

Top Message



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Amid the global spread of COVID-19, anticipating the post-COVID-19 world, the Group places top priority on the safety and security of executives, employees, and people involved in our business and is taking necessary measures.

Our Group Vision and Value Creation by the Group

From the planning and concept stages to the actual provision of real estate to the public, our business requires a long lead time. For this reason, it is imperative that we always look forward and forecast future trends. In addition, in times or situations like today with the environment in a constant state of flux, we must simultaneously consider strategies such as where to concentrate our investments and what actions to take at present. Otherwise, the Group will face risks of being left behind by changes. Forecasting to predict the future based on current conditions and social changes and backcasting that guides strategies we must adopt now based on these predictions will both be crucial in the days ahead. In other words, in looking to the future real estate industry, we must further anticipate changes or ascertain needs to proactively spur change and deliver new value to customers.

Under these circumstances, the Group has adopted “New Value, Real Value” as our Group Vision for customers and society. We cherish this Vision and always keep it in mind in everything we do in undertaking our business activities. This Vision of “New Value, Real Value” is also our promise to customers and society that “through our real estate development and real estate-related services we will create secure, safe, and comfortable urban development and enrich the lives and times of people living in these communities to create an even better tomorrow well into the future.” We use this Vision as the basis for all our activities and aim for sustainable value enhancement. In keeping with the Vision, we announced the Mid- to Long-term Business Plan in 2019, which covers the period from the fiscal year

ended March, 2020 to the fiscal year ending March, 2028. In the plan, we stipulated four value creation initiatives and, at the same time, we positioned Sustainability as frameworks that support the growth. We also stated that we will strive to create value for a sustainable society and environment through our business activities.

Initiatives toward social issues through value creation

Major risks that could undermine the sustainability of corporate activities include climate change such as global warming and the increase in and intensification of natural disasters as well as various social issues and changes such as human rights and labor issues. A vital mission of companies is to contribute to the attainment of the Sustainable Development Goals (SDGs) that address these social issues around the world. We believe we can take various actions unique to the Group, which has solved social issues through our businesses. Therefore, through the realization of the four value creation initiatives, we will make Group-wide efforts to meet the demands of society. The Group has also formulated the four key themes of "Safety/Security," "Environment," "Community," and "Health and Well-being" so as to solve social issues, and ensure this leads to further business growth.

The Group's core business is real estate development and this means we must pay particular attention to environmental sustainability. Alongside reducing negative impacts on the environment, the importance of generating positive environmental impacts through real estate development and real estate-related services are essential.

We are also moving ahead to reduce CO₂ and to create and use renewable energy. To indicate these efforts, we have set a target for 2030 of achieving a 30% reduction in CO₂ emissions from real estate owned by the entire Group compared with the 2013 level. We will redouble these efforts and aim to acquire Science Based Targets (SBT) Initiative Certification that also commits to the environmental performance of real estate that we have sold. In tandem with setting strict environmental standards during developing properties, we make Group-wide efforts such as promoting various initiatives related to environmental, social and governance (ESG) matters for properties owned by REITs and funds in the Investment Management Business Unit. We also have endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in September 2020.

In 2019, we signed the United Nations Global Compact. Utilizing these opportunities, we intend to play an even greater role in human rights and labor issues. Promoting closer communication with each stakeholder, including application of the Group's CSR Procurement Guidelines, and focusing on coexistence and co-creation with the trust of stakeholders, are above all essential to the sustainability of the Group. Regarding this point, we must pay particularly close attention and respond to issues pertaining to foreign technical intern trainees and the problems of local residents related to timber procurement.

The Group's value creation is evolving and expanding into large-scale urban development and area management such as urban-type compact towns and the Shibaura 1-chome District Project. Our value creation aims to enhance the value of the town continuously working in unison with the local

community. We will achieve the vision by enhancing function of the town through creating safe and secure urban development and by the ongoing participation in town management fostering the community. Thus, in order to seriously work on the four key themes of “Safety/Security,” “Environment,” “Community,” and “Health and Well-being,” which have been formulated to address social issues, the Group has established even more specific material issues and set goals linked to business activities. We have promoted various initiatives as CSR activities over the years. Going forward, we will redefine them as activities for sustainability and enhance a variety of initiatives. Furthermore, we intend to firmly recognize social issues from a long-term perspective that looks beyond 2030, the target year for attaining the SDGs, and plan to present an ultra-long-term vision for the ways the Group can make contributions.

Promotion foundation for sustainability

Initiatives for human resources and management structure

We have positioned “human resources” and “management structure (corporate governance, compliance, risk management)” as the foundation for promoting initiatives for sustainability that supports the continuity of our corporate activities and are accelerating specific initiatives.

Corporate governance

The Group aims for a monitoring-oriented supervisory system and has made efforts to continuously evolve its corporate governance. As part of these efforts, the Group transitioned to a company with an Audit & Supervisory Committee in 2015 and established an Advisory Committee Relating to Nominations and Compensation the following year.

With regard to the compensation system for directors, in 2019, we also incorporated initiatives for environmental and social issues into the performance evaluation of executives. In doing so, we have also clarified that the Group must fulfill our role in undertaking business activities. This is also management’s commitment to promoting businesses with an awareness of sustainability.

The importance of human resources as our foundation

Strengthening human resources as our foundation is also indispensable for improving corporate value. The Group recognizes that employees are our most valuable and indispensable business resources and thus places great importance on the management of these human resources. We are implementing various measures toward realizing “wellness management” whereby all executives and employees can work energetically in good physical and mental health to enable sustainable growth of the Company. We also believe there is ample room for improvement in encouraging the active roles of employees. This includes promoting the participation of women, employment of persons with disabilities and foreign personnel, and Responding for flexible work styles such as teleworking, etc. We will continue to take our initiatives and creative efforts that enable our diverse human resources to maximize their abilities and work with satisfaction.

To realize Our Group Vision “New Value, Real Value”

Our Group Vision “New Value, Real Value” will remain solid even in the present drastic changes in economic conditions and the social environment arising from COVID-19. This will continue to be our philosophy and discipline as our key to further growth.

I sincerely appreciate our stakeholders for their ongoing support and I hope you to look forward to our sustainable growth.