



Promotion Foundation

# Human Capital

The Nomura Real Estate Group pursues Wellness Management so that every officer and employee can perform his or her work in good physical and mental health and with enthusiasm, leading to sustainable corporate growth, so that we can create a sustainable society, continue our business activities, and raise corporate value. We promote Wellness Management with the understanding that ensuring the health and safety of employees and suppliers is an important management issue. We are aware that innovation generated by diversity is important for continuously creating new value, and we strive to create fair work environments that promote diversity and facilitate meaningful work so that human capital with varied perspectives and ways of thinking can demonstrate their individuality and full capabilities regardless of individual attributes.

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# Health and Safety of Employees

## Approach and Policies

The Nomura Real Estate Group is aware that the physical and mental health and safety of employees are essential for a company's business to grow continuously and sustainably. Based on this understanding, we made working with enthusiasm and achieving wellness a part of the What We Value Nomura Real Estate Group Action Guideline, and we undertake Wellness Management so that all employees can perform their work in good physical and mental health and with enthusiasm.

In addition, the Nomura Real Estate Group Code of Action provides that the Group will strive to maintain and improve sound and pleasant workplace environment. Accordingly, we implement comprehensive health and safety management, take measures to prevent excessive workloads, long work hours and occupational accidents, and take other action to establish workplace environments that ensure employee mental and physical health and safety, and engage in communications to raise awareness and educate employees.

## Management

### Management Structure

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The Nomura Real Estate Holdings officer responsible for the Group Human Resources Department has been put in charge of this issue for the Group and carries out measures relating to employee health and safety. In April 2017, the Nomura Real Estate Group Work Style Reform Promotion Committee, which comprises Nomura Real Estate and Group company directors and others, and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO, was established. The Committee discusses issues and measures, approving targets, and monitoring the results of activities for wellness management, including enhancing employees' happiness, a sense of purpose in life, and maintaining and improving health, and reports to the Board of Directors twice a year.

In addition, the CSR Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO, deliberates on and decides related policies and reports the results to the Board of Directors.

No Group office has obtained the OHSAS 18001 certificate, which is a standard for occupational health and safety system.

## Targets

The Group has set the following four targets regarding employee health and safety.

- Prevent Overwork
- Encourage employees to take paid vacation time
- Implement comprehensive health management covering the physical and mental health of employees
- Prevent industrial accidents

## Measures for Health and Safety Improvements by Management

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The Nomura Real Estate Holdings president and executive vice president hold meetings with employees to carry out measures to improve workplace environments in the Group. In fiscal 2018, a total of 69 meetings were held to discuss reducing working hours, raising productivity, and helping employees to achieve a good work-life balance. We examined proposals and opinions expressed at these meetings and improved the personnel system. In this manner, these meetings are promoted as measures to improve the health and safety of employees.

## Risk Management and Legal Compliance Regarding Working Hours

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The Group complies with laws and regulations regarding working hours in each country and is endeavoring to reduce overtime work by establishing a system for managing and improving the situation.

Each month, the Nomura Real Estate Holdings Board of Directors receives reports on and confirms the actual situation of overtime and the status of compliance with Article 36 agreements (agreements made pursuant to Article 36 of the Labor Standards Act regarding overtime work and work on rest days) of each Group company. Regarding companies and cases with pending issues related to compliance with Article 36 agreements, we consider responses and take improvement measures. In addition, the Nomura Real Estate Development Board of Directors receives reports each month on working hours and the status of employees taking leave time in each division and shares information on related issues as well as taking improvement measures.

## Health and Safety Risk Management

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The Group endeavors to identify issues relating to employee health and safety in advance.

Nomura Real Estate Development holds wellness conferences once every six months. The heads of divisions and departments who are supervisors share information regarding employees who require health care with the responsible officers and officer responsible for the Human Resources Division. In addition, the responsible officers take measures to determine the health and safety status of the heads of divisions and departments who are supervisors and share information regarding issues with the Human Resources Division.

## Improving Health Management

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The Group requires employees to undergo thorough medical examinations and checkups, and established a physical and mental health consultation hotline within the Health Consultation Office, which is staffed by full-time physicians and nurses, to provide access to outside specialists for consultations. In fiscal 2018, the rate of employees undergoing medical examinations and checkups was 100%.

## Preventing Overwork

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As a part of the work style reforms that the Group initiated in fiscal 2017, we are implementing a variety of programs intended to prevent overwork by employees.

### 【Main Measures】

- Working hours made visible
- No overtime days created
- Quitting time declaration program
- PCs turned off at 8 p.m.
- Various measures to encourage employees to take vacation time such as allowing employees to take the day off on their birthday

In addition, employees who work more than a certain number of hours in a single month are required to check their physical condition using a Cumulative Fatigue Self-Diagnosis Checklist and provide feedback to a supervisor. Other measures are also taken to ensure good health such as consulting with an industrial physician.

## Information Sharing and Training on Health and Safety

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The Group holds monthly Group Personnel Division Meetings attended by persons in charge of human resources at Group companies. At these meetings, participants share information on relevant laws and regulations including the Labor Standards Act, working conditions of each Group company, and the importance of labor management and safety and health. In addition, we provide safety and health training, such as explanations on the Labor Standards Act and other relevant laws and regulations and method of labor management, on many occasions including during the training of newly promoted managerial employees.

## Excellent Enterprises of Health and Productivity Management 2019 (White 500)

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Nomura Real Estate Urban Net was certified as a White 500 company under the 2019 Certified Health & Productivity Management Outstanding Organization Recognition Program, selected jointly by the Ministry of Economy, Trade and Industry of Japan and the Nippon Kenko Kaigi. This program recognizes enterprises that have implemented outstanding initiatives to promote health and productivity management based on efforts to address local health issues and health improvement initiatives promoted by Nippon Kenko Kaigi.

## Performance

### Promotion Measures

Fiscal 2018 performance against the set targets was as set forth below.

#### Prevent Overwork

Items		FY 2016	FY 2017	FY 2018
Average statutory overtime work (per person: hours/month)	*1	24.46	19.66	14.07
	*2	—	—	12.1

#### Encourage employees to take paid vacation time

Items		FY 2016	FY 2017	FY 2018
Paid vacation time use rate	*1	—	—	47.31
	*2	58.62	59.55	54.93

Implement comprehensive health management covering the physical and mental health of employees

Items	FY 2016	FY 2017	FY 2018
Checkup and medical examination rate (%) *2	100	100	100

#### Prevent industrial accidents

Items	FY 2016	FY 2017	FY 2018
Number of employee occupational accidents resulting in death (accidents) *1	0	1	0
Absentee rate (%) *1	—	0.38	0.37

Lost time injury frequency rate (LTIFR)

Items	FY 2018
Lost time injury frequency rate (LTIFR) *2*3	0*4

\*1. The Group's performance

\*2. Nomura Real Estate Development performance

\*3. (Number of occupational accidents resulting in lost days/Total work time) x 1,000,000


\*4. Nomura Real Estate Development did not experience any lost work days due to occupational accidents in fiscal 2018.

## Responses to Incidents

In 2017, the Nomura Real Estate Development Head Office and four regional offices (Kansai Branch, Nagoya Branch, Sendai Branch, and Fukuoka Branch) received a recommendation for corrective action and guidance from the Labor Standards Inspection Offices with jurisdiction regarding the discretionary work system for planning work that applied to some employees.

We take this matter extremely seriously and are conducting comprehensive labor-management and taking measures to improve workplace environments so that this type of incident does not occur again. The Group will continuously promote taking measures to improve workplace environments in fiscal 2018 and thereafter.

For further details, refer to the following.

 [Appropriate Labor Management and Measures for Improving Workplace Environments](#)

# Promotion of Diversity

## Approach and Policies

The Nomura Real Estate Group believes that innovation generated by diversity is essential for the continuous creation of new value for society. Accordingly, we established the Nomura Real Estate Group Code of Action<sup>\*</sup>, which stipulates respect for fundamental human rights and prohibits discrimination and harassment. We also conduct diversity management to ensure equal hiring and employment for all persons regardless of individual attributes so that all employees can fully demonstrate their diverse individuality and capabilities.

In addition, the Nomura Real Estate Holdings Basic Corporate Governance Policy provides that the Board of Directors shall be made up of diverse directors with varied knowledge, experience, and skills.

<sup>\*</sup> The Nomura Real Estate Group Code of Conduct provides in Article 20 that the Group shall respect the fundamental human rights of officers and employees and shall not engage in discrimination or harassment on the basis of race, ethnicity, age, religion, creed, sex, nationality, social status, disability, pregnancy, childbirth, childcare leave, family care leave, sexual preference, gender identity, and so on.

## Management

### Management Structure

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Nomura Real Estate Holdings established the Group Human Resources Department, and officer responsible for the Group Human Resources Department has been put in charge of this issue and carries out measures relating to diversity. In April 2017, the Group established the Nomura Real Estate Group Work Style Reform Promotion Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO. The Committee discusses issues and measures for promoting diversity, sets targets, monitors activity performance, and reports to the Board of Directors twice a year.

In addition, the CSR Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO, deliberates and decides on related policies and action plans and reports to the Board of Directors. The CSR Committee annually sets targets regarding diversity, and is monitoring the progress.



## Targets

The Group has set the following three targets regarding diversity.

- Promote empowerment of women
- Promoting diverse work styles
- Hire and utilize diverse human capital

## Main Measures for Promoting Work Style Reforms and Diverse Working Styles

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The Group has implemented various measures to promote work style reforms and diverse working styles.

### 【Main Measures】

#### **Promoting diverse work styles**

- Establishing telecommuting programs (including working from home)
- Creating satellite offices
- Expanding flex time working programs

#### **Encouraging employees not to work on holidays and to take vacation time**

- Setting regular days off at sales offices
- Encouraging employees to take leave such as making employee birthdays a day off

#### **Raising awareness regarding shorter working hours**

- Working hours made visible
- Creating work end time declaration program
- Establishing no overtime days
- Introducing productivity assessments
- Turning off PCs at 8 p.m.

#### **Support for childcare and nursing care**

- Creating staggered commuting time programs
- Creating job position transition programs
- Subsidizing a portion of babysitter expenses
- Creating paternity leave programs

## Initiatives for Empowering Women

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The Group is working to empower women in the workplace based on the belief that leveraging diverse perspectives in business is a key to creating new corporate value. As of April 1, 2019, women accounted for 30.76% of employees, 5.58% of managers, and 16.07% of junior managers.\*

\* Junior managers are candidates for promotion to manager in the near future.

## Support for Childcare and Nursing Care

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The Group has instituted personnel programs that make it possible for employees to continue working even after certain life events such as childbirth or the need to provide child care or family care. We provide information on and raise awareness of these programs on the Group intranet, etc. and are working to create workplace environments that facilitate the use of these programs.

### 【Main Programs】

- Childcare leave
- Family care leave
- Holiday childcare support program and subsidies for a portion of babysitter expenses
- Paternity leave programs
- Reduced working hours for family care

## Promoting the Hiring of Persons with Disabilities and Seniors

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The Group actively hires persons with disabilities and seniors.

As of June 1, 2019, the Group employed 83 persons with disabilities, equal to 1.96% of the total workforce.

## Promoting the Hiring of Foreign Human Resources and their Playing Active Roles

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The Group hires human resources who can play active roles globally regardless of nationality, race or religion, etc. and empowers them order to strengthen overseas strategies. We are actively hiring local human resources especially in China, Hong Kong, Thailand, Singapore, and Vietnam, where Group companies are located.

## Performance

### Promotion Measures

Fiscal 2018 performance against the set targets was as set forth below.

\* Unless otherwise indicated, the reporting scope is the Group.

#### Promote employment of women

Item	FY 2015	FY 2016	FY 2017	FY 2018
<b>Female employee ratio (%)</b>	27.74	28.60	29.75	30.76
<b>Female manager ratio (%)</b>	4.81	5.38	5.45	5.58
<b>Female junior manager ratio (%)</b>	—	14.8	15.08	16.07

#### Promote diverse work styles

Item	FY 2015	FY 2016	FY 2017	FY 2018
<b>Childcare Leave Takers (men) (persons)</b>	139 (0)	119 (2)	148 (3)※	178 (6)
<b>Rate of reinstatement after childcare leave (%)</b>	—	—	92.59	91.46
<b>Nursing Care Leave Takers (persons)</b>	1	2	4	4

\* The data on childcare leave takers for fiscal 2017 have been revised.

## Hire and utilize diverse human capital

Item	FY 2015	FY 2016	FY 2017	FY 2018
Number of foreign employees (persons)	—	7	14	16
Rate of employment of persons with disabilities (%)	1.85	1.97	1.90*	1.96

\* The rate of employment of persons with disabilities for fiscal 2017 is as of June 1, 2018. The rate covers Group companies subject to the disabled persons employment system.

# Creating Fair Work Environments with Meaningful Work

## Approach and Policies

The Nomura Real Estate Group believes that creating fair work environments where employees can perform meaningful work is essential for employees to demonstrate their individuality and maximum capabilities. Accordingly, we promote the creation of workplace environments where employees can work with reassurance by pursuing fair employee evaluations and remuneration and equitable social benefits, and by respecting fundamental rights such as the freedom of association and the right to collective bargaining. We also aim to be a company in which each employee can actively work and is kept motivated.

Furthermore, the Nomura Real Estate Group signed the UN Global Compact in May 2019 to enhance the protection of employees' rights and make work more fulfilling for employees. We will comply with the four labor principles of the UN Global Compact and take additional measures.

## Management

### Management Structure

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The officer responsible for the Group Human Resources Department has been put in charge of this issue for the Group and carries out measures relating to the creation of fair work environments with meaningful work. In April 2017, the Group established the Nomura Real Estate Group Work Style Reform Promotion Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO. The Committee discusses issues and measures for creation of fair work environments with meaningful work, sets targets, monitors activity performance, and reports to the Board of Directors twice a year. In addition, the CSR Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO, deliberates and decides on related policies and action plans and reports to the Board of Directors.

### Targets

To create fair workplaces with meaningful work, the Group strives to raise employee satisfaction.

## Fair Evaluations and Remuneration

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The Group implements fair employee evaluation and remuneration programs by creating mechanisms for the opinions of employees to be heard by human resource divisions and supervisors and for communicating with employees. In addition, the Group complies with laws and regulations that set minimum wages in Japan as well as countries worldwide and pays adequate salaries to employees in accordance with the price index in each region.

### Target Management System

The Group introduced a target management system so that employees can take the initiative in their jobs and work with managers and supervisors towards achieving their targets. Every six months, employees set their own targets with advice from supervisors, and bonuses are paid based on the degree of achievement of those targets. In addition, reviews of the abilities and conducts that serve as the basis for promotions and raises are also conducted every six months.

### Evaluation of Superiors and Career Development

Once a year, Nomura Real Estate Development employees complete a questionnaire regarding the skills, performance, personality, and so on of their supervisors and submit the questionnaires to the Human Resources Division.

## Creating Fair Work Environments

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### Labor-Management Dialogues

The Group respects employees' freedom of association and the right to collective bargaining, and even at Group companies that do not have labor unions, labor representatives and officers responsible for human resource divisions hold periodic meetings and work to improve the workplace environment. Currently, Nomura Real Estate Development and Nomura Real Estate Partners have labor unions, and the labor union membership rate among career-track personnel is 47.45% as of April 1, 2019.

### Communication with Employees

The Group communicates with employees so that employees can gain an accurate understanding of company policies regarding labor standards. Documents or explanations regarding employment rules, personnel evaluation systems, and social benefits are provided in Japanese, or in English if necessary, to employees including those of overseas Group companies during their initial training.

## Provision of Social Benefits

The Group provides various social benefits to employees such as childcare and family care support and an employee shareholding program with the aim of creating fair work environments with meaningful work.

### Main Social Benefits Provided by Nomura Real Estate Development

Social Benefits	Overview
<b>Maternity leave</b>	Six weeks prior to childbirth (14 weeks in the case of a multiple pregnancy) and eight weeks after childbirth (with pay)
<b>Childcare leave</b>	Until the child reaches the age of three years
<b>Family care leave to care for children</b>	Preschool children: 5 days/year for one child and 10 days/year for two or more children
<b>Family care leave</b>	Up to one year in total
<b>Volunteer leave</b>	Five days for volunteer activities related to a severe natural disaster
<b>Mental health support</b>	Health Consultation Office, Physical and Mental Health Consultation Office, appointment of an industrial physician of psychosomatic medicine
<b>Measures to ensure good health</b>	Appointment of nurses and industrial physicians, implementation of personnel interviews and medical examinations
<b>Rehiring elderly workers</b>	Up to age 65 (one-year extensions)
<b>Retirement benefit program*</b>	Payment of retirement benefits pursuant to a defined benefit pension plan
<b>Health insurance association</b>	High medical expenses, lump-sum childbirth benefit, injury and disease benefit, comprehensive medical examinations, etc.
<b>Allowances</b>	Family allowance, reassignment allowance*, reassignment without family allowance*, housing subsidies, etc.

\* Only career-track employees are eligible.

## Implementation of Employee Satisfaction Survey

Nomura Real Estate Development conducts an employee satisfaction survey every year. The survey collects suggestions to management and employee opinions on work and the workplace.

Satisfaction is measured on a five-point scale with regard to (1) sense of fulfillment concerning work, (2) satisfaction with the workplace, (3) satisfaction with superiors, (4) loyalty to the company, and (5) development in the market, and (6) sense of being stuck in the same routine at work, as well as regarding understanding and practice of work style reform and wellness management. In fiscal 2018, the response rate was 97.4% (2,013 out of 2,066 eligible employees responded).

## Fostering a Corporate Culture that Encourages Challenges

### Nomura Real Estate Group Awards Presented

The Group has presented the Nomura Real Estate Group Awards every year since 2016 to foster a corporate culture where employees are willing to tackle the challenges of value creation through innovation, encourage group-wide tie-ups, and raise individual and organizational motivation.

Under this program, exceptional businesses, products, and services of the year are recognized. In fiscal 2019, award winners include "a classwork for elementary school [Machi wo mirume]," an educational program provided by Group employees in elementary schools. "Machi wo mirume" was created to cultivate interest and awareness among children regarding the towns that they live in and to encourage them to care about feelings of people from different walks of life in towns.

#### 【Evaluation Criteria】

- Reform and innovation
- Increase in customer satisfaction
- Group-wide tie-ups
- CSR activities and social contribution
- Continuity and perseverance



First price for "Machi wo mirume"

### Business Idea Proposal Program

Beginning from 2017, the Group launched the Business Idea Proposal Program, which allows all employees to propose new businesses, products, or services that go beyond the boundaries of their ordinary work at any time. There have been a total of 45 entries (including five entries made in 2018), with 18 projects under consideration and three projects having already been commercialized or realized.



## Performance

### Promotion Measures

Fiscal 2018 performance against the set targets was as set forth below.

Raise employee satisfaction

Item	FY 2016	FY 2017	FY 2018
<b>Employee satisfaction level (5-point scale)</b>	3.81	3.81	4.04*
<b>Number of responses/number of eligible employees (persons)</b>	1,648 / 1,738	1,930 / 2,028	2013 / 2066
<b>Response rate (%)</b>	94.8	95.1	97.4

\*Beginning from fiscal 2018, "Satisfaction with the workplace" is used as the reference index.

Turnover rates

Item	FY 2017	FY 2018
<b>Turnover rates (total)*</b>	3.85	3.99
<b>Male</b>	3.57	2.49
<b>Female</b>	4.46	6.57
<b>Turnover rates for personal reasons (%)</b>	3.40	3.54

\* Turnover rates include number of employees retired at mandatory retirement age.

### Responses to Legal and Other Violations

In 2017, the Nomura Real Estate Development Head Office and four regional offices (Kansai Branch, Nagoya Branch, Sendai Branch, and Fukuoka Branch) received a recommendation for corrective action and guidance from the Labor Standards Inspection Offices with jurisdiction regarding the discretionary work system for planning work that applied to some employees.

We take this matter extremely seriously and are conducting comprehensive labor-management and

taking measures to improve workplace environments so that this type of incident does not occur again. We will continuously promote measures to improve workplace environments in fiscal 2018 and thereafter.

For further details, refer to the following.

 [Appropriate Labor management and Measures for Improving Workplace Environments](#)

# Improving Human Capital

## Approach and Policies

The Nomura Real Estate Group is aware that employees are a crucial management resource for corporations and that human capital development is extremely important for continuous corporate growth. Based on this understanding, the Group seeks to carry out the "What We Value" Nomura Real Estate Group Action Guideline, and works to improve human capital. We offer human development programs to enhance the qualifications and capabilities of each Group employee so that every employee can perform his or her work as a professional with a high degree of specialization.

### 【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】

- High level of specialization and execution
- Diverse viewpoints and values
- Broad perspectives
- Business formation skills
- Organizational management skills

## Management

### Management Structure

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The officer responsible for the Group Human Resources Department has been put in charge of this issue and carries out measures for improving human capital. In April 2017, the Group established the Nomura Real Estate Group Work Style Reform Promotion Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO. The Committee discusses issues and measures for improving human capital, sets targets, monitors activity performance, and reports to the Board of Directors twice a year.

In addition, the CSR Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO, deliberates and decides on related policies and action plans and reports to the Board of Directors.

## Targets

The Group seeks to reinforce human resource development so that it can further improve human capital.

## Group Personnel Division Meetings Held

The Group holds monthly Group Personnel Division Meetings attended by officers responsible for human resources and managers of human resource divisions of Group companies. Participants exchange information and opinions regarding human resources development and best practices and implement group-wide measures for human capital improvement.

## Training Framework

The Group provides rank-specific training to enable each employee to perform higher level of duties and acquire a broad range of knowledge and experiences.

Nomura Real Estate Development has established N-COLLEGE, a self-skills development system for employees, which provides programs to study for real estate-related certifications for professionals, such as real estate transaction specialist, real estate appraiser, and first-class registered architect, and programs covering general business skills, such as programs in finance and language study.

Role	Required Skills	Rank-specific training			Career seminar	Programs for selected employees	Open and for selected employee Programs	"You Can Do It!" Skill Development Program		
		Logical thinking, problem solving, leadership, organizational management	Finance knowledge	Compliance and human rights				Recommended Courses	Prerequisite Courses	Skill enhancement courses
<b>GM</b> Human capital who can perform post-division manager roles	Broad perspective (Business, Group business) Organizational management Business formation skills Business implementation skills High degree of specialization and executive abilities	General Manager (GM) class Management skills for all Group companies including problem solving from a group and management perspectives, business formation, management strategies Nomura Real Estate Holdings KY 6 months			Life and Career Planning Seminar for employees aged 50 years and older Career and Organizational Contribution	For selected employees Human Management School (inter-company research) Management skills	Open and for selected employees: Business school (inter-company training/courses attended at clients) Open: Business school courses (e-learning) (clients school with artificial enrichment) Open: Group synergy (training) (group transformation and action)			
<b>SM</b> Human capital who can perform post-division manager roles		Senior Manager (SM) class follow-up Inspection of management and leadership style (individual assessment)								
<b>M</b> Human capital who can support post-division and department manager roles		Newly appointed Senior Manager (SM) class Foundation and dissemination of operational policies Group based problem solving Knowledge needed for management of subsidiaries (assessment, feedback, etc.) Nomura Real Estate Holdings KY 3 days		Newly appointed Management (M) class Compliance, anti-money laundering, human rights Knowledge and understanding as a manager Policy responses to anti-money laundering		For selected employees: Business school (inter-company training/courses attended at clients) Open: Business school courses (e-learning) (clients school with artificial enrichment) Open: Group synergy (training) (group transformation and action)				
<b>L</b> Human capital who can perform project leader or team leader roles		Newly appointed Management (M) class Understanding of operational policy, basic organizational management policies, knowledge necessary as a manager Nomura Real Estate Holdings KY 3 days		Newly appointed Leadership (L) class Compliance, anti-money laundering, human rights Knowledge and understanding as a leader						
<b>P1</b> Human capital who can perform central roles on a team		Leadership (L) class follow-up Inspection of leadership style (individual assessment) Nomura Real Estate Holdings KY 1 day		Newly appointed Professional (P1) class Compliance, anti-money laundering, human rights Career knowledge as a professional and business partner application practices Policy responses to anti-money laundering						
<b>P2</b> Qualified team players		Newly appointed Professional 1st (P1) class Ability to set own goals and achieve them (group-based problem solving, advanced level) Nomura Real Estate Holdings KY 3 days		Newly appointed Professional 2nd (P2) class Compliance, anti-money laundering, human rights Career knowledge as a professional and business partner application practices Policy responses to anti-money laundering						
<b>P3</b> Development of fundamental skills		Fourth year after joining the company Ability to solve lowest (group-based) problem solving (introductory level) Nomura Real Estate Holdings KY 1 day	Finance training (F) Basic to Advanced Accounting 4th to 10 years' day							
		Third year after joining the company Ability to work in a team (problem-solving dialogues) Nomura Real Estate Holdings KY 1 day								
		Second year after joining the company Ability to solve lowest (company-based) problem solving (introductory level) Nomura Real Estate Holdings KY 1 day								
		Following in first year after joining the company Thinking ability (logical thinking), business manner, business stance Nomura Real Estate Holdings KY 1 day, Nomura Real Estate Development (NED) 1 day								
		New employee introduction Thinking ability (logical thinking), business manner, business stance Nomura Real Estate Holdings KY 1 day, Nomura Real Estate Development (NED) 1 day	Finance training (F) Basic to Advanced Accounting First year's day	New employee introduction Compliance, anti-money laundering, human rights Basic knowledge as a member of society						

Joint Group Implementation

New Measures in Fiscal 2018  
Finance training (implemented in two stages)  
\* Alternative to promotion matters  
Program when assigned to an overseas division

Nomura Real Estate Development Human Capital Development Framework (Career-Track Personnel)

## Incentive from a Long-Term Perspective

The Nomura Real Estate Group introduced "ESOP Trust for Granting Stock" for employees of Nomura Real Estate Holdings and Group companies from fiscal 2019. The aim is to foster a sense of belonging to, and involvement in the management of the Group among the Group employees so as to enhance their enthusiasm and morale to improve performance and increase share price in the long-term. The Group encourages the purchase of treasury stock through this program.

 [News Release](#)

## Performance

Fiscal 2018 performance against the set targets was as set forth below.

\* Unless otherwise indicated, the reporting scope is the Group.

### Training Participation Performance<sup>\*1</sup>

Items	FY 2018
Training hours per employee <sup>*2</sup>	12.65 hours
Total training hours <sup>*2</sup>	25,077 hours
Training expense per employee	¥79,984.86
Total training expense	¥158,530,000
Return on investment in employees' skill development <sup>*3</sup> (turnover rate/total training expense)	2.04

\*1. Performance for Nomura Real Estate Holdings and Nomura Real Estate Development

\*2. Covers only mandatory training and does not include open and selective training or e-learning courses.

\*3. Calculated using the following formula: Return on investment in employees' skill development = Turnover rates/Total training expense (100 million yen).

## Group-wide Training Performance

	Training title	Subject ranks	Number of implementing companies
1	New employee introductory training	Newly-hired employees	8 companies
2	New employee follow-up training	New employees	8 companies
3	Second-year training	Employees in their second year	7 companies
4	Third-year training	Employees in their third year	8 companies
5	Problem solving skill training	Vocational guidance class	4 companies
6	Problem solving skill training	Managerial employee class	5 companies
7	Newly promoted managerial employees	Managerial employees	8 companies
8	Newly promoted division manager training	Division managers	4 companies
9	Newly promoted manager training	Managers	4 companies

# Ensuring Supplier Safety

## Approach and Policies

The Nomura Real Estate Group performs important processes from materials procurement to civil engineering, building construction, repair construction, and so on with the cooperation of various suppliers including design and construction companies, contractors, and their service providers. Accordingly, we are aware that ensuring the safety of suppliers at construction sites is an important issue and we take measures to prevent accidents and disasters by raising awareness regarding health and safety, performing checks, and implementing preventive measures. In addition, the Nomura Real Estate Group CSR Procurement Guidelines (the "CSR Procurement Guidelines") provide that suppliers shall "carefully manage health and safety and prevent industrial accidents, endeavor to maintain physical and mental health, and create well-ordered workplaces," and we require suppliers to implement comprehensive health and safety management.

 ["Nomura Real Estate Group CSR Procurement Guidelines"](#)

## Management

### Management Structure

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The officers responsible for business units have been put in charge of this issue and carry out measures to ensure supplier safety. In addition, the CSR Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president, deliberates on and decides related policies and action plans. The CSR Committee annually sets targets regarding ensuring supplier safety, and is monitoring the progress.

### Targets

The Group works to ensure the safety of suppliers in accordance with the CSR Procurement Guidelines and Construction Safety and Security Guidelines.

## Ensuring Safety of Construction Sites

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The Group established the Construction Safety and Security Guidelines to prevent accidents and disasters at demolition and new construction sites in the residential development business. The Group conducts health and safety training for construction contractors to raise awareness, and performs inspections in major building construction processes to ensure the safety not just of suppliers, but also of neighboring residents and local community members.

### 【Outline of the Construction Safety and Security Guidelines】

- Prompt reporting duties
- Individual and company information management
- Crime prevention standards
- Confirmation before starting construction
- Temporary work plan checks
- Accident prevention measures for demolition work
- Accident prevention measures for heavy machinery work

## Supplier Council Meetings on Health & Safety Held

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With the aim of implementing comprehensive safety management systems and raising awareness regarding health and safety, the Group regularly holds Supplier Council Meetings on Health & Safety with business partner companies.

### Nomura Real Estate Partners holds the Supplier Council Meetings on Health & Safety

Nomura Real Estate Partners annually holds the East Japan Supplier Council Meetings on Health & Safety and the West Japan Supplier Council Meetings on Health & Safety. In fiscal 2018, these Council Meetings were attended by 103 companies and 77 companies, respectively, and health and safety awards were presented and explanations were given regarding the CSR Procurement Guidelines.

### Nomura Real Estate Heating and Cooling Supply Hosts Supplier Conferences on Safety

Nomura Real Estate Heating and Cooling Supply Co., Ltd. holds an annual Supplier Conference on Safety where outstanding business partners are presented awards and the Health and Safety Management Plan for the current year is explained. In fiscal 2018, the Conference was attended by 18 companies.



## Performance

### Promotion Measures

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Fiscal 2018 performance against the set targets was as set forth below.

Items	FY 2016	FY 2017	FY 2018
Number of companies attending the Supplier Council Meeting on Health & Safety	191	188	198