEE Kashiwa
Landport Kashiwa-Shonan II	A	CASBEE Kashiwa

* Only major properties certified in FY 2015 are shown







Acquisition of Green Building Certification

Nomura Real Estate Development has acquired DBJ Green Building certification for its Landport logistics facility and for office buildings that include the Nihonbashi Muromachi Nomura Building and PMOs, which we developed. This certification recognizes these facilities' regard for the environment in deploying the latest equipment, their efforts to visualize energy usage, and the measures in place to ensure comfortable working environments for tenants. Newly acquired certifications in fiscal 2015 are shown at right.

***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
Landport Kashiwa Shonan I	2015 Plan 
Landport Kashiwa Shonan II	2015 Plan 
Landport Takatsuki	2015 Plan 
Landport Hachioji II	2015 Plan 
Landport Iwatsuki	2015 Plan 
Landport Komaki	2015 Plan 

* Only major properties certified in FY 2015-2016 are shown

CSR | The Environment

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 impacts on the natural environment and surrounding environment
- Promote the use of products, technologies and methods with fewer environmental impacts
- Reduce waste emissions and increase recycling rate
- Reduce greenhouse gas emissions
- Proper management and reduced usage of chemicals

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

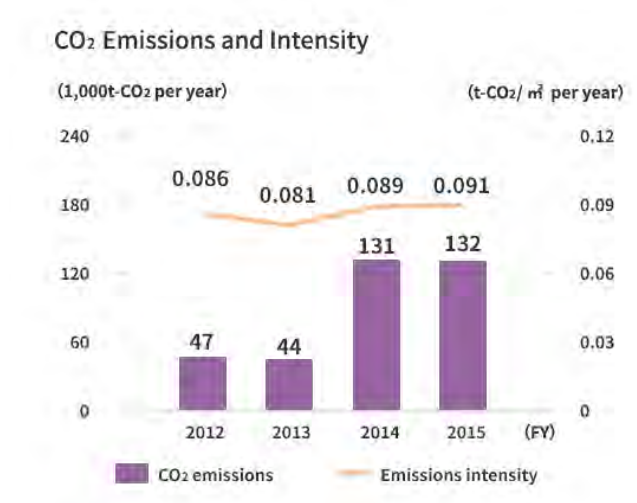
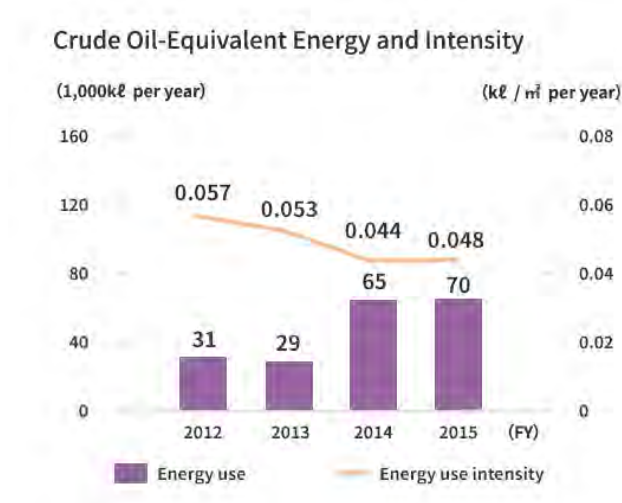
The Nomura Real Estate Development Condominium Design Manual requires the use of chlorofluorocarbon-free insulation and refrigerants used in air conditioners to prevent emissions of ozone-damaging chlorofluorocarbon. Construction partners are also required to submit a Quality Control Check Sheet during construction to confirm that only chlorofluorocarbon-free materials have been used.

CSR | The Environment

Environmental Data

Environmental Data

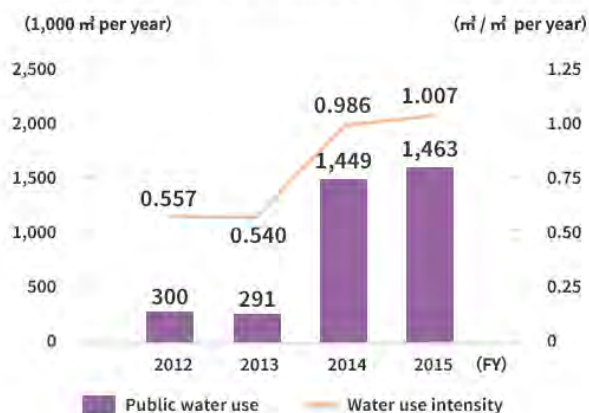
The Nomura Real Estate Group gathers environment-related data for the major facilities that must be registered under the Energy Saving Act.



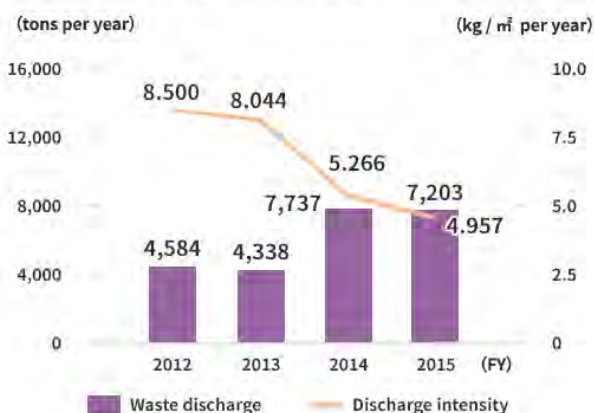
	2012	2013	2014	2015
Energy use (1,000kℓ per year)	31	29	65	70
Energy use intensity (kℓ / m ² per year)	0.057	0.053	0.044	0.048

	2012	2013	2014	2015
CO₂emissions (1,000t-CO ₂ per year)	47	44	131	132
Emissions intensity (t-CO ₂ /m ² per year)	0.086	0.081	0.089	0.091

Public Water Use and Intensity



Waste Discharge and Intensity



	2012	2013	2014	2015
Public water use (1,000m³ per year)	300	291	1,449	1,463
Water use intensity (m³/m² per year)	0.557	0.540	0.986	1.007

	2012	2013	2014	2015
Waste discharge (tons per year)	4,584	4,338	7,737	7,203
Discharge intensity (kg/m² per year)	8.500	8.044	5.266	4.957

* 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 condominium sales centers. (There were a total of 201 facilities.)

* For fiscal 2015, this included 142 facilities requiring registration under the Act on the Rational Use of Energy (including some waste facilities), with the exception of condominium sales centers. (There were 210 facilities in total.)

* CO₂ emissions are calculated using the coefficient stipulated in the Tokyo Metropolitan Ordinance on Environmental Preservation.



CSR 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.

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Revitalizing Communities Surrounding Our Projects	45

CSR | Community

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

Kids Explore Condos Event Held

This fiscal year, Nomura Real Estate Development and Nomura Real Estate Partners held "Kids Explore Condos" events at eight properties in the Greater Tokyo area. These events allow children living in condominiums to experience the job of a building manager and see the water tanks, storage rooms, and other features of their buildings that they never get to see. The events also aim to teach children how building managers and variety of other people help ensure condominiums stay comfortable and safe, and to foster in them a desire to take better care of the condo they call home.

Through initiatives such as these, the Nomura Real Estate Group works to create environments under which the children that will run our cities in the future can develop a sense of civic pride[※].

※Civic pride

Having pride and affection for the place in which you live and work, and realizing that you are one of those helping to build that community.



Kids Explore Condos event

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. Nomura Real Estate Development also makes community support proposals for building management associations.

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 720 people tried their hand at harvesting vegetables over two-day events held in the spring and autumn.



Partners Farm

CSR | Community

Revitalizing Communities Surrounding Our Projects

Events Aimed at Revitalization

The 8th Annual Exhibit of Urban Design for Firefly Habitats (2015)

Nomura Real Estate Development held its 8th annual "Exhibit of Urban Design for Firefly Habitats (2015): Towards a Happy Harmony Among Nature, People, and Communities" at Yokohama Business Park in June 2015. 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 workshop for local children.

Through the end of November, the company also interacted with the community by working with Yokohama Business Park tenant companies to hold Rice Making Workshops, Fun with Science events, and other such events at local elementary schools as integrated learning opportunities.



Opening ceremony

Participation in the Nishi-Shinjuku 'Round-Town Event

In conjunction with owners of high-rise buildings in the Nishi-Shinjuku area, Nomura Real Estate Development continues to discuss ways to make the area even more lively and appealing in ways appropriate to Shinjuku. In fiscal 2015, this took the form of holding events that made use of the city's sidewalks and open public spaces. The company also worked with owners of high-rise buildings in the area to conduct monthly "Nishi-Shinjuku Learning Events", which offered activities such as cooking classes and photography lessons as well as vaudeville performances.

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 holding a series of 6 seminars aimed at preparing people to conduct events at event centers.



Activities to Revitalize Communities through Art

Interacting with Communities through Bono Sagamiono

Through collaboration with Bono Sagamiono, a shopping mall operated by Geo Akamatsu, Nomura Real Estate Development gives tours to local elementary students showing them the facilities, including the areas not open to the public. Through these and other efforts that include providing facilities to hold local festivals, Nomura Real Estate Development is actively engaging in community exchange.

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.

A number of events were conducted in fiscal 2015, among them the making of bamboo lamps for display at the Candle Night event. The Narashino Fire Department Headquarters also provided support in letting participants get in ladder trucks and ambulances as part of a nationwide springtime fire prevention campaign.



Disaster Readiness
Event for Children

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.

MEGALOS' Kashiwa facility opened to the public for use as a haunted house

MEGALOS Kashiwa conducts an event where it invites members from the community to go through its "MEGALOS Shop of Horrors" haunted house. The one day only event lets visitors go through a facility that is normally only available to club members. Thanks to support from local organizations for children and town councils, the event saw close to 500 visitors in fiscal 2015.

■ Efforts to Support Tenant Companies at PMO Facilities

Nomura Real Estate Development provides companies at PMO facilities with support that includes providing spaces for conducting company information sessions and interviews and offering correspondence training courses to improve business skills. We also conduct a range of events that include networking receptions exclusively for tenant companies.

In addition, Nomura Real Estate Partners publishes the Oh! Hayo magazine for tenant company employees.



Networking reception



CSR

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 Comfort
Addressing Japan's Aging and Diversifying Society

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CSR | Health and Comfort

Promoting Design that Improves Health 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.

FY2015 Good Design Awards

For 14 consecutive years, the Group has won Japan Institute of Design Promotion Good Design Awards. The Group won awards for six projects for fiscal 2015.

Award-Winning Projects

- PROUD Machida -EcoHug-housing with a theme of environmental education
- PROUD Utsukushigaoka
- Hill Court Terrace Yokohama Shiomidai
- Barrier Free and Quality of Life Guidebook
- MORINOCITY Town Meeting
- SKYZ TOWER & GARDEN

□ FY2015 Good Design Awards



Barrier Free and Quality of Life GUIDE BOOK

■ 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.

CSR | Health and Comfort

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

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 local governments, MEGALOS provides exercise programs to "those 65 and over who may have trouble with various everyday physical functions." To support physical activity among local elderly residents, the exercise programs provide exercise classes at local clubs and hold events to measure physical strength, among other activities.



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.

TOPICS Smart Wellness Town (Funabashi Model) Concept Selected as a Model Project to Promote Smart Wellness Housing, Etc. by the Ministry of Land, Infrastructure, Transport and Tourism

Nomura Real Estate Development and Nomura Real Estate Wellness are currently promoting the "Smart Wellness Town (Funabashi Model) concept ? an integrated and comprehensive community care support system that incorporates serviced housing for seniors into the city's functions with the goal of improving health and fostering communities". This concept was selected as a Model Project to Promote Smart Wellness Housing, Etc. by the Ministry of Land, Infrastructure, Transport and Tourism. The Model Project to Promote Smart Wellness Housing, Etc. initiative puts the call out for proposals on projects that seek to provide housing for seniors, people with disabilities, and households with children and maintain and improve the health of these residents. The government subsidizes a portion of the costs for conducting these projects.

Overview of the Smart Wellness Town (Funabashi Model) Concept

- Incorporates serviced housing for seniors (126 units) into Funabashi Mori City and seeks to meld the existing community with that of the new residents.
- Aims to build a comprehensive community care support system that allows community residents of all ages to seamlessly receive services focused on better health, illness prevention, nursing care, and medical care based on each resident's health condition.
- Seeks to provide support for better physical and mental health through ICT and human-run operations and to improve awareness concerning improving health and preventive care for senior citizens by providing services to existing community residents as well as new residents.



CSR

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
Developing Employee-Friendly Workplaces

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CSR | Appointment and Utilization of Diverse Human Resources

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 (currently the chairman) and comprising male and female members from various departments and ranks. The Committee deliberates on a broad range of matters, from work-life balance and ways to reinforce management abilities to mid- to long-term career development. The Committee has identified issues with, made suggestions for, and implemented measures to be improved companywide as part of a three-year plan, and has worked to ensure these measures have taken root. In this fourth year since the plan began, efforts are being made to build frameworks for action within each division and enforce policies in the workplace. Nomura Real Estate Development has also assigned dedicated staff, launched a special website, started a blog, launched a company newsletter, and conducted surveys as part of a range of measures to strengthen communication with its employees in order to promote a better understanding of the importance of diversity.



Diversity Promotion Committee

Similar activities are also being conducted by Nomura Real Estate Urban Net to promote a better appreciation for diversity.

Human Resource System Revisions

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

With the goal of achieving the company's newly formulated medium- to long-term business plan, we have defined the ideal we would like employees to aspire to and have revised our human resources system in order to achieve corporate growth through the development of people.

- Performance evaluation method revisions
- Human resource development program revisions

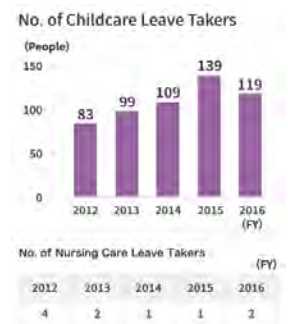
Revisions were made to the company's human resources system with respect to certain local positions in order to achieve flexible working arrangements for every employ

- Deployment of system for temporarily switching to being a regular "local employee"
- Review of compensation and benef

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 and in the Primer on Achieving a Good Work-Life Balance. In fiscal 2016, 119 employees took childcare leave.

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.



Nomura Real Estate Development selected to be in the New Diversity Management Selection 100

In March 2016, Nomura Real Estate Development was selected by the Ministry of Economy, Trade and Industry for its New Diversity Management Selection 100 project. The project selects and awards companies that demonstrate excellent diversity by improving corporate value through "diversity management". Diversity management refers to management that achieves innovation and creates value by providing opportunities for a diverse workforce to fully demonstrate its abilities.

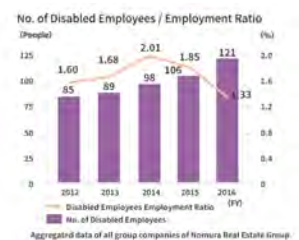


Kurumin Certification for Nomura Real Estate Development and the Nomura Real Estate Development Urban Net

Nomura Real Estate Development acquired Kurumin certification in October 2015. 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. Nomura Real Estate Development Urban Net as also acquired this certification.

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, 2017, the Group employed 121 individuals with disabilities, a figure that represents 1.33% 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 2,430 senior citizens as "Smile" supporters (people in charge of condominium management) and in other positions as of March 31, 2017.



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

The Nomura Real Estate Group promotes 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.

CSR | Appointment and Utilization of Diverse Human Resources

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.



CSR

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.

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CSR | Management System

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 Helpline

The Nomura Real Estate Group has established a helpline for Group employees at Nomura Real Estate Holdings.

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

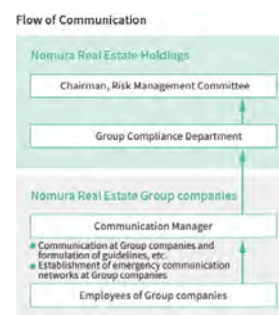
The Nomura Real Estate Group Code of Action sets forth rules on maintaining fair relationships with business partners. The areas covered by the rules include fair competition and transactions as well as transparency. Moreover, in the selection of business partners we strive to comprehensively and fairly 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.



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.

■ Safety Confirmation Training Drill

Every year, 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 fiscal 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.

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CSR | Social Contribution

Support for the Great East Japan Earthquake Reconstruction Efforts

Donations for Affected Areas and Support for Earthquake Recovery Efforts

■ Planning Underway for Rikuzentakata City Center Recovery

Geo Akamatsu has received contracts for work that includes drafting city revitalization plans from cities such as Rikuzentakata, which suffered catastrophic damage from tsunami generated by the Great East Japan Earthquake. These urban revitalization efforts involve the concerted efforts of the government, chambers of commerce, merchants, local residents, and urban renaissance agencies. Taking full advantage of its commercial expertise in earthquake recovery planning, the company is helping build new sustainable urban development models that not only aid in earthquake recovery but more compactly consolidate commercial and public functions in order to build new city centers.

■ Support for the Jozenji Street Jazz Festival in Sendai

Nomura Real Estate Development sponsored the Jozenji Street Jazz Festival in Sendai, a two-day event held in August 2015. The event saw eight groups of artists hold concerts on a specially constructed stage in a PROUD facility showroom. This festival has been run by a volunteer group of city residents since 1991. More than 700,000 people took part in the festival over its two-day run.



Jozenji Street Jazz Festival in Sendai

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.

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 2016, a total of 3,541 books had been collected and sold, with the proceeds used to fund private tutoring classes or cultural lessons.

CSR | Social Contribution

Initiatives for Youth Development

Programs and Events Aimed at Developing the Next Generation

Sponsorship of Award Winner Gala Concert for 2015 INTERNATIONAL FRYDERYK CHOPIN PIANO COMPETITION

The Group invited its customers and their children to attend the event and listen to world-class music as a means to inspire and move the children and provide an edifying experience for the whole family. All of the Tokyo Metropolitan Theatre Concert Hall's nearly 2,000 seats were filled for the duration of the two day event.



Venue for the Gala
Concert held in
January, 2016

Support and Letter of Appreciation for the UN Refugee Support Campaign

In October and November 2015, Nomura Real Estate Development helped conduct a refugee support campaign carried out by UNHCR at Bono Sagamiono and Morisia Tsudanuma, two commercial facilities operated by the Nomura Real Estate Group. The campaign saw supporters donate every month to UNHCR to give refugees vaccines and the money to purchase tents to live in. For support that included providing building space, UNHCR provided the Group with a letter of appreciation.



Letter of
appreciation

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

Participation in Career University's Summer Class Course

Nomura Real Estate Development participates in Career University* initiatives with the goal of helping young people build their careers. Since fiscal 2014, we have been participating in the Summer Class course offered by Career University. The course has seen freshman and sophomore students take part in a real estate development business game we designed and participate in facility tours and other activities in line with the theme of "building communities, building happiness." By learning about the work done by the real estate industry and about being a working adult, students were afforded an opportunity to think about their own careers.

※ Career University

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 2015, some 480 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 113 students participated in the fall and winter programs in fiscal 2015. In the work experience program, each participant is assigned to a department and learns about real estate industry work under an instructor's tutelage. Through activities that include going along on actual sales calls and participating in meetings, the program provides students with an opportunity to experience how work is actually done.



Internship program

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. Nomura Real Estate Urban Net is also conducting an 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 2015. 34 children learned how to swim over a period of five days in 2015.

CSR

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 2015 (from April 1, 2015 to March 31, 2016)

* Certain information on activities and outlooks before and after fiscal 2015 is also provided.

■ Scope

Nomura Real Estate Holdings, Inc. and its 14 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, Nomura Real Estate Life & Sports, Nomura Real Estate Heating and Cooling Supply, Geo-Akamatsu, Nomura Real Estate Reform, Nomura Real Estate Wellness, Nomura Real Estate Amenity Service, NREG TOSHIBA BUILDING FACILITIES, PRIME X, and NF Power Service

■ Updated

October, 2016

■ Next Update

October, 2017

■ 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 14 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.

CSR

Third Party Comments



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 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.

Seiichi Miyajima

Executive Vice President and Representative Director

Group COO

Chair of CSR Committee, Nomura Real Estate Holdings Inc.

President, Nomura Real Estate Development Co., Ltd.