

Part
4

Sustainability approach



- 68 Sustainability
- 70 Environment
- 72 Human resources strategy/Human rights policy
- 76 Governance
 - 76 Message from the Chairman of the Board of Directors
 - 78 Message from the External Director and Chairman of the Advisory Committee Relating to Nominations and Compensation
 - 80 Messages from External Directors
 - 82 Directors and Executive officers
 - 85 Corporate governance
 - 94 Risk management
 - 99 Internal controls, compliance/Information disclosure

Quality Control Manual



KAIZEN activities
(Overseas Business)



PROUD Compass



Check sheets are utilized
by each Business Unit

Sustainability initiatives rooted in the business

- "Quality Control Manual" and "PROUD Compass" which filled with know-how and ideas cultivated in the history of housing development for more than 60 years
- "KAIZEN" activities which involving external companies such as local design companies aiming to improve design quality and avoid defects in overseas business
- Various check sheets that are required when approving a business plan for newly real estate development

The Group strives to solve social issues through new value creation based on Four key themes for sustainability deeply related to people’s lives. Sustainability is inseparable from business management. When we aim for sustainable growth, we must consider them to be on the same line. We will accelerate sustainability initiatives such as building a transparent and fair governance system and implementing environmental and human resources strategies.

Sustainability Promotion System

Our Group Vision “New Value, Real Value”

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.

Solving social issues and creating new social value through business activities

Four key themes for sustainability:



Foundation for Sustainability Promotion

Human resources	achieving wellness, promotion of diversity, etc.
Management structure	corporate governance, compliance, risk management, etc.

Sustainability

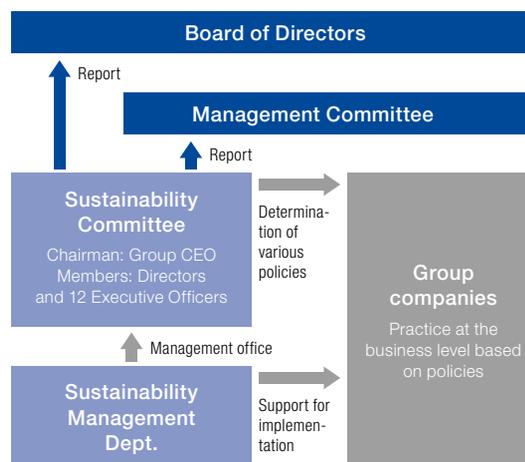
The Group implements sustainability initiatives in all its business activities to address social issues that require resolution while meeting the expectations of stakeholders. These activities are promoted in line with the framework of the Four Key Themes and two promotion foundations set out under the Nomura Real Estate Group’s Policy on sustainability.

Sustainability management structure

The Group believes that sustainability and management are inseparable, and that business strategy and direction of sustainability should be perfectly aligned. Therefore, the President and Representative Director, Group CEO will serve as the Chairman of the Sustainability Committee from April 2021 in order to strengthen our system of approach to initiatives.

The Committee consists of Directors and Executive Officers appointed by the Board of Directors of the Company and is mainly responsible for deliberating and determining policies and activity plans for sustainability. Results of deliberation by the Committee are reported to the Management Committee and the Board of Directors and reflected in its business plans and business activities.

During the fiscal year ended March 2021, the Committee convened three times. In addition, the Sustainability Subcommittee, Environmental Subcommittee and Human Rights Subcommittee convened 13 times in total to promote more active internal discussions.



Major achievements since the fiscal year ended March 2021

- Reviewed the 2050 Sustainability Policy, 2030 Materiality and KPIs
- Promoted climate change initiatives (agreed to TCFD recommendations and acquired approval by Science Based Targets initiative (SBTi))
- Formulated the Human Rights Policy [▶ P75](#)
- Conducted follow-up review of the Procurement Guidelines [▶ P75](#)
- Formulated the non-financial targets for human resources
- Sustainable finance initiatives (issuance of the Company’s first sustainability bond and establishment of a new scheme)
- Promoted partial replacement with renewable materials (promoting switch to timber for buildings, etc.)
- Appointed an external director as Chairman of Advisory Committee Relating to Nominations and Compensation, and invited a new external director with in-depth knowledge of the IT and digital sector
- Expanded ESG information disclosure (enhanced disclosure through the Integrated Report and the corporate website, and held meetings with institutional investors regarding the Integrated Report and ESG)

Agreed to TCFD recommendations and acquired approval by SBTi

The Company agreed to TCFD recommendations in September 2020 and acquired approval by SBTi for the following targets in November 2020. We will further step up our climate change initiatives in the future. Please see page 70 for details.

Indicator		Scope 1 and 2	Scope 3
Target	Period: through FY31/3 Compared to FY20/3	Reduce by 35%	Reduce by 35%

Scope 1: Direct emissions from fuel combustion, etc.
 Scope 2: Indirect emissions associated with use of electricity and heat purchased by the Company
 Scope 3: Indirect emissions other than those for Scopes 1 and 2
 (Category 1: Emissions from construction of buildings, etc. Category 11: Emissions from use of sold products, etc.)



Sustainable Finance Initiatives

In February 2021, the Group issued the "Sustainability Bond" as a means of raising funds for measures and projects that contribute to solving both environmental and social issues of the Group.

Issue size	¥10.0 billion	Issue schedule	February 26, 2021
Third-party evaluation (external evaluation)	Vigeo Eiris Japan Credit Rating Agency, Ltd. (JCR) Rating and Investment Information, Inc. (R&I)		

In addition, the Group established the "Comprehensive sustainability linked loan (SLL) Framework" for the first time in Japan on July 2021. The Group have raised a total of ¥11.0 billion from the nine banks participating in the "TSUBASA Alliance," a regional bank wide-area alliance.

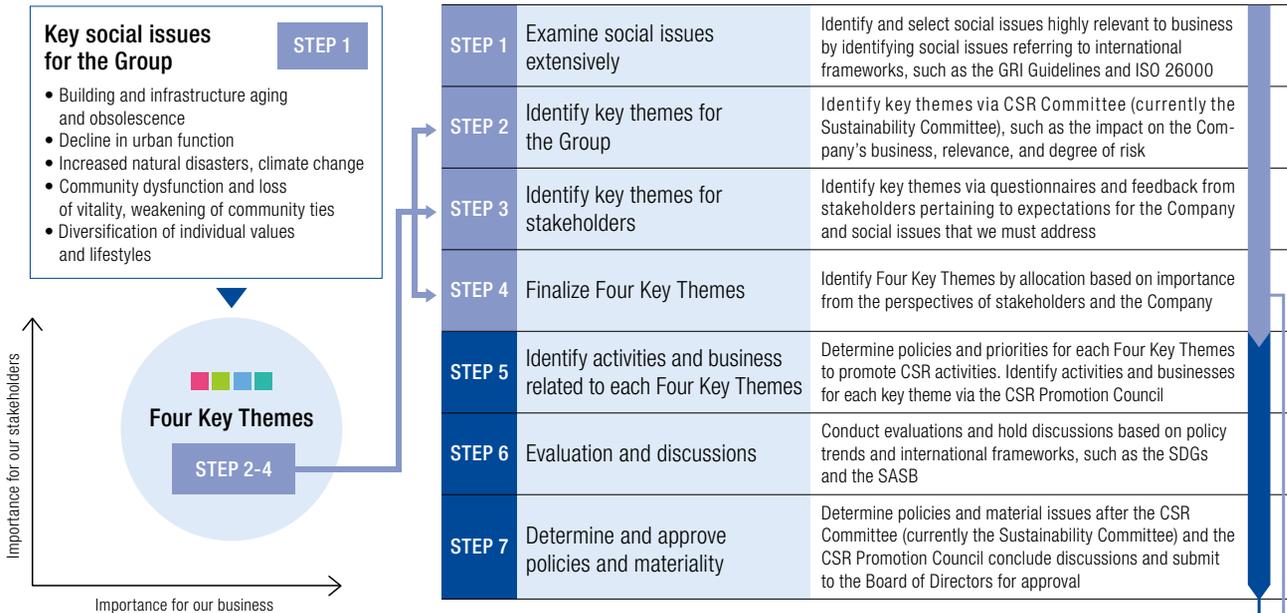
Materiality determination process and Nomura Real Estate Group's policy on sustainability

For the materiality determination process, the Group selected Four Key Themes and two promotion foundations in the fiscal year ended March 2016. In the fiscal year ended March 2018, we advanced steps 5 through 7 and formulated the Nomura Real Estate Group's Policy on CSR/ESG and determined the Group's material issues. (Report to the

Board of Directors was made in the fiscal year ended March 2019.)

In addition, the Sustainability Committee is mainly responsible for confirming the progress of the Sustainability Policy and the Group's material issues and deliberating and determining activity plans.

Materiality determination process



Policy on sustainability

Themes		Material issues	Future challenges	
S	Four key themes	Environment	<ul style="list-style-type: none"> • Enhancement of environmental management • Responding to climate change • Effective utilization of water resources • Consideration for biodiversity • Appropriate utilization of resources and pollution control 	<ul style="list-style-type: none"> • Promoting the usage of low-carbon materials (timber, etc.) • Consideration for renewable energy • Initiatives toward a circular economy
		Safety/Security	<ul style="list-style-type: none"> • Improved safety/security in design and construction • Improved quality of safety/security in operation and management • Initiatives for longer life and increased durability • Safety and security in disasters 	<ul style="list-style-type: none"> • Strengthening resilience efforts that contribute to the community in the event of a disaster
		Community	<ul style="list-style-type: none"> • Care for and activation of communities 	<ul style="list-style-type: none"> • Implement the PDCA cycle for Open Community "ACTO" activities • Expand various events to mitigate negative impacts in communities where projects are underway
		Health and Well-being	<ul style="list-style-type: none"> • Response to aging population and diversity and support for health • Improved customer satisfaction and comfort 	<ul style="list-style-type: none"> • Support for remote work • Enhancing disclosure of customer satisfaction surveys and strengthen initiatives to improve customer satisfaction
G	Two promotion foundations	Human resources	<ul style="list-style-type: none"> • Health and safety of employees • Promotion of diversity • Creation of fair and rewarding workplaces • Improvements to human capital • Supplier safety 	<ul style="list-style-type: none"> • Enhancing the non-financial targets for human resources
		Management structure	<ul style="list-style-type: none"> • Corporate governance • Compliance • Risk management • Human rights • Improved supplier management 	<ul style="list-style-type: none"> • Developing a human rights due diligence system • Strengthening engagement with suppliers for compliance with the Procurement Guidelines

Environment

The Group is aware of climate change, natural resource depletion, and ecosystem destruction as important social issues. Therefore, we will contribute to the realization of sustainable society through environmentally-friendly urban development including initiatives for an energy-saving and low-carbon society. We also comply with environmental laws and regulations and promote appropriate environmental management, while stepping up our initiatives in collaboration with our stakeholders, including tenant companies and suppliers.

Indicators	Relationship with value creation	Non-financial targets
Response to climate change	Enhance corporate value in medium- to long-term by minimizing risks associated with climate change and linking the risks to business opportunities.	Reduce total emissions by 35% by FY31/3 (compared to FY20/3)

🌐 For information about initiatives other than “Response to climate change,” refer to the Sustainability Report.
<https://www.nomura-re-hd.co.jp/english/csr/environment/>

Response to the TCFD

Nomura Real Estate Holdings and Nomura Real Estate Asset Management are fully aware that the substantial impact of climate change on their business continuity is a major management issue, and they therefore agreed to recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) in order to further promote their initiatives.



1 Governance

The Group is taking Groupwide measures to address climate change, overseen by the Group CEO. In addition, the Sustainability Committee, which comprises directors of Nomura Real Estate Holdings and Group companies

and others, deliberates on and decides related policies and action plans. The Sustainability Committee sets targets for responses to climate change and monitors progress on them.

2 Strategy

As for environmental issues in general, the Group reviews the relevant risks and opportunities and considers how to respond. With regard to climate change in particular, the Group has conducted scenario analysis based on the

TCFD recommendations to clarify the risks and opportunities relevant to the Company and its businesses, and to reconfirm strategies that contribute to long-term corporate value enhancement.

Setting out climate change scenarios

In the scenario analysis, the Group has adopted “the 2°C scenario,” with an eye on the achievement of the Paris Agreement target of “holding the increase in global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase 1.5°C,” and realizing a decarbonized society. In this analysis, “the 4°C scenario” is also considered as a model in which climate change countermeasures do not make sufficient progress and, as a result, the severity of natural disasters increases. The following documents and research materials were the main materials referred to in anticipating possible changes to the global environment under each scenario.

<Examples of reference materials> United Nations IPCC Fifth Assessment Report (2014) Scenarios on Global Warming, “Representative Concentration Pathways” (RCP 2.6, RCP 8.5), IEA World Energy Outlook (2020), “Sustainable Development Scenarios (SDS),” and “Stated Policies Scenario” (STEPS), etc.

Possible changes to the global environment under each scenario (mainly in Japan)

Some of the possible changes under each scenario that are expected to have a significant impact on the Group are listed on the right.

Possible changes	the 2°C scenario	the 4°C scenario
Increase in typhoons and floods	Increase (about two times in Japan)	Increase significantly (about four times in Japan)
Increase in the number of extremely hot days, on which the temperature rises above 35°C	Increase (by about 12 days in Japan)	Increase significantly (by about 50 days in Japan)
Tightening of laws and regulations	Dramatic tightening of regulations	Regulations will be limited
Customer behavior	Approximately 50% reduction in office energy consumption	Approximately 20% reduction in energy consumption at work

Results of scenario analysis (risks and opportunities) and initiatives based on the analysis

Recognizing that these changes will bring significant financial risks and opportunities to the Group, we are stepping up initiatives to address climate-related issues.

Category			the 2°C scenario	the 4°C scenario
Physical risks	Acute	Typhoons and floods	Strengthening building design standards	Dramatic reinforcement of building design standards and development of new technologies
	Chronic	Increase in the number of extremely hot days	Enhancement of building functions such as thermal insulation	Introduction of new technologies, materials, and design standards to improve thermal insulation
Transition risks	Laws and regulations		Introduction of energy-saving equipment during renovation and renewal of buildings	Continuous monitoring of laws and regulations
	Customer behavior		Promotion of ZEH/ZEB-oriented development	Consideration of energy conservation in thermal insulation and facilities

3 Risk management

Processes for the identification, evaluation, and management of climate-related risks on an organizational basis

As for risks and opportunities associated with environmental and climate change, the Sustainability Committee, Environmental Subcommittee, and the Sustainability Management Department mainly consider countermeasures. Among the measures considered, those that are particularly important for the Group's management are reported to and approved by the Board of Directors and the Management Committee.

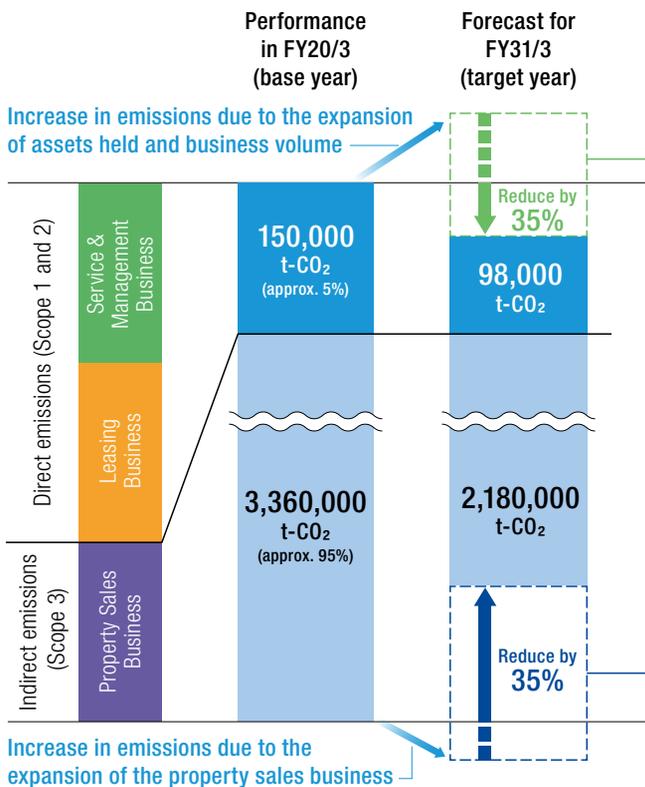
In addition to mentioned left, risks associated with changes in the business environment due to climate change and risks associated with natural disasters are also identified as major risks, and the Risk Management Committee deliberates and discusses necessary measures. The contents of deliberations are reported to and supervised by the Board of Directors at least once every three months.

4 Indicators and Targets

Indicator		Scope 1 and 2	Scope 3
Target	Total greenhouse gas emissions under Scope 1, 2, and 3 by FY31/3 compared to FY20/3	Reduce by 35%	Reduce by 35%

The Group' targets were approved by the SBTi in 2020 and has set indicators and targets in line with the SBTi. The breakdown of direct and indirect emissions in FY20/3 as a base year is as follows.

Direct emissions (service & management, leasing) 150,000 t-CO₂ (approx. 5%)
 Indirect emissions (sales of such as condominiums and properties for sales) 3,360,000 t-CO₂ (approx. 95%)



Measures to reduce Scope 1 and 2 emissions

- Implement energy-saving products in various facilities (LED, air-conditioning equipment, etc.)
- Consider utilizing renewable energy
 - Effective use of solar power generation at logistics facilities developed by the Company
 - External procurement of renewable energy (Already introduced at some facilities held by the Group)

Measures to reduce Scope 3 emissions

- Increase in the supply ratio of condominiums meeting ZEH standard
 - Improvement of external thermal insulation and introduction of highly efficient equipment systems

PROUD TOWER Kameido Cross adopted as a Super high-rise ZEH-M Demonstration Project

PROUD Kagurazaka Hill Top adopted as a High-rise ZEH-M Support Project

- Promote the utilization of low-carbon materials (timber, etc.)

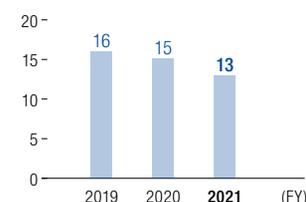
Comparison of main structure only

Steel structure	Steel frame use: 290t	CO ₂ emissions: Approx. 11t
Wooden structure	Wooden structure: Approx. 32m ³	CO ₂ emissions: Approx. 11t
Steel structure	Steel frame use: 270t	CO ₂ reduction: Approx. 32t
		CO ₂ reduction: Approx. 21t

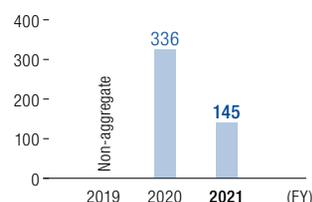
H'0 Gaenmae adopted a hybrid wooden structure

5 Performance For details: ▶ P108-109

Scope 1 and 2 emissions (10,000t-CO₂)



Scope 3 emissions (10,000t-CO₂)



Human resources strategy/Human rights policy

The Group aims to provide Wellness Management so that all of its executives and employees can work energetically in good physical and mental health, which leads to sustainable corporate growth. The Group recognizes that employees are the most important business resources and fostering human resources is essential to achieving sustainable growth. The Group is also actively working to ensure the health and safety of our employees and suppliers, as well as to respect human rights and ensure diversity.

Indicators	Relationship with value creation	Non-financial targets
Health and safety of employees	Prevent impairment of corporate value by minimizing occupational accidents and physical and mental illness of employees	By FY31/3 • Female manager ratio 10% or more • Childcare leave ratio 100%* • Employment of persons with disabilities ratio 2.4% • Absentee ratio 0%
Promotion of diversity	Promote corporate vitality and new value creation through the active participation of diverse human resources	
Creation of fair and rewarding workplaces	Enhance corporate value by encouraging motivated and capable executives and employees	
Improvements to human capital	Strengthen existing businesses and incubate new businesses by enhancing cultivation and hiring of human resources	
Supplier safety	Ensure supplier safety to strengthen relationships and achieve stable value creation	

* Including the Group's own holiday system

Diversity

For detail data ▶ P108-109

Initiatives for promoting active participation by women

The Group is promoting active participation by women in the workplace based on the belief that leveraging diverse perspectives in business is a key to creating new corporate value. The Group held "Health Seminars for Women" for all female employees, and 780 people participated.

Supporting childbirth, childcare and nursing care

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

Initiatives to promote active participation of diverse human resources (Employment of foreign technical intern trainees and people with disabilities)

The Group believes that it is essential to utilize diverse perspectives in our business to create new corporate value and is working to promote the active participation of diverse human resources in terms of gender, age, and nationality.

We also accept foreign technical interns and promote employment of people with disabilities in cooperation with employment agency.

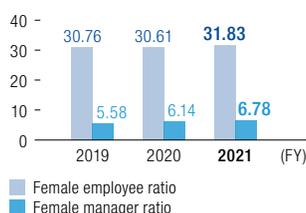
🌐 For information about "efforts to promote understanding of diverse sexuality," refer to the Sustainability report.

<https://www.nomura-re-hd.co.jp/english/csr/labor/diversity.html>

Performance

Promoting active participation by women

Female employee ratio and female manager ratio (%)



Wellness Management

Overview of Wellness Management

Employee Happiness and Corporate Growth

We realize employee happiness and corporate growth through work style reforms and diversity management.

Wellness

For detail data ▶ P108-109

Management of work time over statutory working hours

Each month, the Nomura Real Estate Holdings Board of Directors receives reports on and confirms the status of compliance with the Article 36 Agreement and labor status of each Group company. In addition, every six months, information on working hours and the status of employees taking vacation for each Group company is reported and any issues are shared.

Preventing overwork

As a part of the work style reforms that the Group initiated in the fiscal year ended March 2018, we have implemented a variety of programs intended to prevent overwork by employees.

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.

Employee engagement by top management

Following the fiscal year ended March 2020, face-to-face meetings between employees and President Kutsukake and President Miyajima of Nomura Real Estate Development were held eleven times in total.

These meetings contributed to disseminating the Group's Management Policy among employees as well as collecting feedback from front line workers.

Work style reforms For detail data ▶ P108-109

Promotion of workstyle reforms and diverse workstyles

The Group has been implementing various measures to reduce working hours, such as “turning off PCs at 8 p.m.” while promoting diverse workstyles including working remotely and working from home.

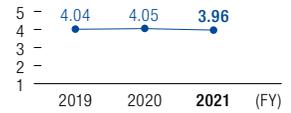
Main Measures	
Promoting diverse work styles	<ul style="list-style-type: none"> Establishing telecommuting programs (including working from home) Securing satellite offices Expanding flex time working programs Improving operational efficiency utilizing ICT
Encouraging employees not to work on holidays and to take vacation time	<ul style="list-style-type: none"> Setting regular days off at sales offices Encouraging employees to take vacation days such as making employee birthdays a day off
Raising awareness regarding shorter working hours	<ul style="list-style-type: none"> Working hours made visible Send alert emails to prevent long working hours Turning off PCs at 8 p.m.

Improving employee satisfaction

In the employee evaluation, which affects decisions regarding salary increase and promotion, comments by the evaluator are disclosed in order to ensure transparency and make outcomes more acceptable to employees undergoing evaluation.

Performance

Employee satisfaction level (5-point scale)



Creating new ways of working

The Group recognizes the need to urgently establish new ways of working to ensure the safety and security of its customers and to maintain and promote the health of its employees. We aim to pave the way for the creation of value as a whole Group by providing new ways of working that are optimal for each Group company and business, through the effective use of ICT, that encourage each Group company to address issues and take measures appropriately.



In July 2020, the Group launched the Group Wellness Promotion Committee chaired by Group CEO of the Nomura Real Estate Holdings. The Committee has been examining various measures and monitoring activity results. The details are periodically reported to the Board of Directors.

Diversity

- Build an environment where each person can maximize their abilities
- Cultivate a work climate that accepts and expresses diverse values

Work style reforms

- Enhance work-life balance by improving productivity, which leads to increased employee happiness and motivation
- Become a corporate group that contributes to employee growth and satisfaction

Wellness

Employees can work energetically in good physical and mental health = our fundamental policy

Four challenges

- Thorough review of sales methods and business processes
- Promoting diversity in response to changing values and workstyles
- Study opportunities and costs for effective utilization of ICT technology
- Implementation of mental and physical health management in response to changes in the environment and workstyles

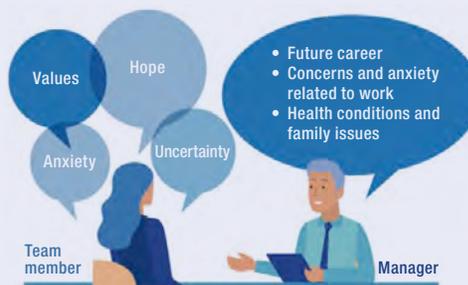
Two actions

- Create new ways of working
- Conduct one-on-one meetings for employee growth and wellness

Promotion of one-on-one meetings

The increase in the number of employees working from home and working remotely has led to a decrease in internal communication, highlighting issues such as the overlooking of any deterioration in employees' mental and physical health and difficulty in providing employees with training and evaluation.

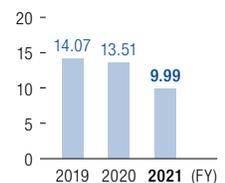
As part of a review of the way managers and team members communicate with each other, one-on-one meetings are held once a month or so, to create a workplace where employees can experience psychological safety, contribute to their own self-development, and feel rewarded by their work.



Performance

Preventing overwork

Average work time over statutory working hours (hours per person/month)



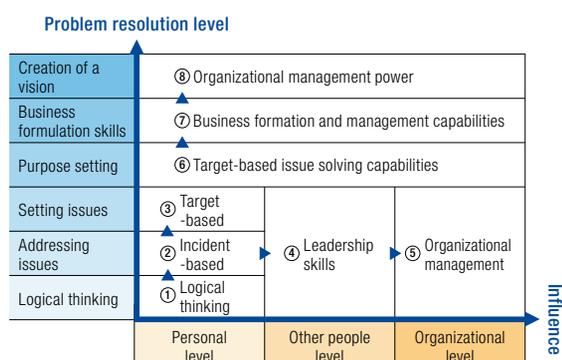
Human resources strategy/Human rights policy

Improvements to human capital For detail data ▶ P108-109

Human resources development program

In accordance with the position level, we develop human resources from both “high expertise and execution ability” to promote business and “broad perspective” to acquire organizational and management skills.

In addition, we are working to enhance our support for employees to acquire advanced business skills, such as MBA and overseas training program, through both selective and open recruitment.



Position level	Length of employment	Contents of the training	Selective / open
General management position	Newly appointed manager	Training on management skills, discussion based on set themes & presentation to senior management ⑦ ⑧	Development of global human resources MBA & MDT
Senior management position	Newly appointed manager	Organizational management (own business area: advanced) ⑤ Target-based issue solving (basic, own business area) ⑥	
Management position	Newly appointed manager	Organizational management (own business area: advanced) ⑤ Target-based issue solving (basic, own business area: advanced) ③	
Leader position	Leader follow-up position in the 2nd year	Career training: career thinking formation	
	9th year	Leadership (own business area: advanced) ④ Environmental analysis ⑦ ⑧	
Professional position: First	7th year	Target-based issue solving (own business area: advanced) ③ Leadership (basic) ④	
Professional position: Second	4th year	Target-based issue solving (basic) ③ Career training: career thinking formation	
	3rd year	Problem-solving dialogue ④	
Professional position: Third	2nd year	Incident-based issue solving ②	
	Follow-up in the 1st year	Logical presentation ①	
	New employees introductory training	Logical writing ①	

■ Implementation for Group ■ Implementation for Nomura Real Estate Development only

Development of global human resources

In order to strengthen its overseas business going forward, in addition to overseas training program, we offer a variety of programs in the three type of “Input,” “Output,” and “Other,” including English correspondence courses, TOEIC preparation, online English conversation, English conversation schools, and English conversation coaching menus.

Development of DX human resources

For the development of DX human resources, the Group offers various programs such as correspondence courses, school courses, and certification acquisition support (IT Passport, Management Information System Level 1 to 3, IT Coordinator) at both basic and advanced levels.

Business Idea Proposal Program

The Group has 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. There have been 60 entries in total (including 9 entries in the fiscal year ended March 2021), of which six ideas are currently being examined and five ideas are already materialized.

TOMORE トモア

The co-living & co-working business provides new places for people to work, live, and enjoy time with friends, both online and offline, in an era when more people are seeking new and individualized ways of working.

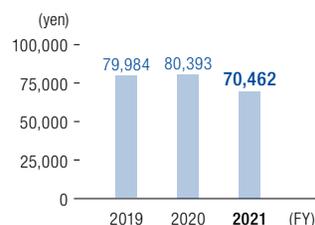
PRE KITCHEN プリキッチン

A service to offer side dishes at a flat rate to condominium residents by utilizing common areas in the buildings. The idea is to provide food services that will help families with children manage their day-to-day needs.

Performance

Enhancing cultivation of human resources

Investment in training per employee



Message from the Executive Officer in charge of Group Human Resources

Our business environment has been rapidly changing due to COVID-19, and new values have emerged in our work styles. In the fiscal year ended March 2021, the Group launched the Group Wellness Promotion Meeting and has been promoting wellness, work style reform, and diversity across the Group. Amid these environmental changes, I believe that it is important for us to focus on the creation of new ways of working and the enhancement of communication.

In the creation of new ways of working, it is important to allocate our human resources to operations that can generate more added value by enhancing and optimizing operational efficiency through the utilization of ICT and the promotion of the use of shared offices. In addition to such initiatives, I would like to develop a system to secure diverse human resources to realize new value creation in both deepening existing businesses and exploring new businesses.

Our efforts toward the enhancement of communication reflect our concerns that the volume of communication is decreasing as the number of employees working from home is increasing. Under these circumstances, it is easy to overlook employees' physical and mental health problems. From the viewpoint of improving the satisfaction of employees by ensuring their psychological safety, we will enhance the current one-on-one meetings where managers and team members talk in depth with each other.

I believe that providing the place where each employee can work with peace of mind while offering work opportunities that can generate more added value to diverse human resources will contribute not only to the growth of employees but also to the growth of the Group and enhancement of corporate value.



Human Resources
Executive Officer (in charge of Group
Human Resources Dept.)

Motomi Uki

Human rights policy

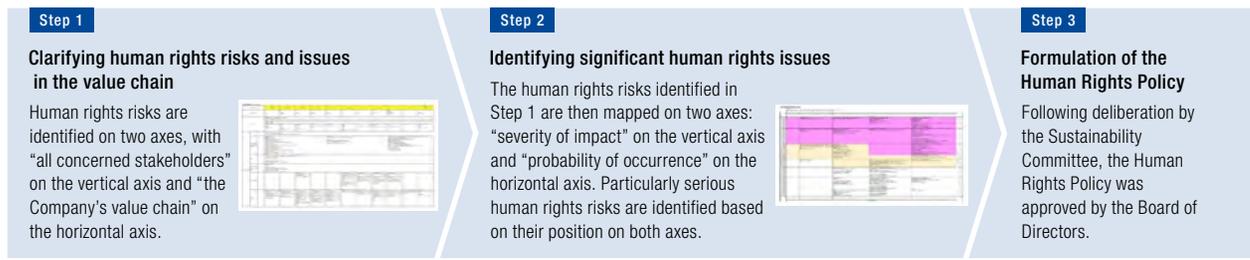
Respect for human rights and supplier management

Formulation and management of the human rights policy

The Group respects the dignity and basic human rights of all stakeholders and has signed the United Nations Global Compact. In order to further strengthen its efforts related to human rights, the Group established the Human Rights Subcommittee under the Sustainability Committee in the fiscal year ended March 2021. The Committee identified human

rights risks and issues in the value chain as well as prominent human rights issues. Following deliberations by the Committee and resolution by the Board of Directors, the Nomura Real Estate Group Human Rights Policy was formulated in July 2021. We will implement the policy in earnest going forward.

PHASE 1



PHASE 2



Nomura Real Estate Group Human Rights Policy

Main contents

- Compliance with international human rights standards
- Scope of application
- Respecting human rights in practice
- Identifying salient human rights issues
- Relationships with stakeholders
 - Describe initiatives by four categories: employees, suppliers / business partners, customers, and local communities
- Remedial measures

Major international human rights standards that the Group respects and supports

- International Bill of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- United Nations Global Compact "the ten principles"
- Children's Rights and Business Principles
- Guiding Principles on Business and Human Rights

Nomura Real Estate Group Human Rights Policy: <https://www.nomura-re-hd.co.jp/csr/pdf/hrp.pdf>

Engagement with the Group's Procurement Guidelines

The Group formulated the Nomura Real Estate Group Procurement Guidelines in 2018 and has been making efforts to familiarize its business partners with them. From the fiscal year ended March 2021, 10 business partners have been selected from among those that had been provided with the

guidelines based on the probability of occurrence risks for human rights and the depth of the relationship with the Company, and engagement meetings with them have been held. The Group will continue to expand those meetings in the future and request them to comply with our guidelines.



Message from the Chairman of the Board of Directors



Implementing governance as a management system for quick and bold decision-making while focusing on being transparent and fair

Director and
Chairman of the Board of Directors

Shoichi Nagamatsu

Reforming the management structure and addressing issues

The members of our Board of Directors were changed following the General Meeting of Shareholders held in June 2021. The Company's Board of Directors has 12 members in total, including four executive directors and eight non-executive directors who supervise them, and five of the non-executive officers are independent external directors. The Board of Directors engages in robust discussions, and the effectiveness of governance is fully assured. We have an ideal composition of the Board of Directors members who can cover a variety of fields. The external members are Mr. Higashi, who has proven management skills in the global semiconductor-related industry; Ms. Ito, a new member who is actively working at an IT company; Mr. Mogi, who served as Vice President and CFO at a general trading company; Ms. Miyakawa, an accountant; and Mr. Takahashi, an attorney. I look forward to proposals for fair and transparent management based on the experience and knowledge of each member.

A major change in the fiscal year ending March 2022 is Mr. Higashi, inaugurated as the Chairman of the Advisory Committee Relating to Nominations and Compensation, who is an external director. Even before this inauguration, the majority of the members of this committee had been external directors. However, by having an external director serve as the Chairman of the Committee, an appropriate balance of interests can be maintained, and the neutrality of the Committee is ensured from an outside perspective.

The Company made the transition to a company with an Audit & Supervisory Committee in 2015, and established the Advisory Committee Relating to Nominations and Compensation in 2016 to strengthen the

supervisory function of the Board of Directors. When discussing governance, transparency, and fairness, as well as the establishment of a system that enables prompt decision-making, are major preconditions and are expected as a matter of course. On that basis, it is important to monitor and supervise the decisions to increase corporate value that are actually made by those responsible for execution.

For that, we recognize that we must pay attention to the provision of information to external directors. In particular, we are trying to figure out the measures to ensure that there is no information gap between directors who are Audit & Supervisory Committee Members, who tend to have many opportunities to deal with individual matters from the standpoint of overseeing internal audits, and other external directors, as well as how to set up opportunities for discussing overall perspectives such as business strategy. Going forward, as the Chairman of the Board of Directors, I would like to hold more meetings with external directors, and provide more opportunities for the CEO and other members of top management to exchange opinions with external directors on the medium- to long-term business strategies and visions.

The Company continues to work on assessing the effectiveness of its Board of Directors. We started the effectiveness assessment in 2015 and have been utilizing a third-party evaluation institution since 2017. At present, we recognize that one of the biggest challenges faced by the Group is how to deal with digital transformation (DX). To increase our knowledge of ICT and digital strategies, we invited Ms. Katsura Ito, General Manager of Microsoft Japan Co., Ltd., to join the Board of Directors as an external director. While the basic premise is that executive directors and employees of the Group will seriously consider what they want to achieve through digital strategies, the Board of Directors have established a

system to support the reform promotion by utilizing DX. Going forward, we believe it is necessary to consider a wide range of measures in line with the expansion and growth of the Company's business domains, including the invitation of directors from overseas.

Deepening discussions at the Board of Directors, while taking into account the differences between real estate and securities businesses

I have had a long career in the securities industry. While there are differences between securities and real estate, one of the aspects that the two industries have in common is that both operate under market principles. On the other hand, the real estate industry's major difference from the securities industry is its means of "hedging risk." In the securities industry, hedge transactions such as short selling are used on a daily basis, but in the real estate industry, there are no transactions that perform a similar function.

Another difference is the "time axis of business." It is rather easy for me to understand the Property Brokerage & CRE, the Investment Management, and the Property & Facility Management businesses, but the real estate development business is totally different. While the securities industry is required to make decisions every minute and every second depending on market trends, the real estate industry is focused on projects that have a long-time horizon, such as three or five years out. In addition, in real estate development, purchasing land and investing in properties are the sources of future earnings, so it is necessary to conduct management focusing on the so-called "long" position while paying close attention to market conditions. The more time a project takes from land acquisition to development, the more difficult it becomes to determine an appropriate an exit strategy. In the securities industry, the turnover rate of assets is an issue for low-liquidity assets such as private equity, while in the real estate development business, which requires large-scale investments, it is necessary to control the amount of non-current assets and inventories held and to constantly check the total amount.

In light of the similarities and differences between the real estate and securities businesses, I would like to deepen our discussions at the Board of Directors with regard to the appropriate business portfolios and ideal balance sheets as the Group conducts risk management.

In addition, the Company places top priority on protecting its minority shareholders while striving to build appropriate relationships with Nomura Holdings, Inc., its major shareholder. The management theme of achieving transparent and fair governance and improving corporate value is shared by Nomura Holdings and us, and benefits all stakeholders, including minority shareholders.

As a real estate company, what can we suggest to those who own real estate as assets? We should be able to offer various options such as property and facility management, sales and replacement of assets, and real estate development. It is also possible to offer investors with options such as purchase of real estate securitization products including REITs. I think there are many areas where we can potentially collaborate in multiple ways. For example, efforts to strengthen collaboration in the Property Brokerage & CRE Business Unit and the

Investment Management Business Unit, which also brings about improved customer satisfaction at Nomura Holdings and us, will lead to the Group gaining greater trust from society and creating a strong value chain and new value. Based on the principle of effective governance, it is necessary to explore relationships that will benefit all stakeholders by taking advantage of the Group's unique characteristics.

Toward a more dynamic transformation

As the non-executive director and the Chairman of the Board of Directors, I have the role of conducting rigorous checks of the Group's risk management checks. At the same time, the Board of Directors has a strong desire to support the Group in its pursuit of new value creation by taking on larger and more dynamic challenges. The current members of the Board of Directors have a broad spectrum of experience and knowledge and are able to engage in balanced discussions on business investment and risks not only from an active but also from a very multifaceted perspective.

Sustainability initiatives will serve as test cases which represent the capabilities of the Board of Directors. While the Company is actively working to reduce greenhouse gas emissions and use renewable energy in individual projects, we hope that the Company will send a stronger message to its stakeholders and markets. Taking the revision of the Corporate Governance Code as an opportunity, I would like to discuss at the Board of Directors and other meetings how to more effectively and clearly offer the link between the sustainability efforts of the Group and business activities.

I would like to see the Group establish a distinctive business that includes its current business portfolio while clarifying what executives in charge of business execution will envision in the future and what they will do now.

In order to maximize the use of limited management capital, it is necessary to closely examine not only the priority of investment but also how it will lead to added value for the Group as a whole when taking different risks, such as entering new businesses. At the same time, instead of a vertically structured organization, I would like to see Business Units collaborate with each other and combine their energies more than ever to provide creative spaces and services and pursue a unique brand that no other company has.

In order to increase ROE, which is a key performance indicator for the Company, we must aim to provide high added value through our unique business style, which will differentiate us from other companies in our industry.

Discussions have begun with the next Mid- to Long-term Business Plan in mind. We know that real estate development is directly linked to the future of urban development. Therefore, we believe that the real estate business means the "Creation of dreams," and we will aim to realize the uniqueness of the Group and achieve dynamic transformation.

To this end, we will implement governance as a management system for making quick and bold decisions while maintaining transparency and fairness and will enhance our corporate value by increasing the trust and satisfaction of our shareholders, customers, business partners, and other stakeholders.

Message from the External Director and Chairman of the Advisory Committee Relating to Nominations and Compensation



External Director
(Chairman of the Advisory Committee
Relating to Nominations and
Compensation)

Tetsuro Higashi

External Director Tetsuro Higashi, who has been inaugurated as the Chairman of the Advisory Committee Relating to Nominations and Compensation in June 2021, talks about his assessment and various issues of the governance of the Company.

Responsibility and expectations as the Chairman of the Advisory Committee Relating to Nominations and Compensation

The Advisory Committee Relating to Nominations and Compensation performs a major role in nominating candidates for especially CEO, and directors and executive officers, assessing their performance in the form of compensation and also being involved in dismissals, although the final decision-making is delegated to the Board of Directors. Having become the Chairman of the Committee, I feel a deep sense of responsibility and find it rewarding.

Senior Management of a company are required to be able to achieve a balance between improving corporate value and reinforcing governance. I believe that it is my responsibility to maximize the features of the Advisory Committee Relating to Nominations and Compensation, choose and assess eligible persons, and exercise leadership from a well-balanced standpoint as an independent external director.

Maximizing the interests of minority shareholders and building relationships with major shareholders

One of the matters to be considered regarding the Company's governance is communications with shareholders.

Needless to say, in situations where there may be conflicts of interests between major shareholders and

minority shareholders, avoiding harm to the interests of minority shareholders and establishing a well-defined governance system are fundamental premises for everything. Under this streamlined structure in holding discussions both with Nomura Holdings, a major shareholder, and other minority shareholders and best understand their expectations, concerns, and other matters.

I believe that, in most cases, major shareholders and minority shareholders are not in conflicting positions but have common interests, particularly regarding to the enhancement of the Company's corporate value. Given this assumption, we communicate with Nomura Holdings, one of the largest securities companies in Japan, and utilize its value in our Company's business to reinforce our own corporate value. It is linked with the Company's business performance improvements and share price increase and shareholder returns, which will in turn to serve the interests for minority shareholders.

Noting that improving corporate value is in the interest of all shareholders, I believe that the Advisory Committee Relating to Nominations and Compensation can also contribute to the realization of more meaningful management by encouraging senior management to engage in appropriate dialogues with both major shareholders and minority shareholders.

In the semiconductor production equipment manufacture for which I served as representative director, there was a time when one foreign shareholder owned about 20% of the shares. In governance, I experienced to take a progressive approach. I felt that by discussing what the company and its major shareholders mutually aim for, we can improve corporate value and lead to higher stock prices. I believe that I can use that experience in my current position.

Succession plans

The senior management of a company is required to have project experiences accumulated in various fields and bird's eye views of the company. The lack of these experiences and views will directly lead to management risks. In that sense, the implementation of adequate succession plans and training supports the business continuity of the company.

To ensure adequate systematic training for prospective management personnel, the Advisory Committee Relating to Nominations and Compensation regularly monitors and further strengthens the training. One of the Company's succession plans is to ensure that each director and executive officer acquires diverse experiences. Through a series of training, including the above, the next generation of management can hone the competency necessary to become senior management and expand their possibilities for the future to ensure that they can give full play to their abilities, in the same manner as existing management. These are part of our fairness and help improve the Group's value.

Assessment and issues of governance

From the standpoint of an external director, I think that the Company has been providing sufficient information and preliminary explanations in preparation for meetings of the Board of Directors. More recently, it has excelled in providing information about higher-level business policies and specific activities. Both the internal directors who execute business operations and the external directors who supervise those operations are appropriately fulfilling their roles and hold lively discussions, creating the sense that the Board of Directors is operated properly. As such, I assess that the governance system is being effectively utilized.

However, there are still issues that can be improved. I hope that more time is spent on discussions about the long-term strategies of each Business Unit, etc., in order to contribute to the next Mid- to Long-term Business Plan. Overseas businesses, which are positioned as growth drivers over the long-term, are also an important theme. It is time to go into deep discussions on key areas in our global strategies and, based on the foregoing, more detailed discussions about business development and other strategies in each region. I think that directors should share this awareness.

Sustainability initiatives as an opportunity to create new value

The Corporate Governance Code revised in June 2021 requires the explicit disclosure of initiatives on companies' sustainability. All of us should first become aware that accelerating technological development has created an extensive array of both positive and negative impacts on society and the environment. Sustainability initiatives mean confronting pressing issues of global scale and are

literally integral to companies' business continuity.

What is important for the Company is to view sustainability initiatives as an opportunity to create new value. For example, "smart city" is a key word for achieving the SDGs. The Company has the potential to play a central role in this field. I think that the key word of "smart city" would be a good trigger to draw public attention to new value in real estate.

Presenting a future that brings excitement to our customers

The Group has a unique management target of prioritizing ROE and achieving a balance between growth and shareholder returns. I recognize that the Company has rapid asset turnover and high capital efficiency compared to other leading real estate companies in Japan. I hope to see more efforts to raise the brand value and improve business profitability. This will enable future investment and shareholder returns, which will inevitably enhance corporate value.

The Company has been developing unique business models by creating a variety of asset brands, including PROUD (condominiums), PMO (medium-sized high-grade office), H'O (quality small office), and H'T (satellite shared office). However, I feel that the excellence of the brand value of the Group itself has not been sufficiently conveyed to society. We should first think deeply about what makes the Nomura Real Estate Group different from other companies. I think the clue to this question lies in the voices of our customers and tenants. For example, it is important to go back to think more seriously what customers who chose PROUD valued most.

The value offered by the Company is related to residence and communities that are essential in people's lives as well as their dreams. For this reason, long-term value must be created with an eye toward the next 10 or 20 years. If we can present a future that brings excitement to our customers, we should be able to increase our value further.

Toward "out-of-the-box" ideals

It is very encouraging to see a younger generation joining the Board of Directors of the Group as potential future managers. The ideal I aspire to is a perspective of the world in which all of us share out-of-the-box or unorthodox developments as a future-oriented company. As an independent external director representing the interests of minority shareholders and as the Chairman of the Advisory Committee Relating to Nominations and Compensation working for human resources who play a key role in senior management, I hope to provide useful advice and contributions to ensure that the entire Group can develop as one.

Messages from External Directors



Katsura Ito

General Manager and
Chief Learning Officer of Microsoft Japan Co., Ltd.

Katsura Ito has a wealth of knowledge, experience, and profound insights related to the ICT and digital sector as a result of her long career in corporate executive roles in IT companies. She has been a Director of the Company since June 2021.

By utilizing the knowledge, experience, and insights that I have accumulated in the ICT and digital sector, I would like to contribute to the strengthening of the supervisory function of the Board of Directors and the realization of fair and transparent management. In particular, the business environment surrounding the real estate industry is changing rapidly and in significant ways due to the impact of COVID-19 and other factors, and it is anticipated that we will arrive at an era in which DX initiatives such as the use of ICT become indispensable. I believe that the value of DX lies not in D (digital) but in X (transformation), and with my experience, I will contribute how to utilize digital technology as a tool for transformation.

From the business briefings prior to my inauguration as a director, I was impressed by the Group's unique business model, functional governance, and precise operations. I also learned about the continuous corporate efforts behind the Company's widely known and familiar brands such as PROUD. Amid the rapid changes in social conditions and the drastic changes in expectations for real estate from individuals and companies, I strongly hope that the Group will provide new value and build a bright future for all stakeholders, including customers, society, and employees.

In a world that is changing at an even faster pace, significance of a company's existence is becoming more and more important. Going forward, while deepening my understanding of the Group, I would like to contribute to the creation of value unique to the Group from broad perspectives, including the promotion of diversity and inclusion and balanced ESG management.



Yoshio Mogi

(Former) Representative Director and Executive Vice
President, CFO and CCO of Sojitz Corporation

Yoshio Mogi has great knowledge, experience, and profound insights concerning corporate management acquired through his many years working as a corporate manager. He has been a Director of the Company (Audit & Supervisory Committee Member) since June 2019.

I have the impression that all executives and employees of the Company are working very diligently and earnestly. In terms of governance initiatives, the explanations and materials provided in advance with regard to the agenda and matters to be discussed at the Board of Directors and the Audit & Supervisory Committee meetings are sufficient and very thorough. It is a good method to list matters pointed out by the Board of Directors as priority issues and monitor them. I also applaud the flexibility of the Board of Directors including setting up extraordinary meetings when necessary.

In last year's Integrated Report, I said, "I think now is the time for major discussions about where to accelerate our M&A and Overseas Business expansion." Although it is difficult to hold face-to-face discussions due to the impact of COVID-19, I hope that the Company will provide us with opportunities for in-depth discussions on long-term strategies, including off-site meetings in addition to the Board of Directors meetings.

Having served as CFO and in other positions at a trading company, I have been actively providing my opinions on investment and the usage of funds in particular. For example, with regard to small investments in venture capital, I expressed my opinion that the responsibility can become unclear over time due to the small amount of investment. I also provided my views on follow-up and maintenance cost after the investment is made. Furthermore, I suggested that we should become more aware of the speed of capital recovery in line with the progress of business.

As measures to ensure the sustainable growth of the Group, strategies for Overseas Business, business strategies for the post-COVID-19 world, and the promotion of DX can be considered. I would like to actively discuss these with executive officers. I have high expectations for the development of new brand assets following "PROUD" and "PMO" that will become the pillars of the Company's earnings in the future.



Akiko Miyakawa

Representative of Akiko Miyakawa CPA Office

Akiko Miyakawa has great knowledge, experience, and profound insights as an expert in accounting and auditing acquired through her many years working as a Certified Public Accountant. She has been a Director of the Company (Audit & Supervisory Committee Member) since June 2019.

Half of the customers who use the Group's products and services, which are closely related to everyday life, are women. Looking at the Company from this point of view, there are many female employees who have received internal awards, and I feel that both men and women are given opportunities to make the most of their talents regardless of their gender. On the other hand, I have the impression that the promotion of female employees to management positions is still only halfway. I think a supervisor's support is important, such as actively encouraging those who want to become managers. I also hope that the Company will create an environment where everyone can enjoy their rights equally including further encouragement of male employees to take childcare leave.

During the past year, the Board of Directors has discussed a number of issues related to risk management for overseas investment including the core philosophy, the importance of proactive examination of strategies, as well as the need for a framework for investment amounts and allocations. I feel that we have been able to manage these issues in a unified manner by concentrating projects in the Overseas Business. In overseas businesses, it can be difficult to obtain information due to physical distance, but I expect that communication with local offices and companies will be enhanced so that information such as accounting figures can be grasped in a comprehensive and timely way.

Given the significant expectations from investors for decarbonization and the use of renewable energy, it is essential for companies not only to take necessary measures but also to unite them to create added value. It is also important to communicate the Company's initiatives adequately in line with global trends while linking them with the corporate image. The Board of Directors will continue to support these efforts. The Group's distinctive feature is that it can move flexibly while responding sensitively to market needs. I would like to provide support to nurture innovative ideas and concepts and ensure that the Company's business activities can be conducted flexibly by adapting to environmental changes.



Tetsu Takahashi

Executive Partner of ITN Partners

Tetsu Takahashi has great knowledge, experience, and profound insights as a legal expert acquired through his many years working as a lawyer. He has been a Director of the Company (Audit & Supervisory Committee Member) since June 2020.

I have a strong impression that the directors and employees carry out their duties with pride in being members of the Group. I also feel that the customer-first attitude is thoroughly upheld. It is highly commendable that each Group company is working to achieve detailed targets for individual management challenges based on objective research and analysis. At the same time, I am concerned that a meticulous and cautious approach may be somewhat weakening our sense of speed in business decisions and execution.

The Company's Board of Directors is well-balanced with seven internal directors, including a non-executive Chairman, and five external directors. In addition, I believe that the governance system has been well established with diverse members and their expertise. The Board members have business experience in areas such as corporate management, finance, and legal affairs. Also there are two female directors.

I expect that the next Mid- to Long-term Business Plan's targets will deal with business reforms and business strategies looking ahead to the post-COVID-19 world. At the same time, it is also necessary to be fully aware of our social responsibilities as a company and to actively address issues related to sustainability and ESG. I hope that the Company will respond to its customers' trust in the Group's brands and aim to differentiate itself from its competitors.

External directors, including myself, are required to secure the effectiveness of the Board of Directors through active discussions and to strengthen governance functions. As a legal specialist, I have provided advice and assistance from a legal perspective on the business strategies of many companies, and I am prepared to make the most of my knowledge and experience to address the various issues that the Company will tackle in the future.

Directors and Executive officers (As of June 24, 2021)

Directors



Shoichi Nagamatsu

Date of Birth: July 6, 1958

Director and Chairman of the Board of Directors
Advisory Committee Relating to Nominations and Compensation Member

Non-executive

- Apr. 1982 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)
- Apr. 2004 Executive Managing Director of Nomura Securities Co., Ltd.
- Oct. 2008 Executive Managing Director of Nomura Holdings, Inc. Senior Managing Director of Nomura Securities Co., Ltd.
- Jun. 2010 Senior Corporate Managing Director Chief Operating Officer of Nomura Holdings, Inc. Senior Corporate Managing Director of Nomura Securities Co., Ltd.
- Jun. 2012 Representative Executive Managing Director and Senior Corporate Managing Director of Nomura Securities Co., Ltd.
- Apr. 2013 Executive Managing Director and Chief of Staff of Nomura Holdings, Inc. Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.
- Apr. 2016 Deputy President of Nomura Securities Co., Ltd.
- Apr. 2017 Representative Executive Officer and Deputy President, and Chief of Staff of Nomura Holdings, Inc. Director of Nomura Securities Co., Ltd.
- Apr. 2018 Representative Executive Officer and Deputy President of Nomura Holdings, Inc.
- Jun. 2018 Director, and Representative Executive Officer and Deputy President of Nomura Holdings, Inc.
- Apr. 2020 Director of Nomura Holdings, Inc.
- Jun. 2020 Advisor of Nomura Holdings, Inc. Director of Nomura Real Estate Holdings, Inc.
- Apr. 2021 Chairman of the Board of Directors of Nomura Real Estate Holdings, Inc. (present) Director of Nomura Real Estate Development Co., Ltd. (present)



Eiji Kutsukake

Date of Birth: September 12, 1960

President and Representative Director, Group CEO

Executive

- Apr. 1984 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)
- Apr. 2007 Executive Managing Director of Nomura Securities Co., Ltd.
- Oct. 2008 Senior Managing Director of Nomura Securities Co., Ltd.
- Apr. 2009 Senior Corporate Managing Director of Nomura Securities Co., Ltd.
- Apr. 2011 Senior Corporate Managing Director Chief Operating Officer of Nomura Holdings, Inc. Executive Vice President of Nomura Securities Co., Ltd.
- Apr. 2012 Executive Managing Director of Nomura Holdings, Inc.
- Aug. 2012 Deputy President of Nomura Securities Co., Ltd.
- Apr. 2013 Director and Deputy President of Nomura Securities Co., Ltd.
- Apr. 2014 Advisor of Nomura Real Estate Holdings, Inc.
- Jun. 2014 Representative Director and Executive Vice President of Nomura Real Estate Holdings, Inc.
- Jun. 2015 President and Representative Director, and Chief Executive Officer of Nomura Real Estate Holdings, Inc. (present)
- Apr. 2017 Chair and Representative Director of Nomura Real Estate Development Co., Ltd. (present)



Daisaku Matsuo

Date of Birth: October 18, 1964

Executive Vice President and Representative Director

Newly appointed

Executive

- Apr. 1988 Joined Nomura Real Estate Development Co., Ltd.
- Apr. 2011 General Manager of Commercial Property Development & Management Dept. of Corporate Real Estate Service Company of Nomura Real Estate Development Co., Ltd.
- Apr. 2012 Executive Officer of Nomura Real Estate Development Co., Ltd.
- Apr. 2015 Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
- Apr. 2018 Executive Officer of Nomura Real Estate Holdings, Inc. Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
- Apr. 2021 Executive Vice President of Nomura Real Estate Holdings, Inc. (present) President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd. (present)
- Jun. 2021 Executive Vice President and Representative Director of Nomura Real Estate Holdings, Inc. (present)



Makoto Haga

Date of Birth: June 22, 1966

Director and Executive Officer
Business Unit Manager of Commercial Real Estate Business Unit

Executive

- Apr. 1989 Joined Nomura Real Estate Development Co., Ltd.
- Apr. 2010 Director of Nomura Real Estate Investment Management Co., Ltd. (currently, Nomura Real Estate Asset Management Co., Ltd.)
- Oct. 2010 General Manager of Management Planning Dept. of Investment Management & Advisory Company of Nomura Real Estate Development Co., Ltd.
- Oct. 2011 Director of Nomura Real Estate Capital Management Co., Ltd.
- Apr. 2012 Executive Officer of Nomura Real Estate Development Co., Ltd.
- May 2012 Executive Officer of Nomura Real Estate Holdings, Inc.
- Apr. 2015 Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
- Apr. 2017 Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Director of NREG TOSHIBA BUILDING Co., Ltd. (currently, Nomura Real Estate Building Co., Ltd.) Director of Nomura Real Estate Life & Sports Co., Ltd. Director of Geo Akamatsu Co., Ltd. (currently, Nomura Real Estate Retail Properties Co., Ltd.) Director of PRIME X Co., Ltd. Director of Nomura Real Estate Wellness Co., Ltd.
- Jun. 2017 Director and Executive Officer of Nomura Real Estate Holdings, Inc. (present)
- Apr. 2020 Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. (present)
- Apr. 2021 Director of Nomura Real Estate Building Co., Ltd. (present)



Hiroshi Kurokawa

Date of Birth: February 2, 1968

Director and Executive Officer, Group CFO
Supervisor of Management Division, Investor Relations

Newly appointed

Executive

- Apr. 1990 Joined Nomura Real Estate Development Co., Ltd.
- Apr. 2012 General Manager of Building Development Dept. of Corporate Real Estate Service Company of Nomura Real Estate Development Co., Ltd. Director of Geo Akamatsu Co., Ltd. (currently, Nomura Real Estate Retail Properties Co., Ltd.)
- Apr. 2013 Executive Officer of Nomura Real Estate Development Co., Ltd.
- Apr. 2015 Representative Director and Senior Managing Executive Officer of Nomura Real Estate Asset Management Co., Ltd. Executive Officer of Nomura Real Estate Holdings, Inc. Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Wellness Co., Ltd.
- Oct. 2017 Audit & Supervisory Board Member of Nomura Real Estate Hotels Co., Ltd.
- Apr. 2018 Director of Nomura Real Estate Partners Co., Ltd.
- Mar. 2019 Director of UHM Co., Ltd.
- Apr. 2020 Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
- Apr. 2021 Executive Officer of Nomura Real Estate Holdings, Inc. (present) Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. (present)
- Jun. 2021 Director and Executive Officer of Nomura Real Estate Holdings, Inc. (present)



Tetsuro Higashi

Date of Birth: August 28, 1949

Director
Chairman of Advisory Committee
Relating to Nominations and
Compensation

External Director Independent Director
Non-executive

Apr. 1977 Joined Tokyo Electron Ltd.
Dec. 1990 Director of Tokyo Electron Ltd.
Apr. 1994 Managing Director of Tokyo Electron Ltd.
Jun. 1996 Representative Director, President of Tokyo Electron Ltd.
Jun. 2003 Representative Director, Chairman of the Board of Tokyo Electron Ltd.
Jun. 2011 Director, Chairman of the Board of Tokyo Electron Ltd.
Jun. 2012 Outside Director of Ube Industries, Ltd.
Apr. 2013 Representative Director, Chairman, President & CEO of Tokyo Electron Ltd.
Jun. 2015 Representative Director, President & CEO of Tokyo Electron Ltd.
Jan. 2016 Corporate Director, Corporate Advisor of Tokyo Electron Ltd.
May 2018 Outside Director of Seven & i Holdings Co., Ltd. (present)
Jun. 2019 External Director of Nomura Real Estate Holdings, Inc. (present)
Outside Director of Ube Industries, Ltd. (present)



Katsura Ito

Date of Birth: April 26, 1964

Director

Newly appointed External Director
Independent Director Non-executive

Apr. 1987 Joined IBM Japan, Ltd.
Dec. 2005 Joined Adobe Systems Co., Ltd.
Jan. 2011 Joined Microsoft Japan Co., Ltd.
Executive General Manager of Microsoft Japan Co., Ltd.
Jul. 2013 Executive Officer of Microsoft Japan Co., Ltd.
Jul. 2016 General Manager of Microsoft Japan Co., Ltd.
Jul. 2017 Senior General Manager of Microsoft Japan Co., Ltd.
Jul. 2019 General Manager and Chief Learning Officer of Microsoft Japan Co., Ltd. (present)
Jun. 2021 External Director of Nomura Real Estate Holdings, Inc. (present)



Hiroyuki Kimura

Date of Birth: March 30, 1962

Director (Audit & Supervisory
Committee Member)

Newly appointed Non-executive

Apr. 1984 Joined Nomura Real Estate Development Co., Ltd.
Feb. 2006 General Manager of Finance & Accounting Dept. of Nomura Real Estate Holdings, Inc.
Dec. 2008 Director of NREG TOSHIBA BUILDING Co., Ltd. (currently, Nomura Real Estate Building Co., Ltd.)
Apr. 2009 Executive Officer of Nomura Real Estate Development Co., Ltd.
Jun. 2009 Director of Nomura Real Estate Holdings, Inc.
Apr. 2010 President and Representative Director of Nomura Real Estate Investment Management Co., Ltd.
Director of Nomura Real Estate Capital Management Co., Ltd.
Director of Nomura Real Estate Asset Management Co., Ltd. (currently, Nomura Real Estate Asset Management Co., Ltd.)
Oct. 2011 Managing Director of Nomura Real Estate Asset Management Co., Ltd.
May 2012 Executive Officer of Nomura Real Estate Holdings, Inc.
Jun. 2012 Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2013 Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Jun. 2013 Executive Officer of Nomura Real Estate Holdings, Inc.
Jun. 2014 Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2019 Director of Nomura Real Estate Holdings, Inc.
Executive Vice President and Representative Director of Nomura Real Estate Asset Management Co., Ltd.
Apr. 2021 Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. (present)
Advisor of Nomura Real Estate Holdings, Inc. (present)
Jun. 2021 Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)
Audit & Supervisory Board Member of Nomura Real Estate Solutions Co., Ltd. (present)
Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. (present)



Yasushi Takayama

Date of Birth: February 1, 1964

Director (Audit & Supervisory
Committee Member)

Non-executive

Apr. 1988 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)
Jun. 2011 Director, Nomura Financial Products & Services, Inc.
Oct. 2012 Managing Director and General Counsel of Nomura Securities International, Inc. (New York)
Sep. 2013 Managing Director and General Counsel of Nomura Holding America Inc.
Apr. 2015 Senior Managing Director and Chief Legal Officer of Nomura Holdings, Inc.
Senior Managing Director and Chief Legal Officer of Nomura Securities Co., Ltd.
Jun. 2016 Outside Director of Japan Securities Depository Center, Incorporated
Apr. 2019 Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. (present)
Advisor of Nomura Real Estate Holdings, Inc.
May 2019 Audit & Supervisory Board Member of UHM Co., Ltd. (present)
Jun. 2019 Director (Full-time Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)
Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. (present)
Audit & Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. (currently, Nomura Real Estate Solutions Co., Ltd.) (present)
Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. (present)
Audit & Supervisory Board Member of NREG TOSHIBA BUILDING Co., Ltd. (currently, Nomura Real Estate Building Co., Ltd.) (present)
Audit & Supervisory Board Member of Nomura Real Estate Wellness Co., Ltd. (present)
Audit & Supervisory Board Member of Nomura Real Estate Hotels Co., Ltd. (present)
Audit & Supervisory Board Member of PRIME X. Co., Ltd. (present)

Sustainability approach **Governance**
Directors and Executive officers



Yoshio Mogi

Date of Birth: April 10, 1952
 Director (Audit & Supervisory Committee Member)
 Advisory Committee Relating to Nominations and Compensation Member

External Director Independent Director
 Non-executive

- Apr. 1975 Joined Nichimen Co., Ltd. (currently, Sojitz Corporation)
- Apr. 2006 Executive Officer of Sojitz Corporation
- Apr. 2008 Managing Executive Officer of Sojitz Corporation
- Apr. 2012 Senior Managing Executive Officer, CFO of Sojitz Corporation
- Jun. 2012 Representative Director, Senior Managing Executive Officer, CFO of Sojitz Corporation
- Apr. 2014 Representative Director and Executive Vice President, CFO of Sojitz Corporation
- Jul. 2014 Outside Director of Sojitz Infinity Inc.
- Apr. 2017 Representative Director and Executive Vice President, CCO of Sojitz Corporation
 Director of Sojitz REIT Advisors K.K.
- Apr. 2018 Advisor of Sojitz Corporation
- Jun. 2019 External Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)



Akiko Miyakawa

Date of Birth: October 18, 1955
 Director (Audit & Supervisory Committee Member)

External Director Independent Director
 Non-executive

- Apr. 1978 Joined Tokyo Branch of Chase Manhattan Bank (currently JPMorgan Chase Bank, N.A.)
- Nov. 1987 Joined Marunouchi & Co. (currently Deloitte Touche Tohmatsu LLC)
- Jan. 2000 Joined the Los Angeles Office of Deloitte US
- Jun. 2005 Partner of Deloitte Touche Tohmatsu LLC
- Jul. 2008 Joined the Taipei Office of Deloitte Taiwan
- Oct. 2015 Joined Deloitte Touche Tohmatsu LLC Tokyo Office
- Aug. 2018 Representative of Akiko Miyakawa CPA Office (present)
- Jun. 2019 External Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)



Tetsu Takahashi

Date of Birth: October 24, 1956
 Director (Audit & Supervisory Committee Member)
 Advisory Committee Relating to Nominations and Compensation Member

External Director Independent Director
 Non-executive

- Apr. 1986 Registered with Tokyo Bar Association
 Joined Miyakezaka Law Offices
- Jul. 2003 Representative Partner of KASUMIGASEKI PARTNERS LAW OFFICE
- Mar. 2006 Outside Audit & Supervisory Board Member of Apple Japan Co., Ltd.
- Mar. 2007 External Auditor of McDonald's Holdings Company (Japan), Ltd.
 External Director of McDonald's Company (Japan), Ltd. (present)
- Jun. 2007 Outside Audit & Supervisory Board Member of Gro-Bels Co., Ltd.
- Oct. 2007 Outside Audit & Supervisory Board Member of Bit-isle Inc. (currently Bit-isle Equinix Inc.)
- Jan. 2012 Outside Audit & Supervisory Board Member of Boox Co., Ltd.
- Feb. 2012 Outside Audit & Supervisory Board Member of ZOOM CORPORATION
- Jun. 2015 Outside Director (Audit and Supervisory Committee Member) of ZOOM CORPORATION (present)
- Oct. 2016 Outside Audit & Supervisory Board Member of eBOOK Initiative Japan Co., Ltd. (present)
- Jun. 2020 External Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)
- Dec. 2020 Executive Partner of ITN Partners (present)

* Tetsuro Higashi, Katsura Ito, Yoshio Mogi, Akiko Miyakawa and Tetsu Takahashi are External Directors prescribed in Article 2, Item 15 of the Companies Act.

Executive officers (Excluding those who are concurrently serving as Directors)

Takashi Kaku

In charge of Overseas Business

Haruhiko Nakamura

In charge of Residential Development Business Unit

Motomi Uki

In charge of Group Human Resources Dept.

Akihiro Fukuda

In charge of Property & Facility Management Business Unit

Tetsumi Yoshimura

In charge of Quality Management and Architectural Design

Toshihide Tsukasaki

In charge of Finance & Accounting Dept., Finance Dept.

Shigeyuki Yamamoto

In charge of Development Planning

Masato Yamauchi

In charge of Corporate Planning Dept., DX & Innovation Management Dept.

Tokuji Nakamura

In charge of Sustainability Management Dept., Corporate Communications Dept., Sustainability Management

Kenichi Maeda

In charge of Property Brokerage & CRE Business Unit

Yukio Ichihara

In charge of Group Internal Audit Dept., Group Legal & Compliance Dept., Secretariat, Internal audit and Compliance

Koki Miura

In charge of Investment Management Business Unit

Corporate governance

Basic concept of corporate governance

Nomura Real Estate Holdings believes that it must be governed in a way that continuously maximizes our Group's value over the long term, while consideration is given to the interest of shareholders and all other stakeholders of the Company. We aim to enhance the earning power of the entire Group, and while acting as a holding company in managing and supervising the business activities of our subsidiaries. Also we endeavor to build a more transparent management system in accordance with the Basic Corporate Governance Policy formulated in 2015.

🌐 **Corporate Governance** <https://www.nomura-re-hd.co.jp/english/company/governance.html>

🌐 **Basic Corporate Governance Policy** <https://www.nomura-re-hd.co.jp/english/company/pdf/cgpolicy.pdf>

Characteristics of our corporate governance system

In order to strengthen audit and supervisory functions by providing directors who serve as Audit & Supervisory Committee Members with voting rights at Board of Directors' meetings and by other means, the Company transitioned to a company with an Audit & Supervisory Committee in 2015, and then established the Advisory Committee Relating to Nominations and Compensation in 2016. Inviting multiple external directors and establishing the Advisory Committee Relating to Nominations and Compensation are intended to strengthen the supervisory function of the Board of Directors and achieve fair and highly transparent management. At the same time, the Company ensures the effectiveness of supervision by the Board of Directors concerning the directors' execution of duties and the executive officers' business operations by establishing the risk management system, compliance system, and internal audit system and having regularly report to the Board of Directors about initiatives of those systems. Currently, the majority of the members of the Audit & Supervisory Committee and the Advisory Committee Relating to Nominations and Compensation are independent external directors.

The Company also introduced the executive officer system to separate the business execution function from the management supervision and decision-making functions to enhance the execution function, reinforcing the management of the Group. Each executive officer selected by the Board of Directors is granted authority based on internal regulations and executes business operations pursuant to the Company's policy determined by the Board of Directors and instructions from the CEO.

► Our efforts to reinforce corporate governance

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Organization	<ul style="list-style-type: none"> Introduced executive officer system to separate the business execution function from the management and supervisory functions of the holding company 									
	<ul style="list-style-type: none"> Established the Management Committee at the holding company to help strengthen Group management systems 									
	<ul style="list-style-type: none"> Transitioned to a company with an Audit & Supervisory Committee 									
	<ul style="list-style-type: none"> Established the Advisory Committee Relating to Nominations and Compensation 									
	<ul style="list-style-type: none"> Appointed an external director as the Chairman of the Advisory Committee Relating to Nominations and Compensation 									
Directors (No.)	6*	5	5*	8		13		12	13	12
Of which External Directors (No.)		0	1	2			5			
Of which Independent External Directors (No.)		0		1		4		5		
Of which Female Directors (No.)		0				1		2	1	2
The assessment of effectiveness	<ul style="list-style-type: none"> Started assessment of effectiveness of the Board of Directors 									
	<ul style="list-style-type: none"> Started assessment of effectiveness utilizing a third-party evaluation organization 									
Compensation	<ul style="list-style-type: none"> Raised the maximum number of share acquisition rights used for stock options to increase the ratio of performance-based incentive in order to share more interest with shareholders 									
	<ul style="list-style-type: none"> Implemented performance-based stock incentive plan 									
Others	<ul style="list-style-type: none"> Transferred authority partially from the Board of Directors to the Management Committee to speed up business execution 									
	<ul style="list-style-type: none"> Formulated the Basic Corporate Governance Policy 									
	<ul style="list-style-type: none"> Disclosed reason for appointment of directors 									
	<ul style="list-style-type: none"> Reorganized and restructured the items, systems, and divisions/departments for risk management in order to strengthen the risk management system 									

*Reduction due to resignation or retirement during the period is not stated.

Corporate governance

Corporate governance system

Features of the Group's governance system

- ▶ Company with an Audit & Supervisory Committee
- ▶ Chairman of the Board of Directors is a non-executive director
- ▶ Out of 12 directors, five are independent external directors
- ▶ Established the Advisory Committee Relating to Nominations and Compensation
- ▶ Chairman of Advisory Committee Relating to Nominations and Compensation is an independent external director
- ▶ Majority of the members of the Audit & Supervisory Committee and the Advisory Committee Relating to Nominations and Compensation are independent external directors

1 The Board of Directors

Held **15 times** during FY21/3

Roles of the Board of Directors

The Board of Directors bears the responsibility of realizing effective corporate governance for all shareholders, and through this, achieving sustainable growth of the Company and working to maximize long-term corporate value. To fulfill this responsibility, the role of the Board of Directors is to ensure the fairness and transparency of management by fully supervising management, and make the best decisions for the Company through important business execution decisions, etc.

Composition of the Board of Directors

The Company's Board of Directors comprises seven directors (excluding directors who serve as Audit & Supervisory Committee Members) (of which two are external directors) and five directors who serve as Audit & Supervisory Committee Members (of which three are external directors). The Company appoints diverse directors with various knowledge, experience, and skills in order to ensure the necessary balance and diversity as a holding company that manages companies that conduct business in various areas. In order to strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management, five out of the 12 directors are independent external directors. The Chairman of the Board of Directors is a non-executive director.

Roles of Independent External Directors

In order to strengthen the supervisory function of the Board of Directors and achieve fair and highly transparent management, two independent external directors (excluding those who serve as an Audit & Supervisory Committee Member) and three independent external directors who serve as Audit & Supervisory Committee Members are appointed.

The main role of independent external directors is, based on their own knowledge, to give appropriate advice from the viewpoint of the Company's sustainable growth and improving the corporate value, to supervise management through significant decision making by the Board of Directors, to supervise conflicts of interest between the Company and management or major shareholders, etc., and to appropriately express the opinions of shareholders and other stakeholders to the Board of Directors from a standpoint independent from management.

The Company has formulated its own standards for determining the independence of independent external directors, in addition to the independence standards for "independent directors" set out by the Tokyo Stock Exchange.

Independence standards for Independent External Directors:

Article 14 of the Basic Corporate Governance Policy

<https://www.nomura-re-hd.co.jp/english/company/pdf/cgpolicy.pdf>

3 The Advisory Committee Relating to Nominations and Compensation

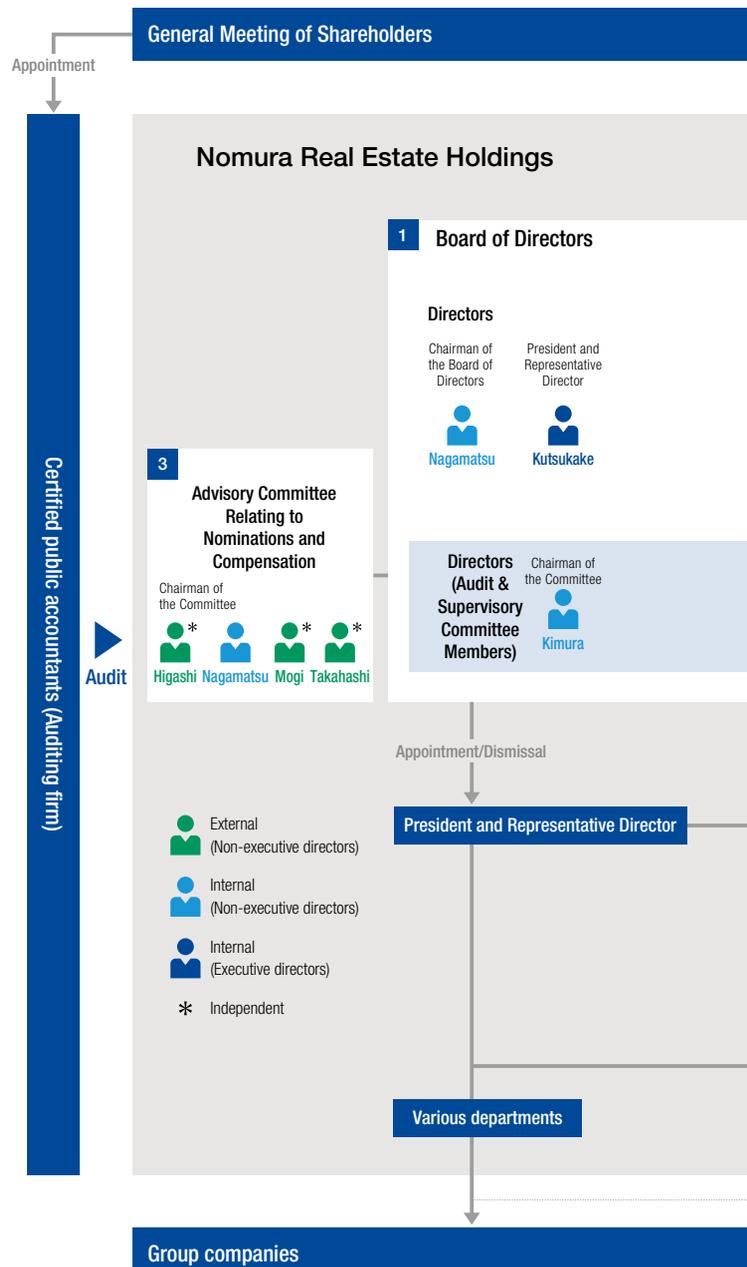
Held **11 times** during FY21/3

The Company established the Advisory Committee Relating to Nominations and Compensation, as an advisory body to the Board of Directors, where the majority of members are comprised of independent external directors, to strengthen the objectivity and independence of functions of the Board of Directors in relation to nomination and compensation of the directors and executive officers. Currently, the Advisory Committee Relating to Nominations and Compensation consists of four members, of which three are independent external directors. An independent external director is the Chairman of Advisory Committee Relating to Nominations and Compensation. The Advisory Committee Relating to Nominations and Compensation meets as necessary to discuss matters relating to the nomination of and compensation of directors and executive officers and reports the outcome to the Board of Directors.

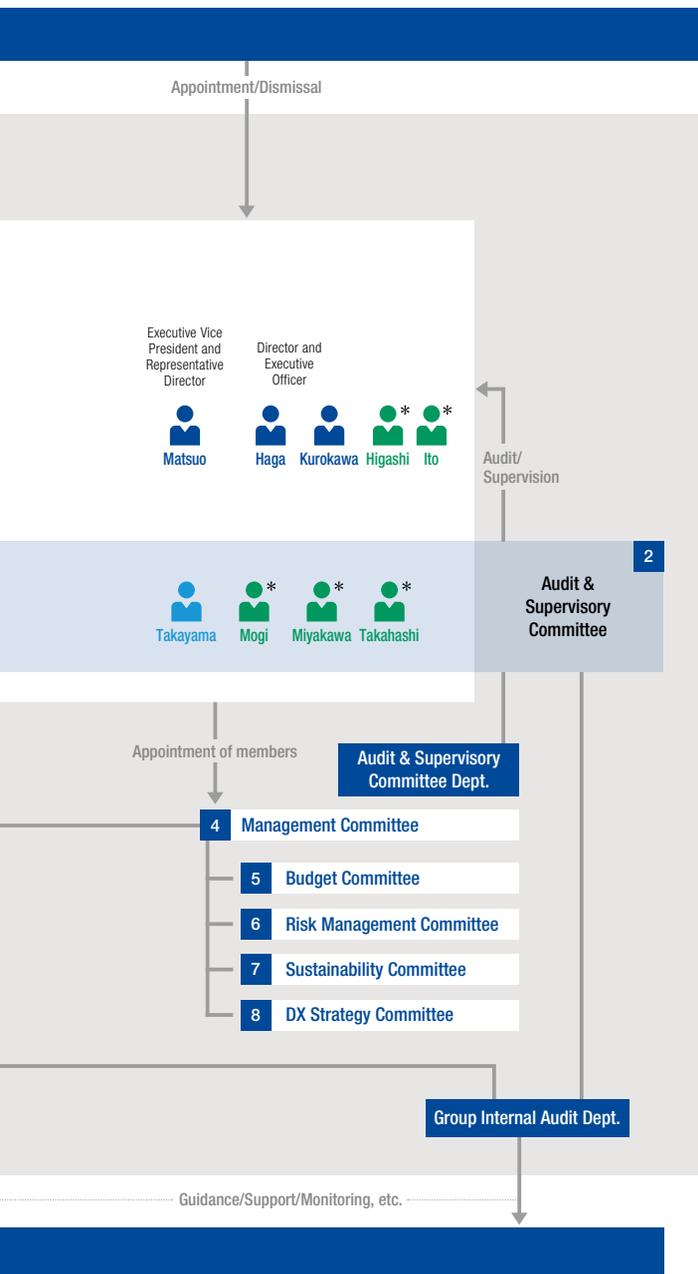
Group governance

As a holding company, the Company manages its Group companies under various regulations such as Regulations regarding Group Organizational Management and Group Internal Audit. Also, its directors (excluding those who serve as Audit & Supervisory Committee Members) and executive officers also hold the post of director, etc. or directors who serve as Audit & Supervisory Committee Members also act as Audit & Supervisory Board

▶ Chart of Corporate Governance System



Members in major Group companies to strengthen the Group management. Furthermore, the Company has built systems for risk management, compliance, and internal audits within the Company itself and the entire Group, with the Board of Directors regularly receiving reports on each of the systems, for an effective monitoring of Group management.



2 The Audit & Supervisory Committee Held 14 times during FY21/3

Roles of Audit & Supervisory Committee

The Audit & Supervisory Committee monitors business management and performs audits utilizing the Company's internal control system. We have developed a system through which the Committee receives periodic reports on internal audits and results from the Internal Audit Dept., and has the authority to ask directors, executive officers, and operating divisions of the Company and Group companies to report such matters when necessary. Audit & Supervisory Committee Members can attend the Company's important meetings, including those of the Management Committee, gather information on the business execution, and express their opinions so that an effective system for audits and supervision is secured.

Composition of the Audit & Supervisory Committee

The majority of Audit & Supervisory Committee Members comprises independent external directors; and at least one of the members, who also serves as a director, possesses appropriate knowledge of finance and accounting. The Audit & Supervisory Committee consists of five members, of which two are Audit & Supervisory Committee Members (full-time) and three are Audit & Supervisory Committee Members (independent external directors).

Main initiatives taken by Audit & Supervisory Committee

Main matters on the agenda at the meetings of the Audit & Supervisory Committee include the consent to the election bill of directors who act as Audit & Supervisory Committee Members, drawing up audit plans, the consent to the internal audit plan by the Group Internal Audit Dept., preparing audit reports, evaluating on the reappointment of the Accounting Auditor, giving consent to compensation for the Accounting Auditor and making decision for appointment and compensation, etc. of the directors except for Audit & Supervisory Committee Members. The fulltime Audit & Supervisory Committee Members attend important meetings of the Company and request for reports from operating divisions as necessary to gather information on the Company's business execution status.

4 Management Committee Held 50 times during FY21/3

The Committee, which is comprised of the Chief Executive Officer, the Executive Vice President and Executive Officers, determines certain matters regarding the execution of business at overall Group companies. The Chairman of the Board of Directors and Directors who are Audit & Supervisory Committee Members attend meetings of the Committee, where they express their opinions as necessary.

5 Budget Committee Held 9 times during FY21/3

For the compilation of budgets, preparation of medium-term business plans, and other matters, the Committee discusses the planning, exercise, and other matters regarding budgets and medium-term business plans as a subordinate organization of the Management Committee.

6 Risk Management Committee Held 7 times during FY21/3

With the aim of securing the continuity and stable development of business through the exercise of risk management, the Committee discusses matters in connection with internal controls, risks in the Group's management, and other matters as a subordinate organization of the Management Committee. The Committee is mainly comprised of directors and executive officers of the Company and Group companies who have been appointed by the Board of Directors.

7 Sustainability Committee Held 3 times during FY21/3

The Committee discusses matters on the promotion of sustainability for the purpose of establishing policies and plans and managing results regarding the promotion of sustainability, deepening Group employees' understanding and disclosing various information thereof as a subordinate organization of the Management Committee.

8 DX Strategy Committee Held 13 times* during FY21/3

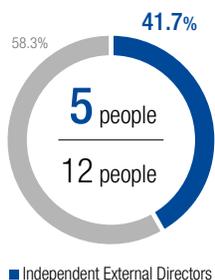
The Committee discusses matters on DX strategy and investment plans for preparing the ICT base and building information systems to establish policies and plans regarding the promotion of DX, and to improve the ICT environment and to use it effectively as a subordinate organization of the Management Committee.

* Listing the number of the former ICT Planning Committee (renamed to the DX Strategy Committee in April 2021) meetings held.

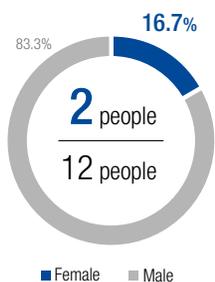
Corporate governance

► **Status of Directors**

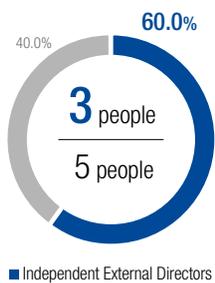
Percentage of Independent External Directors on the Board of Directors



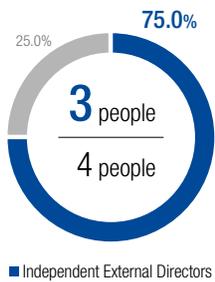
Percentage of Female Directors on the Board of Directors



Percentage of Independent External Directors on the Audit & Supervisory Committee



Percentage of Independent External Directors on the Advisory Committee Relating to Nominations and Compensation



Gender	Name (date of birth)	Position/ Responsibilities	Executive/ External/ Independent/ New	Term of office*1	Attendance rate at meeting of Board of Directors (number of attendances/ meetings)	Audit & Supervisory Committee Member *2	Advisory Committee Relating to Nominations and Compensation Member*2
Male	Shoichi Nagamatsu (July 6, 1958)	Director and Chairman of the Board of Directors	Non-executive	1 year	100% (10/10*4)		○
Male	Eiji Kutsukake (September 12, 1960)	President and Representative Director, Group CEO	Executive	7 years	100% (15/15)		
Male	Daisaku Matsuo (October 18, 1964)	Executive Vice President and Representative Director	Newly appointed Executive	—	(Appointed on June 24, 2021)		
Male	Makoto Haga (June 22, 1966)	Director and Executive Officer, Business Unit Manager of Commercial Real Estate Business Unit	Executive	4 years	100% (15/15)		
Male	Hiroshi Kurokawa (February 2, 1968)	Director and Executive Officer Group CFO, Supervisor of Management Division, Investor Relations	Newly appointed Executive	—	(Appointed on June 24, 2021)		
Male	Tetsuro Higashi (August 28, 1949)	Director	External Independent Non-executive	2 years	100% (15/15)		◎
Female	Katsura Ito (April 26, 1964)	Director	Newly appointed External Independent Non-executive	—	(Appointed on June 24, 2021)		

Gender	Name (date of birth)	Position/ Responsibilities	Executive/ External/ Independent/ New	Term of office*1	Attendance rate (number of attendances/meetings) Board of Directors meeting (upper)/ Audit & Supervisory Committee meeting (lower)	Audit & Supervisory Committee Member *2	Advisory Committee Relating to Nominations and Compensation Member*2
Male	Hiroyuki Kimura (March 30, 1962)	Director (Audit & Supervisory Committee Member)	Newly appointed Non-executive	—	(Appointed on June 24, 2021)	◎	
Male	Yasushi Takayama (February 1, 1964)	Director (Audit & Supervisory Committee Member)	Non-executive	2 years	100% (15/15) 100% (14/14)	○	
Male	Yoshio Mogi (April 10, 1952)	Director (Audit & Supervisory Committee Member)	External Independent Non-executive	2 years	100% (15/15) 100% (14/14)	○	○
Female	Akiko Miyakawa (October 18, 1955)	Director (Audit & Supervisory Committee Member)	External Independent Non-executive	2 years	100% (15/15) 100% (14/14)	○	
Male	Tetsu Takahashi (October 24, 1956)	Director (Audit & Supervisory Committee Member)	External Independent Non-executive	1 year	100% (10/10*4) 100% (9/9*4)	○	○

*1 Years as director as of June 24, 2021
 *2 ◎: Committee Chairman
 *3 Knowledge of capital markets and business experience in capital procurement, etc.
 *4 Number of meetings held in the fiscal year ended March 31, 2021 since assuming the position of Director on June 23, 2020

Fields of expectation for directors							Reason for appointment
Corporate management	Finance*3	Financial audit	Legal audit	Real estate/Construction	Overseas Business	ICT/Digital	
●	●	●					Shoichi Nagamatsu has extensive business and management experience at the Nomura Group as well as experience as Director and Chairman of the Board of Directors of the Company. He has been appointed because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on his substantial management experience and knowledge.
●	●			●			Eiji Kutsukake has extensive business and management experience in the Nomura Group as well as experience as President of the Company. He has been appointed because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on his substantial management experience and knowledge.
●				●			Daisaku Matsuo has extensive business and management experience at the Group. He has been appointed because it is expected that he will contribute to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on property development and other operations especially in the Residential Development Business Unit.
●	●	●		●			Makoto Haga has extensive business and management experience in the Group as well as experience as a director of the Company. He has been appointed because it is expected that he will continue contributing to a strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on corporate planning and financial and capital policies of the Group, and other operations.
●	●	●		●			Hiroshi Kurokawa has extensive business and management experience at the Group. He has been appointed because it is expected that he will contribute to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on corporate planning, property development and other operations.
●	●				●	●	Tetsuro Higashi has been selected as an External Director because it is expected that he will contribute to strengthening the supervisory function of the Board of Directors and ensuring fair and transparent management by drawing on his wealth of knowledge, experience, and profound insights related to corporate management in his long career as a corporate manager.
●						●	Katsura Ito has been selected as an External Director because it is expected that she will contribute to strengthening the supervisory function of the Board of Directors and ensuring fair and transparent management by drawing on her wealth of knowledge, experience, and profound insights related to ICT and the digital field in her long career in executive roles at IT companies.

Corporate management	Finance*3	Financial audit	Legal audit	Real estate/Construction	Overseas Business	ICT/Digital	Reason for appointment
●	●	●		●			Hiroyuki Kimura has extensive business and management experience at the Group as well as experience as Director of the Company. He has been selected as a Director as Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge concerning finance and accounting will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.
●	●	●	●		●		Yasushi Takayama has extensive business experience in the Nomura Group and experience as a Director as Audit & Supervisory Committee Member of the Company. He has been selected as a Director as Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge concerning legal, finance and accounting will continue to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.
●	●	●			●		Yoshio Mogi has great knowledge, experience and profound insights concerning corporate management acquired through his many years working as a corporate manager. He has been selected as an External Director as Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.
		●			●		Akiko Miyakawa has great knowledge, experience and profound insights as an expert at accounting and auditing acquired through her many years working as a Certified Public Accountant. She has been selected as an External Director as Audit & Supervisory Committee Member because it is expected that her extensive experience and knowledge will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure, although she has no previous experience directly involved in the management of a company other than as an external officer.
			●				Tetsu Takahashi has great knowledge, experience and profound insights as a legal expert acquired through his many years working as a lawyer. He has never in the past been involved in the management of a company except as an outside director, however he has been selected as an External Director as Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge as a representative of a law firm and an outside director and outside audit & supervisory board member of other companies will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.

Total	10 people	8 people	7 people	2 people	5 people	4 people	2 people
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Compensation of directors**The policy for deciding the details etc. of the compensation of directors etc.**

At a meeting of the Board of Directors, the Company resolved the policy for deciding the details of the compensation, etc. for each individual Director excluding Audit & Supervisory Committee Members. In addition, the Company established the Advisory Committee Relating to Nominations and Compensation, where the majority of members composing that body are Independent External Directors, and the Board of Directors resolved the operation, etc. of the compensation plan for the Directors, based on the deliberation by the Committee and on the Committee's opinion reported to the Board of Directors.

Basic policy

- (1) Compensation for Directors consists of a structure that is linked to the Mid- to Long-term Business Plan, etc. in order to sufficiently work as an incentive for the sustainable improvement of corporate value, and the Company's basic policy in deciding compensation for each Director is to provide an appropriate level of compensation according to the role and position as a Director.
- (2) Operation and revision of the compensation plan for Directors and the amount of the compensation for Directors are determined by the Board of Directors based on the deliberation by the Advisory Committee Relating to Nominations and Compensation and its opinion reported to the Board of Directors.
- (3) In reviewing the appropriateness of the compensation level and the content of the share-based compensation plan, the Company takes consideration of factors such as the size of the Company and business characteristics, after obtaining advice from an external compensation consultant as necessary.
- (4) Compensation of Directors concurrently serving as Executive Officers consists of "base compensation," "bonus" and "share-based compensation" so that it works as a clear incentive to improve performance not only for the short-term, but also for the medium- to long-term.
- (5) Compensation of the Chairman of the Board of Directors is made up of the "base compensation" and the "restricted shares ("RS") portion of share-based compensation," taking into account the sharing of interests with shareholders, since the

Chairman of the Board of Directors is responsible for supervising execution of business from an objective standpoint and also for enhancing long-term corporate value.

- (6) Compensation of Part-time Internal Directors and External Directors consists only of "base compensation" due to their role of supervising the business execution from an objective standpoint. (→ See Figure 1 and Figure 2 on the next page)

The method for determining the details of compensation for each Director, etc.

- (1) The determination of the specific details of the amount of base compensation and bonuses, both of which are monetary compensations, to be paid out is delegated to the President and Representative Director based on a resolution of the Board of Directors.
- (2) The payment level shall be deliberated by the Advisory Committee Relating to Nominations and Compensation for the appropriate exercise of the authority stated in (1) above by the President and Representative Director.
- (3) Regarding share-based compensation, the Company formulated "share delivery regulation" to handle repayment claims at an amount equivalent to the Company Shares, etc. to be delivered, etc. in the event that specific circumstances (improper conduct, etc.) occur.

Total amount of compensation, etc. by director category, total amount of compensation, etc. by type and the number of directors applicable

Director category	Total amount of compensation, etc. (millions of yen)	Total amount by type of compensation, etc. (millions of yen)				Number of directors applicable (people)
		Base compensation	Bonus (Performance-based incentive, etc.)	Share-based compensation (Non-monetary compensation, etc.)		
				Performance-based compensation	Non-performance-based compensation	
Directors (Excluding Directors who also serve as Audit & Supervisory Committee Members) (Excluding External Directors)	494	278	97	42	75	6
Directors (Audit & Supervisory Committee Members) (Excluding External Directors)	102	102	—	—	—	2
External Directors	76	76	—	—	—	6
Total	672	456	97	42	75	14

- *1. The number of External Directors is five as of the end of the fiscal year ended March 2021. The reason for the difference with the number of directors applicable shown above is the inclusion of one Director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2020.
- *2. The compensation amount ("base compensation" and "bonus") of Directors has been set as no greater than ¥550 million per year for Directors (excluding Directors as Audit & Supervisory Committee Members) according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2018, and at the time of the resolution, the number of Directors (excluding Directors as Audit & Supervisory Committee Members) was eight (of which, two were External Directors). Furthermore, the compensation amount of Directors (Audit & Supervisory Committee Members) is limited to up to ¥170 million per year according to a resolution at the Ordinary General Meeting of Shareholders held on June 23, 2020. The number of Directors as Audit & Supervisory Committee Members at the time of the resolution was six (including four External Directors). The compensation amount of Directors is shown as the amount recorded by the Company as an expense during the fiscal year ended March 2021 regardless of whether it was paid during the fiscal year ended March 2021.
- *3. Separately from the compensation amount of Directors shown in *2. above, the Company introduced a performance-based stock incentive plan for Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members) in accordance with a resolution approved at the Ordinary General Meeting of Shareholders held on June 26, 2018. Under the terms of the Plan, the Company's contribution to a trust as compensation for Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members) is limited to an amount of not more than ¥730 million over the relevant period of three fiscal years, and the number of Directors (excluding Directors as Audit & Supervisory Committee Members) who were subject to the Plan at the time of the resolution was six (excluding two External Directors). The amount paid as "share-based compensation, etc. (non-monetary compensation, etc.)" above includes performance-based stock incentive recorded as an expense for the fiscal year ended March 2021.
- *4. The amount paid as "non-performance-based compensation" of "share-based compensation, etc. (non-monetary compensation, etc.)" above includes the compensation amount in the form of stock options recorded as an expense during the fiscal year ended March 2021 (¥870 thousand for five Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members)). Compensation in the form of stock options is paid within the annual maximum amount of ¥650 million according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2015, prior to the introduction of the compensation plans shown in *2. and *3. above, and the number of Directors (excluding Directors as Audit & Supervisory Committee Members) who were subject to the Plan at the time of the resolution was six, excluding two External Directors. The Company has determined to abolish the current stock options system and stop granting new stock options after granting stock options as compensation for Directors for the fiscal year ended March 2018.
- *5. With respect to the performance-based compensation, the details of factors including the performance indicators that pertain to bonuses, which are monetary compensation, the calculation method of such bonuses and the reasons for selecting these indicators are as stated in "The policy for deciding the details etc. of the compensation of directors etc." and Figure 1. The actual results that pertain to performance indicators are as presented in the table below.

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Business profit	¥79,623 million	¥82,833 million	¥76,448 million
Year-on-year change	—	+4.0%	-7.7%

- *6. With respect to the performance-based compensation, the details of factors including the performance indicators that pertain to share-based compensation, etc., the calculation method of such share-based compensation, etc. and the reasons for selecting these indicators are as stated in "The Basic Policy stated above and Figure 1. The ranges of performance indicators were decided as presented in the tables below.

(The ranges for the fiscal year ended March 2021, the third year from the start of the system in the fiscal year ended March 2019)

	Ranges	Results
The achievement-linked coefficient	0% – 200%	22.0%
Business profit	¥75,400 million – ¥105,600 million	¥76,448 million
ROE	6.5% – 12.5%	7.4%

(The ranges for the fiscal year ending March 2022, the third year from the start of the system in the fiscal year ended March 2020)

	Ranges	Results
The achievement-linked coefficient	0% – 200%	—
Business profit	¥70,800 million – ¥99,200 million	—
ROE	6.5% – 12.5%	—

(The ranges for the fiscal year ending March 2023, the third year from the start of the system in the fiscal year ended March 2021)

	Ranges	Results
The achievement-linked coefficient	0% – 200%	—
Business profit	¥66,600 million – ¥93,400 million	—
ROE	4.5% – 10.5%	—

- *7. Non-monetary compensation, etc. consists of the Company's shares, etc. and the conditions, etc. for delivery are as stated in "Amount of compensation, etc. of directors and calculation method, etc." above and Figure 1.

- *8. As stated in the "Outline of compensation plan of Directors" above the decisions on the specific details concerning the amounts of base compensation and bonuses, both of which are monetary compensation, to be paid out are delegated to the President and Representative Director Eiji Kutsukake based on a resolution of the Board of Directors. Therefore, the President and Representative Director shall decide the details. The reason for this delegation to the President and Representative Director is that the Company has judged the President and Representative Director as appropriate to conduct the individual evaluation of each Director while considering, among other things, performance of the Company overall. The payment level is deliberated by the Advisory Committee Relating to Nominations and Compensation for the appropriate exercise of the decision authority delegated to the President and Representative Director.

Total amount of consolidated compensation, etc. for those whose total amount of consolidated compensation is 100 million yen or more

Name	Director category	Total amount by type of compensation, etc. (millions of yen)				Total amount of compensation, etc. (millions of yen)
		Base compensation	Bonus (Performance-based incentive, etc.)	Share-based compensation (Non-monetary compensation, etc.)		
				Performance-based compensation	Non-performance-based compensation	
Eiji Kutsukake	Director	64	33	20	15	133
Seichi Miyajima	Director	57	28	10	13	110

*The payment amount in "Share-based compensation (Non-monetary compensation, etc.)" is the amount recorded as an expense for the fiscal year ended March 2021.

Director Compensation determination policy and composition. (Figure 1)

Operation and revision of compensation system for Directors/Decisions on the amount of compensation	Reasons for compensation, etc.	Type and composition of the compensation by Director category			Determination policy, etc. each type of compensation.
		External Directors/ Internal Directors (Part-time)	Director and Chairman of the Board of Directors	Directors concurrently serving as executive officers	
		Taking on the role of supervising the business execution from an objective standpoint	Taking into account the sharing of interests with shareholders since responsible for supervising execution of business from an objective standpoint and also for enhancing long-term corporate value	Working as a clear incentive to improve performance not only for the short-term, but also for the medium- to long-term	
Determined by the Board of Directors based on deliberations by the Advisory Committee and reports to the Board of Directors	Fixed compensation	●	●	●	<ul style="list-style-type: none"> ● Determined according to the role and position as a Director. ● Paid monthly.
	Cash compensation			●	<ul style="list-style-type: none"> ● Determined according to the Company's business performance, such as consolidated business profit, and evaluation of individuals. The evaluation of individuals evaluates the progress of initiatives for single-year and the medium- to long-term, for which achievements are difficult to measure based only on the figures of financial results. ● Paid at a certain time after the end of each fiscal year.
	Variable compensation			●	<ul style="list-style-type: none"> ● The performance-based compensation adopts performance-sharing ("PS") providing incentive for enhancement of medium- to long-term performance, and implements, after three years of the commencement of each business year, delivery or payment ("delivery, etc.") of the Company's shares and/or an amount equivalent to the proceeds of converting the Company's shares into cash (the "Company Shares, etc.").
	Share-based compensation (Note 1)		●	●	<ul style="list-style-type: none"> ● The non-performance-based compensation adopts restricted shares ("RS") providing an incentive for long-term contributions and enhancement of corporate value to delay delivery, etc. until retirement as an officer.

*1. The share-based compensation adopts the system of executive compensation BIP (Board Incentive Plan) trust (the "Trust"). The Company Shares, etc. to be delivered, etc. is set at one Company's share per one point, according to the number of points calculated based on the below formula.

[Calculation formula of points]

• PS portion

The number of points (the "Number of PS Points") to be granted to Directors for each fiscal year during the covered period is calculated by dividing the amount of pre-determined base compensation with respect to each executive position by the share price as of the acquisition of the Company's shares by the Trust.

The number of achievement-linked points shall be calculated by multiplying the Number of PS Points granted for each fiscal year by the achievement-linked coefficient determined based on the level of performance three years after the beginning of the applicable fiscal year.

For the achievement-linked coefficient, the target ranges (0 – 200%) are set based on the "business profit" from the viewpoint of profit growth, and return on equity (ROE) from the viewpoint of maintaining the capital efficiency, out of the management benchmarks listed in the Mid- to Long-term Business Plan.

• RS portion

The number of points (the "Number of RS Points") to be granted to Directors and added for each fiscal year during the covered period is calculated by dividing the amount of pre-determined base compensation with respect to each executive position by the share price as of the acquisition of the Company's shares by the Trust.

Image of the composition and role on the Director compensation (Figure 2)



*2. The above ratio indicates a basic model when the Company pays 100% of its standard amount of variable compensation.

Corporate governance**Improvement of the effectiveness of the Board of Directors**

For continuous improvement of the effectiveness of the Board of Directors, we repeatedly perform a cycle of assessment of the effectiveness of the Board of Directors and the Board of Directors' determination and implementation of appropriate policies based on the assessment results.

Details of the assessment of effectiveness of the Board of Directors in the fiscal year ended March 2021 are as follows:

Details of the implementation	Results of analysis and assessment		
	Highly regarded points	Issues and future improvement measures	
<ul style="list-style-type: none"> Conduct the questionnaires of all directors (including those who serve as Audit & Supervisory Committee Members) and their interview through a third-party assessment organization. Conduct analysis and assessment and determine the policy for response through deliberation by the Board of Directors based on the above results. 	[Composition]	The scale of the Board of Directors and the ratio of independent external directors are broadly appropriate.	—
	[Discussions]	Discussions are free and lively, exceeding internal and external limits and leveraging the knowledge and experience of each Director. In particular, discussions were enhanced through the opinions, etc. from external directors.	—
	[Operation]	The introduction of executive summaries and continuous improvements to the operation, such as ensuring provision of materials prior to meetings, were broadly evaluated as having contributed to improving the effectiveness of the Board of Directors.	There is further room for improvement regarding the operation, such as further clarifying the discussion points in the proposal explanations and materials. By continuing to work for improvements to the operation, the Company will take measures to further improve the effectiveness of the Board of Directors.
	[Matters for discussion]	The progress of the initiatives established to address various issues is tracked using a "Priority Issue List" set up for monitoring by the Board of Directors, and the Company makes efforts to enhance governance and upgrade discussions to bring about improvements to risk management and other functions.	<p>The Board of Directors must further strengthen strategic discussions that take into account mid- to long-term perspectives on the Company's business strategy for the post-COVID-19 world, digital strategy, promotion of sustainability, etc.</p> <p>For the fiscal year ending March 2022, enhancing strategy discussions and optimizing governance have been designated priority measures, and the Company will promote initiatives aimed at further improving corporate value and strengthening corporate governance.</p> <div style="border: 1px solid black; padding: 5px;"> <p>[Main strategic discussion themes to be envisioned]</p> <ul style="list-style-type: none"> Post-COVID-19 Business Strategy / New Mid- to Long-Term Business Plan (including Business Portfolio Strategy) Digital strategy Human resources strategy (DX, Overseas Businesses, etc.) Overseas business strategy Promotion of sustainability, etc. </div>

In the future, by assessing the effectiveness of the Board of Directors each year, the Company will regularly grasp the status of improvement and will further improve the effectiveness of the Board of Directors.

Main discussions of the Board of Directors

Main matters approved by or reported to the Board of Directors in the fiscal year ended March 2021 are as follows:

Categories	Main themes
Business strategy, business plan	<ul style="list-style-type: none"> Annual budget, policy for shareholder returns, fund procurement (Borrowings, Bonds, etc.) Financial results Investor trends/IR strategy Business Unit strategy <ul style="list-style-type: none"> Examination of M&A Digital strategy Promotion of sustainability Promotion of wellness management
Corporate governance	<ul style="list-style-type: none"> Evaluating the effectiveness of the Board of Directors Policy for responding to Audit & Supervisory Committee audit findings Advisory matters to Advisory Committee Relating to Nominations and Compensation <ul style="list-style-type: none"> Policy for Cross-shareholding Enhancing group governance Monthly monitoring of response status to various management issues
Risk management, compliance, audits	<ul style="list-style-type: none"> Asset risk management Management of investment risk and external risk Report of Risk Management Committee <ul style="list-style-type: none"> Risk monitoring report in Overseas Business Formulation of the compliance program for the fiscal year Formulation of the group internal audit plan and the report on the results
Individual businesses	<ul style="list-style-type: none"> Participation in Nakano Station Shin North Exit Station-Front Area Redevelopment Vietnam / Hanoi area residential development business project

In addition to the above items to be deliberated by the Board of Directors, directors hold meetings to exchange opinions among them to deepen discussions.

Items	Specific details	Number of meetings
Directors' opinion exchange sessions	<ul style="list-style-type: none"> New Mid- to Long-term Business Plan Asset portfolio strategy <ul style="list-style-type: none"> Digital strategy Budget plan and the three-year forecast 	3

Information provision and support for external directors

The Company conducts information provision and support required for the execution of the external directors' duties.

Items	Specific details	Number of meetings
Development property inspection by external directors	The Company provides opportunities for external directors to tour the Group's properties regularly to deepen understanding about the wide range of businesses of the Group. In the fiscal year ended March 2021, external directors visited residential developments in local cities, office buildings, retail facilities, and large-scale mixed-use development projects.	1

Main matters discussed and deliberated by the Audit & Supervisory Committee

In the fiscal year ended March 2021, the Audit & Supervisory Committee mainly discussed and deliberated the following matters:

Categories	Main discussions
Composition and operation of the Committee	<ul style="list-style-type: none"> ● Agreement on a proposal for election of a director who serves as an Audit & Supervisory Committee Member ● Election of Committee Chairman and Committee Members (full-time) ● Revision of Audit & Supervisory Committee regulations and Audit & Supervisory Committee audit regulations
Audit activities of the Committee	<ul style="list-style-type: none"> ● Formulation of the basic audit plan ● Agreement on the internal audit plan of Group Internal Audit Department ● Preparation of audit report
Accounting auditor	<ul style="list-style-type: none"> ● Agreement on accounting auditor's compensation, etc. ● Determination of whether to reappoint the accounting auditor based on assessment
Nominations and compensation of directors, etc.	<ul style="list-style-type: none"> ● Determination of opinions regarding the nominations and compensation of directors excluding those who serve as Audit & Supervisory Committee Members

Compliance with Japan's Corporate Governance Code

Our reasons for not implementing one of the 78 principles of Japan's Corporate Governance Code before revision on June 1, 2021, "Explain," i.e., non-compliance, are provided below.

In addition, "Training policy for directors" ([Principle 4-14, Supplementary Principle 4-14-2]) that was designated as "Explain" as of the end of March 2021, the Company invited an outside lecturer in order to discuss "post-COVID-19 and housing," "latest technology and DX trends," etc. for the fiscal year ended March 2021. In light of these ongoing training opportunities, the Company changed this item to "Comply."

Proper supervision of successor plans for CEO, etc. (planning)

The Company believes that the appropriate appointment process of its CEO, i.e., one that is carried out in line with the Company's corporate philosophy and management strategies and which also considers external candidates, is important for realizing sustainable growth. As for the plan for the CEO's successor, based on the respective appointment criteria for officers and for the CEO, the Company established its training policy and the process up to the CEO's election. Going forward,

in addition to the Advisory Committee Relating to Nominations and Compensation providing regular monitoring and reporting to the Board of Directors, the Company will strive for the further enhancement of the structure and content of training, to ensure that the training of successor candidates in relation to the aforementioned established successor plan goes as planned.

[Supplementary Principle 4-1-3] Proper Supervision of Successor Plans for CEO, etc. (Planning)

Cross-shareholdings policy

The Board of Directors annually verifies the rationality of the Group's continuous holding of shares of listed companies held for reasons other than pure investment purposes (strategic shareholdings), and based on that verification it sells off shares with low rationality for holding as the basic policy in consideration of the market environment.

In the fiscal year ended March 2021, the Company sold all listed shares owned by the Group other than investment purposes (Cross-shareholding).

Risk management

The Group recognizes that ensuring the soundness of management through appropriate risk management and operation is an important management issue. In the rapidly changing social environment, we will identify risks and opportunities for the Group from a mid- to long-term perspective and take appropriate actions in order to provide new value and achieve sustainable growth.

Basic Policy for Risk Management

The Group regards risk management as a “business management methodology that aims to improve corporate value by managing all risks related to the attainment of corporate group organizational and business objectives in an integrated and unified manner while controlling risk within the company’s risk tolerance limits.” With the aim of ensuring the soundness of business management through proper management and operation of risks, the Group has formulated the Risk Management Regulations.

As its basic policy, the Group assures business continuity and stable development by implementing risk management and classifies its main risks into four categories, namely “A: Investment risk,” “B: External risk,” “C: Disaster risk,” “D: Internal risk.” Among them, risks listed below are regarded as important risks that should be managed, and performing effective and efficient risk management is provided according to the scale and characteristics of each risk.

Important risks needing to be managed among main risks

- Risks that could have a major impact on Group management
- Risks that could have a major impact on society
- Risk of litigation or other serious problems
- Other major risks that should be managed by the Group

Risk Management Structure

To discuss various risks related to group management, the Company has prescribed the Management Committee as the integrated risk management body and operates a system to regularly monitor, evaluate and analyze the state of main risks, provide necessary guidance and advice to each business unit and Group company while regularly reporting details to the Board of Directors. The Management Committee, which is the integrated management body, directly monitors

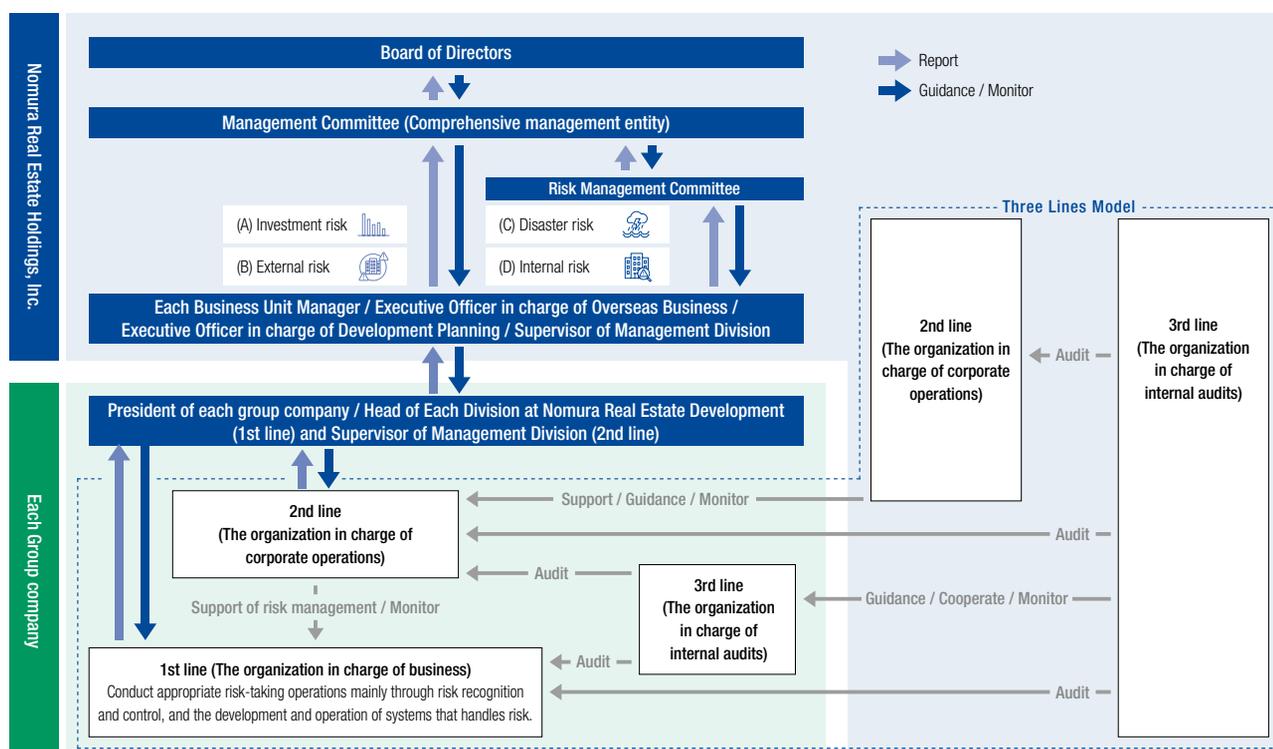
“A: Investment risk” and “B: External risk,” while the Risk Management Committee, established as a subordinate organiza-

tion of the Management Committee, conducts regular monitoring, evaluation and analysis of “C: Disaster risk” and “D: Internal risk” and these committees discuss basic response policies regarding risk prevention, response when risk occurs, and prevention of recurrence after risk occurs. Moreover, we established the Group Risk Meeting consisting of directors and executive officers of each Group company appointed by the Chair of the Risk Management Committee to share risk information and response policies within the Group.

With regard to risk management, each Business Unit Manager will supervise the risk management of their affiliated business unit and report on the situation to the Management Committee or Risk Management Committee as necessary. Concurrently, the president of each group company (the head of each division at Nomura Real Estate Development) are responsible for reporting risk management matters to the Business Unit Manager in a timely and appropriate manner.

In addition, we have defined the organization in charge of business in each group company as the “first line” of risk management, the organization in charge of corporate operations at the Company and each group company as the “second line” of risk management, and the organization in charge of internal audits at the Company and each group company as the “third line” of risk management. With each “line” playing its role in risk management, for example, the “second line” and “third line” of the Company providing support, guidance and cooperation to the “second line” and “third line” of the group companies, respectively, we have established efficient organizations and processes that support governance and risk management.

In the event of a major problem requiring urgency, the chair of the Risk Management Committee decides the basic policies such as countermeasures upon consulting with the executives responsible for relevant departments in accordance with the Risk Management Regulations and reports to the President (Group CEO) and provides instructions such as response in accordance with the basic policy.



Details of main risks

The following are the main risks that the management recognizes that have the potential to significantly influence the financial position, business performance and cash flows of the company and the consolidated subsidiaries. Among these main risks, the Company has selected several risks requiring particular attention during the fiscal year ending March 2022, in consideration of factors such as the magnitude of the potential impact on its businesses and the external environment.

Matters concerning the future and the recognition of risks in the text are as determined by the Group as of the end of the fiscal year ended March 2021. The following, however, does not include all risks. Risks that are unpredictable or deemed insignificant at this point in time may impact on businesses in the future.

The details of risk categories and each main risk items are as follows.

Risk categories		Main risk items
(A) Investment risk		Risks related to individual investments (real estate investments, strategic investments (M&A), etc.)
(B) External risk		Risks related to external factors influencing business
		1) Risks associated with real estate investment
		2) Risks associated with strategic investment (M&A) and new businesses
		3) Risks associated with market changes
(C) Disaster risk		Risks generated by disasters that have a large impact on customers and business continuity
		4) Risks generated by changes in economic conditions
		5) Risks generated by changes in political/social conditions/systems (law, tax systems, accounting, others)
(D) Internal risk		Operational risks occurring at the Company and each group company
		6) Risks due to lagging behind in innovation and changes in the structure of society related to the business
		7) Risks related to disasters (earthquakes, typhoons, floods, tsunamis, volcanic eruptions, major fires, epidemics of infectious diseases, etc.) that have a major impact on customers and business continuity
		8) Risks related to the violation of laws and ordinances
		9) Risks related to quality defects
10) Risks related to occurrence of information system crisis		
11) Risks from inadequate responses to matters related to human resources		
12) Risks related to occurrence of fraud and negligence		

In the fiscal year ending March 31, 2022, risks requiring particular attention are as follows.

Risk categories	Main risk items
(A) Investment risk	<ul style="list-style-type: none"> ● Deterioration of profitability and delay of business schedule in the real estate development business ● Delays in the recovery of businesses substantially impacted by COVID-19 (fitness club business, hotel business, and other businesses)
(B) External risk	<ul style="list-style-type: none"> ● Changes in the real estate trading market and the stock market ● Changes in the economies and real estate markets of overseas countries ● Changes in people's behavior due to COVID-19 ● Slowness in taking advantage of continuously-evolving digital technology
(C) Disaster risk	<ul style="list-style-type: none"> ● Increase in natural disasters such as torrential rains ● Impact of COVID-19 epidemics on business continuity
(D) Internal risk	<ul style="list-style-type: none"> ● Occurrence of design and construction defects in the real estate development business ● Occurrence of information leakage, business delay, damage, etc. due to cyber attacks ● Delays in the establishment of a human resources systems securing diverse personnel

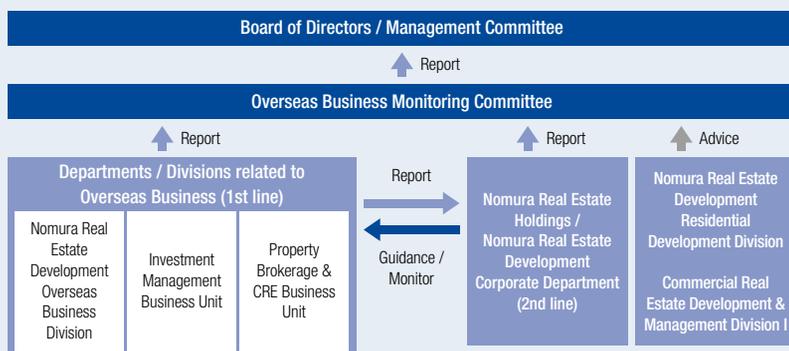
Risk management system that supports expanding Overseas Businesses

In the Mid- to Long-term Business Plan, the Company is aiming to expand its Overseas Business profit ratio to 15-20% of total business profit by the fiscal year ending March 31, 2028.

The Company plans to develop a more effective risk management system. With the goal of enhancing the effectiveness of its risk management and monitoring functions in

Overseas Businesses, the Company established Overseas Business Monitoring Committee in April 2020 and started monitoring trends mainly related to the external environment and individual businesses. In the fiscal year ended March 31, 2021, reporting was conducted to the Board of Directors a total of two times.

Risk Management System in Overseas Business



Major Monitoring items

- **Matters related to the external environment**
Macroeconomic/political trends, real estate market trends, and various laws and ordinances, etc.
- **Matters related to status of individual businesses**
Progress at individual businesses, visualization of monetary impact when risks arise, conditions with joint venture partners, etc.
- **Matters related to Overseas Business strategies**
Current and future business strategies, resource allocation, etc.

Details of main initiatives in the fiscal year ending March 31, 2022

- Macroeconomic/political trends
- Confirm progress at each business, etc.

Risk management

Details of major risk items and initiatives are as follows.

(A) Investment risk  Risks related to individual investments (real estate investments, strategic investments (M&A), etc.)

Risk	1. Risk associated with real estate investment
Risk details	In the real estate investment and development business carried out by the Group, there are cases in which business does not proceed as planned due to such factors as unexpected soil pollution, delays in obtaining permits and licenses, and the need for additional construction. In such cases, the occurrence of changes in the initial business schedule, delays in completion and recognition timing, and additional costs could affect the Group's financial position and business performance.
Main initiatives	Decisions on the real estate investment/development business are made at the meetings such as the Management Committee or the Board of Directors of the Company or of group companies upon identifying, analyzing and evaluating risk in advance and considering risk taking or risk avoidance policies. In particular, for soil pollution, the Company implements a historical survey and a pollution survey in advance and if pollution is confirmed the Company will cease the acquisition of the land or have the pollution removed by an external specialist. Moreover, following the acquisition of the land for development, the department in charge of the business ascertains the risk of any schedule delay and the state of construction costs. Should an especially an important event occur, the department shall report this to the Management Committee or the Board of Directors of the Company or group companies when necessary and respond to the issues.
Risk	2. Risk associated with strategic investment (M&A) and new businesses
Risk details	The Group positions M&A as one of its growth strategies and aims to enhance the corporate value of the Group by implementing M&A for which synergies can be expected. However, the inability to achieve profit growth from the M&A target companies and synergies expected could affect the Group's financial position and business performance. The Group goes beyond the existing business domains to explore opportunities in new businesses as well as examines and makes investments in new asset types. However, the inability to execute business according to original plans or achieve synergies with group companies could affect the Group's financial position and business performance.
Main initiatives	In executing M&A, the main investment targets and investment purposes shall be defined. At the same time, factors such as the synergies with the Group's existing businesses, business plans, financial details, and contract-related matters shall be carefully examined and considered and M&A shall be implemented when it is determined that this will contribute to the Group's business results in the future. In addition, after the M&A is executed, the Board of Directors or the Management Committee shall regularly monitor the status of the integration process between the target company and the Group, management issues, and response policies. In considering new businesses, the Company carefully investigates and examines the synergies with the Group's existing businesses as well as business plans. A new business is commenced when judgement is made that it will contribute to the business performance of the Group in the future. After entering a new business, its performance is regularly monitored, and if deemed necessary to make modifications or a re-start, it will put to deliberation by the Board of Directors or Management Committee.

(B) External risk  Risks related to external factors influencing business

Risk	3. Risk associated with market changes
Risk details	The Group carries out a variety of real estate-related businesses and any changes in the business environment or market conditions in each business could have an impact on the Group's business performance. In addition, changes in economic conditions or the occurrence of disasters could have an impact on the business environment or market conditions of real-estate related businesses. In the Residential Development Business Unit, a decline in customer desire to purchase leads to a decrease in sales prices and an increase in inventories and this could result in a situation whereby expected profits under the business plan cannot be secured and valuation losses on inventories held are recorded. In Commercial Real Estate Business Unit, a decline in rent levels, a rise in vacancy rates and increase in the CAP rate that leads to a decline in asset price could result in a situation whereby expected profits under the business plan cannot be secured and valuation losses on inventories and non-current assets held are recorded. In addition, a decline in demand in the real estate transaction market, a share price decline in the REIT market, a decline in demand for investment funds, and a rise in construction cost could have an impact on the Group's financial condition and business performance.
Main initiatives	The Group regularly updates its awareness of the external environment of each business and works to ascertain impacts on business results, monitor the progress of business and improve precision. When making investment decisions in the real estate investment/development business, our basic policy is to understand and forecast the current and future market conditions and confirm past market trends and curb to a certain extent the impact from changes in market conditions. Moreover, we formulate an investment budget upon undertaking risk assessment to ensure a certain level of soundness regarding our financial condition even if market conditions change rapidly. In the fiscal year ended March 31, 2021, since the impact of COVID-19 emerged in the real estate-related business environment and market conditions, the Company verified the impact on each business according to each business characteristic of the Group and deliberated on the response policies and future strategies at the Management Committee and other venues. Also, under the state of emergency issued from April to May of this fiscal year ended March 31, 2021, to identify impacts on each business the Company undertook a partial review of the operation of certain internal rules such as standards when making investment decisions at each Group company and responded to risks arising from market changes.
Risk	4. Risk caused by changes in economic conditions
Risk details	Domestic and overseas economic recessions, an increase in funding costs due to rising market interest rates, fluctuations in yen-denominated investments and recovered amounts, or amounts of foreign currency assets and liabilities on the consolidated financial statements due to fluctuations in exchange rates could have an impact on the Group's financial condition and business performance.
Main initiatives	Regarding changes in economic conditions, the Group regularly updates its awareness of the external environment and works to ascertain impacts on business results. In addition, since the emergence of the impact of COVID-19, we are paying particularly close attention to trends in corporate earnings, personal income and consumption. In our funding through borrowings, we respond to the risk of rises in short-term interest rates by using mainly long-term and fixed-rate borrowings. For foreign exchange fluctuation risk, we have established a foreign exchange hedging policy that considers the types of businesses we undertake overseas and we operate in accordance with this policy.
Risk	5. Risk caused by changes in political/social conditions/systems (law, tax system, accounting, others)
Risk details	Various types of laws and regulations in Japan and overseas are applicable to each of the Group's businesses. For example, in addition to the Real Estate Brokerage Act and the Building Standards Act, other real-estate related laws and regulations as well as the Financial Instruments and Exchange Act are applicable in Japan. In case there are changes or additions to these laws and regulations or other laws and regulations become applicable due to an expansion in the business scope in the future they could have an impact on the Group's financial position and business performance. Also, in the case of changes to various tax systems and accounting systems in Japan and overseas that have an impact on the real estate business, the resulting increased costs for acquiring, holding, and selling assets, a decline in customer desire to purchase, a shift in corporate facility strategy, and revision of investment plans could have an impact on the Group's financial position and business performance. Overseas, there are risks specific to each country's social situations and risks related to laws, regulations and tax laws are different from those in Japan. In the case of changes in social situations or changes or the establishment of laws, regulations and tax laws that have been unexpected at the beginning of conducting business in each country, the occurrence of new obligations and expenses as well as obstacles to promote business could have an impact on the Group's financial position and business performance.
Main initiatives	We collect and analyze information on trends in various laws and regulations, tax systems and accounting systems from industry groups, external experts, business partners, and consider responses at each of the Company's respective organizations on the "second line" and discuss those matters expected to have a significant impact at the Board of Directors or the Management Committee depending on the details. In Overseas Business, we seek the knowledge of external experts regarding applicable laws, regulations and tax laws when starting a business overseas, and after starting a business we regularly confirm the state of changes to important related laws and regulations that have an impact on business strategy, revenue and expenditures, and progress in countries where we do business and in the case there are any changes discussions are carried out at the Board of Directors or the Management Committee upon evaluating the impact and discussing response policies.

About the Nomura Real Estate Group	Strengths and characteristics	Value creation	Sustainability approach	Fact data
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Risk	6. Risk from lagging behind innovation and changes in the social structure related to the business
Risk details	<p>Should technological innovation or the emergence of innovative new participants in a variety of real estate-related businesses that the Group engages in result in a large change in the industrial structure or business environment and the Company is late in responding to changes in customer needs accompanying changes in the social structure, the Company's competitive advantage could decline and this could have an impact on the group's financial position and business performance.</p> <p>Additionally, with regard to climate change, should the Company be late in responding to the changing needs of customers for real estate and in responding to technologies related to high environmental performance and energy performance, the competitive advantage of the Company's products and services could decline and this could have an impact on the Group's financial position and business performance.</p>
Main initiatives	<p>In the midst of a changing business environment, the Group has been creating new and highly unique value for society and customers by leveraging its strengths, such as real estate development capabilities based on the "market-in" concept and a commitment to quality in urban development and real estate-related services. In order to further enhance these strengths, we have established the DX & Innovation Management Dept., which is responsible for research and development of new business fields, planning, promotion, and support for innovation creation, digital strategies, etc. We have also established the "Business Idea Proposal System," which allows employees of Group companies to propose new businesses, products and services beyond the boundaries of their daily work. At the same time, through the Nomura Real Estate Group Awards, an internal award system, we are working to create a corporate culture that encourages the creation of value through innovation and to strengthen collaboration within the Group. In addition, through the provision of corporate venture capital, the Company is collaborating with the startups that it has taken stakes in, which possess innovative technologies and services, and has begun to provide services that utilize these digital technologies.</p> <p>For risks related to climate change, the Company analyzes the risks and opportunities regarding events assumed in each scenario upon ascertaining future scenarios such as those in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report. Concurrently, to properly ascertain customer needs, the Company implements customer satisfaction surveys and implements environmental performance assessments when undertaking the development, product planning and development of condominiums that meet ZEH-M standards and obtains environmental certifications.</p> <p><Matters related to COVID-19> COVID-19 has triggered rapid changes are occurring in lifestyles, work styles, and attitudes toward consumption and leisure. During the fiscal year ended March 31, 2021, each department worked to promote business activities adapted to the changes that have accelerated during the pandemic, such as remote sales / electronic contract systems and the expansion of the shared office business. They have also endeavored to identify diversifying customer needs and explore new types of added value.</p>

(C) Disaster risk



Risks generated by disasters that have a large impact on customers and business continuity

Risk	7. Risk caused by disasters (earthquakes, typhoons, floods, tsunamis, volcanic eruptions, major fires, epidemics of infectious diseases, etc.) that have a major impact on customers and business continuity
Risk details	<p>Large earthquakes, storms and flood damage, and infectious disease epidemics could make it difficult for the Company and its business partners to undertake normal business and there could be cases of the occurrence of the risk of loss of earnings and the risk of delay of earnings.</p> <p>Risk of loss of earnings include decreases in leasing revenue and operational revenue due to the suspension of operations or restrictions on facilities that the Group owns and operates and a decrease in income due to the loss of business opportunities.</p> <p>Moreover, risk of delay of earnings include changes in sales recording period due to the suspension of operations for housing sales and changes in the timing of sales recording/ completion due to the extension of construction periods owing to such factors as suspension of construction by contractors and these could have an impact on the Group's business results and financial condition. In addition, natural disasters such as earthquakes, fires, storms and floods, or sudden accidents, could result in damage or loss of real estate owned, operated or managed by the Group and this could have an impact on the Group's financial condition and business performance.</p>
Main initiatives	<p>The Group recognizes that the frequency of disasters has increased, and this is an important social issue. Based on discussions with government and disaster preparedness experts, we are working to ensure the safety and security in the event a disaster occurs. We engage in disaster preparedness activities to ensure that, if a disaster occurs, its impact is minimized and the Group and its employees are able to continue business and their normal lives. We have formulated a business continuity plan (BCP) and action plan and engage in initiatives related to the Group's business continuity.</p> <p>In preparing for an earthquake occurring directly under the Tokyo Metropolitan Area, we have established a BCP and an emergency chain of command, assigned duties to ensure business continuity, and established a system to minimize the impact of disasters. Furthermore, once per year we hold Disaster Task Force Establishment Drills to ensure the responses prescribed by the BCP are effective, insuring the safety of executives and employees and establishing a chain of command system, so that we are prepared for restoring business after an emergency.</p> <p>In addition, the Company has established a checklist of actions to be taken when a typhoon's landfall is forecast and formulates an action plan for preparations and initial responses when a disaster occurs overseas.</p> <p>Regarding earthquakes, fires, storms, floods, and other sudden accidents, we have set up regulations for responses to torrential rains and flooding, formulated a disaster response manual, and created a disaster preparedness guidebook for distribution to residents, management associations, tenants, and facility users in the properties we own to ensure their safety and bring them peace of mind when a disaster occurs.</p> <p><Matters related to COVID-19> In accordance with the established BCP for addressing the outbreak of a new strain of influenza, the Group formulated a basic response policy and continuously updates this policy. In addition, a task force chaired by the Group's CEO has been established. This task force gathers information published by the local and national governments and other authorities. Ensuring the health of customers, employees and their families and preventing the spread of infection are positioned as priorities. Taking this into account, the Group is implementing the following measures to ensure business continuity.</p> <ul style="list-style-type: none"> • Active use of remote working and staggered commuting • Strengthen the system environment to carry out remote work • Measures to reduce the risk of infection, mainly by implementing the thorough use of masks and the installation of acrylic partitions and disinfectant stations • Early implementation of measures to reduce the risk of secondary infection inside the company, including instructing employees that come in peripheral contact with infected individuals or individuals that have come in close contact with an infected person to stay home • Select core operations and establish an action manual aimed to business continuity during an infection epidemic • Establish common rules mainly related to infection prevention and the flow for taking PCR tests and make it common knowledge among all executives and workers • As a Group as a whole, create a reporting and instruction system in the event of an outbreak of infected individuals or individuals that have come in close contact with an infected person <p>Moreover, from the perspective of preventing the spread of infection, our fitness clubs were closed, and rent deferral and exemption measures were taken to a certain extent in order to support the business continuity of retail facility tenants affected by the government / local government's request for suspension. In these businesses, including the hotel business, which was directly affected by the decrease in tourists, we were forced to temporarily reduce sales, but through our business activities, we are trying to solve social issues and at the same time meet the needs of our customers. We believe that this is a corporate behavior that is in line with the concept of promoting sustainability, and that it will contribute to improving corporate value from a medium- to long-term perspective.</p>

Risk management**(D) Internal risk**

Operational risks occurring at the Company and each group company

Risk	8. Risk of violations of laws and ordinances
Risk details	In the real estate brokerage business, the main business of the Group, there are cases when the Company receives administrative sanctions from government authorities due to a violation of laws such as an error in explaining important matters to customers, misrepresentation of facts, or non-notification of disadvantageous matters. Also, in the case the Group violates the Building Standards Act, the Financial Instruments and Exchange Act, Companies Act, Act on the Protection of Personal Information, Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, and other laws related to the Group's business, the loss of the Group's credibility and the imposition of fines could have an impact on the Group's business performance.
Main initiatives	The Company has formulated the Nomura Real Estate Group Code of Action that defines the basic code of actions for executives and employees, including complying with laws and regulations and acting with higher ethical standards, and prescribed internal rules. We are making efforts to familiarize employees with the Code of Action and internal rules through periodic training, promote education on an ongoing basis and facilitate enlightenment. For primary laws such as the Real Estate Brokerage Act, we formulate a business work flow specific to each law to ensure legal compliance, ensure a thorough awareness through training and on-the-job training (OJT), and implement regular voluntary inspections for compliance. In addition, regarding the inappropriate entertainment of foreign public officials and other civil servants, the Company has established "regulations to prevent the bribery of foreign public official and other civil servants" and "bribery prevention guidelines." The Company is implementing regular training for executives, employees and overseas local hires related to Overseas Businesses.
Risk	9. Risk of quality defect
Risk details	In case of deficiencies such as design and construction defects in the Group's real estate development business or in the case of a management deficiency in the properties for leasing or under management, the loss of trust in the Group, unexpected costs and delays in development plans and operation plans could have an impact on the Group's business performance.
Main initiatives	In the real estate development business, to secure quality in design and construction upon placing an order for the design and construction work of a building with a third party who has a certain level of credibility and technical capabilities, the Group prescribed the Design and Construction Standards (structure, construction, equipment, and electrical) and the Quality Manuals and ensure thorough compliance from the parties with which we order design and construction work while also checking the state of construction and carrying out quality inspections as the ordering party. Regarding leased and managed properties, we will prepare business standard documents related to property management and safety and temporary construction guidelines for repair work as we undertake business. We will also provide property insurance for damages in the unlikely event of a deficiency or accident.
Risk	10. Risk of occurrence of information system crisis
Risk details	To achieve sustainable growth as the diversity of products and services provided to customers increases, the Group believes it must further improve productivity and work efficiency and is actively utilizing the benefits of the Internet (the Cloud) (speed, flexibility, cost) for establishing an ICT environment and promoting DX to achieve these improvements. In addition, the Group handles a large volume of personal information in each business due to necessity in executing business. For this reason, in the unlikely case the Company's system cannot be used normally or in case personal information is leaked to the outside due to unexpected circumstances such as cyberattacks and unauthorized access, the loss of credibility and the resulting decrease in sales and damage compensation costs could have an impact on the Company's business performance.
Main initiatives	As we actively promote initiatives that utilize information systems and ICT, we believe that ensuring information security will be of unprecedented importance and we have strengthened measures to restrict access via Internet connections as well as measures for log management and the loss of information devices and are progressing with the establishment of an ICT environment in preparation for cyberattacks and information leaks by conducting system security diagnosis by the third party and introducing a behavior detection system for virus scanning and abnormal movements. The Company is also striving to comply with relevant laws and regulations for personal information and to ensure proper handling of this information. Moreover, with the aim of realizing organized management of information and maintaining and improving security levels within the Group, we have prescribed the Information Security Regulations and the Information Handling Guidelines, regularly provide education and enlightenment to our employees, protect the rights and interests of our customers and ensure the stable operation of an ICT environment within the Group. In addition, the Company has cyber insurance in preparation for an unlikely accident such as an information leakage.
Risk	11. Risk of inadequate response to matters related to human resources
Risk details	We regard human resources as our largest asset and the source of new value creation for the sustainable growth of the Group. Therefore, in the event that the working hours of Group executives and employees are not properly ascertained and long working hours damage the health of executives and employees and we receive administrative sanctions from government authorities because our personnel system and its operation do not comply with labor standards and related laws and regulations, the outflow of the Group's human resources, the loss of trust, and the imposition of fines could have an impact on the Group's business performance. There is a risk the Group's inability to secure required personnel due to delays in the establishment of a labor environment that takes in a diverse range of human resources (employees that work short hours mainly due to childcare and nursing, sexual minorities, people with disabilities, seniors, foreign nationals and others) will be a factor in a decline in corporate competitiveness. In terms of personnel and labor management at overseas bases, there is risk of administrative sanctions by government authorities for introducing or operating a system that violates local labor laws and customs, the risk of losing know-how due to the retirement of local employees, and a risk that the health of employees will be damaged due to the lack of systems to provide appropriate support for living in a foreign country.
Main initiatives	The Group prescribes working with vigor and achieving wellness as its action guideline. The Group aims to provide wellness management so that all its executives and employees can carry out their work energetically and in good physical and mental health, which leads to sustainable corporate growth. Along with introducing various systems, including recommendations to take paid leave, the promotion of teleworking, and a program for taking time off or working shorter hours for childcare and nursing and to build a labor environment conducive for a diverse workforce, we are working to improve the level of understanding related to diversity among executives and employees through regular training sessions. In order to properly grasp working hours, we have introduced an attendance management system to manage it, and especially for long working hours, we regularly monitor the situation. Furthermore, the compliance of our personnel system and its operation is regularly verified by outside experts to prevent the emergence of risks. Moreover, overseas there are local laws, cultures, and customs. Therefore, we utilize the knowledge of external experts to build personnel/labor systems, establish consultation desks for staff stationed overseas, and provide services to help the staffs find, and provide support for visits to, medical institutions.
Risk	12. Risk of occurrence of fraud and negligence
Risk details	Within the Group, risk could occur due to fraud perpetuated by executives and employees, information leakage due to improper management of information, and operational negligence. In the case this risk emerges, the loss of credibility and the resulting decrease in sales and damage compensation costs could have an impact on the Company's business performance.
Main initiatives	Group executives and employees comply with laws and regulations as well as with the internal rules and regulations established by each company of Nomura Real Estate Group. Furthermore, we have established the Nomura Real Estate Group Code of Ethics with the aim of acting in accordance with even higher ethical standards, and we continuously provide education and enlightenment to executives and employees. In addition, the Company has established a system to enhance the effectiveness of compliance activities in each workplace by assigning a compliance promotion officer to each department, office and branch of the Company and Group companies. Furthermore, the Company has established the "Nomura Real Estate Group Risk Helpline," an internal whistleblowing system shared by all Group companies, and has set up internal and external contact points for reporting wrongdoing and seeking advice on how to proceed. Informants are also assured of the confidentiality of their reports, and are prevented from being treated unfavorably by reason of their reports.

Internal controls, compliance/Information disclosure

Compliance systems

The Group regards compliance, including the observance of laws and regulations and corporate ethics, as one of our most important management issues. As a set of relevant guidelines, the Company has formulated the Nomura Real Estate Group Code of Action. We have established the Risk Management Committee and Group Legal & Compliance Department in the Company to promote continuous education and enlightening activities for the executives and employees of the entire Group, and to provide advice, guidance, and support to Group companies.

Furthermore, based on our priority of collecting information regarding risks, the Company has set up the Nomura Real Estate Group Helpline as a point of contact for internal reporting by Group employees. The Company imposes confidentiality obligation on employees who are involved in the helpline business and prohibits unfair treatment for reporting an incident using the helpline.

In an attempt to enhance its efforts, the Group signed and registered as a participating company in the United Nations Global Compact in May 2019. Based on the principles of the United Nation's global initiatives, the Group will remain committed to all types of anti-corruption activities including extortion and bribery.

[The Nomura Real Estate Group Code of Action](https://www.nomura-re-hd.co.jp/english/csr/base/compliance.html)
<https://www.nomura-re-hd.co.jp/english/csr/base/compliance.html>

Appropriate information disclosure and transparency

The Company strives to disclose information about the Group's management strategy, financial condition, risk management, and internal control system, etc., in a fair, timely, and appropriate manner based on the provisions of the Companies Act and the Financial Instruments and Exchange Act, as well as other laws and the listing rules of the Tokyo Stock Exchange. Specifically, as our timely disclosure system (on the right) indicates, the person responsible for information handling (Executive Officer in charge of the Corporate Communications Department) collects information about the Company through the Department responsible for information collection (Corporate Planning Department). As for the information requiring timely disclosure, the Information Disclosure Screening Team made up of general managers, executive officers, and others responsible in related departments will screen the matter and report the results to the President. Company information found to require timely disclosure will be disclosed in a timely manner by the Department responsible for timely disclosure (Corporate Communications Department) at the instruction of the person responsible for information handling (Executive Officer in charge of the Corporate Communications Department).

The Group Internal Audit Department carries out the monitoring of operations under the aforementioned timely disclosure system. Audit & Supervisory Committee Members attend Board of Directors and other important Company meetings as well as receive reports from directors and view relevant documents to investigate whether the timely disclosure system is functioning properly.

Shareholder engagement

The Company conducts proactive and constructive engagement with shareholders based on established systems and policy on initiatives to promote greater engagement. The director in charge of Investor Relations (The Group CFO) takes the lead in engaging with shareholders, while the Investor Relations Section of the Corporate Communications Department supports these efforts. At the financial results briefings, the Group CEO explains business results and future strategies. The Investor Relations Section meets with internal departments and shares information on a daily basis to gather information and promote engagement with shareholders. The director in charge of Investor Relations reports the views and concerns of shareholders found during the engagement to the executive management team, and regularly reports to the Board of Directors, which discusses this information. We established Regulations Concerning the Prevention of Insider Trading to ensure the fairness of information disclosures and prevent leakages of information that affect our stock price. We manage insider information appropriately according to these regulations, and a silent period was also established.

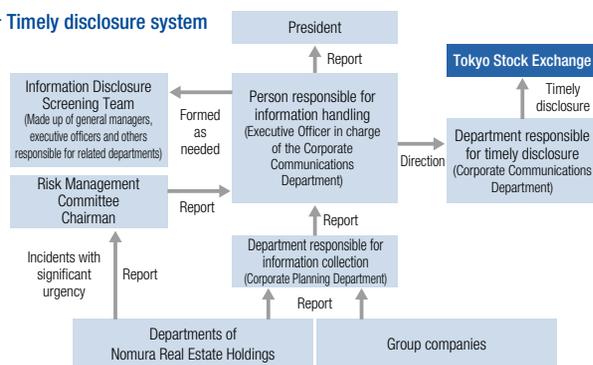
Compliance system



About the Risk Management Committee

- Held every two months in principle
- Extraordinary meetings held as necessary
- Reports to the Board of Directors/ Management Committee at least once every three months
- Roles
 - Regular monitoring of risks
 - Risk evaluation and analysis
 - Preemptive and preventive measures
 - Incident response
 - Measures to prevent repeat incidents
 - Improvement of compliance awareness

Timely disclosure system



Current status of investor relations activities

In order to attract more shareholders and prospective investors, we strive to enhance understanding of the Group's business activities and growth strategy through direct and indirect communications with both institutional and individual investors.

In addition, the Company was awarded the "Most Liked!" IR Award as part of the 2020 IR Award organized by the Japan Investor Relations Association (JIRA). The IR Award is based on the voting from companies that applied for the IR Award. Its objectives are to share their proactive IR experiences, and realize best practices.



Major IR activities during FY21/3

IR activities for institutional investors	Number of times held
Financial results briefings (Including Conference calls on financial results announcement days)	6
Meetings with investors and analysts (including the following meetings)	347
Conferences organized by securities companies	8
CEO small meeting	1
CFO small meeting	2
Business Unit Manager small meetings	1
ESG meetings	16
IR activities for individual investors	Number of times held
Conferences for individual investors	2
Company information session via the Internet	1

For further details and the latest information, visit the IR site.

[Japanese](https://www.nomura-re-hd.co.jp/) [English](https://www.nomura-re-hd.co.jp/english/ir/)